## **HOUSE BILL No. 2363**

By Committee on Appropriations

2-23

AN ACT concerning gubernatorial inauguration contributions; amending K.S.A. 25-4186 and repealing the existing section; and also repealing K.S.A. 25-4188.

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

Section 1. 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

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 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 either shall be donated to any charitable organization, which qualifies as a 501(c)(3) not-for-profit corporation under the federal internal revenue code, or 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

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 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 or

- (2) to the governmental ethics commission fee fund created by K.S.A. 25-4119e, and amendments thereto, any remaining balance.
- (2) 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 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 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.
- 33 (m) This section shall be part of and supplemental to the campaign 34 finance act.
  - Sec. 2. K.S.A. 25-4186 and 25-4188 are hereby repealed.
  - Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.