

## HOUSE BILL No. 2313

By Committee on Elections

2-12

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1 AN ACT concerning governmental ethics; relating to rural water districts;  
2 amending K.S.A. 75-4301a and repealing the existing section.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 75-4301a is hereby amended to read as follows: 75-  
6 4301a. As used in K.S.A. 75-4302a, 75-4303a, 75-4304, 75-4305 and 75-  
7 4306, and amendments thereto:

8 (a) "Substantial interest" means any of the following: (1) If an  
9 individual or an individual's spouse, either individually or collectively, has  
10 owned within the preceding 12 months a legal or equitable interest  
11 exceeding \$5,000 or 5% of any business, whichever is less, the individual  
12 has a substantial interest in that business.

13 (2) If an individual or an individual's spouse, either individually or  
14 collectively, has received during the preceding calendar year compensation  
15 which is or will be required to be included as taxable income on federal  
16 income tax returns of the individual and spouse in an aggregate amount of  
17 \$2,000 from any business or combination of businesses, the individual has  
18 a substantial interest in that business or combination of businesses.

19 (3) If an individual or an individual's spouse, either individually or  
20 collectively, has received in the preceding 12 months, without reasonable  
21 and valuable consideration, goods or services having an aggregate value of  
22 \$500 or more from a business or combination of businesses, the individual  
23 has a substantial interest in that business or combination of businesses.

24 (4) If an individual or an individual's spouse holds the position of  
25 officer, director, associate, partner or proprietor of any business, other than  
26 an organization exempt from federal taxation of corporations under section  
27 501(c)(3), (4), (6), (7), (8), (10) or (19) of chapter 26 of the United States  
28 code, the individual has a substantial interest in that business, irrespective  
29 of the amount of compensation received by the individual or individual's  
30 spouse.

31 (5) If an individual or an individual's spouse receives compensation  
32 which is a portion or percentage of each separate fee or commission paid  
33 to a business or combination of businesses, the individual has a substantial  
34 interest in any client or customer who pays fees or commissions to the  
35 business or combination of businesses from which fees or commissions the  
36 individual or the individual's spouse, either individually or collectively,

1 received an aggregate of \$2,000 or more in the preceding calendar year.

2 As used in this subsection, "client or customer" means a business or  
3 combination of businesses.

4 (b) "Business" means any corporation, association, partnership,  
5 proprietorship, trust, joint venture, and every other business interest,  
6 including ownership or use of land for income.

7 (c) "Local governmental employee" means any employee of any  
8 governmental subdivision or any of its agencies.

9 (d) "Local governmental officer" means any elected or appointed  
10 officer of any governmental subdivision or any of its agencies.

11 (e) "Candidate for local office" means any candidate for nomination  
12 or election to any elective office of a governmental subdivision.

13 (f) "Governmental subdivision" means any city, county, township,  
14 school district, drainage district or other governmental subdivision of the  
15 state having authority to receive or hold public moneys or funds.  
16 *Governmental subdivision shall not include rural water districts formed*  
17 *under K.S.A. 82a-612 et seq., and amendments thereto.*

18 (g) "Contracts" means agreements including but not limited to sales  
19 and conveyances of real and personal property and agreements for the  
20 performance of services.

21 (h) "Acts" means the exercise of power or authority or performance  
22 of any duty incident to public office or employment.

23 (i) "Compensation" means any money, thing of value or economic  
24 benefit conferred on, or received by, any person in return for services  
25 rendered, or to be rendered, by that person or another, but shall not mean  
26 nor include reimbursement of reasonable expenses if the reimbursement  
27 does not exceed the amount actually expended for the expenses and it is  
28 substantiated by an itemization of expenses.

29 (j) "Preceding calendar year" has its usual meaning, except that in the  
30 case of candidates and individuals newly appointed to office or  
31 employment, it means the 12 months immediately preceding a required  
32 filing date.

33 Sec. 2. K.S.A. 75-4301a is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its  
35 publication in the statute book.