

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend House Substitute for Substitute for **SB 127**, on page 3, in line 2, by striking "\$500" and inserting "\$750"; in line 6, by striking "\$1,000" and inserting "\$1,500";

On page 4, in line 6, by striking "\$500" and inserting "\$750"; in line 9, by striking "\$1,000" and inserting "\$1,500";

On page 5, following line 19, by inserting the following:

"Sec. 5. K.S.A. 2010 Supp. 25-4143 is hereby amended to read as follows: 25-4143. As used in the campaign finance act, unless the context otherwise requires:

- (a) "Candidate" means an individual who:
 - (1) Appoints a treasurer or a candidate committee;
 - (2) makes a public announcement of intention to seek nomination or election to state or local office;
 - (3) makes any expenditure or accepts any contribution for such person's nomination or election to any state or local office; or
 - (4) files a declaration or petition to become a candidate for state or local office.
- (b) "Candidate committee" means a committee appointed by a candidate to receive contributions and make expenditures for the candidate.
- (c) "Clearly identified candidate" means a candidate who has been identified by the:
 - (1) Use of the name of the candidate;
 - (2) use of a photograph or drawing of the candidate; or
 - (3) unambiguous reference to the candidate whether or not the name, photograph or drawing of such candidate is used.

(d) "Commission" means the governmental ethics commission.

(e) (1) "Contribution" means:

(A) Any advance, conveyance, deposit, distribution, gift, loan or payment of money or any other thing of value given to a candidate, candidate committee, party committee or political committee for the express purpose of nominating, electing or defeating a clearly identified candidate for a state or local office;

(B) any advance, conveyance, deposit, distribution, gift, loan or payment of money or any other thing of value made to expressly advocate the nomination, election or defeat of a clearly identified candidate for a state or local office;

(C) a transfer of funds between any two or more candidate committees, party committees or political committees;

(D) the payment, by any person other than a candidate, candidate committee, party committee or political committee, of compensation to an individual for the personal services rendered without charge to or for a candidate's campaign or to or for any such committee;

(E) the purchase of tickets or admissions to, or advertisements in journals or programs for, testimonial events; and

(F) a mailing of materials designed to expressly advocate the nomination, election or defeat of a clearly identified candidate, which is made and paid for by a party committee with the consent of such candidate.

(2) "Contribution" does not include:

(A) The value of volunteer services provided without compensation;

(B) costs to a volunteer related to the rendering of volunteer services not exceeding a fair market value of \$50 during an allocable election period as provided in K.S.A. 25-4149, and amendments thereto;

(C) payment by a candidate or candidate's spouse for personal meals, lodging and travel by personal automobile of the candidate or candidate's spouse while campaigning;

(D) the value of goods donated to events such as testimonial events, bake sales, garage sales and auctions by any person not exceeding a fair market value of \$50 per event; or

(E) the transfer of campaign funds to a bona fide successor committee or candidacy in accordance with K.S.A. 25-4157a, and amendments thereto.

(f) "Election" means:

(1) A primary or general election for state or local office; and

(2) a convention or caucus of a political party held to nominate a candidate for state or local office.

(g) (1) "Expenditure" means:

(A) Any purchase, payment, distribution, loan, advance, deposit or gift of money or any other thing of value made by a candidate, candidate committee, party committee or political committee for the express purpose of nominating, electing or defeating a clearly identified candidate for a state or local office;:

(B) any purchase, payment, distribution, loan, advance, deposit or gift of money or any other thing of value made to expressly advocate the nomination, election or defeat of a clearly identified candidate for a state or local office;

(C) any contract to make an expenditure;

(D) a transfer of funds between any two or more candidate committees, party committees or political committees; or

(E) payment of a candidate's filing fees.

(2) "Expenditure" does not include:

(A) The value of volunteer services provided without compensation;

(B) costs to a volunteer incidental to the rendering of volunteer services not exceeding a fair market value of \$50 during an allocable election period as provided in K.S.A. 25-4149, and amendments thereto;

(C) payment by a candidate or candidate's spouse for personal meals, lodging and travel by personal automobile of the candidate or candidate's spouse while campaigning or payment of such costs by the treasurer of a candidate or candidate committee;

(D) the value of goods donated to events such as testimonial events, bake sales, garage sales and auctions by any person not exceeding fair market value of \$50 per event; or

(E) any communication by an incumbent elected state or local officer with one or more individuals unless the primary purpose thereof is to expressly advocate the nomination, election or defeat of a clearly identified candidate.

(h) "Expressly advocate the nomination, election or defeat of a clearly identified candidate" means any communication which uses phrases including, but not limited to:

- (1) "Vote for the secretary of state";
- (2) "re-elect your senator";
- (3) "support the democratic nominee";
- (4) "cast your ballot for the republican challenger for governor";
- (5) "Smith for senate";
- (6) "Bob Jones in '98";
- (7) "vote against Old Hickory";
- (8) "defeat" accompanied by a picture of one or more candidates; or
- (9) "Smith's the one."

