

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2112

As Amended by House Committee on Elections

Brief*

HB 2112 would amend provisions of the Campaign Finance Act concerning the use of unexpended campaign funds, and would add a new section to the Act. The bill would authorize a candidate or candidate committee to transfer campaign funds to a bona fide successor committee or candidacy. A candidate or committee transferring campaign funds in these circumstances would be required to transfer the entire balance remaining in the account and close the account from which the funds were transferred.

Under the bill, such transfers would only be authorized if the successor committee or candidacy was established by a candidate for state office. This would mean that funds could be transferred from a candidate's local campaign fund to the candidate's state campaign fund, but could not be transferred from a state campaign fund to a local campaign fund. Additionally, transfers of campaign funds could only be made to successors if the transferring candidate or candidate committee had first satisfied all debts, liabilities, and expenses owed by the candidate or committee.

The bill would create or expand several definitions found in campaign finance law. The bill would create a definition of "public office," defining the term as a state or local office. The bill also would create a definition of "bona fide successor committee or candidacy." This term would be defined as:

*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>

- The candidate's campaign committee or candidacy for a state office initiated at the termination of the original candidacy; or
- The candidate's campaign committee or candidacy initiated at the time of the transfer of all moneys to a new campaign committee or candidacy for state office after all debts, liabilities, and expenses are satisfied.

In addition, transfers of campaign funds to bona fide successor committees or candidacies would be expressly excluded from the definition of "contribution."

Background

The bill was introduced by the House Elections Committee. Senator Olson testified as a proponent of the bill at the House Committee hearing, stating many people run for another office at some point in time, leaving money stranded in their account for a prior campaign. It is his opinion that most donations are made by constituents because of their support of a candidate in general, not just a specific office.

There was no neutral or opponent testimony on the bill.

The House Committee on Elections amended the bill to specify that transfers of funds could not be made from state candidates or committees to local candidates or committees. The language does not prohibit transfers from local candidates or committees to state candidates or committees. The Committee added a requirement that candidates or committees satisfy all debts, liabilities, and expenses prior to transferring funds, and accordingly deleted language allowing a transferring candidacy to remain open for the purpose of accepting contributions to pay off debt remaining in the account.

The fiscal note provided by the Division of the Budget

stated the Governmental Ethics Commission indicated the bill, as introduced, would have no fiscal effect on state revenues or expenditures.