

STATE AFFAIRS COMMITTEE

February 20, 1967

The meeting was called to order by the Chairman who introduced Rep. Madden to discuss H.B. 1161. Mr. Madden stated that if passed, this bill would bring in considerable revenue, and displayed a predicted tabulation (see attached) which had been prepared by the Alcoholic Beverage Control agency. He then introduced Jerry Muth, the Director, who in turn introduced some of his staff, Sherman Parks, Bill Struggle, Leland Atteberry and John Pence, whom he stated would be able to answer questions. He emphasized that the office of which he is director, is not in favor of this bill but were just appearing to make it clear that they were willing to follow the desires of the legislature, and if the legislature saw fit to pass this measure, then there were certain amendments which would be necessary in order to enforce the law.

The Chairman inquired the position of ABC on the proposal and Mr. Muth reiterated that he took no personal position; that it was his opinion that the bill is an extension of the "club law"; that when new legislation is enacted there always are problems and that he would hate to see new loopholes created because there were always those segments looking for them.

Mr. Madden then stated that he had an opinion from the Attorney General (see attached) which indicated that he could not say if the proposal is constitutional and that it would probably require a Supreme Court decision. Mr. Andrews asked if he was coming to the committee and requesting them to pass a bill that would require the expenditure of money to test its constitutionality and Mr. Madden said that he was so willing because of the revenue that it would produce; that he believed certain parts of the Constitution are obsolete.

Mr. Fred Gulick, Legislative counsel for the Kansas Wine and Spirits Distributors, stated that his association takes no position on the bill, but that if the legislature were to consider its passage, there are numerous changes that should be made. He indicated that he would be willing to work with the author of the bill and any sub-committee, to make this a workable and enforceable bill.

Mr. Bill Morris, Executive Vice-President of the Kansas Restaurant Association stated that his association takes no position on the bill, but read a resolution passed by his association (see attached) indicating that they felt it should be submitted to the voters of Kansas

In conclusion, Mr. Madden stated that he believed the passage of this bill would encourage tourism and conventions in Kansas.

The meeting was adjourned. All members were present except Mr. Brown, who was excused.

MARGARET GENTRY, Secretary

HOUSE BILL NO. 1161

5	Investigators to inspect Hotel & Restaurant licensed premises.	Salaries	\$ 28,500
2	Investigators (Under-cover agents) to secure evidence of violations.	Salaries	11,400
7	cars @ \$2,000.		14,000
7	car repairs @ \$200.		1,400
7	car gas, oil and tires \$600. ea.		4,200
7	car-2-way radios @ \$450.		3,150
	Postage		150
	Supplies		100
	Brief Cases		280
	License applications (forms)		1,000
	Folders		
1	employee License Section - Clark Typist II		<u>3,600</u>
	Total Expenses		\$67,780
	Revenue Estimate		
	200 licenses @ \$2000.	\$400,000	
	Less: 50 cancelled clubs @ \$260	<u>- 12,500</u>	
			\$387,500
	Expenditure Estimate		
	Salaries & Wages		43,500
	7 Investigators		
	1 Clark Typist II		
	Other Operating Expenses		24,280

March
Resolution passed by Bd. of Directors of
Kansas Restaurant Assn.

Dated Jan/18, 1965

Be it moved that since the Kansas Restaurant
association represents a service industry
it therefore has an obligation to provide
the services wanted by the public, we ~~therefore~~
The Board of Directors and a majority of
our membership believe that the question
of liquor by the drink should be submitted
to the people of Kansas for a popular vote
so that their views might be properly
expressed and followed.