(i) "Party committee" means:

- (1) The state committee of a political party regulated by article 3 of chapter 25 of the Kansas

Statutes Annotated, and amendments thereto;

(2) the county central committee or the state committee of a political party regulated under article 38 of chapter 25 of the Kansas Statutes Annotated, and amendments thereto;

(3) the bona fide national organization or committee of those political parties regulated by the Kansas Statutes Annotated;

(4) not more than one political committee established by the state committee of any such political party and designated as a recognized political committee for the senate;

(5) not more than one political committee established by the state committee of any such political party and designated as a recognized political committee for the house of representatives; or

(6) not more than one political committee per congressional district established by the state committee of a political party regulated under article 38 of chapter 25 of the Kansas Statutes Annotated, and amendments thereto, and designated as a congressional district party committee.

(j) "Person" means any individual, committee, corporation, partnership, trust, organization or association.

(k) (1) "Political committee" means any combination of two or more individuals or any person other than an individual, a major purpose of which is to expressly advocate the nomination, election or defeat of a clearly identified candidate for state or local office or make contributions to or expenditures for the nomination, election or defeat of a clearly identified candidate for state or local office.

(2) "Political committee" shall not include a candidate committee or a party committee.

(l) "Receipt" means a contribution or any other money or thing of value, but not including volunteer services provided without compensation, received by a treasurer in the treasurer's official capacity.

(m) "State office" means any state office as defined in K.S.A. 25-2505, and amendments

thereto.

(n) "Testimonial event" means an event held for the benefit of an individual who is a candidate to raise contributions for such candidate's campaign. Testimonial events include but are not limited to dinners, luncheons, rallies, barbecues and picnics.

(o) "Treasurer" means a treasurer of a candidate or of a candidate committee, a party committee or a political committee appointed under the campaign finance act or a treasurer of a combination of individuals or a person other than an individual which is subject to paragraph (2) of subsection (a) of K.S.A. 25-4172, and amendments thereto.

(p) "Local office" means a member of the governing body of a city of the first class, any elected office of a unified school district having 35,000 or more pupils regularly enrolled in the preceding school year, a county or of the board of public utilities.

Sec. 6. K.S.A. 25-4157 is hereby amended to read as follows: 25-4157. ~~Before~~Except as provided in subsection (b), before any candidate committee, party committee or political committee may be dissolved or the position of a candidate's treasurer terminated, the treasurer of the candidate or such committee shall file a termination or inactive status report which shall include full information as to the disposition of residual funds. Any report required by K.S.A. 25-4148, and amendments thereto, may be a termination report. Reports of the dissolution of candidate committees of candidates for state office, the termination of the treasurer of a candidate for state office, the dissolution of a political committee the major purpose of which is to support or oppose any candidate for state office and the dissolution of party committees shall be filed in the office of the secretary of state. Reports of the dissolution of candidate committees of candidates for local office, the termination of the treasurer of a candidate for local office and the dissolution of a political committee the major purpose of which is to support or oppose any candidate for local office shall be filed in the office of the county election officer of the county.

(b) Any candidate committee which makes a transfer of residual funds to a bona fide successor committee or candidacy in accordance with K.S.A. 25-4157a, and amendments thereto, may file an inactive status report in lieu of a termination report. The inactive status report shall contain full information as to the disposal of residual funds. The inactive status report shall be filed in the same manner as a termination report. Any candidate committee which makes a transfer of residual funds to a bona fide successor committee or candidacy in accordance with K.S.A. 25- 4157a, and amendments thereto, and which files an inactive status report shall be placed on inactive status pursuant to this subsection and shall file all other reports required by this act. No candidate committee, which makes a transfer of residual funds to a bona fide successor committee or candidacy in accordance with K.S.A. 25-4157a, and amendments thereto, and which has been placed on inactive status, shall accept any funds or other contributions while on inactive status. No candidate committee, which makes a transfer of residual funds to a bona fide successor committee or candidacy in accordance with K.S.A. 25-4157a, and amendments thereto, and which has been placed on inactive status, shall be returned to active status until the bona fide successor committee or candidacy has been terminated as required by this act.

Sec. 7. K.S.A. 2010 Supp. 25-4157a is hereby amended to read as follows: 25-4157a. (a) No moneys received by any candidate or candidate committee of any candidate as a contribution under this act shall be used or be made available for the personal use of the candidate and no such moneys shall be used by such candidate or the candidate committee of such candidate except for:

- (1) Legitimate campaign purposes;
- (2) expenses of holding political office;
- (3) contributions to the party committees of the political party of which such candidate is a member;
- (4) any membership dues related to the candidate's campaign paid to a community service or civic organization in the name of the candidate;

(5) any donations paid to a community service or civic organization in the name of the candidate or candidate committee of any candidate but only if the candidate receives no goods or services unrelated to the candidate's campaign as a result of the payment of such donations;

(6) expenses incurred in the purchase of tickets to meals and special events sponsored by any organization the major purpose of which is to promote or facilitate the social, business, commercial or economic well being of the local community; or

(7) expenses incurred in the purchase and mailing of greeting cards to voters and constituents.

