Session of 2004

## **HOUSE BILL No. 2589**

By Committee on Ethics and Elections

1-26

AN ACT concerning campaign finance; pertaining to electronic filing of certain reports; **pertaining to signatures on certain reports**; amending K.S.A. 25-4144, 25-4148, **25-4151**, 25-4157 and 25-4186 and K.S.A. 2003 Supp. 25-4145 and repealing the existing sections.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 25-4144 is hereby amended to read as follows: 25-4144. Not later than 10 days after becoming a candidate, every candidate shall appoint a treasurer or in lieu thereof shall appoint a candidate committee. The treasurer so appointed may be the candidate making such appointment. No candidate shall appoint more than one candidate committee to exist at the same time. If a candidate appoints a candidate committee, such candidate shall appoint a chairperson and a treasurer thereof, and the treasurer so appointed may be the candidate. No person who is registered as a lobbyist in accordance with K.S.A. 46-265 and amendments thereto shall be eligible for appointment as treasurer for any candidate or candidate committee. The name and address of each treasurer and chairperson appointed under this section by a candidate for a state office shall be reported to the secretary of state by the candidate not later than 10 days after such appointment. The name and address of each treasurer and chairperson appointed under this section by a candidate for a local office shall be reported to the county election officer by the candidate not later than 10 days after such appointment. The candidate for governor shall carry out the requirements and responsibilities of the candidate under the campaign finance act, for the pair of candidates for governor and lieutenant governor, unless another specific provision applies. Any information required to be filed pursuant to this section, may be filed electronically with the commission secretary of state or county **election officer as appropriate** in accordance with rules and regulations promulgated by the commission secretary of state.

Sec. 2. K.S.A. 2003 Supp. 25-4145 is hereby amended to read as follows: 25-4145. (a) Each party committee and each political committee which anticipates receiving contributions or making expenditures shall appoint a chairperson and a treasurer. The chairperson of each party

committee and each political committee which anticipates receiving contributions or making expenditures for a candidate for state office shall make a statement of organization and file it with the secretary of state not later than 10 days after establishment of such committee. The chair-person of each political committee which anticipates receiving contributions or making expenditures for any candidate for local office, shall make a statement of organization and file it with the county election officer not later than 10 days after establishment of such committee.

- (b) Every statement of organization shall include:
- (1) The name and address of the committee. The name of the committee shall reflect the full name of the organization with which the committee is connected or affiliated or sufficiently describe such affiliation. If the political committee is not connected or affiliated with any one organization, the name shall reflect the trade, profession or primary interest of the committee as reflected by the statement of purpose of such organization;
- (2) the names and addresses of the chairperson and treasurer of the committee:
- (3) the names and addresses of affiliated or connected organizations; and
- (4) in the case of a political committee, the full name of the organization with which the committee is connected or affiliated or, name or description sufficiently describing the affiliation or, if the committee is not connected or affiliated with any one organization, the trade, profession or primary interest of the political committee as reflected by the statement of purpose of such organization.
- (c) Any change in information previously reported in a statement of organization shall be reported on a supplemental statement of organization and filed not later than 10 days following the change.
- (d) (1) Each political committee which anticipates receiving contributions shall register annually with the commission on or before July 1 of each year. Each political committee registration shall be in the form and contain such information as may be required by the commission.
- (2) Each registration by a political committee anticipating the receipt of \$2,501 or more in any calendar year shall be accompanied by an annual registration fee of \$240.
- (3) Each registration by a political committee anticipating the receipt of more than \$500 but less than \$2,501 in any calendar year shall be accompanied by an annual registration fee of \$35.
- (4) Each registration by a political committee anticipating the receipt of \$500 or less in any calendar year shall be accompanied by an annual registration fee of \$20.
  - (5) Any political committee which is currently registered under sub-

 section (d)(3) or (d)(4) and which receives contributions in excess of \$2,500 for a calendar year, shall file, within three days of the date when contributions exceed such amount, an amended registration form which shall be accompanied by an additional fee for such year equal to the difference between \$240 and the amount of the fee that accompanied the current registration.

