

Approved April 4, 1983
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at
Chairperson

11:00 a.m./~~xxxx~~ on March 24, 19 83 in room 254-E of the Capitol.

All members were present. ~~except~~

Committee staff present: Fred Carman, Assistant Revisor of Statutes
Russell Mills, Legislative Research
Emalene Correll, Legislative Research
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee: Thomas J. Kennedy, Director, Alcoholic Beverage Control
Rep. Michael Peterson

SCR1615 - relating to advertising limitations for alcoholic beverages.

The Chairman recognized General Thomas J. Kennedy, concerning SCR1615, who gave remarks from his Memorandum dated March 21, 1983, which is made a part of the record. (Attachment #1) His recommendations and comments are in the memorandum.

Senator Pomeroy moved to treat the media the same and to remove the provision permitting newspaper advertising from the administrative regulations (K.A.R. 14-8-11). 2d by Senator Morris. Senator Meyers asked that she be recorded as voting "no," because there had been no hearing on this. Motion carried.

Fred Carman will draft language for Monday. No action was taken on the resolution.

HB2228 - relating to county surveyor required to be licensed land surveyor.

Rep. Michael Peterson appeared as the author of HB2228. He said it is a local bill that affects Wyandotte and Shawnee counties.

Senator Meyers moved that the committee report the bill favorably for passage and recommend it be put on the consent calendar.

Senator Pomeroy made a substitute motion to amend the bill by deleting the population brackets and instead to name Shawnee and Wyandotte Counties. 2d by Senator Meyers. Motion carried. Senator Pomeroy moved that the bill be reported favorably for passage as amended. 2d by Senator Meyers. Motion carried.

HB2088 - relating to limitations on guide dogs accompanying blind persons to zoos.

Senator Meyers moved that HB2088 be reported adversely. 2d by Senator Francisco. Senator Pomeroy made the substitute motion to reword subsection Sec. 2, to pertain to all places of public accommodations, amusement or resort, particularly restaurants and grocery stores. 2d by Senator Winter. The substitute motion failed. The original motion carried, and the bill is to be reported adversely.

The committee asked that their reason for rejecting the amendment be made a part of the record. The committee expressed the opinion that the proposed amendment was not adopted because the committee felt the present law was very clear in mandating access to all places of public accommodations and that the term clearly included restaurants, eating establishments and grocery stores.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

room 254-E, Statehouse, at 11:00 a.m. ~~p.m.~~ on March 24, 1983

SCR1606 - relating to constitutional amendment to allow liquor by the drink.

The Chairman called the committee's attention to SCR1606. He stated that he felt it was time to put the issue squarely on the ballot and in front of the Kansas voters. (Remarks made a part of the record, Attachment #2.) He proposed that the committee submit to the full Senate the issues concerning parimutuel wagering and whether Kansas should have prohibition.

Senator Morris moved to propose an amendment to SCR1606 as follows:
On page 2, in line 60, by striking "the state at the general election in the year" and inserting "a special election which is hereby called for the purpose of submitting constitutional amendment to be held on August 7"; in line 61, by striking all after "law"; by striking all of lines 62 and 63, inclusive; in line 64, by striking all before the period; In the title, in line 19, before the period, by inserting "; providing for the proposition to be submitted to the voters at a special election"; 2d by Senator Winter. Motion carried.

Senator Francisco moved that SCR1606 be reported adversely. Motion failed for lack of a second.

Senator Morris moved that SCR1606 be recommended favorably for passage as amended. 2d by Senator Meyers. Motion carried. The following asked to be recorded as voting "no:" Senator Daniels, Senator Francisco, Senator Gannon and Senator Vidricksen.

The Chairman then called the committee's attention to another marked-up version of SCR1606. He distributed copies of SCR1606 with the proposed changes made by the Revisor's Office pertaining to "....intoxicating liquors shall be forever prohibited in this state....." It is made a part of the record, and is shown as Attachment #3. No action was taken on the marked-up version.

SCR1605 - relating to constitutional amendment to allow parimutuel betting on horse races.

The Chairman stated that he recognizes the controversy that surrounds this issue, also. His remarks are made a part of the record and shown as Attachment #4.

