

Approved 3/13/86  
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./~~p.m.~~ on March 13, 1986 in room 254-E of the Capitol.

All members were present ~~except~~

Committee staff present:

J. Russell Mills, Legislative Services  
Emalene Correll, Legislative Services  
Mary Torrence, Assistant Revisor of Statutes  
June Windscheffel, Committee Secretary

Conferees appearing before the committee:

Pete McGill, R.J. Reynolds Tobacco Company

SB724 - concerning clove cigarettes.

The Chairman asked the Committee to turn its attention to SB724. He said there have been some suggested amendments, and that Mr. Pete McGill and Mr. Chip Whelan, of the R. J. Reynolds Company, are present.

Mr. McGill spoke to the Committee and copies of their proposed amendment were distributed. (Attachment #1) Mr. McGill said some of their distributors have a financial problem because of the increments in the purchase of stamps. They have to purchase 30,000 for the packages containing 25 cigarettes. R. J. Reynolds has requested the change which, basically, permits the Secretary of Revenue to issue the stamps in whatever amount he or she should determine.

R. J. Reynolds does not have any product that has clove in it, so has no position on that.

Senator Morris moved that the amendment be approved. 2d by Senator Vidricksen. Motion carried.

Senator Morris made the conceptual motion that staff be directed to change the bill to not permit cigarettes or smoking tobacco or any other kind of tobacco in excess of 30% clove content. 2d by Senator Hoferer. Then Senator Morris moved to amend the motion to ask staff to inquire of the appropriate source as to what the percentage amount of clove should be. 2d by Senator Hoferer. The motion was adopted.

Senator Morris moved that the bill be recommended favorably for passage as amended. 2d by Senator Arasmith. Motion carried.

SB600 - concerning location of trade screenings of motion pictures.

The Chairman directed the attention of the Committee to SB600. There was discussion among the Committee members concerning blind bidding. Staff explained the blind bidding process. The issue is whether or not movies will be shown to the exhibitors prior to their making a bid as to whether or not they want to show the movies. Producers did not want to spend the time nor the money to bring movies to Kansas. It was a several-year battle.

Senator Morris made a motion that the bill read "at least one city within the state." Senator Morris withdrew his motion. Then Senator Walker moved that SB600 be recommended favorably for passage. Motion carried. Senator Morris asked to be recorded as voting "no."

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 13, 1986.

SB724 - concerning clove cigarettes.

The Chairman asked the Committee to refer back to SB724. Staff said there was a little misinterpretation. The amendment earlier adopted did not accurately reflect current law because the statute involved was amended last year to delete the provision which would have lowered the discount to 1.77% in October 1985. To change it to 1.77% now would be a policy change.

Senator Anderson moved that the Committee reconsider its action on SB724. 2d by Senator Martin. Motion carried.

Senator Arasmith moved that the current discount of 2.65% be retained. 2d by Senator Morris. Motion carried.

Senator Arasmith moved that the bill be recommended favorably as amended. 2d by Senator Morris. Motion carried.

SB401 - concerning comprehensive criminal justice commission; and  
SB410 - concerning commission on correctional facilities, service and policies.

The Chairman called on Senator Arasmith, Chairman of the Subcommittee on SB401 and SB410 to make a few comments. Other members of the Subcommittee were Senator Daniels and Senator Ehrlich. A copy of the Subcommittee Report was distributed to the Committee. (Attachment #2) Senator Arasmith made his presentation and there was Committee discussion. He said there was very little done by unanimous vote. Senator Daniels said there is a basic difference between the two bills. She said one does have a director and clinical staff provided; the other does not. SB401 did not have a sunset time on it because it is a long-term comprehensive program. She also said that SB401 focuses all the way from juvenile offender to preparation for return to society. There was much Committee discussion.

Senator Reilly thanked the Subcommittee for its work.

Senator Arasmith moved that the Committee accept the Subcommittee Report. 2d by Senator Anderson. Motion carried.

The meeting was adjourned at noon.

3/13/86 JW  
Attachment #1

## REQUESTED LEGISLATION

Section . K.S.A. 79-3311 is hereby amended to read as follows: 79-3311. The director shall design and designate indicia of tax payment to be affixed to each package of cigarettes as provided by this act. The director shall sell water applied stamps only to licensed wholesale dealers in amounts of 1,000 or multiples thereof. Stamps applied by the heat process shall be sold only in amounts of 30,000 or multiples thereof, except stamps applied by the heat process suitable for packages containing 25 cigarettes each, which shall be sold in amounts prescribed by the director. Meter imprints shall be sold only in amounts of 10,000 or multiples thereof. Water applied stamps in amounts of 10,000 or multiples thereof and stamps applied by the heat process and meter imprints shall be supplied to wholesale dealers at a discount of ~~2.65%~~ 1.77% from the face value thereof, and shall be deducted at the time of purchase or from the remittance therefor as hereinafter provided. ~~On and after October 1, 1985, such discount rate shall be 1.77%.~~ Any wholesale cigarette dealer who shall file with the director a bond, of acceptable form, payable to the state of Kansas with a corporate surety authorized to do business in Kansas, shall be permitted to purchase stamps, and remit therefor to the director within 30 days after each such purchase, up to a maximum outstanding at any one time of 85% of the amount of the bond. Failure on the part of any wholesale dealer to remit as herein specified shall be cause for forfeiture of such dealer's bond. All revenue received from the sale of such stamps or meter imprints shall be remitted to the state treasurer daily. Upon receipt thereof, the state treasurer shall deposit the entire amount thereof in the state treasury. The state treasurer shall first credit such amount thereof as the director shall order to the cigarette tax refund fund and shall credit the remaining balance to the state general fund. A refund fund designated the cigarette tax refund fund not to exceed \$10,000 at any time shall be set apart and maintained by the director from taxes collected under this act and held by the state treasurer for prompt payment of all refunds authorized by this act. Such cigarette tax refund fund shall be in such amount as the director shall determine is necessary to meet current refunding requirements under this act.

