

Approved

Stephen R. Cloud 4-5
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Rep. Stephen R. Cloud at
Chairperson

9:09 a.m. ~~xxxx~~ on March 25, 1983 in room 522-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:

At 9:09 the meeting was called to order by Rep. Cloud, Chairman. The minutes of the March 23 meeting were approved. The Agenda for the day was the Subcommittee Report on Liquor Excise Tax and final action on bills and resolutions heard previously.

Rep. Fuller moved to accept the Subcommittee Report on Liquor Excise Tax. Rep. Ramirez gave a second to the motion. The motion carried.

Rep. Fuller went through the Subcommittee Report and discussion ensued as to bottle tax as versus drink tax. Mr. Kennedy, ABC Director appears to be satisfied with the present situation. Department of Revenue and Post Audit opinions as to the amounts of money collected were discussed. After further discussion Rep. Fuller moved the adoption of the Subcommittee Report. Rep. Sughrue gave a second to the motion. The motion carried.

The Committee turned its attention to SB 362.

Rep. Hassler moved to amend SB 362 by striking lines 246 -249 and inserting, "(c) caring for the sick in accordance with tenets and practices of any church or religious denomination which teaches reliance upon spiritual means through prayer for healing;" Rep. Harder gave a second to the motion. The motion carried.

Rep. Ediger moved to amend SB 362 in line 366 by changing "1985" to "1986", and line 379 from "\$24" to "\$30". Rep. Matlack gave a second to the motion. The motion carried.

Rep. Sughrue moved to pass SB 362 favorably as amended. Rep. Harder gave a second to the motion. The motion carried.

The Committee took up SB 44. The Chairman stated that the Committee had the option to concur or not to concur with the bill as it is. Discussion ensued on the pros and cons of the reporting process and disciplinary procedures as they relate to the Board of Nursing. Input was provided by Dr. Lois Scibetta and Lynelle King. After much debate, Rep. Fuller moved to extend the Board of Nursing for one year. Rep. Walker gave a second to the motion. A voice vote was called for but, not being conclusive, the Chairman called for a show of hands. The vote was six to six. The Chairman cast his vote in favor of the motion. The motion carried on a seven to six vote.

Rep. Ediger moved to pass out SB 44 as amended. Rep. Fuller gave a second to the motion. The motion carried.

The Committee turned to HCR 5037, concerning the Kansas Real Estate Commission. After a brief review of what the resolution accomplishes, Rep. Sughrue moved to adopt HCR 5037 favorably for passage. Rep. Murphy gave a second to the motion. The motion carried and HCR 5037 was adopted.

The Chairman announced that there will be a meeting Monday, March 28, 9:00 a.m. The Agenda will be the three liquor resolutions and HB 2555, the bill that dissolves the Dealer Licensing Review Board.

The meeting adjourned at 10:17 a.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

March 18, 1983

SUBCOMMITTEE REPORT

3/25

TO: House Committee on Governmental Organization

FROM: Subcommittee on Alcoholic Beverage Control

The Subcommittee has reviewed the section of the Sunset Audit Report on the Division of Alcoholic Beverage Control concerning the collection and enforcement of the liquor excise tax (pages 59-68). The audit report made the following recommendations in this area:

1. To improve its estimates of liquor excise taxes due to the state, the Department of Revenue should take the following actions:
 - a. Obtain totals of and monitor the amount of monthly sales to private clubs by retail liquor stores.
 - b. As audits of private clubs are completed, compile and analyze information on the ratio of alcoholic beverage sales to the cost of liquor purchased.
 - c. Prepare a revised estimate of the amount of liquor excise tax shortfall in the state.

2. The Legislature should review this revised estimate and should monitor the results obtained by audits of liquor excise tax collections. The Legislature should also require the Department of Revenue to provide it with information about the additional amount of liquor excise tax revenues collected, and any increase in compliance with nontax related matters, as a result of the new audit program. This information, which should be compiled and reported to the Legislature by the start of the 1984 Legislative Session, should help the Legislature and the Department determine if this auditing effort is cost-effective.

3. The Department of Revenue should ensure that private clubs are given clearer guidance in calculating the sales and excise taxes they must collect from their customers. This guidance could be in the form of a simple instructional manual on computing and paying these taxes.

The Subcommittee supports these recommendations and recommends that the Chairman send a letter to the Department of Revenue urging the Department to implement the audit report recommendations concerning collection of the liquor excise tax.