Senator Morris made the motion to amend SCR1605 in that the proposed amendment be submitted to the electors of the state at the state primary election instead of the general election and that it would provide for operation of a state lottery. 2d by Senator Vidricksen. Following discussion Senator Morris moved to amend his motion conceptually to provide that the state would not allow gambling but would allow a lottery. The motion failed. (Attachment #5)

Senator Pomeroy moved that SCR1605 be amended:
On page 1, in line 30, by striking "horse"; in line 31, by striking all after "thereon"; in line 32, by striking "from"; in line 35, by striking "horse racing and"; in line 36, by striking "thereon" and inserting "on racing"; in line 38, by striking "racing and "; in line 44, by striking "horse races and"; also in line 44, by striking "horse", where it last occurs;
On page 2, in line 46, by striking "the races and "; also in line 46, after "wagering", by inserting "on races"; in lines 48 and 49, by striking "horse racing with"; in line 50, by striking "the races and"; also in line 50, after "wagering", by inserting "on races"; in line 53, by striking "horse"; in line 61, by striking "the state general election in the year" and inserting "a special election which is hereby called for the purpose of submitting constitutional amendment to be held on August 7,"; in line 62, by striking all after "law"; by striking lines 63 and 64, inclusive; in line 65, by striking "election"; also that the title be corrected accordingly.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m./~~p.m.~~^{XXX} on March 24, 19⁸³.

Senator Roitz seconded the motion. Motion carried.

The Chairman distributed copies of an amendment concerning SCR1605 as to whether or not there should be another election in those counties where they had already voted. (Attachment #6) No action was taken on this amendment.

Senator Gannon moved that the resolution be reported favorably for passage as amended. 2d by Senator Pomeroy. Motion carried.

The meeting adjourned at 12:00 noon.

MEMORANDUM

*Minutes of 3/24/83
Attachment #1*

TO: Honorable Edward F. Reilly, Jr.
Chairman, Senate Federal and State Affairs Committee

FROM: THOMAS J. KENNEDY, Director, ABC Division

RE: Request for Recommendation from Director of ABC as it
pertains to SCR 1615.

DATE: March 21, 1983

Pursuant to your request for a recommendation from the Director as it pertains to Senate Concurrent Resolution 1615, the following is hereby provided:

1. As it relates to amending K.A.R. 14-8-2:

It is my opinion that price advertising would serve no meaningful purpose to the retailer as long as the minimum percentage markup as required by K.S.A. 41-1111 remains in effect. All retail liquor store licensees are required to abide by the same minimum price guidelines.

For the store who purchases large quantities of a particular brand and then requests permission to close that item out, the privilege of price and brand advertising would probably help them in that it would serve as an inducement for customers to purchase that brand which would be sold cheaper under the closeout authority. The retailer closing an item out is granted authority to sell at a minimum of 10% over cost. It should be noted that the retailer who elects to close an item or items out may not repurchase that item or items for a twelve (12) month period.

Additionally, supplier representatives and/or wholesaler salesmen may want to encourage by either direct or indirect rebates to a particular retailer, a large ad reflecting the price of their product, thus enhancing the sale of that item.

As to brand advertising, again it would serve no meaningful purpose to authorize a retailer to advertise price without the benefit of a brand name.

K.S.A. 41-1111 states:

"In the public interest and in order to promote the orderly sale and distribution of alcoholic liquor, to foster temperance and to promote the public welfare, the legislature finds: (b) that minimum mark-ups on alcoholic liquor sold by retailers licensed in this state should be determined and regulated by law."

K.S.A. 41-1116 states:

"Such mark-ups must be in the public interest and such that they do not unduly stimulate the sale and consumption of alcoholic liquor or tend to disrupt the orderly sale and distribution of alcoholic liquor."

March 21, 1983

K.S.A. 41-714 states:

"It shall be unlawful:

(1) For any person to advertise any alcoholic liquor by means of handbills;

(2) For any person to advertise any alcoholic liquor by means of billboards along public highways, roads and streets, or for any owner or occupant of any property to permit any billboard advertising alcoholic liquor to remain on such property.

