

SESSION OF 2017

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE  
BILL NO. 2223**

As Amended by House Committee on Elections

**Brief\***

Sub. for HB 2223, as amended, would establish new penalties for late-filed candidates' campaign finance reports that were due immediately prior to a primary or general election (Section 1). The bill would also require similar penalties for the late filing of certain political committees' reports (also Section 1). Finally, the bill would address lobbyists' reporting format and penalties (Sections 2 and 3).

***Penalties for Late Filing of Candidates' Last-minute Reports***

Under the bill, candidates' reports due the eighth day preceding a primary or general election and filed more than 48 hours late would be subject to a civil penalty. The bill would specify the candidate would be liable for a penalty of \$100 for the first day such report was more than 48 hours late, and \$50 for each subsequent day the report was late. Notice requirements regarding late reports in current law would be unchanged. The Governmental Ethics Commission would be able to waive these penalties for good cause.

***Penalties for Late Filing of Certain Political Committees' Reports***

The bill would apply the same civil penalty schedule proposed for late filing of candidates' last reports to each political committee that anticipates receiving \$2,501 or more

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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>

in any calendar year and is more than 48 hours late in submitting the reports required under KSA 2016 Supp. 25-4145 (reporting of organizational information and contribution receipts) and KSA 2016 Supp. 25-4148 (reporting of contributions made to candidates). The Governmental Ethics Commission would be able to waive these penalties for good cause.

### ***Changes Regarding Lobbyist Reporting***

The bill would require every lobbyist electronically file the required reports of employment and expenditures. (Current law does not specify the filing format.) The bill would also make late filing of these reports subject to the same civil penalty amounts as applied under the bill to late last-minute campaign finance reports (*i.e.*, \$100 for the first day such report was more than 48 hours late, and \$50 for each subsequent day the report was late). The Governmental Ethics Commission would be able to waive these penalties for good cause.

### **Background**

The bill was introduced in the House Committee on Elections at the request of Representative Carpenter. In the House Committee hearing, Representative Carpenter appeared in support of the bill. He testified the bill would add more accountability and transparency to the election process by encouraging candidates to turn reports in on time, giving the public and the media access to the information before the election. A citizen provided written testimony in support of the bill. The Executive Director of the Governmental Ethics Commission testified as neutral on the bill. She provided a summary of current law and some background information on late reports and associated civil penalties during the 2016 election cycle. No other testimony was provided on the bill.

The House Committee recommended adoption of a substitute bill with the following changes from the original

language of the bill: reducing the amount of the civil penalties that could be assessed for reports filed more than 48 hours late, specifying that candidates and not treasurers would be liable for the civil fines, imposing the fines only for candidates in current primary and general election races (as opposed to any person required to make a report as in the bill, as introduced), requiring electronic filing of reports by candidates to the Kansas House and Senate, and making the provisions of the bill also applicable to lobbyists.

Upon re-referral, the House Committee amended the bill to remove the requirement that state senate and house of representatives candidates file their reports electronically and only with the Secretary of State, and add penalties for late reporting by certain political committees.

According to the fiscal note prepared by the Division of the Budget, the Governmental Ethics Commission indicated enactment of the bill, as introduced, would have a fiscal effect on the agency due to fines assessed. The agency is unable to estimate how many civil fines would be assessed or the amount of fines that would go into the Commission's fee fund.

An updated fiscal note was not available at the time of amendment by the Senate Committee. Any fiscal effect associated with the bill, as introduced, is not reflected in *The FY 2018 Governor's Budget Report*.