



GOVERNMENTAL ETHICS COMMISSION

<https://ethics.kansas.gov>

Proponent Testimony for HB 2172
Mark Skoglund, Executive Director
Kansas Governmental Ethics Commission

Thank you for the opportunity to provide testimony in favor of HB 2172.

The Commission is a proponent of legislation that addresses a specific legislative recommendation from its Annual Report and is neutral to most other initiatives. This bill would ease enforcement of timely lobbyist reporting and resolve an underlying statutory conflict.

Current Law

Civil penalties are automatically assessed for late filing of reports, whether they are campaign finance reports, lobbyist reports, or statements of substantial interest. These penalties may be waived or reduced by the Commission for good cause shown.

For lobbyist civil penalties, there is a two-day grace period built into the statute before penalties are assessed. The penalty increases each day to a maximum of \$1000, which would be reached once a report is 22 days late, accounting for the grace period.

When a report is not filed timely, the Commission mails a certified Failure to File Notice to the individual.

Statutory Conflict

Before 2018 HB 2642 which increased civil penalties (and it appears, increased compliance as well), the two-day grace period did not begin running until receipt of the Failure to File Notice could be confirmed. The amended K.S.A. 46-280(b) provides that:

Subject to the notice provisions...reports required for lobbyists...that are late more than 48 hours shall be subject to civil penalties...

The statute is clear regarding when civil penalties should begin, but there is potential room for a dispute regarding whether the "notice provisions" include that the grace period shall not begin until receipt of the Failure to File Notice. HB 2172 would unambiguously resolve this potential dispute.

Additionally, paper filing introduces a number of avenues for errors. Candidates may have illegible handwriting, a contribution may be misidentified as from a political action committee instead of a company, or a number could be mistyped when entered into the database.

Cost and Efficiency

While a secondary consideration to data access and availability, the Ethics Commission is always seeking avenues for efficiency. Mandated electronic filing would increase the ability of the Commission staff to enforce the laws and introduce cost savings.

Processing paper campaign filings requires a great deal of employee time both in data entry and desk reviews. Time that is not spent categorizing contributions or entering lines into a database is time that can be spent reviewing those reports for compliance earlier, conducting audits to assist campaigns, occasionally handling audits to investigate concerns, or working on advisory opinions to provide guidance.

Additionally, the agency would experience cost savings, including:

1. Data entry temps would not need to be hired in election years.
2. Errors and Omissions Notices would be sizably decreased. A number of common errors could be prevented in an electronic submission system, such as omitting required fields or calculation errors. This decrease would result in savings in mail expenses. Postage is a significant component of the agency's non-salary budget.
3. Forms and reports would not need to be printed. Printing is another significant component of the budget.