Approved Sephent May = 09-83

MINUTES OF THE HOUSE COMMITTEE ON .	GOVERNMENTAL ORGANIZATION	
The meeting was called to order by	Rep. Stephen R. Cloud Chairperson	at
_9:04 a.m./xxxxxxon March 2	, 19_83in room522-	S of the Capitol.
All members were present except:		

Committee staff present:

Avis Swartzman - Revisor Carolyn Rampey - Research Dept. Russ Mills - Research Dept. Jackie Breymeyer - Secretary Conferees appearing before the committee:

Tom Kennedy - Director, ABC Division
Tuck Duncan - Kansas Wine and Spirits Wholesalers Association
Tom Green - Kansas Retail Liquor Dealers Association
John Savute - Wichita, KS.
Jack Milligan - Kansas Association of Private Clubs

Not appearing but going on record as supportive of HB 2502: Mark Boranyak, Director, Testimony supplied. Kansas Beer Wholesalers, Assn., Inc.

Rev. Taylor - Kansans For Life At Its Best

The meeting of the House Governmental Organization Committee was called to order at 9:04 by Vice-Chairman Marvin Smith. The minutes of the February 25 and February 28 meetings were approved. The Committee took up HB 2502.

Vice Chairman Smith introduced Tuck Duncan, Kansas Wine and Spirits Wholesalers Association. Mr. Duncan expressed the concern of the association he represents with keeping undue influence out of the state. A five year residency this year would be more in line with what they would like to see.

Tom Kennedy, Director, ABC Division, read from his written testimony and stated that the division has no recommendations for this bill since the division has had no problems in this area. (See Attachment I)

Tom Green, Kansas Retail Liguor Dealers Association, spoke to the Committee. He opposes the one year residency requirement and that the residency requirement as it now stands is good.

Chairman Cloud read from the Audit Report, stating the various options the Committee could think about.

John Savute, Wichita, spoke in support of HB 2502. He stated that he built a private club in addition to his restaurant, therby losing his commission to be a volunteer reserve officer. The work these volunteers do includes flying blood, searching for lost children, helping in the apprehension of criminals and other community aids. The volunteers are good people who should not be penalized because they hold a liquor license.

Written testimony from Mark Boranyak, Director, Kansas Beer Wholesalers, Association, Inc., was passed out to the Committee. This testimony is in support of HB 2502. (See Attachment II)

Rev. Taylor, Kansans For Life At Its Best, wanted to go on record as stating that these bills were a start in the right direction and he sees no problem with them at this time.

The Chairman stated that an option would be to amend into HB 2502 the change of residency requirements for private club owners.

Page  $\frac{1}{5}$  of  $\frac{2}{5}$ 

#### CONTINUATION SHEET

MINUTES OF THE	HOUSE	COMMITTEE ON	GOVERNMENTAL	ORGANIZATION	,
room <u>522-S</u> , Statehou	use, at <u>9:04</u>	a.m./www.on	March 2		_, 19 <u>83</u>

This concluded the hearing on HB 2502. The Committee turned its attention to HB 2504.

Tom Kennedy, Director, ABC Division, passed out copies of his testimony and stated that the Division strongly endorses this bill as it should deter minors from asking for, purchasing or receiving alcoholic liquor. (See Attachment III)

Tom Green, Kansas Retail Liquor Dealers Association, gave his support to the bill.

Jack Milligen, Kansas Association of Private Clubs, presented the Committee with brief testimony on HB 2504. The association supports this bill as they strongly believe that private clubs, taverns and liquor stores have the responsibility to not sell alcoholic beverages to minors. (See Attachment IV)

The Chairman stated that this constituted the hearing on HB 2504.

Testimony began on HB 2505. Tom Kennedy, Director, ABC Division, read from written testimony that was supportive of the bill. The Division would like to see the fees increased as they have not been raised since 1949. He stressed that part of the testimony of the Post Audit Report that questioned whether license permits and permit fee receipts should cover all the costs of the regulatory program. (See Attachment V)

Tom Green, Kansas Retail Liquor Dealers Association, questioned whether it was a good concept to take money out of the Division to fund community alcoholism treatment programs or what it will do to the fee structure in the future.

