

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 293

As Amended by Senate Committee on Judiciary

Brief*

SB 293, as amended, would amend the Charitable Organizations and Solicitations Act (Act) to transfer responsibilities related to registration under the Act from the Secretary of State to the Attorney General. The Attorney General would be given authority to adopt rules and regulations necessary for administration of the Act, and all rules and regulations, orders, directives, and standards of the Secretary of State relating to the Act in effect on June 30, 2020, would be deemed to be those of the Attorney General and would continue to be effective until amended, revoked, or nullified pursuant to law. Similarly, all reciprocal agreements entered in by the Secretary of State relating to the Act in effect on June 30, 2020, would be deemed to be entered into by the Attorney General and would continue to be effective until amended, revoked, or nullified pursuant to law. The bill would create a new section in the Act transferring legal custody from the Secretary of State to the Attorney General of all records, memoranda, writings, entries, prints, representations, or combinations thereof, of any act, transaction, occurrence, or event relating to the Act.

The bill would increase the charitable organization registration fee from \$20 to \$25 and would add a registration or renewal fee of \$25 for every professional fundraiser and professional solicitor required to register with the Attorney General under the Act. The bill would create in the State Treasury the Charitable Organizations Fee Fund (Fund), to which the Attorney General would remit all moneys received pursuant to the Act. The bill would state moneys in the Fund

*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>

are to be used by the Attorney General to carry out the provisions and purposes of the Act, and the bill would specify how moneys are to be credited to the Fund and how expenditures are to be made from the Fund.

The bill would amend the State Governmental Ethics Law, in a provision regarding solicitation, to reflect the transfer of duties under the Act.

The bill also would amend statutes regarding a substitute mailing address program for certain victims of domestic violence, sexual assault, human trafficking, or stalking, to transfer responsibility for administering the program from the Secretary of State to the Attorney General. The bill would deem all rules and regulations, orders, directives, and standards of the Secretary of State relating to the program (except for those prescribing voting procedures) in effect on June 30, 2020, to be those of the Attorney General, and they would continue to be effective until amended, revoked, or nullified pursuant to law. Similarly, the bill would transfer legal custody of all records, memoranda, writings, entries, prints, representations, or combinations thereof of any act, transaction, occurrence, or event relating to the program, to the Attorney General (except for those relating to voting procedures). The bill would add an exception to a provision prohibiting the making of any records in a program participant's file available for inspection or copying to allow disclosure to the Secretary of State if requested by the Secretary of State for election purposes, in accordance with procedures prescribed by rules and regulations.

Finally, the bill would make technical amendments throughout to ensure consistency in statutory phrasing and references.

Background

The bill was introduced by the Senate Committee on Judiciary at the request of the Attorney General and Secretary of State. As introduced, the bill also would have removed authority for the Secretary of State to prosecute elections crimes.

In the Senate Committee hearing, the Attorney General and a representative of the Secretary of State testified in support of the bill, stating it was the result of conversations between the two offices and would increase efficiency and effectiveness. A representative of the Kansas Coalition Against Sexual and Domestic Violence testified as a neutral conferee, stating most address confidentiality programs across the country reside in a Secretary of State's office. No opponent testimony was provided.

The Senate Committee amended the bill to remove the provision removing the Secretary of State's prosecutorial authority for elections crimes.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, enactment of the bill would reduce State General Fund revenues by \$81,180 because current registration fees would be deposited into the new fee fund. The Secretary of State's fee fund revenues would be reduced by \$60,885. The Attorney General would receive \$101,475 into the new fee fund.

The new fundraiser and solicitor registration fees set by the bill would result in the Attorney General receiving \$31,500.

The Attorney General states these revenues would be used to manage the registration program and enforcement expenses associated with the Act. The Attorney General would require 1.0 FTE position to manage the program, at a cost of \$92,810, \$74,344 of which would be for salary and wage expenditures and \$15,627 of which would be for office

rent, furnishings, computer equipment, and other supplies, including one-time start-up expenses. The remaining \$40,165 in revenues would be used to increase public awareness and education regarding fraudulent charities and the Act, or to offset a portion of the salary and wage expenditures of investigators and attorneys who currently investigate and enforce violations of the Act.

The Secretary of State states the existing 0.8 FTE position related to the Act would be repurposed within the agency.

According to the Secretary of State, current expenses to operate the address confidentiality (Safe Home) program are approximately \$5,000 per year. Under the provisions of the bill, these expenses would be removed from the Office of the Secretary of State and added to the Office of the Attorney General. Any additional associated expenses would be absorbed within existing resources.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.