- (6) Any political committee which is currently registered under subsection (d)(4) and which receives contributions in excess of \$500 but which are less than \$2,501, shall file, within three days of the date when contributions exceed \$500, an amended registration form which shall be accompanied by an additional fee of \$20 for such year.
- (e) All such fees received by or for the commission shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the governmental ethics commission fee fund.
- (f) Any information required to be filed pursuant to this section, may be filed electronically with the commission secretary of state or county election officer as appropriate in accordance with rules and regulations promulgated by the commission secretary of state.
- Sec. 3. K.S.A. 25-4148 is hereby amended to read as follows: 25-4148. (a) Every treasurer shall file a report prescribed by this section. Reports filed by treasurers for candidates for state office, other than officers elected on a state-wide basis, shall be filed in both the office of the secretary of state and in the office of the county election officer of the county in which the candidate is a resident. Reports filed by treasurers for candidates for state-wide office shall be filed only with the secretary of state. Reports filed by treasurers for candidates for local office shall be filed in the office of the county election officer of the county in which the name of the candidate is on the ballot. Except as otherwise provided by subsection (h), all such reports shall be filed in time to be received in the offices required on or before each of the following days:
- (1) The eighth day preceding the primary election, which report shall be for the period beginning on January 1 of the election year for the office the candidate is seeking and ending 12 days before the primary election, inclusive;
- (2) the eighth day preceding a general election, which report shall be for the period beginning 11 days before the primary election and ending 12 days before the general election, inclusive;
- (3) January 10 of the year after an election year, which report shall be for the period beginning 11 days before the general election and ending on December 31, inclusive;
  - (4) for any calendar year when no election is held, a report shall be

filed on the next January 10 for the preceding calendar year;

- (5) a treasurer shall file only the annual report required by subsection (4) for those years when the candidate is not participating in a primary or general election.
  - (b) Each report required by this section shall state:
  - (1) Cash on hand on the first day of the reporting period;
- (2) the name and address of each person who has made one or more contributions in an aggregate amount or value in excess of \$50 during the election period together with the amount and date of such contributions, including the name and address of every lender, guarantor and endorser when a contribution is in the form of an advance or loan;
- (3) the aggregate amount of all proceeds from bona fide sales of political materials such as, but not limited to, political campaign pins, buttons, badges, flags, emblems, hats, banners and literature;
- (4) the aggregate amount of contributions for which the name and address of the contributor is not known;
- (5) each contribution, rebate, refund or other receipt not otherwise listed;
  - (6) the total of all receipts;
- (7) the name and address of each person to whom expenditures have been made in an aggregate amount or value in excess of \$50, with the amount, date, and purpose of each; the names and addresses of all persons to whom any loan or advance has been made; when an expenditure is made by payment to an advertising agency, public relations firm or political consultants for disbursement to vendors, the report of such expenditure shall show in detail the name of each such vendor and the amount, date and purpose of the payments to each;
- (8) the name and address of each person from whom an in-kind contribution was received or who has paid for personal services provided without charge to or for any candidate, candidate committee, party committee or political committee, if the contribution is in excess of \$50 and is not otherwise reported under subsection (b)(7), and the amount, date and purpose of the contribution;
- (9) the aggregate of all expenditures not otherwise reported under this section; and
  - (10) the total of expenditures.
- (c) Treasurers of candidates and of candidate committees shall be required to itemize, as provided in subsection (b)(2), only the purchase of tickets or admissions to testimonial events by a person who purchases such tickets or admissions in an aggregate amount or value in excess of \$50 per event, or who purchases such a ticket or admission at a cost exceeding \$25 per ticket or admission. All other purchases of tickets or admissions to testimonial events shall be reported in an aggregate amount

and shall not be subject to the limitations specified in K.S.A. 25-4154, and amendments thereto.

