

Approved: 2-9-94
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by Chairperson Marvin Smith at 9:00 a.m. on February 8, 1994 in Room 521-S of the Capitol.

All members were present except: Representative Lisa Benlon (E)
Representative Tom Bradley

Committee staff present: Carolyn Rampey, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Julian Efird, Legislative Research Department
Arden Ensley, Revisor of Statutes
Nancy Kippes, Committee Secretary

Conferees appearing before the committee:

Brad Bryant, Secretary of State's Office
Senator Tim Emert
Representative Carol Dawson
Representative Tim Carmody
Carol Williams, Kansas Commission on Governmental Standards and Conduct
Chuck Stones, Kansas Bankers Association

Others attending: See attached list

Brad Bryant, Secretary of State's Office, appeared before the committee to request introduction of two bills (Attachment 1). One bill provides for advance voting and the other would change the deadline for political organizations to submit petitions for official party recognition to June 10 for every year.

Representative Wells made a motion to introduce above bills. Representative O'Connor seconded. Motion carried.

Continued hearing on:

HB 2682 - abolishing the Kansas commission on interstate cooperation and providing for the membership, meetings and powers and duties of certain statutory committees.

Senator Tim Emert provided testimony on HB 2682 dealing with the re-structuring of certain committees and commissions in Kansas state government (Attachment 2). He stated he supports the intent of the bill to streamline and make more efficient our governmental operations, but he opposes the reduction to six of the membership on Joint Committee on Special Claims Against the State, of which he is chairman. He said the 13 members bring unique diversity of experiences and wide variety of personalities which is beneficial in the reduction of claims and costs to state government.

Representative Carol Dawson, Chair of the Joint Committee on Arts and Cultural Resources, testified she was opposed to cutting this committee because it has been helpful in giving arts and cultural organizations access to the legislature (Attachment 3).

Hearing on:

HB 2719 - election campaign finance; fees to commission on governmental standards and conduct fee fund.

Representative Tim Carmody provided written testimony (Attachment 4) in support of HB 2719, which would require candidates to keep their campaign funds in an interest bearing account and that interest be turned over

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 8, 1994.

Art Thompson briefly told how a similar program works for the attorneys in Kansas to aid some charitable efforts.

Carol Williams, Commission on Governmental Standards and Conduct, stated the Commission had not had an opportunity to review this bill, so she was testifying to provide background information on current law and to answer any questions (Attachment 5).

Chuck Stones, Kansas Bankers Association, provided testimony in objection to the operational burden HB 2719 places on financial institutions to pay a fee that the candidate is responsible for and requested an amendment to place the responsibility for paying the fee on the candidate (Attachment 6).

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for February 9, 1994.

GUEST LIST

COMMITTEE: House Governmental Organization & Elections DATE: 2-8-94

[illegible]

Bill Graves
Secretary of State



2nd Floor, State Capitol
Topeka, KS 66612-1594
(913) 296-2236

STATE OF KANSAS

House Committee on Governmental Organization and Elections

Brad Bryant, Deputy Assistant Secretary of State
Elections and Legislative Matters

February 8, 1994

Mr. Chairman and Members of the Committee:

The Secretary of State's office requests introduction of two bills.

A. The first bill can be referred to as an advance voting bill. It will require each county election officer to provide a central location where voters may vote during the week before each national and state primary and general election. This will make it easier for some voters who might have difficulty getting to the polls on election day, and it will reduce lines at the polls.

B. The second bill concerns the deadline for political organizations to submit petitions for official party recognition. Current law requires such petitions to be filed with the Secretary of State by sixty days before the June 10 candidate filing deadline; this year the deadline is April 11. We request the deadline be changed to June 10, which is more in line with other states' deadlines and more consistent with recent court decisions.

Thank you.

