| Approved | 3-25-87 | |
|----------|---------|--|
| | Date | |

| MINUTES OF THE <u>SENATE</u> COMMITTEE ON _ | ELECTIONS |
|---|---|
| The meeting was called to order by Senate | or Gordon at Chairperson |
| 1:30 <u>**</u> M./p.m. on <u>March 19</u> | , 19 <u>8</u> 7in room <u>522–S</u> of the Capitol. |
| All members were present except:x | |

Committee staff present:

Myrta Anderson, Legislative Research Department Arden Ensley, Revisor of Statutes Phil Lowe, Committee Secretary

Conferees appearing before the committee:

Janet Williams, Kansas Public Disclosure Commission Carol Williams, Kansas Public Disclosure Commission Nancy Ryan, Secretary of State's Office

Senator Bond moved and Senator Martin seconded the motion that the minutes of March 18, 1987 be approved. Motion carried.

HB 2071 -The bill was introduced by the House Committee on Federal and State Affairs. Myrta Anderson explained the bill and said the bill relates to state officers and employees and candidates for state office concerning conflicts of interest. Myrta said the bill is to include indirect, as well as, direct gifts of unknown value in the definition of substantial interest under the governmental ethics law. The bill would exclude gifts received as the result of the death of the donor from the definition of substantial interest. The House Committee amended the bill to also exclude from the definition of substantial interest gifts from grandparents, siblings, aunts or uncles or because a person acts as a trustee of trust for the benefit of another.

Janet Williams, representing the Public Disclosure Commission, said the commission is in favor of the bill and the legislation arises from the suit that was brought against the attorney general.

The committee had considerable discussion concerning lines 42 and 43of the bill as amended by the House Committee of Federal and State Affairs. It states that if a gift is received for which the value is unknown, the individual has a substantial interest in the donor. It was the consensus of the committee that the wording as to substantial interest in the donor should be clarified. The Revisor was instructed to work out language clarifying lines 42 and 43 and in line 46, page 2, after the word "gift" to insert "or bequests".

HB 2201 - Myrta Anderson said the bill repeals and provides that every person who engages in any activity promoting or opposing the adoption or repeal of any provision of the Kansas constitution and who accepts money or property for the purpose of engaging in such activity shall make an annual report to the Secretary of State of individual contributions or contributions in kind in an aggregate amount or value in excess of \$50 received during the preceding calendar year. In addition to the annual report, such person shall make a preliminary report 15 days prior to such election. The bi was requested by the Attorney General's office.

CONTINUATION SHEET

| MINUTES OF THE | Senate | COMMITTEE ON | Elections | |
|----------------------------|----------------------|--------------|-----------|--|
| room <u>522-S</u> , Stateh | ouse, at <u>1:30</u> | | March 19 | |

In answer to a question Nancy Ryan representing the Secretary of State's office responded that the news media primarily looks at these records and that very seldom any one else requests to see them.

A letter written by Robert Stephan, Attorney General, to the Chairman of the Committee, Senator Gordon, set forth some of the problems faced in attempts to comply with the statute during previous election years and also stated that he was in support of the amended House bill. (Attachment No. 1). A representative from the Attorney General's office is to come to the next meeting of the Committee, March 25, to respond to some unanswered questions regarding the reporting date of filing financial reports of constitutional campaigns and the reporting of funds as provided for by the amended language beginning with line 54 in the amended bill.

The meeting was adjourned.



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

March 18, 1987

MAIN PHONE: (913) 296-2215 CONSUMER PROTECTION: 296-3751

The Honorable Francis E. Gordon Chairman, Senate Elections Committee State Capitol, Room 128-S Topeka, Kansas 66612

Dear Chairman Gordon:

I understand your committee will be hearing testimony regarding House Bill No. 2201 on March 19, 1987. I support this bill and wish to briefly share my thoughts with you.

Enclosed please find a letter drafted to Representative Harper as Chairman of the House Elections Committee. This letter was written prior to the introduction of House Bill No. 2201. It sets forth some of the problems faced in attempts to comply with K.S.A. 25-4201 during previous election years. Also enclosed is a copy of our testimony to the House Elections Committee regarding the original draft of House Bill No. 2201. The concerns raised in both the letter and the testimony have been addressed in House Bill No. 2201 as amended by the House Elections Committee. I therefore am in support of this most recent draft.

Thank you for your consideration.