(3) For any retailer of alcoholic liquor to have more than one sign on the licensed premises and said sign shall contain nothing except the license number, the name of the retail dealer and the words "Retail Liquor Store" and no letter or figure in any such sign shall be more than four inches in height or more than three inches in width and if more than one line is used the lines shall not be more than one inch apart and shall be placed on the corner of a window or on the door;

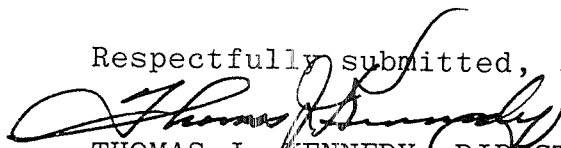
(4) For any licensee to display alcoholic liquor in any window of the licensed premises. Further, the director may adopt such rules and regulations deemed necessary to regulate and control the advertising, in any form, and display of alcoholic liquor and nothing in this section shall be construed as limiting his powers to make such rules and regulations not in conflict with this act."

After having reviewed the present statutes and considering that my predecessors since 1949 have seen fit not to authorize price and brand advertising by rule, it is not my intention at this time to recommend a rule change to this committee or to promulgate a change this fall, however, should this committee pass SCR 1615, I would have no objections.

As to amending K.A.R. 14-8-11:

If you approve the recommendation of prohibiting price and brand advertising, then the same restriction should apply to broadcasters. With this in mind, the words "Over the radio, television, public address system, or motion pictures, still slides, or film strips, or by the media on lines 97, 98, 99 and 100 should be reinstated. Further, the word retailer, should be deleted in line 104. This will, in effect, permit broadcasters to have the same rights as newspaper media in that retailers will be authorized to advertise their place of business over the radio, TV, etc. but may not advertise price or brand. Further, any manufacturer, supplier or distributor may advertise distilled spirits as well as wine or beer over the radio, television, etc. In the case of distributors, this authority to advertise would only apply to private labels owned by the distributor.

Respectfully submitted,



THOMAS J. KENNEDY, DIRECTOR

SCR 1606 would provide for a Statewide vote on a constitutional amendment to allow our respective constituencies to voice their favor or objection to a question long debated by this legislature.

May I suggest many long hours of debate and emotional displays have been evident over two decades that I've been here arguing and discussing this question.

May I submit it's time to put the issue where it belongs squarely on the ballot and in front of the Kansas voters.

In that regard and based upon my inquiry of Rev. Taylor when he was before this committee last week, I would propose that this Committee submit to the full Senate Body Dual Questions relative to this issue.

i.e. (1) The issue encompassed in SCR 1604.

(2) An amendment proposing whether Kansas should have prohibition.

I would urge the Committee to submit both questions in an effort to resolve this matter by allowing the only persons who can bring a resolve to it, by their right of franchise, the Kansas Voters.

Let us remove this burdensome issue involving lengthy annual debates at a cost to all Kansas - put both on the ballot in 1984.

Remove the issue from the legislative arena, the political arena and the religious arena - put it where it belongs - in the voters arena.

Senate Concurrent Resolution No. 1606

By Senators Steineger, Gaar, Mulich, Rehorn and Reilly

0016 A PROPOSITION to amend section 10 of article 15 of the
0017 constitution of the state of Kansas, relating to intoxicating
0018 liquors, ~~authorizing the legislature to permit and provide for~~
0019 ~~county option in the sale of liquor by the individual drink.~~

0020 *Be it resolved by the Legislature of the State of Kansas, two-thirds*
0021 *of the members elected to the Senate and two-thirds of the*
0022 *members elected to the House of Representatives concurring*
0023 *therein:*

0024 Section 1. The following proposition to amend the constitu-
0025 tion of the state of Kansas shall be submitted to the qualified
0026 electors of the state for their approval or rejection: Section 10 of
0027 article 15 of the constitution of the state of Kansas is amended to
0028 read as follows:

0029 § 10. Intoxicating liquors. ~~(a) The legislature may provide~~
0030 ~~for the prohibition of intoxicating liquors in certain areas.~~

0031 ~~Subject to the foregoing;~~

0032 ~~“(b) The legislature may regulate, license and tax the man-~~
0033 ~~ufacture and sale of intoxicating liquors, and may regulate the~~
0034 ~~possession and transportation of intoxicating liquors. The~~
0035 ~~open saloon shall be and is hereby forever prohibited.~~

0036 ~~“(c) The sale of intoxicating liquor by the individual drink~~
0037 ~~is prohibited, except that the legislature may permit, regulate,~~
0038 ~~license and tax the sale of liquor by the drink in any county in~~
0039 ~~which the qualified electors of the county have determined, by~~
0040 ~~a majority vote of those voting thereon, to permit the sale of~~
0041 ~~intoxicating liquor by the drink within the boundaries of the~~
0042 ~~county.”~~

0043 Sec. 2. The following statement shall be printed on the ballot
0044 with the amendment as a whole:

The manufacture and sale of intoxicating liquors shall be forever prohibited in this state, except for medical, scientific and mechanical purposes. Should this amendment and another amendment to this section of the constitution both be adopted in 1984, neither amendment shall take effect."