*House Govt. Org. + Elections
February 8, 1994
Attachment 1*

TIM EMERT
SENATOR, 15TH DISTRICT
ALLEN, CHAUTAUQUA, SE COFFEY,
MONTGOMERY, WILSON, WOODSON COUNTIES
P.O. BOX 747
INDEPENDENCE, KANSAS 67301
(316) 331-4831
STATE CAPITOL BUILDING, ROOM 143-N
TOPEKA, KS 66612-1504
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TOPEKA

SENATE CHAMBER

February 8, 1994

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION
AND ELECTIONS

Re: HB 2682
by
Senator Tim Emert

COMMITTEE ASSIGNMENTS
CHAIRMAN: JOINT COMMITTEE ON
CLAIMS AGAINST THE STATE
VICE CHAIRMAN: JUDICIARY
MEMBER: EDUCATION
ENERGY AND NATURAL
RESOURCES
TRANSPORTATION AND UTILITIES

It is a pleasure to appear before you today. I appreciate the courtesy of the chairman in allowing me to speak in opposition to a portion of HB 2682.

This bill deals with the re-structuring of certain and committees commissions in Kansas state government. I support the intent of the bill, to streamline and make more efficient our governmental operations. My concerns with the bill are found in New Section 34 on page 34 beginning at line 42.

The bill deals with restructuring of the legislature's Joint Committee on Special Claims Against the State. For the past year I have served as chairman of this committee. Presently, the committee is composed of thirteen members from the House and Senate. The committee acts as a court of equity whereby citizens of Kansas believing they have legitimate claims for monetary damages against the state because of actions or conditions of the state government, have the opportunity to file their claims, present their cases and be heard by this committee. Kansas can proudly say that through this committee it offers to its citizens the most direct and open access to state government of any state in the Union.

Before you reduce the committee to only six members, comprised

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Attachment 2

principally of practicing attorneys and members of the House Appropriations and Senate Ways and Means Committees, please consider my concerns. On first reading, the bill would appear to save the taxpayers of Kansas money, on its face the bill would appear to be a cost saving measure. I believe, that upon closer scrutiny, this may not be the case.

My comments today are based on my experience this past year as chairman of the committee in question. As it is now structured it brings to the table a unique diversity of experiences and a wide variety of personalities. The committee, in either form, acts much as a jury in a civil case. It is not accidental that in our judicial system we provide for twelve jurors. The reason being the same as with this committee the ability to bring to the process a broad variety of individuals to collectively decide cases.

This committee this past year has worked diligently and with dedication to each issue facing it. This is not a policy-making body as most legislative committees are, but rather a decision making group focused on individual claims.

The committee balances the rights of the claimant with the best interests of the state of Kansas. The best proof of the effectiveness of the present system is found in the product of its work. This session the product takes the form of Senate Bill 619, an appropriations bill that was heard this past week in Senate Ways and Means. This past year the committee handled 130 claims ranging in requests from a few dollars to \$600,000. Senate Bill 619 presents to the Legislature the shortest and least costly bill in the history of the committee. It is my fear that if the number of committee members is reduced the diversity of the committee will be diluted and the result will be the allowance of more claims and more costs to state government.

I feel this is truly a situation where what appears to be the cheapest product will resolve in more expense to the state.

Thank you for this opportunity and I would stand for questions.

STATE OF KANSAS

CAROL DAWSON
REPRESENTATIVE, 110TH DISTRICT
458 EAST THIRD
RUSSELL, KANSAS 67665

STATE CAPITOL
RM 182-W
TOPEKA, KANSAS 66612-1504
913-296-7637



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: COMMERCIAL AND FINANCIAL INSTITUTIONS
AND INSURANCE
GOVERNMENTAL ORGANIZATION AND ELECTIONS
TRANSPORTATION

