MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Senator Nancey Harrington at 10:45 a.m. on January 22, 2002 in Room 245-N of the Capitol.

All members were present except: Senator Vratil, excused

Committee staff present:	Russell Mills, Legislative Research Department
	Dennis Hodgins, Legislative Research Department
	Theresa Kiernan, Office of the Revisor
	Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Bob Longino, Director, Alcoholic Beverage Control

Others attending: Please see attached.

Chairperson Harrington opened the meeting by asking the committee for any bill introductions they might have.

Senator Gilstrap asked the committee for the introduction of three bills. He stated that the first bill dealt with the publication of expenditures by counties, and the latter two dealt with fire safety and prevention.

Senator Gooch made a motion to introduce the three bills. Senator Lyon seconded the motion. The bills were introduced.

Chairperson Harrington instructed committee members to review the minutes from the previous session. The Chair then invited Bob Longino, Director, ABC, to speak.

Mr. Longino presented testimony to the committee to update them on the division. (<u>Attachment 1</u>) He included brochures from the division entitled: "It's the Law" (<u>Attachment 2</u>), "Kansas Alcoholic Beverage Control Division" (<u>Attachment 3</u>), the annual bulletin for licensees, "Alcoholic Beverage Control: Industry Bulletin, Vol. 3, Issue 2" (<u>Attachment 4</u>), and "How to Spot Fake IDs: A Guide for Kansas Liquor Licensees." (<u>Attachment 5</u>)

Mr. Longino also presented the committee with several maps, including: "Active Kansas On-Premise Licenses" (<u>Attachment 6</u>), "Active Kansas Off-Premise Licenses" (<u>Attachment 7</u>), and "Kansas Liquor-by-the-Drink: November 2002." (<u>Attachment 8</u>)

Mr. Longino also provided the committee with an ABC bulletin entitled, "Kansas ABC Advisory Task Force: Enforcing Underage Laws." (<u>Attachment 9</u>)

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Chairperson Harrington asked the committee for questions.

Senator Gooch stated that, with regard to Sunday liquor sales, since this affected areas like Wyandott County, he was interested in how these issues would relate to other border counties. Mr. Longino replied that he was not aware of any other counties actively pursuing anything at this time. In response to Senator Gooch's question, Mr. Longino explained to the committee that this could progressively affect the state, depending on the judicial decision in this case. He stated that ABC's concern would be if local government could make such a decision, then it might be able to do the same in other cases.

Chairperson Harrington asked Mr. Longino to keep the committee updated on the progress of this matter, and he agreed to do so. She thanked him for his information and stated that she hoped the committee would be able to continue to see him on additional occasions in future years.

The committee discussed licensing, and Senator Gooch expressed concern that the state may be unfairly treating one side versus the other side. Mr. Longino stated that ABC was trying to be as fair as possible based on the existing statutes, but that he would be willing to speak with Senator Gooch about that issue one on one.

Senator O'Connor stated that, in regard to Sunday liquor sales, it seemed as though a lot of tax money was being spent on the issue, so she would like to know what the ramifications would be if the state allowed counties to vote, and if that would solve the problem.

Mr. Longino stated that yes, it would eliminate the problem right now.

Senator Gooch asked Mr. Longino if the appointments in his office had been set with the new administration. Mr. Longino replied that the majority of his staff are classified employees, but the two unclassified positions, including his own, were still not finalized yet.

Chairperson Harrington stated that she would like additional information about the governor's proposed budget on page 4, point 4. (<u>Attachment1</u>)

Mr. Longino stated that he did not know a great deal about that yet since it involves enforcement and oversight, and that they were working on the details now.

In regard to the Chair's question about ABC's yearly revenue, Mr. Longino stated that gallonage tax was about 17 million dollars, and licensee fees were 2-3 million dollars, and that non-ABC revenues from liquor enforcement and tax were about 60 million dollars together. He stated that most of the money would probably go to the state General Fund, and that for both operational expenses and full time employees, he would estimate ABC at about 1.9 million dollars.

Chairperson Harrington thanked Mr. Longino for his presentation.

Chairperson Harrington suggested to the committee that because of the importance of budget issues this session, the committee might not meet in favor of members attending meetings of the Ways and Means committee. She reminded the committee that tomorrow they would have a hearing on SB 2–An act

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concerning certain boards; relating to the terms of members thereof.

Senator Brungardt made a motion to approve the minutes from 01/21/03. Senator Gooch seconded the motion. The minutes were approved.

The meeting was adjourned at 11:55 a.m. The next meeting will be on January 23, 2003 at 10:45 a.m. in Room 245-N.

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