0045 “*Explanatory statement.* This proposed amendment would
0046 ~~authorize the legislature to permit, license, regulate and tax the~~
0047 ~~sale of liquor by the drink in any county where the voters have~~
0048 ~~approved its sale in their county.~~

prohibit the sale of intoxicating liquors in
Kansas except for medical, scientific and mech-
anical purposes

0049 “A vote for the proposed amendment would ~~permit the sale~~
0050 ~~of liquor by the drink in any county where the voters approve~~
0051 ~~its sale in their county.~~

prohibit

0052 “A vote against the proposed amendment would continue the
0053 current prohibition against the sale of liquor by the drink.”

in Kansas except for certain purposes

0054 Sec. 3. This resolution, if concurred in by two-thirds of the
0055 members elected to the senate and two-thirds of the members
0056 elected to the house of representatives, shall be entered on the
0057 journals, together with the yeas and nays. The secretary of state
0058 shall cause this resolution to be published as provided by law and
0059 shall cause the proposed amendment to be submitted to the
0060 qualified electors of the state at the general election in the year
0061 1984 as provided by law unless a special election is called at a
0062 sooner date by concurrent resolution of the legislature, in which
0063 case it shall be submitted to the qualified electors of the state at
0064 the special election.

3-24-83

Attachment # 4

SCR 1605

Recognize the controversy that surrounds this issue also.

I know the burdens that it places on many of us to try and ferret out what is right and wrong.

I know the pressures that can be brought upon each of us individually and collectively by those with vested interests in any issue we address.

Unfortunately what we often fail to recognize in this struggle to do right, while being surrounded by those who tell us to do this or that, depending on their philosophy we often loose sight of the fact that outside this 20 acres of Kansas Government we call the Statehouse there are many a Kansan who have no lobbyist to sit in on committee hearings or to walk and stalk these Capitol halls in pursuit of our vote for or against an issue.

These fellow Kansans, however, through KACI, Kansas Farmer Bureau _____ and through numerous petitions submitted this year have said only --
Let us vote on the Issue.
Let us have a Choice.

Now ~~if~~ this legislature is truly doing its job it will submit those issues that generate such controversy and allow all Kansans the right of expression; only they have that right as relates to a change in the States Constitution.

Realities of Life -----

Senate Concurrent Resolution No. 1605

By Senators Steineger, Gaar, Gaines, Mulich, Rehorn and Reilly

1-21

0016 A PROPOSITION to amend the constitution of the state of
0017 Kansas by adding a new section thereto authorizing the legis-
0018 lature to permit, regulate, license and tax horse racing by bona
0019 fide nonprofit organizations and parimutuel wagering thereon
0020 and to provide for county option thereon.

provide for a state operated lottery.

0021 *Be it resolved by the Legislature of the State of Kansas, two-thirds*
0022 *of the members elected to the Senate and two-thirds of the*
0023 *members elected to the House of Representatives concurring*
0024 *therein:*

0025 Section 1. The following proposition to amend the constitu-
0026 tion of the state of Kansas shall be submitted to the qualified
0027 electors of the state for their approval or rejection: Article 15 of
0028 the constitution of the state of Kansas is amended by adding a
0029 new section thereto to read as follows:

0030 "§ 3b. Regulation, licensing and taxation of horse racing
0031 and parimutuel wagering thereon; disbursal of revenue there-
0032 from. Notwithstanding the provisions of section 3 of article 15
0033 of the constitution of the state of Kansas, the legislature may
0034 permit, regulate, license and tax the operation or conduct, by
0035 bona fide nonprofit organizations, of horse racing and pari-
0036 mutuel wagering thereon in any county in which the qualified
0037 electors of the county have determined, by a majority vote of
0038 those voting thereon, to permit such racing and wagering
0039 within the boundaries of the county."

provide for a state owned and operated lottery."