Jack Milligen, Kansas Association of Private Clubs, stated that caution should be used in the consideration of parts of the bill.

The Chairman stated that this would end the hearing on HB 2505.

The Committee took up final action on bills.

HB 2074, dealing with the make up of the state library advisory commission, was discussed. Avis Swartzman, Revisor, passed out a balloon copy of proposed amendments the Committee wanted to see included in the bill. Rep. Matlack moved to amended HB 2074 with the amendments contained in the balloon copy. Rep. Cobb gave a second to the motion. The motion carried.

Rep. Fuller moved to pass HB 2074 favorably as amended. Rep. Harder gave a second to the motion. The motion carried.

The Committee took up final action on HB 2504. After discussion and a few comments from the Revisor, Rep. Fuller moved to recommend HB 2504 favorable for passage. Rep. Sughrue gave a second to the motion. The motion carried. Rep. Love wished to be recorded as voting "no".

HB 2502 was brought up for discussion. Rep. Cobb moved to amend HB 2502 by bringing it into consistency with HB 2526 and placing a one year residency requirement for private clubs. Rep. Smith gave a second to the motion. The motion carried. Rep. Smith moved to change the residency to a three year requirement. This motion died for lack of a second.

Chairman Cloud stated that further discussion on HB 2502 and HB 2505 would continue tomorrow.

The meeting was adjourned at 10:19.

### GUEST LIST

COMMITTEE: GOVERNMENTAL ORGA	ANIZATION	ATE: 3/2/83
NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
TOM KENNEDY	TOPEXA	ABC
TUCK DUNCAN	Joseph	KWSWA
John Brewer	Marion	Marian High School
Marie Druse	Marion	Marion High School
JOHN SAVUTE	WICHITA	SHERIFF DEPT
T.L. (ween	Topaka	KRLDA
DUANE F. SchNSCN	Topeku	State L. butny
Geannie Wastmarland	Lenexa	Cotinen
Watter Musturereland	Leuda	litizer
Tack Milligan	Topella	Ks. DSSM. Private Clubs
Dellie Elder	11	7:
FRANCES KASTNER	"	KFDA
11/11/11/11/11		

### CONFEREES

BILL NO. 2502, 2504 & 2505

SUBJECT

DATE OF HEARING 3/2/83

HB 2502, concerning the Kansas liquor control act HB 2504, concerning alcoholic liquor HB 2405, concerning alcoholic beverages

HB 2405, consponents	oncerning alcoho	olic beverages	-		
DATE	NAME	ORGANIZATION	ADDRESS	PHONE	TESTIFY?
NOTIFIED	NAME	ORGANIZATION	TIDDICEDE		
2/25/83	Tom Kennedy	Alcoholic Beverage Control	State Office Bldg.	296-3946	Yes
HB 2504 HB 2505	Rev. Taylor	Kansans For Life At Its Bes	t 218½ W.6thSt	273-5780	Yes
2502 2504 2505	Tou Feer	utail biguir store			
2507	John Savate		Wichita		full-time officer
2504	1 1 10				officer

attachment I

3/2

### MEMORANDUM

TO:

Honorable Stephen R. Cloud

Chairman, House Governmental Organization Committee

FROM:

THOMAS J. KENNEDY, DIRECTOR, ABC Division

RE:

House Bill 2502

DATE:

March 2, 1983

### PURPOSE

House Bill 2502, if enacted in its present form, is an act conerning the Kansas Liquor Control Act; relating to eligibility for licenses issued thereunder; amending K.S.A. 1982 Supp. 41-311 and repealing the existing section.

### PERSPECTIVE

K.S.A. 41-311 concerns eligibility for Kansas liquor control licenses and Kansas private club licenses.

