

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2079

As Amended by House Committee on Judiciary

Brief*

HB 2079, as amended, would transfer certain duties from the Secretary of State to the Attorney General.

The bill would amend the Charitable Organizations and Solicitations Act (Act) to transfer responsibilities related to registration under the Act from the Secretary of State to the Attorney General. The Attorney General would have authority to adopt rules and regulations necessary for administration of the Act, and all rules and regulations, orders, directives, and standards of the Secretary of State relating to the Act in effect on June 30, 2021, would be deemed to be those of the Attorney General and would continue to be effective until amended, revoked, or nullified pursuant to law. Similarly, all reciprocal agreements entered into by the Secretary of State relating to the Act in effect on June 30, 2021, would be deemed to be entered into by the Attorney General and would continue to be effective until amended, revoked, or nullified pursuant to law. The bill would create a new section in the Act transferring legal custody of all records, memoranda, writings, entries, prints, representations, or combinations thereof, of any act, transaction, occurrence, or event relating to the Act from the Secretary of State to the Attorney General.

The bill would increase the charitable organization registration fee from \$20 to \$25 and would add a registration or renewal fee of \$25 for every professional fundraiser and professional solicitor required to register with the Attorney General under the Act. The bill would create in the State Treasury the Charitable Organizations Fee Fund (Fund), to

*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>

which the Attorney General would remit all moneys received pursuant to the Act. The bill would state moneys in the Fund are to be used by the Attorney General to carry out the provisions and purposes of the Act, and the bill would specify how moneys are to be credited to the Fund and how expenditures are to be made from the Fund.

The bill would amend the State Governmental Ethics Law, in a provision regarding solicitation, to reflect the transfer of duties under the Act.

The bill also would amend statutes regarding a substitute mailing address program for certain victims of domestic violence, sexual assault, human trafficking, or stalking, to transfer responsibility for administering the program from the Secretary of State to the Attorney General. Related rules and regulations authority (except for that relating to voting procedures) would be transferred, and the bill would deem all rules and regulations, orders, directives, and standards of the Secretary of State relating to the program (except for those prescribing voting procedures) in effect on June 30, 2021, to be those of the Attorney General, and they would continue to be effective until amended, revoked, or nullified pursuant to law. Similarly, the bill would transfer legal custody of all records, memoranda, writings, entries, prints, representations, or combinations thereof of any act, transaction, occurrence, or event relating to the program (except for those relating to voting procedures) to the Attorney General. The bill would add an exception to the provision prohibiting the making of any records in a program participant's file available for inspection or copying; this exception would allow disclosure to the Secretary of State if requested by the Secretary of State for election purposes, in accordance with procedures prescribed by rules and regulations.

The bill would also make technical amendments throughout to ensure consistency in statutory phrasing and references.

Background

HB 2079 was introduced by the House Committee on Judiciary at the request of the Office of the Attorney General. As introduced, HB 2079 contained the provisions transferring the address confidentiality program.

House Committee on Judiciary

In the House Committee hearing on January 25, 2021, representatives of the Office of the Attorney General and the Office of Secretary of State testified as **proponents**, stating HB 2079 was a joint effort between the two offices, and the program (known as “Safe at Home”) would be a better fit in the Office of the Attorney General.

No other testimony was provided.

On January 28, 2021, the House Committee amended the bill to add the language of 2021 HB 2080, to transfer duties related to the Charitable Organizations and Solicitations Act.

HB 2080 (Charitable Organizations and Solicitations Act)

HB 2080 was introduced by the House Committee on Judiciary at the request of the Office of the Attorney General.

House Committee on Judiciary

In the House Committee hearing on January 25, 2021, the Attorney General and a representative of the Secretary of State testified as **proponents** of HB 2080, stating the bill was the result of conversations between the two offices, and it would increase efficiency and effectiveness.

No neutral or **opponent** testimony was provided.

Fiscal Information

HB 2079 ("Safe at Home")

According to the fiscal note prepared by the Division of the Budget on HB 2079, as introduced, enactment of the bill would save the Office of Secretary of State approximately \$4,400 per year, based on FY 2020 actual expenditures for the Safe at Home program. The Office of the Attorney General indicates costs of housing the program within its Victim Services Division could be absorbed within existing resources.

Any fiscal effect associated with enactment of HB 2079 is not reflected in *The FY 2022 Governor's Budget Report*.

HB 2080 (Charitable Organizations and Solicitations Act)

According to the fiscal note prepared by the Division of the Budget on HB 2080, enactment of the bill would reduce State General Fund revenues by \$89,075, because current registration and related fees would no longer be received, and the new registration fees would be deposited into the new fee fund. The Attorney General would receive \$128,225 into the new fee fund.

The Attorney General states these revenues would be used to manage the registration program and enforcement expenses associated with the Act. The Attorney General would require 1.0 full-time equivalent position to manage the program, at a cost of \$73,363 annually for salary and benefits. The Attorney General anticipates additional annual expenses of \$15,765 for other expenses, except for \$2,839 used for one-time start-up costs. The remaining revenues would be used to offset a portion of the salary and wage expenditures of investigators and attorneys who currently investigate and enforce violations of the Act, or to increase public awareness and education regarding fraudulent charities and the Act.

Any fiscal effect associated with enactment of HB 2080 is not reflected in *The FY 2022 Governor's Budget Report*.

Attorney General; Secretary of State; Safe at Home program; Charitable Organizations and Solicitations Act; Charitable Organizations Fee Fund