

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 February 17, 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
Dennis Hodgins, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Dean Reynoldson, Alcoholic Beverage Control Division
Philip Bradley, Kansas Licensed Beverage Association
Melissa Wangemann, Kansas Association of Counties
James Schmitz, Kansas Society of Land Surveyors
Darryl Lutz, Kansas County Highway Association

Others attending:

See attached list.

SB 54 - Creating classes of license to sell alcoholic beverages at retail; fees, term and eligibility

Chairman Brungardt continued the hearings on **SB 54**

Dean Reynoldson, Acting Director, Alcoholic Beverage Control Division, (ABC) appeared neutral on the bill with amendments. (Attachment 1) ABC as stated in New Section 3 would allow a licensee holding a retailer class C license to transfer the license to a qualified person, with approval from the ABC Director. No license or application fee is required, except a \$25 transfer fee, and the license will be issued to the transferee only for the length of time remaining on the transferred license's license term. ABC recommends the application fee (\$50) also be applied because ABC will have to determine if the transferee is qualified for the license before approving the transfer, and the \$25 transfer fee will not cover the cost of doing so; also recommend that the transfer fee be specified as nonrefundable if ABC determines the transferee is not eligible for the license.

Section 13 removes currently existing qualifications for licensure for partnerships and trusts. This would effectively open up all off-premise licenses to convicted felons and others who would not otherwise qualify for such license. The investigations have demonstrated the importance of keeping the criminal element out of the liquor business, and has uncovered hidden ownerships wherein the real (unlicensed) owner uses a straw person to obtain the license because the real owner is a convicted felon. These types of establishments have historically shown a much higher propensity for liquor violations and crimes, including tax fraud and sales to minors. Cash businesses are easier for criminals to use to skim taxes as well as to launder proceeds from other illegal activities.

Section 17 allows a retailer to employ someone at least 18 years of age to sell beer and wine only; currently a person must be 21 years of age to sell wine. This provision has the potential to increase sales to underage persons.

Also provided, suggested language to deal with the concerns about partnerships and corporation licensees being exempt from the licensing requirements; a map showing the number of state-issued retail liquor stores by county; a map showing the number of estimated CMB off-premise outlets by county.

Philip Bradley, Kansas Licensed Beverage Association, (KLBA) appeared neutral with questions on the bill. (Attachment 2) Some of the questions:

- Will "Dry" counties continue and will CMB licenses continue to be available in those area?
- Will the redefined off premise retailer licensee be allowed to obtain a federal wholesaler license and then sell to an On-Premise establishment as Liquor stores now do?

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- Does a new redefined off premise retailer license be allowed to also hold a caterer's alcohol license?
- Why a delivery fee to On-premise licensees & Caterers? Will that be uniform and apply to all?
- Why are the licenses (A & B) so reduced to only 10/30% of a DE license? (\$100/300 vs. \$1000)
- Additionally ask that wherever domestic beer occurs be amended to "not more than 8% alcohol by weight" to "not more than 10% alcohol by weight"

Written testimony as neutral with concerns was provided by Sandy Jacquot, Director of Law/General Counsel, League of Kansas Municipalities. ([Attachment 3](#))

Melissa Wangemann, General Counsel, Kansas Association of Counties, provided written testimony with concerns about the new funding mechanism. ([Attachment 4](#))

Written testimony was provided by Ed Klumpp, Kansas Association of Chiefs of Police, and Kansas Peace Officers Association as neutral with concerns about law enforcement impacts. ([Attachment 5](#))

Michelle Voth, Co Chairperson, Kansas Leadership to Keep Children Alcohol Free Statewide Committee, provided written testimony as neutral with a look at the other side of the story, not considered in the "economic impact" of increasing alcohol outlets in Kansas. This testimony is designed to reveal the social and fiscal costs to the state related to underage drinking. ([Attachment 6](#))

Chairman Brungardt closed the hearing on **SB 54**.

