

February 13, 2023

The Honorable Pat Proctor, Chairperson  
House Committee on Elections  
300 SW 10th Avenue, Room 218-N  
Topeka, Kansas 66612

Dear Representative Proctor:

**SUBJECT:** Fiscal Note for HB 2167 by House Committee on Elections

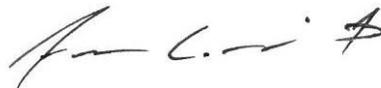
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2167 is respectfully submitted to your committee.

HB 2167 would prohibit a candidate or candidate committee from using political funds that are subject to the Campaign Finance Act from being used for a federal elective office. The bill would also prohibit a person from making or accepting any cryptocurrency contribution for any candidate or candidate committee that in the aggregate exceeds \$100 for any one primary or general election from any one person. The bill would also limit cryptocurrency contributions for a political or party committee from any one person to \$100 in aggregate for any calendar year. The value of a cryptocurrency contribution would be the fair market value of the cryptocurrency at the time the payment processor obtains possession of the contribution. The bill would require cryptocurrency contributions to be immediately converted to United States currency and deposited into the campaign account. A campaign would be prohibited from making expenditures in the form of cryptocurrency and holding cryptocurrency as an asset.

Before accepting a cryptocurrency contribution, a candidate, candidate committee, political committee, or party committee would have to obtain the contributor's personal contact information, affirmation the contributor is the owner of the cryptocurrency, and affirmation the contributor is not a foreign national. A cryptocurrency contribution would only be accepted if it is made and received through a United States-based cryptocurrency payment processor that utilizes procedures that enable the payment processor to form a reasonable belief that it knows the true identity of each contributor and collects the contributors name and address at the time the contribution is made and transmits the information to the committee. When reporting a cryptocurrency contribution, a treasurer would be required to report the amount and type of virtual currency received.

The Secretary of State indicates it would use existing resources to make changes to its campaign finance filing system. The Governmental Ethics Commission indicates it could have additional costs related to opinion publishing; however, the fiscal effect would be negligible. Any fiscal effect associated with HB 2167 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Sandy Tompkins, Office of the Secretary of State  
Mark Skoglund, Governmental Ethics Commission