

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 45**

As Recommended by House Committee on  
Elections

**Brief\***

House Sub. for SB 45 would make a number of changes related to campaign finance law. The bill would change the threshold amount that triggers detailed reporting requirements for candidates, party or political committees, and lobbyists; would make changes to laws governing what a state officer, state employee, candidate for state office, or state officer elect could accept, as well as what a person with a special interest could offer; and would authorize a candidate or candidate committee to transfer unexpended campaign funds to a *bona fide* successor committee or candidacy.

***Reporting Requirements***

Regarding candidates, the bill would increase the amount that triggers whether the candidate may file an affidavit instead of a detailed report of campaign contributions or expenditures. Under the bill, if a candidate intends to spend less than \$1,000 (instead of the current amount of \$500) and receive less than \$1,000 (instead of the current amount of \$500) for either the primary or general election, the candidate would be required to file an affidavit of such intent with the Secretary of State or the county election officer, as applicable. By revising both KSA 25-904 and KSA 25-4173, this change would affect every candidate for election to any state office or the following local offices: cities of the first, second, or third class, unified school districts, counties, community colleges, townships, and the board of public utilities.

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\*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>

A similar change is made with regard to party or political committees. Under the bill, for any calendar year in which such committee intends to spend less than \$1,000 (instead of the current amount of \$500) and receive contributions less than \$1,000 (instead of the current amount of \$500), the committee treasurer would be required to file an affidavit of such intent with the Secretary of State.

With respect to lobbyists, the bill would delete the requirement that a lobbyist file a year-end summary report when the lobbyist has spent an aggregate amount of less than \$100 for lobbying in any reporting period during that year. The bill would increase, from \$2 to \$5, the limit on individual expenditures that lobbyists are not required to report.

### ***Gifts***

Under the bill, transportation by ground conveyance within the State of Kansas would no longer be considered a gift. The bill also would increase, from \$25 to \$50, the price of a free or discounted meal that could be accepted by a member of the executive branch from a source outside of state government.

### ***Transfer of Campaign Funds***

The bill would amend provisions of the Campaign Finance Act concerning the use of unexpended campaign funds, and would add a new section to the Act. The bill would authorize a candidate or candidate committee to transfer campaign funds to a *bona fide* successor committee or candidacy. A candidate or committee transferring campaign funds in these circumstances would be required to transfer the entire balance remaining in the account and close the account from which the funds were transferred. Transfers made between January 1, 1976, and the effective date of the bill would be validated.

Under the bill, such transfers would only be authorized if the successor committee or candidacy was established by a candidate for state office. This would mean funds could be transferred from a candidate's local campaign fund to the candidate's state campaign fund, but could not be transferred from a state campaign fund to a local campaign fund. Additionally, transfers of campaign funds could only be made to successors if the transferring candidate or candidate committee had first satisfied all debts, liabilities, and expenses owed by the candidate or committee.

The bill would create or expand several definitions found in campaign finance law. The bill would create a definition of "public office," defining the term as a state or local office. The bill also would create a definition of "*bona fide* successor committee or candidacy." This term would be defined as:

- The candidate's campaign committee or candidacy for a state office initiated at the termination of the original candidacy; or
- The candidate's campaign committee or candidacy initiated at the time of the transfer of all moneys to a new campaign committee or candidacy for state office after all debts, liabilities, and expenses are satisfied.

In addition, transfers of campaign funds to *bona fide* successor committees or candidacies would be expressly excluded from the definition of "contribution."

## **Background**

The House Committee on Elections deleted the contents of 2013 SB 45 and inserted the contents of 2013 SB 100, as amended by the House Committee on Elections, and 2013 HB 2112, as amended by the House Committee on Elections. The history of those bills follows.

### **2013 SB 100**

The bill was introduced by the Senate Committee on Ethics, Elections, and Local Government upon request by the Kansas Governmental Ethics Commission (KGEC). At the Senate Committee hearing the KGEC Executive Director testified favorably, indicating the KGEC believes the year-end summary report is redundant and unnecessary. No other testimony was received.

The Senate Committee amended the bill to add the contents of SB 98, which dealt with candidate reporting requirements for specified local offices, and expanded the amendment to include an identical change to the statute dealing with the same requirements in the Campaign Finance Act (which covers state offices and offices in cities of the first class, unified school districts with a student population of 35,000 or greater, counties, and the board of public utilities).

The House Committee on Elections amended the bill to add the contents of HB 2314 (which dealt with hospitality and gifting by lobbyists) as amended by the Committee, except the current statutory limit of \$100 for hospitality in the form of recreation was retained. The Committee also included party or political committees as entities for which the limit triggering detailed reporting of expenditures and contributions was raised from \$500 to \$1,000.

2013 SB 100 was stricken from the House Calendar in April 2013.

## **2013 HB 2112**

The bill was introduced by the House Elections Committee. Senator Olson testified as a proponent at the House Committee hearing, stating many people run for another office at some point in time, leaving money stranded in their account for a prior campaign. It is his opinion that most donations are made by constituents because of their support of a candidate in general, not just a specific office.

There was no neutral or opponent testimony on the bill.

The House Committee on Elections amended the bill to specify that transfers of funds could not be made from state candidates or committees to local candidates or committees. The language does not prohibit transfers from local candidates or committees to state candidates or committees. The Committee added a requirement that candidates or committees satisfy all debts, liabilities, and expenses prior to transferring funds, and accordingly deleted language allowing a transferring candidacy to remain open for the purpose of accepting contributions to pay off debt remaining in the account.

The bill passed the House of Representatives and was referred to the Senate Committee on Ethics and Elections, where it was located at the time the House Elections Committee took action on House Sub. for SB 45.

### ***Fiscal Notes***

There was no fiscal note for House Sub. for SB 45 at the time of the House Elections Committee action. Information on the fiscal notes for the bills that, in whole or part, became House Sub. for SB 45 is provided below.

The Division of the Budget fiscal note on SB 100, as introduced, indicates passage of the original bill would have no fiscal effect on the KGEC except for a very small savings

amount. The fiscal note on SB 98, as introduced, indicates passage of the bill would have no fiscal effect. The fiscal note on HB 2314 indicated the bill would have no direct effect on the state budget. The fiscal note for HB 2112 indicated the bill, as introduced, would have no fiscal effect on state revenues or expenditures.