This bill, if enacted in its present form will:

- 1. Allow part-time police officers, special deputy sheriffs, and other enforcement officers, who work less than 1,000 hours in any one year, to hold a retail liquor store license or a private club license. Presently, no license of any kind shall be issued to a person who appoints or is a law enforcement official or who is an employee of the director or the board.
- 2. Change the residency requirement for a retailer's license to one (1) year immediately preceding date of application for a license in the state and county in which the premises covered by the license are located.

Presently, the residency requirement for a retailer's license is ten (10) years in the state and five (5) years immediately preceding date of application in the county in which the premises covered by the license are located.

3. Changes the states residency requirement of a copartnership or individual for a manufacturer's license to one (1) year immediately preceding the date of application.

Presently it is five (5) years.

Atch. I

4. Changes to the states individual residency requirement for a distributors [alcoholic liquor or beer (over 3.2% alcohol by weight)] to one (1) year immediately preceding date of application.

Presently, an individual applying for an alcoholic liquor distributor's license must have been a resident of the state for ten (10) years immediately preceding the date of application. Further, a person presently applying for a beer distributor's license must have been a resident of the state for five (5) years immediately preceding date of application.

### COMMENTS AND/OR RECOMMENDATIONS

1. In regard to part-time law enforcement officers being allowed to hold private club and retail liquor store licenses, we have had a number of applicants that did not qualify and they were upset as well as very disappointed.

This amendment will take care of those situations.

- 2. Changing the residency requirements for a retailer's license to one year in the county and the state immediately preceding date of application is a good change.
- 3. The changing of the residency requirement for an alcoholic liquor distributor's license and a beer distributor's license from 10 years and 5 years respectfully is a policy decision strictly for the legislature. The stringent resident requirements imposed upon an applicant insured that a personal history would be available for investigation by the ABC Division. Experience has shown that an appropriate evaluation of an applicant can be made by our investigators. It is our opinion that the lengthy state residency required today may serve no significant enforcement purpose.
- 4. The Director of Alcoholic Beverage Control recommends approval of the amendment to permit part-time enforcement officers to hold retailer licenses or club licenses. Further, we recommend approval of the amendment reducing residency requirements for retailers.

As to reducing residency requirements for distributors of alcoholic liquor and beer, this is strictly a legislative policy decision and we have no recommendations. The reason is that we have had no problems in this area.

Respectfully submitted,

THOMAS J. KENNEDY, DIRECTOR

Alcoholic Beverage Control Division

TJK:cjk



Attachment II 3/2

# STATEMENT IN SUPPORT OF HB 2502 BY THE COMMITTEE ON GOVERNMENTAL ORGANIZATION By: Mail Boranization

The Kansas Beer Wholesalers Association is a statewide trade organization of 55 strong beer and cereal malt beverage distributorships located in 24 communities throughout the state of Kansas. KBWA members distribute strong beer to retail liquor stores and 3.2% beer to licensed cereal malt beverage retailers and, if a club has a 3.2% permit, to private clubs. The Kansas Beer Wholesalers Association supports the provision in HB 2505 establishing a one year immediate residency requirement for distributors.

As was stated before the subcommittee studying this matter earlier, to acquire most beer distributorships requires a large amount of capital. For instance, one distributorship in a large metropolitan area in Kansas recently sold for \$7 million. It is readily apparent that this large sum is not available to most citizens. By limiting the potential purchasers of such a distributorship to those Kansans who have <u>at least five years immediate</u> residency the potential list of buyers for such a distributorship is greatly narrowed. It is correspondingly more difficult for the owner of the distributorship to sell his business concern.

Additionally, the Alcoholic Beverage Control Division has at its resource the means to determine the qualifications and stature of the proposed purchaser of a distributorship in a short period of time. The current five year <u>immediate</u> residency requirement no longer serves the best interest of the state and is not needed by the Alcoholic Beverage Control Division.

The Kansas Beer Wholesalers Association does suggest that HB 2502 be amended to also establish a one year immediate residency requirement for <u>cereal malt beverage wholesalers</u> since the sholesalers represented by the Kansas Beer Wholesalers Association distribute both strong beer and cereal malt beverage (3.2% beer).

