

**GOVERNMENTAL ETHICS COMMISSION  
ECONOMIC IMPACT STATEMENT  
K.A.R. 19-22-1; 19-23-1; 19-30-4**

**I. Summary of Proposed Regulation, Including Its Purpose.**

K.A.R. 19-22-1 and 19-23-1 are being amended to reflect the Kansas Supreme Court decision *Cole v. Mayans*, 276 Kan.866, issued in 2003, which held that the Kansas Campaign Finance Act prohibits candidates from transferring campaign funds which were raised for one office to that same candidate's campaign account for a different office. K.A.R. 19-30-4 is being revoked for the same reason.

**II. Reason or Reasons the Proposed Regulation Is Required, Including Whether or Not the Regulation Is Mandated by Federal Law.**

The Kansas Governmental Ethics Commission is acting on the aforementioned Kansas Supreme Court decision. This regulation is not mandated by federal law; and does not exceed the requirements of federal law.

**III. Anticipated Economic Impact of Amended Regulation.**

The amended regulation will have no economic impact upon the Governmental Ethics Commission or upon other governmental agencies or the public.

**IV. Less Costly or Intrusive Methods That Were Considered, but Rejected.**

There were no less costly or intrusive methods considered and rejected.

**19-22-1. Contributions.** (a) General. ~~A transfer of goods and services, or the forgiving of a debt, or the rendering of a discount, does not~~ None of the following shall constitute a contribution if the transaction is made in the ordinary course of business or complies with common trade practices and the transaction does not have as its purpose the ~~influencing of the nomination or election of any individual to~~ nomination, election, or defeat of a clearly identified candidate for state office;

(1) A transfer of goods and services;

(2) the forgiving of a debt; or

(3) the rendering of a discount.

~~In addition,~~ The carryover of funds or inventory by a candidate, candidate committee, party committee, or political committee from one election period to another ~~or the transfer thereof to a bona fide successor committee or candidacy does~~ shall not constitute a contribution.

(b) ~~Transfer of funds. Except as provided in subsection (a), the transfer of funds between any two (2) or more candidates, candidate committees, party committees or political committees constitutes a contribution made to the recipient. (See K.A.R. 19-23-1 (b) for the treatment of such transactions by the donor.)~~

(c) ~~Candidate contributions. The transfer of a candidate's personal funds to the candidate's treasurer for use by the treasurer in the candidate's campaign~~ constitutes shall constitute a contribution made by the candidate.

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~~(d)~~ (c) In-kind contributions. An in-kind contribution ~~constitutes~~ shall constitute a contribution. Those transactions ~~which~~ that are excluded from the definition of in-kind contribution ~~are likewise~~ shall also be excluded from the definition of contribution. ~~(See K.A.R. 19-24 for the definition of in-kind contribution.)~~ (Authorized by K.S.A. ~~1979~~ Supp. 25-4102(d), 2009 Supp. 25-4119a; implementing K.S.A. 2009 Supp. 25-4143 (e)(1); effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; effective May 1, 1980; amended P- \_\_\_\_\_.)

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**19-23-1. Expenditures.** (a) General. ~~The carryover of funds or inventory by a candidate, candidate committee, party committee or political committee from one election period to another or the transfer thereof to a bona fide successor's committee or candidacy does not constitute an expenditure. In addition, expenditure does not include costs which are directly related to any communication by an incumbent elected state officer with one or more of the incumbent's constituents unless the primary purpose of such direct costs is to influence the nomination or election of the candidate. In addition, those indirect costs which facilitate such communications and are insubstantial in value per person are within the exclusion unless the primary purpose of such indirect costs is to influence the nomination or election of the candidate. Costs which relate to communications occurring forty five (45) days after adjournment *sine die* of the legislature in an election year when the elected state officer is seeking office are presumed to be for the primary purpose of influencing the candidate's election. Costs related to a response by an incumbent official to inquiries from the public concerning any official matter before the incumbent do not fall within this presumption.~~

(b) ~~Transfer of funds. Except as provided in subsection (a), the transfer of funds between any two (2) or more candidates, candidate committees, party committees or political committees constitutes an expenditure made by the transferor, provided however that a transfer from one (1) candidate or candidate committee to another and~~

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~~different candidate or candidate committee, or political committee or party committee, does not constitute an expenditure by the transferor when the funds thus transferred are not used for the transferor's benefit (see K.A.R. 19-23-2 concerning the treatment of the transfer as an other disbursement).~~

~~(c) Filing fees. The payment of a candidate's filing fee constitutes an expenditure.~~

~~(d) Meeting the requirements of the act. Costs associated with attending informational meetings of the commission or otherwise obtaining information from the commission ~~do~~ shall not constitute expenditures. In addition, Costs associated with defending actions brought pursuant to the act ~~do~~ shall not constitute expenditures. Costs associated with employing accountants, attorneys, or other persons for advice concerning the requirements of the act or to keep for keeping accounts and records ~~do~~, however, shall constitute expenditures.~~

~~(e) Treasurer's payment of certain costs. The payment by the treasurer of a candidate or a candidate committee of costs incurred for the personal meals, lodging and travel by personal automobile of the candidate or the candidate's spouse does not constitute an expenditure.~~

~~(f) In-kind contributions. An in-kind contribution constitutes an expenditure. Those transactions which are excluded from the definitions of in-kind contributions are likewise excluded from the definition of expenditure. (See K.A.R. 19-24 for the definition of in-kind contribution.) (Authorized by K.S.A. 1979 Supp. 25-4102(f); K.S.A. 2009 Supp. 25-4119a; implementing K.S.A. 2009 Supp. 25-4143 (g)(1); effective, E-76-56, Nov. 26, 1975; effective, E-~~

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77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended P- \_\_\_\_\_.)

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**19-30-4.** (Authorized by K.S.A. 1991 Supp. 25-4119a; implementing K.S.A. 25-4153; effective, E-77-20, May 1, 1976; amended, E-77-47, Sept. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982; amended June 22, 1992; revoked P- \_\_\_\_\_.)

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