SB 112 - Amendments to statutes pertaining to land surveyors

Chairman Brungardt opened the hearing on **SB 112**.

Staff provided an overview of the bill.

Melissa A. Wangemann, General Counsel and Director of Legislative Services, Kansas Association of Counties, appeared in support of the bill. ([Attachment 7](#)) The bill updates the county surveyor laws as well as addressing the issue of reviewing surveys.

Jim Schmitz, Kansas Society of Land Surveyors, spoke in favor of the bill. ([Attachment 8](#)) KSA 58-2005, the primary survey review statute, has been a major issue for several years; in its current form has no provision governing the time a County Surveyor or contracted County Surveyor may take to make his or her review. The proposal before the committee now addresses this issue among others, and is a viable compromise for Land surveyors, and continues to protect the health, safety and welfare of the public.

Darryl Lutz, Kansas County Highway Association, (KCHA) testified in support of the bill. ([Attachment 9](#)) The bill will encourage surveys to be recorded at the Register of Deeds where other land records are recorded, and will retain county surveyor review of those surveys that are more likely to have errors.

Written testimony was provided by Jim Yonally, Kansas Association of County Surveyors, in support of the current language as a compromise in an effort to move forward. ([Attachment 10](#))

Written testimony in opposition of the bill was received from Randy Anderson, Central Kansas Surveying & Mapping, Inc. ([Attachment 11](#)) Mr. Anderson feels this will be a burden on very rural counties in Kansas.

William J. Haverkamp, Licensed Surveyor, Great Bend, Kansas, provided written testimony in opposition of the bill. ([Attachment 12](#)) Mr. Haverkamp stated that some of the proposed legislation would be better left under the auspices of the Kansas State Board of Technical Professions (KSBTP).

Written testimony in opposition of the bill was received from Michael Clifford, Licensed Surveyor, Topeka. ([Attachment 13](#)) Mr. Clifford stated that the plat reviews should be left to those in the profession who understand it, the Kansas State Board of Technical Professions.

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Chairman Brungardt closed the hearing on **SB 112**.

Final Action:

SB 80 - Alcoholic beverages; amendments relating to beer and microbreweries

Senator Owens moved to pass SB 80 out favorably and placed on the consent calendar. Senator Reitz seconded the motion. The motion carried.

SB 93 - Law enforcement; racial profiling and biased policing

Senator Faust-Goudeau made a motion to amend the language to insert racial “racial or other biased-based”, page 1, lines 23, and through out the bill. Senator Reitz seconded the motion. The motion carried.

Senator Longbine made a motion to amend the bill, on page 2, line 29, changing “shall” to “may”. Senator Reitz seconded the motion. The motion carried.

Senator Longbine made a motion to amend the bill, on page 2, line 34 – 35 to read, “Community advisory boards established at the option of the city or county”. Senator Reitz seconded the motion. The motion carried.

Senator Haley moved an amendment that complaints will be filed with the Attorney General’s Office instead of the Kansas Human Right Commission. Senator Reitz seconded the motion. The motion carried.

Senator Abrams suggested language on data collection from **SB 82** be inserted in New Section 5 under the section on the comprehensive plan to include items 1 through 15 on data collection.

Senator Abrams moved an amendment with the suggested language on data collection from SB 82, and amend the language on page 5, line 20, New Section 5 (a) striking “Each law enforcement agency shall” and inserting “The governing body of city or county may”, striking in line 23, “by January 1, 2012,” , inserting new language on line 24 after or “may require the law enforcement agency of such city or county”. Senator Longbine seconded the motion. The motion carried.

Senator Abrams moved to repeal KSA 22-4604 and 22-4609. Senator Owens seconded the motion. The motion carried.

Senator Haley moved to pass SB 93 out favorably as amended. Senator Reitz seconded the motion. The motion carried.

The next meeting is scheduled for February 22, 2011. The meeting was adjourned at 12:08 p.m.