CHAIRPERSON: JOINT COMMITTEE OF HOUSE AND SENATE:
ARTS AND CULTURAL RESOURCES

TO: GOVERNMENTAL ORGANIZATION & ELECTIONS COMMITTEE

RE: HB 2682

The Joint Committee on Arts & Cultural Resources was established in 1989. Upon completion of its second year of existence, the Joint Committee reflected on its role and determined that the public forum, which the Committee has provided to arts and cultural organizations, has been beneficial to the state of the arts in Kansas. It has been helpful because it has given arts and cultural organizations access to the Legislature. Prior to the formation of the Joint Committee, the only access to the Legislature which was available to arts and cultural organizations was through the appropriations process, in meetings with the subcommittees of the Senate Ways and Means and House Appropriations committees. The Joint Committee has given the opportunity to agencies to explain, in detail, entire programs and specific problems and feels that because of this, the visibility of the Kansas Arts Commission, the Kansas Committee for the Humanities, and the Kansas State Historical Society and local arts organizations has increased. On numerous occasions, it has been stated by the arts community that the existence of the Joint Committee is vital to the further advancement of arts in Kansas, because the Joint Committee has made the arts a priority. The Joint Committee was to sunset in 1993. In 1992, the Legislature made the committee a permanent committee.

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February 8, 1994
Attachment 3

**REVISED
AGENDA**

JOINT COMMITTEE ON ARTS AND CULTURAL RESOURCES

July 19-20, 1993
Room 526-S -- Statehouse

July 19, 1993

- 10:00 a.m. Opening Remarks and Introduction of Staff
- 10:15 a.m. Review of Charge of the Joint Committee
Ellen Piekalkiewicz, Legislative Research Department
- 10:30 a.m. Update on Statehouse Sculpture
Orion Jordan, Department of Administration
Richard Bergen, Artist, Ad Astra Sculpture
Lucinda Foster, Coordinator of Fund Raising for Capital Dome
John Hauptli, member of Capital Dome Project
Bob Burtch, Kansas Arts Commission
- 11:00 a.m. Statehouse Preservation and Placement of Artifacts in the Statehouse
Ellen Piekalkiewicz, Legislative Research Department
Orion Jordan, Department of Administration
Sonny Scroggins
- 12:00 noon Lunch
- 1:30 p.m. State Preservation Plan for Paper
Duane Johnson, State Library
Pat Michaelis, State Historical Society, Division Director, Library Archives

- 2:00 p.m. Introduction to Kansas State Historical Society Issues
Ramon Powers, Director, State Historical Society
- 2:15 p.m. Status Report on Center for Historical Research
Terry Marmet, State Historical Society, Director of Facilities
- 2:30 p.m. Community History Institute
Jennie Chinn, Director of Education and Outreach
Lois Herr, Museum Assistant -- Education Program
- 3:00 p.m. American Disability Act Implications
Terry Marmet
Dan Prosser, Historic Sites Architect
Jennie Chinn
Lois Herr
- 3:45 p.m. Historic Sites Master Plan
Debra Duncan, Legislative Research Department
- 3:55 p.m. State Historic Sites Review
Terry Marmet
Jennie Chinn

July 20, 1993

- 9:00 a.m. Historic Sites Realignment
Terry Marmet
Jennie Chinn
- 10:15 a.m. Depart for Lane University, Lecompton

10:45 a.m. Constitution Hall Development Plan
Terry Marmet
Jennie Chinn
Dan Prosser
Dale Watts, Historic Preservation Specialist

11:30 a.m. Former Senator Wint Winter
Paul Bahnmaier
Former Representative John Solbach
Representative Forrest Swall

12:30 p.m. Lunch at Lane University

1:30 p.m. Continuation of discussion and tour of Constitution Hall
Professor Dennis Domer, University of Kansas
Professor Berry Newton, University of Kansas
Professor Harris Stone, University of Kansas

3:00 p.m. Return to Topeka

3:30 p.m. Committee Discussion and Recommendations

**TENTATIVE
AGENDA**

JOINT COMMITTEE ON ARTS AND CULTURAL RESOURCES

September 19, 20, and 21, 1993
Wichita, Kansas

Sunday, September 19

5:45 p.m. Meet in Lobby of Wichita Royale Hotel and depart for dinner at Crown-Uptown Theater*

Monday, September 20

7:45 a.m. Depart Hotel for Litwin Gallery*

8:00 a.m. Litwin Gallery

9:15 a.m. Depart for Wichita Center for the Arts

9:30 a.m. Wichita Center for the Arts

11:00 a.m. Lunch/Tour of Cowtown

1:00 p.m. Wichita Art Museum

3:00 p.m. Allen Lamb House

4:45 p.m. Return to Wichita Royale Hotel

6:00 p.m. Depart for Dinner at Botanica*

* Transportation will be provided.