Atch. I

### MEMORANDUM

attachment III

TO:

Honorable Stephen R. Cloud

Chairman, House Governmental Organization Committee

FROM:

THOMAS J. KENNEDY, Director, ABC Division

RE:

House Bill 2504

DATE:

March 2, 1983

### PURPOSE

House Bill 2504, if enacted in its present form, is an act concerning alcoholic liquor; unlawful acts in connection with purchases or possession thereof; increasing penalties for commission thereof; amending K.S.A. 41-715 and repealing the existing section.

### PERSPECTIVE

K.S.A. 41-715 concerns minors representing that they are of age for the purpose of asking for, purchasing or receiving alcoholic liquor from any person except in cases authorized by law, and the penalties for violations.

This bill changes the penalties for violating the provisions of K.S.A. 41-715. It provides that "any person violating any provisions of this section is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$250 nor more than \$1,000 or by imprisonment for not to exceed 90 days, or both such fine and imprisonment".

Presently, K.S.A. 41-715 states that: "Any person violating any provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than two hundred dollars (\$200) or by imprisonment for not to exceed thirty (30) days, or both such fine and imprisonment in the discretion of the court."

### COMMENTS AND/OR RECOMMENDATIONS

This is a good piece of legislation and should deter minors asking for, purchasing or receiving alcoholic liquor.

Atch. TIL

Last year, we had 96 retail liquor store licensees cited for sales to minors. Many of the minors were not prosecuted. Those that were and those that were convicted received minimal fines ranging from \$5 to \$50. Under the present law, the judge could fine the minors from zero to \$200. This new law will require that the minimum fine is not less than \$250 or more than \$1000 if the minor is convicted or not to exceed 90 day imprisonment.

The Director of Alcoholic Beverage Control strongly endorses this bill. I further feel that the Kansas Sheriff's Association and the Kansas Police Association, if asked, would recommend passage of this bill. This bill, if enacted, could have a positive effect on the number of minors who are presently purchasing or attempting to purchase alcoholic liquor.

Respectfully submitted,

CHOMAS J. KENNEDY, DERECTOR

Alcoholic Beverage Control Division

TJK:cjk



## Kansas Association of Private Clubs

(913) 357-7642 • 117 W. 10TH ST. • TOPEKA, KS 66612

attachment IV 3/2

### TESTIMONY ON HB 2504 MARCH 2, 1983 HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE

Mr. Chairman, Members of the Committee. My name is Jack Milligan. appear this morning in behalf of the Kansas Association of Private Clubs, and in support of HB 2504.

The Kansas Association of Private Clubs wishes to reassure the Committee of its support of legislation that would impose stiff penalties on minors who seek to unlawfully enter private clubs or attempt to purchase alcoholic beverages at the retail level. Only then will we finally generate genuine deterents to minors for attempting the aforementioned unlawful acts. By advocating stiff penalties for minors we certainly do not wish to understate our concern with private clubs, taverns and retail liquor stores that willfully sell alcoholic beverages to minors. We strongly believe the aforementioned establishments have the responsibility to prevent sale to minors to the best of their ability and also warrant stiff penalties when such responsibility is ignored.

Again, the Kansas Association of Private Clubs wishes to express its support of HB 2504. Thank you for the opportunity to appear this morning.

Jack Milligan Executive Director Kansas Association of Private Clubs

Atz h. IV

January 24, 1983

TO: House Committee on Governmental Organization

FROM: Kansas Legislative Research Department

RE: Board of Healing Arts

### Definition of Terms

#### K.S.A. 65-5001:

- (b) "Registration" means the process by which the state identifies and lists on an official roster those persons who meet predetermined qualifications and who will be the only persons permitted to use a designated title.
- (c) "Licensure" means a method of regulation by which the state grants permission to persons who meet predetermined qualifications to engage in an occupation or profession, and that to engage in such occupation or profession without a license is unlawful.

