

## MINUTES OF THE HOUSE ETHICS AND ELECTIONS COMMITTEE.

The meeting was called to order by Chairperson Representative Tony Powell at 3:30 p.m. on February 5, 2001 in Room 521-S of the Capitol.

All members were present except:     Rep. R.J. Wilson, Excused  
   Rep. Steve Huebert, Excused

Committee staff present:                 Theresa Kiernan, Revisor  
   Dennis Hodgins, Research  
   Shirley Weideman, Secretary

Conferees appearing before the committee:

**HB 2129 Sub Amendment** - Proponent: Natalie Haag, Governor's Representative

**HB 2164** - Proponent: Carol Williams, Governmental Ethics Commission

**HB 2180** - Proponents: Jim Edwards, Kansas Chamber of Commerce & Industry  
   Chip Wheelen, Kansas Society of Association Executives  
   Carol Williams, Governmental Ethics Commission

Others attending:                 See attached list.

Chairman Powell brought **HB 2129 - Film commission; information technology council; mileage, expenses, other allowances** before the committee for consideration.

Ms. Natalie Haag, the Governor's representative, appeared as a proponent for **HB 2129**. She pointed out that it covered mileage and travel expenses for two groups that should not be covered. She said one is the IT group that gives advise to the Administration and the other is a group that gives advise to the film commission. Ms. Haag also said the proposed amendment would strike the language that prohibits these two entities from receiving compensation for their service on these boards and allow them to receive mileage and subsistence in accordance with other commissions and boards in the State of Kansas. She also indicated that this amendment will eliminate from coverage other kinds of advisory boards that the Governor sets up for non-governmental functions. (attachment #1) Ms. Haag responded to questions from the committee. She said that the proposed amendment would strike all of Section One and put this amendment in it's place.

Representative Huff moved that the committee pass **Sub Amendment for HB 2129**. Representative Morrison seconded the motion. Motion passed.

Representative Huff moved that **Sub Amendment for HB 2129** be passed out favorably. The motion was seconded by Representative Morrison. Motion passed.

Hearing was opened on **HB 2164 - State governmental ethics; substantial interest defined**

Carol Williams, Governmental Ethics Commission Director, testified in favor of **HB 2164**. Ms. Williams indicated that this bill is a recommendation made by the Governmental Ethics Commission in it's 2000 Annual Report and Recommendations. She said that under current law, a state officer or employee is defined to have a substantial interest in any business in which he or she holds a legal or equitable interest exceeding \$5000 or 5%, whichever is less. Ms. Williams also said that HB 2164 would raise the dollar threshold used to determine when a business interest becomes a "substantial interest" to \$15,000 rather than the current \$5000. She indicated that currently, a state officer or employee cannot become substantially involved in the making of a contract with any business in which he or she has a substantial interest. Ms. Williams said that the law has been in effect since the early 1980's and the Commission believes that due to inflation, this amount should be raised to \$15,000.

(attachment #2) Ms. Williams

responded to questions from the committee. She confirmed that KPERS and 401K's must now be listed as substantial interest. She also told the committee that a memo is being prepared for legislators to let them know that they must now list these retirement funds on the "Statement of Substantial Interest" form.

CONTINUATION SHEET

Minutes of the Ethics and Elections Committee for February 5, 2001.

The hearing on **HB 2164** was closed by Chairman Powell.

The hearing was opened on **HB 2180 - State governmental ethics; hospitality in the form of publications.**

Carol Williams, Governmental Ethics Commission Director, gave testimony in support of **HB 2180**. She said that the Governmental Ethics Commission recommends that the language concerning recreation found in subsection (a)(2) be included in subsection (a)(1) in the balloon version of HB 2180 to conform with the current language found in K.S.A. 46-237. Ms. Williams said that K.D.A. 46-237 is an ethics provision concerning acceptance of gifts by state agencies, state officers and employees. She also said that K.S.A. 46-237(a) states "Except as provided by this section, no state officer or employee, candidate for state office or state officer elect shall accept, or agree to accept any (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality or service having an aggregate value of \$40 or more in any calendar year or (2) hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year from any one person known to have a special interest...". Ms. Williams remarked that the Commission also recommends that official publications published on a regular basis by trade associations, professional associations, foundations and tax-exempt organizations be exempt from the \$40 gift limitation when provided by a lobbyist. She also said that it is the Commission's belief that similar language should be used in this bill to amend K.S.A. 46-271 for conformity and to clarify. (attachment #3) and (attachment #4) Ms. Williams answered questions asked by the committee.

Jim Edwards, Senior Vice President, Kansas Chamber of Commerce and Industry, appeared as a proponent for **HB 2180**. He told of two instances where his association had problems, 1) a noon hour meeting with KDHR, where they provided several top officials with a meal and then realized that this was prohibited and had to send them a bill for the meal and 2) providing a pictorial guide for members and legislators, which they would like to provide to state officials also. He said he doubts that the copies would gain influence for the organization from the state officials. Mr. Edward's suggestions for HB 2180 were to amend Sec. 1. K.S.A. 46-271 to allow "hospitality in the form of food or beverage or publications published on a regular basis by trade associations, professional associations, foundations and tax-exempt organizations, except when a particular course of official action is to be followed as a condition thereon". (attachment #5) Mr. Edwards responded to questions from the committee.

Charles L. Wheelen, Kansas Society of Association Executives, testified in favor of **HB 2180**. He said that he represents an organization and he must be registered as a lobbyist to provide information to legislators. He indicated that reporting as a lobbyist is okay, but there is a lot of responsibility to meet the expectations that are outlined in various sections of the law regarding lobbyists. He also indicated that when the cost of publications rises above \$40 apiece, his group can no longer legally provide that publication to state legislators. Mr. Wheelen said that these publications are not hospitality and will not affect how you vote on issues regarding their organization. He recommended changing the language in this legislation. Mr. Wheelen would like to amend Section 1 to read "if someone gives a gift valued at less than \$40 to each member of the entire House, Senate, the entire Legislature or the entire caucus, it would not be necessary to report names of individual legislators". To amend Section 2, he recommends including the \$100 aggregate limit for recreation and make the distinction that these rules apply to officers and employees of the legislative branch of government only. (attachment #6) and (attachment #7) Mr. Wheelen responded to committee questions.

The hearing was closed on **HB 2180**.

Chairman Powell adjourned the meeting at 4:10 p.m. The next scheduled meeting is February 7<sup>th</sup>, 2001 at 3:30 p.m.