0040 Sec. 2. The following statement shall be printed on the ballot
0041 with the amendment as a whole:

0042 "*Explanatory statement.* This proposed amendment would
0043 authorize the legislature to permit, license, regulate and tax
0044 horse races and parimutuel wagering on horse races, con-

0045 ~~ducted by nonprofit organizations, in any county where the~~
0046 ~~voters have approved the conduct of the races and wagering in~~
0047 ~~their county.~~

provide for a state operated lottery.

0048 "A vote for the proposed amendment would permit horse
0049 ~~raciing with parimutuel wagering in any county where the~~
0050 ~~voters approve the conduct of the races and wagering in their~~
0051 ~~county.~~

the legislature to provide for operation of
a state lottery

0052 "A vote against the proposed amendment would continue the
0053 current prohibition against ~~parimutuel wagering on horse~~
0054 ~~raees."~~

certain lotteries

0055 Sec. 3. This resolution, if concurred in by two-thirds of the
0056 members elected to the senate and two-thirds of the members
0057 elected to the house of representatives, shall be entered on the
0058 journals, together with the yeas and nays. The secretary of state
0059 shall cause this resolution to be published as provided by law and
0060 shall cause the proposed amendment to be submitted to the
0061 electors of the state at the state general election in the year 1984 as
0062 provided by law unless a special election is called at a sooner date
0063 by concurrent resolution of the legislature, in which case it shall
0064 be submitted to the qualified electors of the state at the special
0065 election.

Senate Concurrent Resolution No. 1605

By Senators Steineger, Gaar, Gaines, Mulich, Rehorn and Reilly

1-21

0016 A PROPOSITION to amend the constitution of the state of
0017 Kansas by adding a new section thereto authorizing the legis-
0018 lature to permit, regulate, license and tax horse racing by bona
0019 fide nonprofit organizations and parimutuel wagering thereon
0020 and to provide for county option thereon.

0021 *Be it resolved by the Legislature of the State of Kansas, two-thirds*
0022 *of the members elected to the Senate and two-thirds of the*
0023 *members elected to the House of Representatives concurring*
0024 *therein:*

0025 Section 1. The following proposition to amend the constitu-
0026 tion of the state of Kansas shall be submitted to the qualified
0027 electors of the state for their approval or rejection: Article 15 of
0028 the constitution of the state of Kansas is amended by adding a
0029 new section thereto to read as follows:

0030 "§ 3b. Regulation, licensing and taxation of horse racing
0031 and parimutuel wagering thereon; disbursal of revenue there-
0032 from. Notwithstanding the provisions of section 3 of article 15
0033 of the constitution of the state of Kansas, the legislature may
0034 permit, regulate, license and tax the operation or conduct, by
0035 bona fide nonprofit organizations, of horse racing and pari-
0036 mutuel wagering thereon in any county in which the qualified
0037 electors of the county have determined, by a majority vote of
0038 those voting thereon, to permit such racing and wagering
0039 within the boundaries of the county."

0040 Sec. 2. The following statement shall be printed on the ballot
0041 with the amendment as a whole:

0042 "Explanatory statement. This proposed amendment would
0043 authorize the legislature to permit, license, regulate and tax
0044 horse races and parimutuel wagering on horse races, con-

shall enact legislation to

one or more counties in which a majority of

voted to adopt this constitutional amendment

0045 ducted by nonprofit organizations, in ~~any county where the~~
0046 ~~voters have approved the conduct of the races and wagering in~~
0047 ~~their county.~~

0048 "A vote for the proposed amendment would permit horse
0049 racing with parimutuel wagering in ~~any county where the~~
0050 ~~voters approve the conduct of the races and wagering in their~~
0051 ~~county.~~

0052 "A vote against the proposed amendment would continue the
0053 current prohibition against parimutuel wagering on horse
0054 races."

0055 Sec. 3. This resolution, if concurred in by two-thirds of the
0056 members elected to the senate and two-thirds of the members
0057 elected to the house of representatives, shall be entered on the
0058 journals, together with the yeas and nays. The secretary of state
0059 shall cause this resolution to be published as provided by law and
0060 shall cause the proposed amendment to be submitted to the
0061 electors of the state at the state general election in the year 1984 as
0062 provided by law unless a special election is called at a sooner date
0063 by concurrent resolution of the legislature, in which case it shall
0064 be submitted to the qualified electors of the state at the special
0065 election.

one of more counties that approved this
constitutional amendment

one or more counties

approved this constitutional amendment