September 21, 1991

- 7:45 a.m. Depart for Ulrich Museum of Arts, Wichita State University*
- 8:00 a.m. Continental Breakfast -- Ulrich Museum of Arts
Introduction -- Fred Suderman, Vice-President for Governmental/Industrial Relations
Welcome -- Eugene Hughes, President, Wichita State University
Opening Remarks -- Walter Myers, Dean, College of Fine Arts
Art Exhibit -- Donald Knaub, Director, Ulrich Museum of Art
Lieurance Woodwind Quintet -- Wichita State University Faculty
- 8:35 a.m. School of Art and Design Showcase, McKnight Art Center
Tour -- Donald Byrum, Chair
- 9:20 a.m. Wichita State University Outdoor Sculpture Exhibition
- 10:00 a.m. Modern Dance Class II, Heskett Center
Anita Lemon, Dance Professor
Kevin Veiga, Director of Dance
- 10:25 a.m. Wichita State University Outdoor Sculpture Exhibition (continued)
- 10:50 a.m. Introduction, Wiedemann Hall, Dr. Harold Popp, Chair. School of Music
Recital, The Great Marcussen Organ, Robert Town, Professor of Organ
Recital, Fairmount String Quartet, Wichita State University Faculty
- 11:30 a.m. Walking Tour of Duerksen Fine Arts Center
Michael Burgraff, Manager, Performance Facilities
- 11:45 a.m. Tour of Wilner Auditorium
Dr. Leroy Clark, Chair, School of Performing Arts
Attend Advanced Acting Class -- Professor Joyce Cavarozzi
- 12:10 p.m. Walking Tour of Henrion Hall
Donald Byrum
- 12:20 p.m. Pick-up/transportation to University Alumni and Faculty Club, Henrion Hall
- 12:30 p.m. Lunch, University Alumni and Faculty Club
- 1:30 p.m. Committee discussion and review of bill draft on art work in the Statehouse, Marcus Center, Room 207

93-7269/EP

* Transportation will be provided.

feel rage and helplessness read headlines like "Insider esses have made S&L's mess This story in The Wichita t. 24, caused me to ask, happened to Integrity?"

Wichita can be grateful that not dead. A member of the Friends of Campbell Castle, recent meeting used that word Robert L. Marsh, president Historical Preservation Alliance. en helping establish a board is of Campbell Castle, Inc. lers in our community are all Integrity.

be sure when you are invite-tribute to this corporation that you can give will be used very for the purposes described. be no "messiness" about this fund-raising effort.

ur protection, a process has blished to take care of the ssibility that this effort does ed. Identified gifts will be re- is has been well planned and We know this will not be since there is broad commu-ort for saving this incredibly piece of property known as the Castle. This is a strong, well- and dedicated group of mem- volunteers.

you contribute are secure and inds of citizens of Integrity.

VIOLA JONES
Wichita

Is of a feather

ct. 3 Eagle reported that a e was won by the USA Nation-ty which allows a November i Pennsylvania to promote as- homosexual people. It will be "Gay Bash" march.

oming up are Neo-Nazis, the Klan and their pals on Phila- cable TV.

re live in a crazy world. Any ng member would have great or any "faggot." So would skin- d klansmen. Isn't it great that erse groups could find a com- rality?

JIM E. FOSTER
Wichita

must be signed with the writer's true name, address and daytime phone number, if any. Only the name and city will be published. Letters may be edited for length and clarity. Send letters to Public Forum, The Wichita Eagle, P.O. Box 820, Wichita, Kan., 67201.