### Composition and Duties of the Board

The Board of Healing Arts was established in 1957 so that "the public shall be properly protected against unprofessional, improper, unauthorized, and unqualified practice of the healing arts and from unprofessional conduct by persons licensed to practice underthis act" (K.S.A. 65-2801). The Board consists of the following 13 members who are appointed by the Governor, with the consent of the Senate, to four-year staggered terms:

- 1. five members who hold a degree of doctor of medicine;
- three members who hold a degree of doctor of osteopathic medicine and surgery;
- 3. three members who hold a degree of doctor of chiropractic;
- 4. one member who holds a degree of podiatry; and
- 5. one public member.

Except for the public member, all members must have been actively engaged in Kansas in their respective fields at least six consecutive years immediately preceding their appointment.

In making the appointments, the Governor is required to take into consideration the names of persons who are on lists submitted by the professional societies or associations represented on the Board, except in the case of the podiatrist and public members.

The Board of Healing Arts is charged with administering the provisions of the Kansas Healing Arts Act (K.S.A. 65-2801, et seq.). The Act provides for the licensure and regulation of medical, osteopathic, and chiropractic doctors, and the registration of physician's assistants. In addition, the Board is responsible for administering other statutes which bring within its jurisdiction the registration and certification of physical therapists and physical therapy assistants (K.S.A. 65-2901 et seq.) and the licensing and regulation of podiatrists (K.S.A. 65-2001 et seq.).

In performing these latter duties (administering the Physical Therapy Act and the Podiatry Act), the Board works with two committees which assist it in matters relating to their respective professional fields.

The first is the State Examining Committee for Physical Therapy, a statutory five-member committee directed to "assist the board (of Healing Arts) in carrying out the provisions of this law, regarding the qualifications and examinations of physical therapists and physical therapy assistants." The members, who are appointed to four-year terms, consist of three physical therapists appointed by the Governor, a physician licensed by the Board of Healing Arts to practice medicine and surgery appointed by the Board, and the Secretary of the Board of Healing Arts. The Committee, under the administration of the Board of Healing Arts, registers, examines, and regulates physical therapists in Kansas. (This Committee was under the provisions of the Sunset Law, but those provisions were removed by the 1981 Legislature.)

The second committee is the Advisory Committee on Podiatry, a three-member committee established in 1975. The Committee consists of three podiatrists who advise and consult with the Board of Healing Arts in the administration of laws regarding the qualifications and examination of podiatrists.

The professions under the jurisdiction of the Board of Healing Arts are shown in Table I.

Table I
Professions Under the Jurisdiction of the
Board of Healing Arts

Profession	Type of Jurisdiction	Relevant Statutes	Number Licensed/ Registered 10-31-82
Medical doctors	Licensure	Healing Arts Act (K.S.A. 65-2801 <u>et</u> <u>seq</u> .)	6,329
Doctors of osteopathic medicine	Licensure	Healing Arts Act (K.S.A. 65-2801 <u>et</u> <u>seq</u> .)	410
Chiropractors	Licensure	Healing Arts Act (K.S.A. 65-2801 <u>et</u> seq.)	741
Physician's assistants	Registration	Healing Arts Act (K.S.A. 65-2801 <u>et</u> <u>seq</u> .	60
Physical therapists*	Registration	Physical Therapy Act (K.S.A. 65- 2901 <u>et</u> <u>seq</u> .)	495
Physical therapy assistants*	Certification <sup>a</sup>	Physical Therapy Act (K.S.A. 65-	
Podiatrists**	Licensure	2901 <u>et seq</u> .) Podiatry Act (K.S.A. 65- 2001, <u>et seq</u> .)	105

<sup>\*</sup>Assisted by the State Examining Committee for Physical Therapy
\*\*Assisted by the Advisory Committee on Podistry

<sup>&</sup>lt;sup>a</sup>In this context, certification is the same as registration.

