HOUSE BILL No. 2354

By Committee on Appropriations

2-14

AN ACT concerning the ethics commission; relating to fees, fines and civil penalties; amending K.S.A. 2012 Supp. 25-4119f, 25-4145, 25-4152, 25-4180, 25-4181, 25-4186, 46-265, 46-280 and 46-288 and repealing the existing sections.

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

Section 1. K.S.A. 2012 Supp. 25-4119f is hereby amended to read as follows: 25-4119f. (a) In addition to any other fee required by law, every person becoming a candidate for the following offices shall pay a fee at the time of filing for such office in the amount prescribed by this section:

- (1) Governor and lieutenant governor.....\$\\$480 \\$650;
- - (4) members of boards of education of unified school districts having 35,000 or more pupils regularly enrolled in the preceding school year, members of governing bodies of cities of the first class and judges of the district court in judicial districts in which judges are elected\$35-\$50.
 - (b) The secretary of state shall remit all fees received by that office to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. County election officers receiving fees in accordance with this section shall remit such fees to the county treasurer of the county who shall quarterly remit the same to the state treasurer. 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.
 - Sec. 2. K.S.A. 2012 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 chairperson 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;
- (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 \$300.
- (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 \$50.
- (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 \$25.
- (5) Any political committee which is currently registered under subsection (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 \$300 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 \$25 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.
- Sec. 3. K.S.A. 2012 Supp. 25-4152 is hereby amended to read as follows: 25-4152. (a) The commission shall send a notice by registered or certified mail to any person failing to file any report or statement required by K.S.A. 25-4144, 25-4145 or 25-4148, and amendments thereto, and to the candidate appointing any treasurer failing to file any such report, within the time period prescribed therefor. The notice shall state that the required report or statement has not been filed with either the office of secretary of state or county election officer or both. The person failing to file any report or statement, and the candidate appointing any such person, shall be responsible for the filing of such report or statement. The notice also shall state that such person shall have 15 days from the date such notice is deposited in the mail to comply with the registration and reporting requirements before a civil penalty shall be imposed for each day that the required documents remain unfiled. If such person fails to comply within the prescribed period, such person shall pay to the state a civil penalty of \$10 per day for each day that such report or statement 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 section.
 - (b) Civil penalties provided for by this section 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 state general fund.
 - (c) 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 the county in which such person resides.
 - Sec. 4. K.S.A. 2012 Supp. 25-4180 is hereby amended to read as

follows: 25-4180. (a) Every person who engages in any activity promoting or opposing the adoption or repeal of any provision of the Kansas constitution and who accepts moneys or property for the purpose of engaging in such activity shall make an annual report to the secretary of state of individual contributions or contributions in kind in an aggregate amount or value in excess of \$50 received during the preceding calendar year for such purposes. The report shall show the name and address of each contributor for the activity and the amount or value of the individual contribution made, together with a total value of all contributions received, and also shall account for expenditures in an aggregate amount or value in excess of \$50 from such contributions by showing the amount or value expended to each payee and the purpose of each such expenditure, together with a total value of all expenditures made. The annual report shall be filed on or before February 15 of each year for the preceding calendar year.

In addition to the annual report, a person engaging in an activity promoting the adoption or repeal of a provision of the Kansas constitution who accepts any contributed moneys for such activity shall make a preliminary report to the secretary of state 15 days prior to each election at which a proposed constitutional amendment is submitted. Such report shall show the name and address of each individual contributor, together with the amount contributed or contributed in kind in an aggregate amount or value in excess of \$50, and the expenditures in an aggregate amount or value in excess of \$50 from such contributions by showing the amount paid to each payee and the purpose of the expenditure. A supplemental report in the same format as the preliminary report shall be filed with the secretary of state within 15 days after any election on a constitutional proposition where contributed funds are received and expended in opposing or promoting such proposition.

Any person who engages in any activity promoting or opposing the adoption or repeal of any provision of the Kansas constitution shall be considered engaged in such activity upon the date the concurrent resolution passes the Kansas house of representatives and senate in its final form. Upon such date, if the person has funds in the constitutional amendment campaign treasury, such person shall be required to report such funds as provided by this section.

