

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2535

As Amended by House Committee on Elections

Brief*

HB 2535, as amended, would prohibit making or accepting contributions in cryptocurrency by a candidate or candidate, political, or party committee and prohibit candidates and candidate committees from holding any campaign asset in cryptocurrency.

The bill would also remove a provision prohibiting the use of political funds subject to reporting requirements under the Campaign Finance Act in or for the campaign of a candidate for federal elective office.

Background

The bill was introduced by the House Committee on Elections at the request of Representative Waggoner.

[*Note:* Provisions of the bill are similar to those in 2023 HB 2167, as amended by the House Committee on Elections.]

House Committee on Elections

In the House Committee hearing, a representative of the Kansas Governmental Ethics Commission (KGEC) provided **proponent** testimony, stating the bill would proactively address cryptocurrency contributions and would allow political committees and party committees to support their federal

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

candidates. The representative also suggested an amendment to prohibit holding any campaign asset in cryptocurrency.

No other testimony was provided.

The House Committee amended the bill to prohibit a candidate or candidate committee from holding any campaign asset in cryptocurrency.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KGEC indicates enactment of the bill would have a fiscal effect if a cryptocurrency contribution triggered an investigation, but it is unable to estimate the effect.

The Office of the Secretary of State states the bill would not have a fiscal effect on agency operations.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

The Kansas Association of Counties states the bill would not have a fiscal effect.

Campaign finance; cryptocurrency; campaign contributions; candidate; political committee; party committee; candidate for federal office; Campaign Finance Act; Kansas Governmental Ethics Commission