The duties of the Board include determining the qualifications of persons who wish to practice in Kansas in the professional areas under the Board's jurisdiction, administering various examinations, issuing licenses or permits to practice, and investigating and hearing complaints concerning practitioners under the Board's jurisdiction. The qualifications of practitioners are set forth in Kansas statutes and the rules and regulations of the Board.

The Board administers examinations twice a year in each professional area under its jurisdiction, except for physician's assistants. Examinations for physician's assistants are given at Wichita State University. All of the examinations are standardized tests administered by the Board (or by Wichita State University, in the case of physician's assistants), except for the podiatry examination. That test is developed by the Board itself with the assistance of the Advisory Committee on Podiatry.

All persons who are licensed, registered, or certified by the Board must renew their permits to practice annually. All practitioners except physical therapy assistants are required to show proof of having met continuing education requirements before their permits may be renewed.

The Board receives approximately 100 complaints against licensees annually. The Board contracts with an investigator who gathers information on serious complaints and, if warranted, the Board holds disciplinary hearings which can result in a license or permit to practice being revoked, suspended, or limited. The Board usually holds five or six hearings a year although there has been an increase in both the number and length of hearings during the last several years. The Board contracts with an attorney for its legal services.

Fees which may be collected by the Board are listed in the statutes pertaining to each of the professions under the Board's jurisdiction. Except in the case of physical therapists and physical therapy assistants, the statutes also set a limit on each fee. For physical therapists and physical therapy assistants, the limits are set in rules and regulations of the Board. Table II shows some of the fees collected by the Board.

Table II Selected Fees Collected by the Board of Healing Arts

Profession	Type of Fee	Current Amount
Medical doctors	Examination Initial Licensure Renewal	\$160 130 50
Doctors of osteo- pathic medicine	Examination Initial Licensure Renewal	160 130 50
Chiropractors	Examination Initial Licensure Renewal	40 130 50
Physician's assistants	Examination Initial Registration Renewal	50 10
Physical therapists	Examination Initial Registration Renewal	<pre>} 85 15</pre>
Physical therapy assistants	Examination Initial Certification Renewal	3 85 3 15
Podiatrists	Examination Initial Licensure Renewal	30 130 50

### Board Operations and Budget

The Board is funded entirely from fees it collects for issuing licenses and permits, giving examinations, and performing other duties for which a charge is assessed. Twenty percent of its income is credited to the State General Fund. The remainder is credited to the Healing Arts Fee Fund which supports the operation of the Board office at 503 Kansas Avenue. The Board's staff consists of six persons: an Executive Secretary and a five-person clerical staff. Each year the Board selects one of its members to serve as Secretary and that person also receives a salary fixed by the Board. In addition, the Board contracts with an attorney and an investigator.

For the current fiscal year (1983), the Governor recommends an expenditure limitation of \$285,153. Major items in the Budget are salaries (\$132,284), travel and subsistence for Board members and staff (\$23,500), and contracts with the attorney and investigator (\$62,000).

For FY 1984, the Governor recommends an expenditure limitation of \$313,683. The greatest growth in the budget for FY 1984 over the current year is in the area of contracts for legal and investigative services for which the Governor recommends an expenditure of \$81,800. The Board requested that level of funding because of a greater than usual amount of legal activities in recent years. If the Governor's recommendations for the Board's budget are approved by the Legislature, there will be a balance in the Healing Arts Fee Fund of \$377,925 at the end of FY 1984.

### MEMORANDUM

Attachment I 3/2

TO:

Honorable Stephen R. Cloud

Chairman, House Governmental Organization Committee

FROM:

THOMAS J. KENNEDY, Director, ABC Division

RE:

House Bill 2505

DATE:

March 2, 1983

### PURPOSE

House Bill 2505, if enacted in its present form, is an act concerning alcoholic beverages; relating to fees charged for certain licenses; amending K.S.A. 41-317, 41-2606 and 41-2622 and repealing the existing sections.