Wichita boosted in arts, culture

The Joint Committee on Arts and Cultural Resources met in Wichita last week to review the Wichita community. Perhaps a brief history of the committee would be helpful to fully understand the purpose of the trip. Five years ago, the Kansas Legislature formed this committee to study and promote the esthetic values of the arts and the cultural resources throughout Kansas. Last year the Legislature, realizing the importance of these resources, made this committee a permanent (standing) committee to meet when the Legislature is not in session.

The past five years the committee has traveled across the state to study state-owned historical sites and cultures unique to a specific area.

The committee has discovered many of Kansas best-kept secrets, and Wichita is no exception.

The Wichita Convention & Visitors Bureau and Wichita State University provided the committee an opportunity to see the positive side of the community and the exceptional resources available.

The Wichita community through private and public effort has one of the finest opportunities to view the arts. The dedication to work together, provide accessibility to all and encourage young artists to stay in Kansas is applauded.

Many times Kansans travel across the United States, stopping along the way to enjoy the arts and history of the area. I encourage the people of the Wichita area to seek out the opportunities in your own back yard. You will be pleasantly surprised.

Rep. CAROL DAWSON
Joint Committee Chairman
Russell

in reference to the Oct. 5 Cal Thomas column, "The Big Ms.take."

The sampling of 1,065 adults polled isn't enough to convince me that more women than men nationwide think that wives should stay home and husbands should work. I am not too amazed that from this same group, however, 48 percent think women's lives have become harder because of the women's movement — with 41 percent of the men agreeing.

I am sick of juvenile crime as well as divorce being linked to the feminist movement. My guess is that divorce has increased because more women are less inclined to be used as doormats. If this is because of the feminist movement, then it is a good thing. I doubt that anyone knows for sure why juvenile crime has increased, but it will take the efforts of both parents as well as society to solve it.

In spite of Cal Thomas column about the choice of women, I would hope that a large proportion of women are tired of staying home and applauding their husband's efforts. Women have been taught for too long to appear stupid, inferior and passive about everything. They have been encouraged to be cheerleaders instead of being on the team; nurses instead of doctors; legal secretaries in place of lawyers; teachers of art and writing, but rarely artists and writers. Dependence and poverty, of course, is the end result for too many women and children.

I am grateful for the strong, intelligent women of today such as Hillary Rodham Clinton and Janet Reno and many others who are making worthwhile contributions to our society outside their home. I doubt if they are spending much time thinking about the virtues of staying home and how many so-called problems the feminist movement has and is causing our society.

COYITA ROBBINS
Wichita

DAILY PRAYER

Help us, God, to break through the barriers of negative thinking — thinking we can't do or don't deserve something. With you as our guide and strength, help us set and reach our personal goals. Amen.

NESBURY

UTTS, I HAVE A
SM. HERE IN
IT'S NOT ACCEPT-



WELL, THAT'S BOUND TO CHANGE,
MISSY! IN TAIWAN, FOR EX-
AMPLE, BEFORE U.S. TOBACCO
COMPANIES ENTERED THE



BUT AFTER ONLY
FOUR YEARS OF AD-
VERTISING, THAT FIGURE
CLIMBED TO 20%

COOL!
'CAUSE
I LOVE

LOTS OF
GIRLS DO!
THAT'S





TOPEKA

HOUSE OF
REPRESENTATIVES

Testimony in
Support of HB 2719
by Rep. Tim Carmody

TIM CARMODY
REPRESENTATIVE, SIXTEENTH DISTRICT
10710 W. 102ND STREET
OVERLAND PARK, KS 66214

ROOM 175-W
STATE CAPITOL
TOPEKA, KANSAS 66612-1504
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COMMITTEE ASSIGNMENTS
VICE-CHAIR: JUDICIARY
MEMBER: APPROPRIATIONS
LABOR & INDUSTRY
KPERS STUDY COMMISSION