Very truly yours,

ROBERT T. STEPHAN Attorney General

RTS:JLM:jm Enclosures att # 1 Elections
Senate 87
3-19-87



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

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ROBERT T. STEPHAN
ATTORNEY GENERAL

January 16, 1987

MAIN PHONE: (913) 296-2215 CONSUMER PROTECTION: 296-3751

The Honorable Richard Harper Chairman, Elections Committee Room 175-W, State Capitol Topeka, Kansas 66612

Dear Chairman Harper:

During the 1986 election year, this office received several questions and complaints regarding the financial reports of constitutional campaigns required by K.S.A. 25-4201. I ask that your committee consider revising K.S.A. 25-4201, making it less cumbersome and more easily regulated.

In comparing K.S.A. 25-4201 to the pertinent provisions of the campaign finance act, K.S.A. 25-4119a et seq., it becomes apparent that the reporting requirements of the former are much stricter than those of the latter. K.S.A. 25-4201 requires the name, address and occupation be reported on every contributor, whereas K.S.A. 25-4148 requires only the name and address and only for persons who contribute an aggregate amount in excess of fifty dollars during the election period. Additionally, K.S.A. 25-4201 provides that violation of its reporting requirements shall constitute a class C misdemeanor. K.S.A. 25-4152 provides for the payment of civil penalties for failure to file certain reports and K.S.A. 25-4167 makes it a class A misdemeanor for intentional failure to file a required report under the campaign finance act. Reports required under the campaign finance act are monitored by the public disclosure commission. Reports required pursuant to K.S.A. 25-4201 are to be filed with the Secretary of State, but there is no provision for monitoring those reports.

Bringing the provisions of K.S.A. 25-4201 in line with the provisions of the campaign finance act would appear to be appropriate and desirable. In considering introduction of such a bill, should you desire the appearance of a member of my staff before your committee, we will be happy to provide such assistance.

at # 1 & lutions Sente 87 3-19-87 Thank you for your cooperation in this matter of mutual concern.

Very truly yours,

Robert T. Stephan Attorney General of Kansas

RTS:JLM:jm

cc: Carol Williams, Public Disclosure Commission

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STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 666.12-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

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Testimony of Deputy Attorney General
Julene L. Miller
to Committee on Elections
February 19, 1987

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on 1987 House Bill No. 2201.

During the 1986 election year, the office of the Attorney General received numerous questions and complaints regarding the financial reports of constitutional campaigns required by K.S.A. 25-4201. Because of the confusion and near inability to comply with the current provisions of K.S.A. 25-4201, we urge you to revise the requirements of that statute, making it less cumbersome and more easily regulated.

Many of the problems faced in reporting constitutional campaign finances appear to be resolved by House Bill No. 2201. However, a few questions remain unanswered. For instance, when does one become "engaged" in an activity promoting or opposing the adoption or repeal of a constitutional provision? Will the provisions of the bill

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kick in before a resolution is actually passed? Many organizations conduct ongoing operations in which money is received and expended continuously, even in non-election years. Will these organizations be required to report simply because there is a possibility they will be promoting or opposing adoption or repeal of a constitutional provision in the future? What about organizations lobbying for the status quo of a constitutional provision? Would this be considered "engaging" in an activity promoting or opposing the adoption or repeal of a constitutional amendment? The bill does not appear to address this situation.

K.S.A. 25-4148 of the Campaign Finance Act requires reporting of "the name and address of each person who has made one or more contributions in an aggregate amount or value in excess of \$50. . . . " It is unclear whether 1987 House Bill No. 2201 requires reporting of individual contributions in excess of \$50, or aggregate contributions in excess of \$50. It would not take many contributions to put an organization over the \$50 limit, when they would again be placed in a position of having to show the name and address of each and every one or two dollar contributor.

Finally, House Bill No. 2201, Section 1(c) provides that an intentional failure to report as required by Section 1(a) is a class A misdemeanor. Section 1(c) does not reference Section 1(b) notice provisions. It is not clear whether the penalty of Section 1(c) is coincident with the civil penalty

at # 1 3-19-87 provided in Section 1(b), or would apply only after Section 1(b) notice and failure to comply. It is suggested that Section 1(c) be amended to clearly provide that only intentional violations will be classified as class A misdemeanors, and that mere failure to file will be treated under Section 1(b) of the act.

Thank you for your consideration of these matters.

at # 1
3-19-87