### PERSPECTIVE

K.S.A. 41-317 concerns the amount of the state registration fees which must accompany each initial application for a license and the amount of renewal fees which must accompany each renewal application for a license under the provisions of the Liquor Control Act. This bill increases the registration fee to \$100 and the renewal fee to \$50.

Presently, registration fees are \$50 and renewal fees are \$10.

K.S.A. 41-2606 concerns the amount of the state registration fee which must accompany each initial application for a private club license and the amount of renewal fees which must accompany each renewal application for a private club license under the provisions of the Club Licensing Act. This bill increased the registration fee to \$100 and the renewal fee to \$50.

Presently, registration fees are \$50 and renewal fees are \$10.

K.S.A. 41-2622 concerns the annual license fee for a Class "A" club license. This bill will increase the annual license fee for a class "A" club license to \$500.

Presently, the annual license fee for a class "A" club license is \$250.

ALLh. I

### COMMENTS AND/OR RECOMMENDATIONS

The Director of Alcoholic Beverage Control strongly recommends approval of the increase in registration fees and renewal fees for both licenses under the Liquor Control Act and the Club Licensing Act.

The present fee structure has been in effect since 1949 and the costs of processing applications have increased significantly. Reasons for increasing registration and renewal fees are shown on enclosure #1 of this memorandum.

As to increasing the annual license fee of class "A" clubs, this is strictly a legislative matter and the Director of Alcoholic Beverage Control is neither a proponent nor an opponent of this portion of the bill.

The Legislative Post Audit Report pointed out that:
"A general fiscal policy applied to nearly every state feefunded regulatory agency is that the cost of an agency's
operations should be funded by the license fees and other
receipts imposed on the regulated profession or industry.
The Division of Alcoholic Beverage Control is not a feefuneded agency, but it seems reasonable that its fee structure
should bear some relationship to its actual costs."

The Post Audit Report further states: "Part of the fees collected by the Division of Alcoholic Beverage Control are transferred to fund community alcoholism treatment programs. As a result, fee receipts fall short of covering the Division's regulatory program costs by a fairly substantial amount. In fiscal year 1981, this shortfall totaled \$382,740, or 35 percent of the Division's operating costs. The report recommends that the Legislature consider whether alcohol license and permit fee receipts should cover <u>all</u> costs of the regulatory program, including those moneys channeled to finance other funds."

Respectfully submitted,

THOMAS J// KENNEDY, FIRECTOR

Alcoholic Beverage Control Division

### Reasons for increasing Registration fees:

	cessing Cost of Applications for License	Cost for Labor	Postage	Total
1.	Mail Application to Applicant 5 min. @ 5.28	\$ .45	\$ .80	\$ 1.25
2.	Cost of handling application in Fiscal & Quality and Control 10 min. @ 6.27	1.00		1.00
3.	Enter in Ledger and Check Application 15 min @ 5.28	1.35		1.35
4.	Lease Checked by Law Clerk 20 min. @ 6.73	2.20		2.20
5.	Write Correction Letter and File Some require 3 letters 15 min @ 5.28	1.35	.60	1.95
6.	When Correction is read, request is checked 10 min @ 5.28	.90		.90
7.	Type hearing notices Mail to Applicant, City Clerk, County At 10 min. @ 5.28	.90 ttorney	.60	1.50
8.	Type Investigation Notice and Mail to Agent 5 min. @ 5.28	.45	. 20	.65
9.	Agents time required to check Applicant 2 hours @ 9.28	18.56		18.56
	Time and Mileage	9.00	•	9.00
10.	Cost to hold hearing Administrative Personnel	20.00		20.00
11.	License Typed & Documents filed 15 min. @ 5.28	1.35		1.35
12.	Cost of delivery by Agent	9.28		9.28
	Time and Mileage	9.00		9.00
13.	Type Insurance Notice of Effective Bond Date 5 min. @ 5.28	.45		.45
	Postage	**************************************	.20	.20
TOT	ALS	\$76.24	\$ 2.40	\$78.64

Renewal costs would be slightly over half this amount.