- (d) If a contribution or other receipt from a political committee is required to be reported under subsection (b), the report shall include the full name of the organization with which the political committee is connected or affiliated or, name or description sufficiently describing the affiliation or, if the committee is not connected or affiliated with any one organization, the trade, profession or primary interest of the political committee as reflected by the statement of purpose of such organization.
- (e) The commission may require any treasurer to file an amended report for any period for which the original report filed by such treasurer contains material errors or omissions, and notice of the errors or omissions shall be part of the public record. The amended report shall be filed within 30 days after notice by the commission.
- (f) The commission may require any treasurer to file a report for any period for which the required report is not on file, and notice of the failure to file shall be part of the public record. Such report shall be filed within five days after notice by the commission.
- (g) For the purpose of any report required to be filed pursuant to subsection (a) by the treasurer of any candidate seeking nomination by convention or caucus or by the treasurer of the candidate's committee or by the treasurer of any party committee or political committee, the date of the convention or caucus shall be considered the date of the primary election.
- (h) If a report is sent by certified or registered mail on or before the day it is due, the mailing shall constitute receipt by that office.
- (i) Any information required to be filed pursuant to this section, may be filed electronically with the eommission secretary of state or county election officer as appropriate in accordance with rules and regulations promulgated by the eommission secretary of state.
- (j) Any report required by this section may be signed by the candidate in lieu of the candidate's treasurer or the treasurer of the candidate's committee.
- Sec. 4. K.S.A. 25-4151 is hereby amended to read as follows: 25-4151. (a) Every report or statement made under the campaign finance act shall be made on forms prescribed by the commission, and contain substantially the following:
- "I declare that this (report) (statement), including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is true, correct and complete. I understand that the intentional failure to file this document or intentionally filing a false document is a class A misdemeanor."

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Every report or statement shall be dated and signed by: (1) The 2 treasurer or candidate for any report required by K.S.A. 25-4148; 3 (2) the candidate, for any report required by K.S.A. 25-4144; or (3) 4 the chairperson of the committee, for any statement required by 5 K.S.A. 25-4145. If the form is not available, the report or statement 6 to which it relates shall be made as required, but in such form as 7 the person signing such report or statement chooses, and the com-8 mission may require any such report or statement to be replaced 9 after filing by a report or statement on the forms provided by the 10 commission.

- (b) Records in support of every report or statement filed under the campaign finance act shall be maintained and preserved by the person who files it for a period of time to be designated by the commission.
- (c) Delay in filing a report or statement beyond the time required by law shall not prevent the acceptance of the report or statement.
- (d) No treasurer shall accept or permit to be accepted any contributions or make or permit to be made any expenditures unless all reports or statements required of such treasurer prior to the time of such contributions or expenditures have been filed.

Sec. 45. K.S.A. 25-4157 is hereby amended to read as follows: 25-4157. 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 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. Any information required to be filed pursuant to this section, may be filed electronically with the <del>commission</del> **secretary of** state or county election officer as appropriate in accordance with rules and regulations promulgated by the <del>commission</del> **secretary of state**. Sec. 5 6. K.S.A. 25-4186 is hereby amended to read as follows: 25-

4186. (a) Not later than 10 days after receiving any contribution or making

any expenditure for a gubernatorial inauguration, the governor-elect shall appoint an inaugural treasurer. The name and address of such treasurer shall be reported to the secretary of state by the governor-elect not later than 10 days after the appointment.

- (b) No person shall make any expenditure or make or receive any contribution or receipt, in kind or otherwise, for a gubernatorial inauguration except by or through the inaugural treasurer.
- (c) The inaugural treasurer shall keep detailed accounts of all contributions and other receipts received, in kind or otherwise, and all expenditures made for a gubernatorial inauguration. Accounts of the treasurer may be inspected under conditions determined by the commission and shall be preserved for a period to be designated by the commission. Every person who receives a contribution or other receipt, in kind or otherwise, for an inaugural treasurer more than five days before the ending date of any period for which a report is required under this section, on demand of the treasurer, or in any event on or before the ending date of the reporting period, shall remit the same and render to the treasurer an account thereof, including the name and address of the person, if known, making the contribution or other receipt and the date received. No contribution or other receipt received by the inaugural treasurer shall be commingled with personal funds of the governor-elect or inaugural treasurer.
- (d) The inaugural treasurer shall file with the secretary of state a report on March 10 and July 10 following the inauguration. The report filed on March 10 shall be for the period ending on February 28 and the report filed on July 10 shall be for the period beginning on March 1 and ending on June 30. Each report shall contain the information required to be stated in a report pursuant to K.S.A. 25-4148 and 25-4148a, and amendments thereto, and a declaration as to the correctness of the report in the form prescribed by K.S.A. 25-4151, and amendments thereto. The July 10 report shall be a termination report which shall include full information as to the disposition of residual funds. If a report is sent by certified mail on or before the day it is due, the mailing shall constitute receipt by the secretary of state.
- (e) The aggregate amount contributed, in kind or otherwise, by any person for a gubernatorial inauguration shall not exceed \$2,000. No person shall make a contribution in the name of another person, and no person knowingly shall accept a contribution made by one person in the name of another. No person shall give or accept any contribution in excess of \$10 unless the name and address of the contributor is made known to the individual receiving the contribution. The aggregate of contributions for which the name and address of the contributor is not known shall not exceed 50% of the amount one person may contribute.