The idea behind this bill is not an original one. It is already in effect and being used in a program called Interest On Lawyer Trust Accounts, a program instituted by Kansas Supreme Court rule for attorneys in the State of Kansas. IOLTA, as the program is known, requires lawyers to keep their clients' money in an interest bearing account and the interest is paid regularly by the bank to the Kansas Bar Foundation. The Kansas Bar Foundation conducts public information programs on the role of law in our society and a representative from the program will address the committee later this morning. IOLTA is an encouraging precedent because it has resolved many of the issues concerning the participation of financial institutions and how interest is remitted. As I understand from the Bar Foundation people, since the interest is not under the control of the taxpayer-lawyer, it is not reported to the IRS as taxable income to that lawyer. This is one aspect that stirred my interest in proposing a similar program for campaign accounts.

I have conducted an informal survey of legislative and local candidates and I have found that most candidates do not keep their campaign funds in an interest bearing account for the reason that the paper work and tax implications are simply not worth the trouble. For instance, some candidates who do put their campaign accounts in an interest bearing account, then report the interest on their Form 1040 each year and pay most the additional tax from their own funds. A variation of this is that the candidate pays the tax but then reimburses him or herself from their campaign account for the tax attributable to the interest on the campaign account. This practice has been approved by the Kansas Commission on Governmental Standards and Ethics. However, most candidates, myself included, simply do not want the time and hassle of doing this and it seems to me a dog chasing its tail situation where we receive campaign contributions, earn interest on those contributions, pay tax on those

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Attachment 4*

contributions from our own funds, and then reimburse ourselves from the same campaign accounts. Would it not be easier to have the interest paid directly to a third party and not attribute the tax to the candidate at all?

Another question should be how much this program would generate and is the amount generated a significant amount? The report of the Kansas Commission on Governmental Standards and Ethics shows balances in candidates accounts as of December 31. The 1993 report is not yet available. But based on the accounts at the end of December '92 and attributing an interest rate of approximately 3%, this should generate between \$80,000 and \$100,000. I recognize that an end of year balance is not the same as an average balance over a calendar year but it is nevertheless a reasonable starting point. I also recognize the fact that the amount generated will always be variable due to the balances in the accounts and the prevailing rate of interest. Balances can very tremendously in a gubernatorial election year and the rate of interest can change significantly over a period of time. However, I might point out that simply a change in prevailing interest rates from 3 to 4% would generate 25% more revenue on the same amount of money.

The Kansas Commission on Governmental Standards and Ethics has consistently been in the middle of disputes over funding. These disputes are in part a fundamental dispute over the scope of jurisdiction of the commission and the wisdom of the public policy which established it to begin with. However, my feeling is that whether we agree or disagree on these points the commission is a fact of life and if we are to have the commission exist at all it should be adequately funded in order to do its job. Of the current budget approximately \$120,000 is now generated by filing fees of candidates. Interest on campaign accounts going into the same fund is a logical extension of this principle. It has also come to my attention that current law does not even require candidates to keep their cash in any account, interest bearing or not. Although there are only a few of these "cash only" accounts, these accounts are difficult if not impossible to adequately monitor or audit. Therefore, this bill would require all candidates keep their funds in an account and all expenses would be paid from that account, thus easing the job of the Commission.

The final issue I would like to address is the question of the administrative burden this might place upon financial institutions. As you will hear from one of the conferees explaining IOLTA, the bank may charge

an administrative fee for transferring these funds directly into a state fee fund. I also point out that currently banks can loan out and otherwise invest campaign accounts and I am sure that they receive the prevailing rate of interest on those loans. However, they are currently not paying any interest on most campaign accounts and I simply pose the question: Is it fair to provide institutions with a source of loan money without asking something in return that would benefit the people of the state of Kansas?

I urge your support of HB 2719 and will stand for any questions.



KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

Testimony before House Governmental Organization and Elections House Bill 2719 by Carol Williams

House Bill 2719, which is before you this morning, amends K.S.A. 25-4147, a provision in the Campaign Finance Act.