(b) (1) The commission shall send a notice by registered or certified mail to any person failing to file any report required by subsection (a) 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 such person 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 such person fails to comply within the prescribed period, such person shall pay to the state a civil penalty of \$10 per day for each day that such 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 section.

- (2) Civil penalties provided for by this section 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 state general 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 the county in which such person resides.
- (c) The intentional failure to file any report required by subsection (a) is a class A misdemeanor.
- (d) This section shall be part of and supplemental to the campaign finance act.
- Sec. 5. K.S.A. 2012 Supp. 25-4181 is hereby amended to read as follows: 25-4181. (a) The commission, in addition to any other penalty prescribed under the campaign finance act, may assess a civil fine, after proper notice and an opportunity to be heard, against any person for a violation of the campaign finance act in an amount not to exceed \$5,000 for the first violation, \$10,000 for the second violation and \$15,000 for the third violation and for each subsequent violation. Whenever any civil fine or penalty is proposed to be assessed against the treasurer of any candidate who is not also the candidate, such notice shall be given to both the treasurer and the candidate prior to the assessment of such fine or penalty. All fines assessed and collected under this section 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 state general fund.
- (b) No individual who has failed to pay any civil penalty or civil fine assessed, or failed to file any report required to be filed under the campaign finance act, unless such penalty or fine has been waived or is under appeal, shall be eligible to become a candidate for state office or local office until such penalty or fine has been paid or such report has been filed or both such penalty or fine has been paid and such report filed.
- Sec. 6. K.S.A. 2012 Supp. 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,

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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) (1) 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 inaugural expense fund created by K.S.A. 25-4187, and amendments thereto, in 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 if the amount of residual funds is less than the amount certified, the entire amount of the deposit.
 - (2) Any residual funds not otherwise obligated shall either be:
- (A) Donated to any charitable organization which qualifies as a 501(c)(3) not-for-profit corporation under the federal internal revenue code; or
- (B) shall be remitted to the state treasurer who shall deposit the entire amount in the state treasury and credit such money to the executive mansion gifts fund for the purpose of funding expenditures relating to the governor's residence, historic properties or both. Such expenditures shall be subject to approval of the governor's residence advisory commission.
- (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

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such civil penalty shall exceed \$300. The commission may waive, for good cause, payment of any civil penalty imposed by this subsection.

- (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 state general 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) This section shall be part of and supplemental to the campaign finance act.
- Sec. 7. K.S.A. 2012 Supp. 46-265 is hereby amended to read as follows: 46-265. (a) Every lobbyist shall register with the secretary of state by completing and signing a registration form prescribed and provided by the commission. Such registration shall show the name and address of the lobbyist, the name and address of the person compensating the lobbyist for lobbying, the purpose of the employment and the method of determining and computing the compensation of the lobbyist. If the lobbyist is compensated or to be compensated for lobbying by more than one employer or is to be engaged in more than one employment, the relevant facts listed above shall be stated separately for each employer and each employment. Whenever any new lobbying employment or lobbying position is accepted by a lobbyist already registered as provided in this section, such lobbyist shall report the same on forms prescribed and provided by the commission before engaging in any lobbying activity related to such new employment or position, and such report shall be filed with the secretary of state. When a lobbyist is an employee of a lobbying group or firm which contracts to lobby and not an owner or partner of such entity, the lobbyist shall report each client of the group, firm or entity whose interest the lobbyist represents. Whenever the lobbying of a lobbyist concerns a legislative matter, the secretary of state promptly shall transmit copies of each registration and each report filed under this act to the secretary of the senate and the chief clerk of the house of representatives.
- (b) On or after October 1, in any year any person may register as a lobbyist under this section for the succeeding calendar year. Such registration shall expire annually on December 31, of the year for which the lobbyist is registered. In any calendar year, before engaging in lobbying, persons to whom this section applies shall register or renew their registration as provided in this section. Except for employees of lobbying