For the purpose of this subsection, expenditures for "personal use" shall include expenditures to defray normal living expenses for the candidate or the candidate's family and expenditures for the personal benefit of the candidate having no direct connection with or effect upon the campaign of the candidate or the holding of public office.

(b) No moneys received by any candidate or candidate committee of any candidate as a contribution shall be used to pay interest or any other finance charges upon moneys loaned to the campaign by such candidate or the spouse of such candidate.

(c) No candidate or candidate committee shall accept from any other candidate or candidate committee for any candidate for local, state or national office, any moneys received by such candidate or candidate committee as a campaign contribution. The provisions of this subsection shall not be construed to prohibit:

(1) A candidate or candidate committee from accepting moneys from another candidate or candidate committee if such moneys constitute a reimbursement for one candidate's proportional share of the cost of any campaign activity participated in by both candidates involved. Such reimbursement shall not exceed an amount equal to the proportional share of the cost directly benefiting and attributable to the personal campaign of the candidate making such reimbursement; or

(2) a candidate or candidate committee from transferring campaign funds to a bona fide

successor committee or candidacy established by the candidate.

~~(d) At the time of the termination of any campaign and prior to the filing of a termination report in accordance with K.S.A. 25-4157, and amendments thereto, all residual funds otherwise not obligated for the payment of expenses incurred in such campaign or the holding of office shall be contributed to a charitable organization, as defined by the laws of the state, contributed to a party committee or returned as a refund in whole or in part to any contributor or contributors from whom received or paid into the general fund of the state.~~ At the time of the termination or placement on inactive status of any campaign and prior to the filing of a termination or inactive status report in accordance with K.S.A. 25-4157, and amendments thereto, all residual funds shall be used first to retire any debt in such account. Any residual funds remaining after the retirement of all debt in such account not otherwise obligated for the payment of expenses incurred in such campaign or the holding of office, or any portion of such funds, shall be:

(1) Contributed to a charitable organization, as defined by the laws of the state;

(2) contributed to a party committee;

(3) returned as a refund in whole or in part to any contributor or contributors from whom such funds were received;

(4) paid into the general fund of the state; or

(5) transferred to a bona fide successor committee or candidacy established by the candidate.

Whenever a transfer to a bona fide successor committee or candidacy is made pursuant to paragraph (5), all moneys shall be transferred to the bona fide successor committee or candidacy. Once a transfer has been made to a bona fide successor committee or candidacy, the candidate shall be prohibited from making any further transfer back to any campaign committee or candidacy for the office from which the original transfer was made.

(e) For the purposes of this section, “bona fide successor committee or candidacy” means the

candidate's campaign committee or candidacy for a public office initiated at the termination or placement on inactive status of the original candidacy.

New Sec. 8. (a) Upon transferring money to a bona fide successor committee or candidacy as defined by subsection (e) of K.S.A. 25-4157a, and amendments thereto, the candidate may not accept any contributions to the original candidacy. Contributions to the bona fide successor committee or candidacy shall be subject to the contribution limits set forth in K.S.A. 25-4153, and amendments thereto, for the successor public office sought. If any contribution to the bona fide successor committee or candidacy is received from a person who made a contribution to the original candidacy, the amount of such contribution to the bona fide successor committee or candidacy shall not exceed the difference between the contribution limit imposed by K.S.A. 25-4153, and amendments thereto, for the public office sought by the bona fide successor committee or candidacy and the aggregate amount of all contributions made by such person to the original candidacy.

(b) This section shall be part of and supplemental to the campaign finance act.

New Sec. 9. (a) For the period commencing on January 1, 1976, and ending December 12, 2003, any candidate who transferred campaign funds to a bona fide successor candidacy, as such term is defined in K.S.A. 25-4157a, and amendments thereto, shall be deemed to have made such transfer in compliance with the provisions of the campaign finance act in existence at the time of such transfer, regardless of when the original campaign fund is closed after the date such transfer was made, and such transfer is hereby validated.

(b) This section shall be part of and supplemental to the campaign finance act.";

And by renumbering the remaining sections accordingly;

On page 9, in line 13, by striking "and 25-4153" and inserting ", 25-4153 and 25-4157"; in line 14, by striking "25-4148" and inserting "25-4143, 25-4148, 25-4157a";

On page 1, in the title, in line 1, by striking "and 25-4153" and inserting ", 25-4153 and 25-

4157"; in line 2, by striking "25-4148" and inserting "25-4143, 25-4148, 25-4157a"

_____ District.