The Commission has not had an opportunity to review this bill. Their next meeting is scheduled for February 17, 1994. Traditionally, the Commission has not taken a position on any bill not recommended by them in their annual report. I am testifying this morning to provide background information on current law and to answer any questions you might have concerning K.S.A. 25-4147 and the proposed changes in HB 2719.

House Bill 2719 would require any candidate that receives contributions to open an interest-bearing account in a financial institution licensed or chartered by the state or federal government. Currently, there is no provision in the statutes to require a candidate to maintain a campaign bank account. Candidates and treasurers are prohibited, though, from commingling contributions and other receipts received by the campaign with their personal funds.

The interest generated by these campaign accounts would be remitted at least quarterly to the State Treasurer who would in turn credit the Kansas Commission on Governmental Standards and Conduct fee fund.

The Kansas legislature established a fee fund for the Commission in 1991. The Commission currently receives fees from candidates when they file for office, from lobbyists when they register to lobby, and from political action committees each year on or before July 1. The fee fund was credited with \$59,415 in FY 1992 and \$83,944 in FY 1993. We anticipate receiving \$62,130 in fees this fiscal year and project \$48,000 in fees being generated in FY 1995.

The Commission has been asked on several occasions by its appropriations subcommittees in both the House and the Senate to consider new ways of generating additional revenue for the fee

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 Attachment 5*

Testimony on HB 2719
by Carol Williams

fund. In the past, the Commission has suggested additional revenue by increasing the dollar amount of fees paid by candidates, political action committees and lobbyists. The proposed language in this bill would provide another alternative source of revenue for the agency.

For technical clarification, new section two on page two requires candidates who file in accordance with K.S.A. 25-901 to pay a fee in an amount equal to the interest received on money deposited in candidate contribution accounts established in K.S.A. 25-4147. The Campaign Finance Act does not apply to local candidates who fall under K.S.A. 25-901 or 25-904, therefore the proposed language requiring a campaign account in K.S.A. 25-4147 would not affect these candidates. K.S.A. 25-901 and K.S.A. 25-904 would need to be amended with the proposed language in K.S.A. 25-4147 if the Commission's fee fund is to receive interest earned on these local campaign bank accounts.

The Kansas Bankers Association

1500 Merchants National Bank Bldg.

Topeka, KS 66612

913-232-3444 FAX 913-232-3484

TO: House Governmental Organization and Elections Committee

FROM: Chuck Stones, Director of Research

RE: HB 2719

Mr. Chairman and Members of the Committee:

The Kansas Bankers Association appreciates the opportunity to appear before you to discuss HB 2719.

The KBA does not oppose the policy question involved within HB 2719, however we do object to the portion of New Sec. 2, page 2, lines 18 & 19, requiring the financial institution to be responsible for remitting the "fee for financing of costs incurred by the KCGSC." This would place an undue burden on the financial institution without the ability to offset this responsibility with corresponding fees. This campaign finance "fee" is being assessed to the candidate and it should be the candidate's responsibility to remit it.

Reference has been made to this proposal being modeled after the IOLTA (Interest on Lawyers Trust Accounts) accounts currently being held by financial institutions. Please allow me to point out some differences, as we see them. First, IOLTA's interest is to a tax-exempt foundation with a T.I.N.. Interest on IOLTA's are reported under the Foundations Tax ID number, we are unclear how the financial institution would report the interest under this bill. Secondly, most financial institutions consider IOLTA's to be a major burden, but that burden is eased somewhat by knowing that the interest is being used to fund a charitable cause. Collecting and dispensing money to fund a state agency does not seem to fall in that same category.

In conclusion, we do not oppose the concept of HB 2719, that is a policy decision this Legislature will have to make. We do, however, object to the operational burden this bill would place on financial institutions to pay a fee that the candidate is responsible for. We respectfully request that HB 2719 be amended to place the responsibility for paying the fee where it belongs, on the one against whom it is being assessed, the candidate.



*House Gov't Org + Elections
February 8, 1994
Attachment 6*