HB 2354 9

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groups or firms, every person registering or renewing registration who anticipates spending \$1,000 or less for lobbying in such registration year 3 on behalf of any one employer shall pay to the secretary of state a fee of 4 \$35 \$50 for lobbying for each such employer. Except for employees of lobbying groups or firms, every person registering or renewing registration 6 who anticipates spending more than \$1,000 for lobbying in such 7 registration year on behalf of any one employer shall pay to the secretary 8 of state a fee of \$300 \$350 for lobbying for such employer. Any lobbyist 9 who at the time of initial registration anticipated spending less than 10 \$1,000, on behalf of any one employer, but at a later date spends in excess of such amount, within three days of the date when expenditures exceed 12 such amount, shall file an amended registration form which shall be accompanied by an additional fee of \$220 \$275 for such year. Every 13 person registering or renewing registration as a lobbyist who is an 14 15 employee of a lobbying group or firm and not an owner or partner of such 16 entity shall pay an annual fee of \$360 \$450. The secretary of state shall 17 remit all moneys received under this section to the state treasurer in 18 accordance with the provisions of K.S.A. 75-4215, and amendments 19 thereto. Upon receipt of each such remittance, the state treasurer shall 20 deposit the entire amount in the state treasury to the credit of the governmental ethics commission fee fund. 22

- Any person who has registered as a lobbyist pursuant to this act may file, upon termination of such person's lobbying activities, a statement terminating such person's registration as a lobbyist. Such statement shall be on a form prescribed by the commission and shall state the name and address of the lobbyist, the name and address of the person compensating the lobbyist for lobbying and the date of the termination of the lobbyist's lobbying activities.
- (d) No person who has failed or refused to pay any civil penalty imposed pursuant to K.S.A. 46-280, and amendments thereto, shall be authorized or permitted to register as a lobbyist in accordance with this section until such penalty has been paid in full.
- Sec. 8. K.S.A. 2012 Supp. 46-280 is hereby amended to read as follows: 46-280. (a) The commission shall send a notice by registered or certified mail to any person failing to register or to file any report or statement as required by K.S.A. 46-247, 46-265 or 46-268, and amendments thereto, within the time period prescribed therefor. The notice shall state that the required registration, report or statement had not been filed with the office of secretary of state. The notice also shall state that such person shall have five days from the date of receipt of such notice to comply with the registration and reporting requirements before a civil penalty shall be imposed for each day that the required documents remain unfiled. If such person fails to comply within such period, such person

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 shall pay to the state a civil penalty of \$10 per day for each day that such person remains unregistered or that such report or statement remains unfiled, except that no such civil penalty shall exceed \$300. The commission may waive, for good cause, payment of any civil penalty imposed hereunder.

- (b) Whenever the commission shall determine that any report filed by a lobbyist as required by K.S.A. 46-269, and amendments thereto, is incorrect, incomplete or fails to provide the information required by such section, the commission shall notify such lobbyist by registered or certified mail, specifying the deficiency. Such notice shall state that the lobbyist shall have 30 days from the date of the receipt of such notice to file an amended report correcting such deficiency before a civil penalty will be imposed and the registration of such lobbyist revoked and the badge be required to be returned to the office of the secretary of state. A copy of such notice shall be sent to the office of the secretary of state. If such lobbyist fails to file an amended report within the time specified, such lobbyist shall pay to the commission a civil penalty of \$10 per day for each day that such person fails to file such report except that no such civil penalty shall exceed \$300. On the 31st day following the receipt of such notice, the registration of any lobbyist failing to file such amended report shall be revoked.
- (c) Civil penalties provided for by this section 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 state general fund.
- (d) (1) Except as provided in subsection (2), 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 the county in which such person resides.
- (2) If a person required to file under subsection (f) of K.S.A. 46-247, and amendments thereto, 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, Kansas.
- Sec. 9. K.S.A. 2012 Supp. 46-288 is hereby amended to read as follows: 46-288. The commission, in addition to any other penalty prescribed under K.S.A. 46-215 through 46-286, and amendments thereto, may assess a civil fine, after proper notice and an opportunity to be heard, against any person for a violation pursuant to K.S.A. 46-215 through 46-286, and amendments thereto, in an amount not to exceed \$5,000 for the first violation, not to exceed \$10,000 for the second violation and not to exceed \$15,000 for the third violation and for each subsequent violation. All fines assessed and collected under this section shall be remitted to the

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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 state general fund.

Sec. 10. K.S.A. 2012 Supp. 25-4119f, 25-4145, 25-4152, 25-4180, 25-4181, 25-4186, 46-265, 46-280 and 46-288 are hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.