- (f) No person shall copy any name of a contributor from any report filed under this section and use such name for any commercial purpose, and no person shall use any name for a commercial purpose with knowledge that such name was obtained solely by copying information relating to contributions contained in any report filed under this section.
- (g) In addition to other reports required by this section, the inaugural treasurer shall report the amount and nature of debts and obligations owed for the gubernatorial inauguration, at times prescribed by the commission, continuing until such debts and obligations are fully paid or discharged.
- (h) No moneys received by any inaugural treasurer shall be used or be made available for the personal use of the governor-elect or governor and no such moneys shall be used by such governor-elect or governor except for legitimate gubernatorial inauguration expenses.

For the purpose of this subsection, expenditures for "personal use" shall include expenditures to defray normal living expenses and expenditures for personal benefit having no direct connection with or effect upon the inauguration.

- (i) Before the filing of a termination report in accordance with this section, all residual funds not otherwise obligated for the payment of expenses incurred for the gubernatorial inauguration shall be remitted to the state treasurer who shall deposit the entire amount in the state treasury and credit:
- (1) To the inaugural expense fund created by K.S.A. 25-4187, and amendments thereto: (A) An amount equal to the amount certified to the director of accounts and reports by the adjutant general as the amount expended by the adjutant general for expenses incurred in connection with the gubernatorial inauguration; or (B) if the amount of residual funds is less than the amount certified, the entire amount of the deposit; and
- (2) to the governmental ethics commission fee fund created by K.S.A. 25-4119e, and amendments thereto, any remaining balance.
- (j) (1) The commission shall send a notice by registered or certified mail to any inaugural treasurer who fails to file any report required by this section within the time period prescribed therefor. The notice shall state that the required report has not been filed with the office of the secretary of state. The notice also shall state that the treasurer shall have 15 days from the date such notice is deposited in the mail to comply with the reporting requirements before a civil penalty shall be imposed for each day that the required documents remain unfiled. If the treasurer fails to comply within the prescribed period, the treasurer shall pay to the state a civil penalty of \$10 per day for each day that the report remains unfiled, except that no such civil penalty shall exceed \$300. The commission may waive, for good cause, payment of any civil penalty imposed

by this subsection.

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- (2) Civil penalties provided for by this subsection shall be paid to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the governmental ethics commission fee fund.
- (3) If a person fails to pay a civil penalty provided for by this section, it shall be the duty of the commission to bring an action to recover such civil penalty in the district court of Shawnee county.
- (k) Any violation of subsection (e), (f) or (h) or any intentional failure to file any report required by this section is a class A misdemeanor.
- (l) Nothing in this section shall be construed to apply to expenditures of state moneys related to any inaugural activity.
- (m) Any information required to be filed pursuant to this section, may be filed electronically with the commission secretary of state or county election officer as appropriate in accordance with rules and regulations promulgated by the commission secretary of state.
- (n) This section shall be part of and supplemental to the campaign finance act.
- 18 Sec. 6 7. K.S.A. 25-4144, 25-4148, 25-4151, 25-4157 and 25-4186 19 and K.S.A. 2003 Supp. 25-4145 are hereby repealed.
- Sec. **7 8**. This act shall take effect and be in force from and after **July 1, 2005, and** its publication in the statute book.