

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:00 a.m. on March 15 , 2000 in Room 245-N of the Capitol.

All members were present except: Senator Laurie Bleeker

Committee staff present: Mary Galligan, Legislative Research Department
Russell Mills, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Judy Glasgow, Committee Secretary

Conferees appearing before the committee: Steve Kearney, Petroleum Marketing and Convenient Stores
Russell Jobbins, Winchester
Representative Joann Flower

Others attending: See Attached Sheet

Chairman Oleen ask the committee for action on minutes before the committee for March 9, March 10 and March 13, 2000. Senator Biggs moved to approved the minutes, Senator Gooch seconded the motion. The motion carried.

Russell Mills, Legislative Research Department, presented a review of **HB 2670** for the committee. New federal regulations enacted January1, 2000, make it illegal to import “for export only” cigarettes and introduce them directly into the domestic U.S. market. Cigarettes intended for export are not subject to the \$4.50 tobacco settlement tax. This bill would make Kansas law parallel to the federal law.

Chairman Oleen opened hearing on:

HB 2670–Cigarettes; sales of certain cigarettes restricted

Chairman Oleen recognized Steve Kearney, of Petroleum Marketers and Convenience Store Association of Kansas, (PMAC) a proponent to **HB 2670**. Mr. Kearney stated that PMAC represents over 360 independent Kansas Petroleum companies and convenience stores throughout Kansas. (Attachment 1). Mr. Kearney explained to the committee that these cigarettes are referred to as “Gray market cigarettes” and as price of tobacco increases, these cigarettes will become much more attractive. Mr. Kearney stated that more than 20 states, have enacted or are in the process of enacting state laws against gray market cigarettes.

Chairman Oleen recognized Russell Jobbins, an individual from Winchester, who offered an amendment to **HB 2670**. Mr. Jobbins explained that his amendment is to include **HB 2917** relating to administrative fines. (Attachment 2). Mr. Jobbins explained under present law a violation it stays on the record forever and even after many years without a violation, the next violation counts as the second violation.

Chairman Oleen recognized Representative Flower, a proponent to the amendment of **HB 2670** . Representative Flower stated that Mr. Jobbins brought the matter to her attention concerning the violations and fines for selling cigarettes to a minor. She stated there is a bill in the house **HB 2917** which did have hearings and was passed out of the House Federal and States Affairs Committee.

In response to questions from Senator Oleen regarding training provided to sales clerks and records of that training,Mr. Jobbins stated that he had used the “We Card Program” and that because of this training his fine for a first offense had been changed to \$150.00. HE had not gone to a hearing yet.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 2245-N Statehouse, at 11:00 a.m. on March 15, 2000.

Senator Biggs offered an amendment to **HB 2670** which would include a bill heard in this committee last session and passed out of the Senate 36 to 6. This bill has not had hearings in the House of Representative this year. Senator Biggs stated that this bill allowed for notification to the ABC prior to the distribution of free samples. Senator Biggs moved that SB 278 be amended into HB 2670. Senator Gooch seconded the motion

Chairman Oleen stated that the committee would hold the motion to give Senator Biggs an opportunity to talk with the Representative Powell, the Chair of House Federal and State Affairs Committee.

Chairman Oleen announced that the subcommittee for the Newborn Infant Protection Act would be Senators Vidricksen, Biggs and Oleen. The subcommittee will meet at 1:30 p.m. today in Room 525-S.

The meeting adjourned at 12:05 p.m. The next meeting is March 16, 2000 at 11:00 a.m.