

Approved: 3-2-11
Date

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 26, 2011, in Room 144-S of the Capitol.

All members were present except:

Senator Steve Morris - excused

Committee staff present:

Jason Long, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Dale Goter, City of Wichita
Janet Wright, Wichita Festivals, Inc.
Sandy Jacquot, League of Kansas Municipalities
Justin Stowe, Legislative Division of Post Audit

Others attending:

See attached list.

SB 25 – Authorizing temporary licenses for on-premises sales of cereal malt beverage

Chairman Brungardt opened the hearing on **SB 25**.

Staff provided an overview of the bill and Attorney General Opinion No. 2010-12 on the issue. ([Attachment 1](#))

Dale Goter, Government Relations Manager, City of Wichita, spoke in favor of the bill. ([Attachment 2](#)) The City of Wichita asked the committee for favorable consideration of SB 25, dealing with temporary permits for the sale of cereal malt beverage (CMB). The bill would allow for a reasonable system of municipal oversight over CMB sales at special events of three days or less. It does not create a new category of CMB sales different from what has been in practice for past years in Wichita and other Kansas communities.

Janet C. Wright, President/CEO, Wichita Festivals, Inc., appeared in favor of the bill. ([Attachment 3](#)) Ms. Wright stated with changes in the law, it has become more difficult to know what permits are required for this temporary service and how to manage the purchase, delivery and equipment needed to sell the product at community events that Wichita Festivals, Inc. produces in Wichita. Wichita Festivals, Inc., would support any changes which would help streamline and clarify the process.

Sandy Jacquot, Director of Law/General Counsel, League of Kansas Municipalities, testified in support of the bill. ([Attachment 4](#)) This bill would allow for cities and counties to issue special event licenses for the sale of cereal malt beverage (CMB) on a temporary basis. A legislative solution is a better option in this case to avoid the confusion that could ensue by cities attempting to comply with law, but doing so in different ways that may result in wholesalers not delivering the CMB to the vendor.

Chairman Brungardt closed the hearing on **SB 25**.

SB 26 – An act concerning the state lottery; relating to security audits; background investigation requirements

Chairman Brungardt opened the hearing on **SB 26**.

Staff provided an overview of the bill.

CONTINUATION SHEET

Minutes of the Senate Federal and State Affairs Committee at 10:30 a.m. on January 26, 2011, in Room 144-S of the Capitol.

Justin Stowe, Deputy Post Auditor, Legislative Division of Post Audit, provided the written testimony of Scott Frank in support of **SB 26**. (Attachment 5) The bill would modify the background check requirement for an audit firm that is selected to conduct the triennial security audit of the Kansas Lottery. Because the background check requirement, as it currently stands in statute, may discourage large firms from pursuing the contract; it decreases competition for the contract and may increase the cost to the State. By removing the “major procurement contract” designation and the requirements that go along with that designation, it would eliminate the need for background checks on all officers and directors. The bill lays out the specific background check requirements for this audit project, which includes checks of:

- the vendor to whom the contract is to be awarded (part of the current requirements)
- all persons who own a controlling interest in such vendor (part of the current requirements)
- all applicable staff having involvement with the audit (new requirement)

Chairman Brungardt closed the hearing on **SB 26**.

The next meeting is scheduled for January 27, 2011. The meeting was adjourned at 11:03 a.m.