

MINUTES OF THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Doug Mays at 1:40 p.m. on March 7, 2001 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Theresa M. Kiernan, Revisor of Statutes  
Russell Mills, Legislative Research Department  
Shelia Pearman, Committee Secretary

Conferees appearing before the committee:

Representative Tony Powell  
Dan Stanley, Secretary of Administration  
Duane Goossen, Director of the Budget  
Robert Stockwell, Performance Review Board Executive Director  
Terry Leatherman, Vice President, Kansas Chamber Commerce & Industry  
Robert Longino, Alcohol Beverage Control Acting Director  
Ezra Ginzburg, Assistant Attorney General  
R.E. "Tuck" Duncan, Kansas Wine and Spirits Association

Others attending: See attached list

Chairman Mays opened the hearing on **SB 75 - Joint committee on state-tribal relations.**

Mr. Mills provided background information about **SB 75** including the Report of the Joint Committee on State-Tribal Relations to the 2001 Kansas Legislature regarding the State Tribal Gaming Compacts (Attachment #1) This bill provides that the Governor (or designee) would serve as temporary chair and call an organizational meeting of the Joint Committee at the start of each legislative session; and the Joint Committee is given the responsibility of making recommendations on issues of state-tribal relations. This bill would also add the Governor (or designee) and the Attorney General (or designee) to be voting members except for approval or disapproval of gaming compacts.

Representative Powell is former chair and presently the vice chair of the committee. The primary part of bill is to address the technical transition of the bill. Current law allows the committee to elect the chair and vice chair, however technically no one is able to call the meeting in January.

The hearing on **SB 75** was closed.

Representative Powell moved that Committee recommend **SB 75** favorable for adoption. Representative Benlon seconded the motion. The motion passed.

Chairman Mays opened the hearing on **SB 180 - Abolish the Kansas Performance Review Board.**

Mr. Goosen encouraged the committee to abolish the Kansas Performance Review Board because it has not worked. He noted the approved budget for FY 2001 for the Performance Review Board totals \$338,070, of which \$291,570 is from the State General Fund. This amount, along with 3.0 FTE positions, would be deleted from the state budget starting in FY 2002. Savings from the passage of SB 180 are already taken into account in The FY 2002 Governor's Budget Report inasmuch as it has been reallocated the funds to programs in other agencies for FY 2002. (Attachment #2)

Mr. Stanley supported **SB 180** because it replicates many audit functions. He stated the claims of savings generated by KPRB have been overstated inasmuch as steps were already progressing toward similar results. (Attachment #3) He believes the Legislative Post Audit is fully capable of conducting most all of the same reviews with highly skilled, professional auditors rather than low bid consultants of varying quality.

Mr. Stockwell noted the KPRB was created during the 1996 Legislative Session. He stated during the 42 month existence of the Board, it has not had enough appointed members to achieve a quorum for one-

third of that time. This in addition to lack of funding has hampered the board from progressing toward its mission to investigate and recommend opportunities to improve Kansas' government. Seven reviews of different agencies were conducted and the board has assisted in savings. (Attachment #4 page 5) KPRB members volunteer the time and experience as they evaluate state programs for efficiency and cost effectiveness.

Mr. Leatherman stated the Chamber was a major supporter of the creation of KPRB. (Attachment #5) He cited in order to succeed, KPRB would need executive branch support of this concept of outside review and to encourage its efforts. It appears this administration has taken the opposite view. Ironically, a board which promoted government efficiency is up for abolition in a time when tight state budgets exist. He urged the committee to oppose **SB 180**. He sees the roles of KPRB and Legislative Post Audit to be contrasting.

The hearing on SB 180 was closed and will be continued on March 8.

Chairman Mays opened the hearing on SB 178 - Notify members of legislature of the availability of agency reports.

No conferees appeared on this bill. **SB 178**, as introduced, required additional copies of state agency publications to be sent to the Secretary of the Senate and the Chief Clerk of the House of Representatives. Also, the bill required each state agency to notify legislative members of the availability of such copies. Currently, the publications are sent to the Governor, State Librarian, Secretary of the State Historical Society, the Secretary of the Legislative Coordinating Council, and to each member of the Legislature.

However, a substitute amendment (Attachment #6) distributed by Mr. Longino to the committee addressed the wholesale retailers residency license law stricken by the District Court within the last two weeks. Current statute requires background checks and did not anticipate out-of-state background checks. Speeding the process through the Legislature would provide an opportunity to get an amend to K.S.A. 41-311 for the Governor's consideration by March 13, 2001.

The proposed substitute bill would allow the Director of Alcoholic Beverage Control to require any applicant provide information deemed necessary to process an application for licensure. The applicant must:

1. Submit to a national criminal history record check and provide two legible sets of fingerprints;
2. Disclose any financial interest the applicant owns in any entity that receives proceeds from the sale of alcoholic beverages;
3. Submit a release allowing ABC Director to review the applicant's financial records to verify ownership;
4. Provides 90 days to act on any license application received after January 31, 2001.

Mr. Duncan provided additional suggestions for amending the bill to address the issue of a non-resident applicant on pages 2, 6 and 8. It is theoretically possible that if appeal proceeds, and if the 10<sup>th</sup> Circuit reverses the District Court decision, it could subject an owner's license be revoked a year from now, he also suggested a form of "hold harmless" grandfather clause.

Mr. Ginzburg has filed the notice of appeal because the District Judge said K.S.A. 41-3111b is unconstitutional. The stay has not yet been ruled.

The hearing on SB 178 was closed.

Representative Freeborn moved that Committee strike the current language and insert language contained in Substitute for SB 178 be adopted. Representative Benlon seconded the motion. The motion passed.

Any additional corrections to properly address this issue could be revised during Conference Committees.

Representative Freeborn moved that Committee recommend Substitute for SB 178 as amended favorable for passage. Representative Hutchins seconded the motion. The motion passed.

The committee meeting adjourned at 2:58 p.m. The next scheduled meeting is March 8, 2001.