(cont, p.2)

The wholesale cigarette dealer shall affix to each package of cigarettes stamps or tax meter imprints required by this act prior to the sale of cigarettes to any person, by such dealer or such dealer's agent or agents, within the state of Kansas. The director is empowered to authorize wholesale dealers to affix revenue tax meter imprints upon original packages of cigarettes and is charged with the duty of regulating the use of tax meters to secure payment of the proper taxes. No wholesale dealer shall affix revenue tax meter imprints to original packages of cigarettes without first having obtained permission from the director to employ this method of affixation. If the director approves the wholesale dealer's application for permission to affix revenue tax meter imprints to original packages of cigarettes, the director shall require such dealer to file a suitable bond payable to the state of Kansas executed by a corporate surety authorized to do business in Kansas. The director may, to assure the proper collection of taxes imposed by the act, revoke or suspend the privilege of imprinting tax meter imprints upon original packages of cigarettes. All meters shall be under the direct control of the director, and all transfer assignments or anything pertaining thereto must first be authorized by the director. All inks used in the stamping of cigarettes must be of a special type devised for use in connection with the machine employed and approved by the director. All repairs to the meter are strictly prohibited except by a duly authorized representative of the director. Requests for service shall be directed to the director. Meter machine ink imprints on all packages shall be clear and legible. If a wholesale dealer continuously issues illegible cigarette tax meter imprints, it shall be considered sufficient cause for revocation of such dealer's permit to use a cigarette tax meter.

A licensed wholesale dealer may, for the purpose of sale in another state, transport cigarettes not bearing Kansas indicia of tax payment through the state of Kansas provided such cigarettes are contained in sealed and original cartons.

# Office Memorandum

The Legislative Research Department

Room 545-N, Statehouse  
Phone: (913) 296-3181  
Topeka, Kansas 66612

125- JW  
3/13/86  
Attachment #2

TO: Senators Cavanaugh, Ehrlich and Danneberg  
FROM: Emanuel Conell  
RE: Subcommittee Minutes and Recommendations

Enclosed is a copy of the minutes and recommendations of the Senate Federal and State Affairs Subcommittee on SB 401 and 410. They were returned in draft form by the subcommittee chairman.

SB 401

Clare Cigarette

SUBCOMMITTEE REPORT

The subcommittee appointed to review S.B. 401 and S.B. 410 and to make recommendations to the Senate Committee on Federal and State Affairs met on March 3, 1986 with Senators Arasmith, Ehrlich, and Daniels present. Others present were Larry Cowger, Special Assistant to the Secretary of Corrections; Ann Heberger, Kansas Correctional Association; and Legislative Research Department staff.

The subcommittee heard a statement presented by Ann Heberger on behalf of the Kansas Correctional Association (see Attachment No. 1).

The Chairman, Senator Arasmith, distributed fiscal notes (see Attachment No. 2) relating to S.B. 401 and S.B. 410 and noted the differences in the bills. A copy of a memorandum from the Department of Corrections relating to FY 1986 Planning Monies was distributed (see Attachment No. 3). There was discussion of the cost of implementing S.B. 401 or S.B. 410 and of the potential for funding through grants. Mr. Cowger expressed the belief that the \$160,431 in planning money that is scheduled to lapse as of July 1, 1986, pursuant to H.B. 2801, could be reappropriated for support of a commission.

There was in-depth discussion of creating a statutory sunset in any proposed criminal justice commission legislation, the desirability of in-house planning versus the creation of a commission, of the need for continuity in planning for corrections, and of the groups that should be represented on any commission created by the Legislature.

Recommendations

The subcommittee on S.B. 401 and S.B. 410 recommends that whichever bill the full Committee chooses to work be amended to include the Secretary of Social and Rehabilitation Services or the Secretary's designee and a law enforcement officer. These members would be in addition to those members of the Commission specified in S.B. 401. The subcommittee also recommends that reports of the Commission be sent to the Chief Justice of the Supreme Court.

Senator Daniels recommends that any commission created by the Legislature be an on-going body, with no sunset provisions included in the legislation. The other members of the subcommittee prefer that a sunset date be specified in the legislation.

The subcommittee recommends that members of a commission who are officers or employees of any agency of the state, receive subsistence and mileage only for attendance at meetings of the Commission.

The subcommittee believes that no reference to establishing a limit on the number of prisoners who may be included in the system be included in the charges to a commission, i.e., line 99 of S.B. 401.

Finally the subcommittee recommends that any reporting dates such as those which appear in lines 119 through 126 of S.B. 401 be moved forward one year, i.e., January, 1987 be changed to January, 1988, etc.

Senator Neil Arasmith, Chairman

C86-41.EC

K C A

Kansas Correctional Association

President William Lucas  
Secretary Betsy Giliespie  
Treasurer Terri Howe

Post Office Box 1501  
Topeka, Kansas 66601

Vice President Sue Osborn-Gore  
President Elect Frank McCoy

March 5, 1986

STATEMENT TO THE SENATE WAYS AND MEANS COMMITTEE IN SUPPORT OF SB 618.

The Kansas Correctional Association is a non-partisan organization comprised of over 250 members who work in all facets of the correctional system, adult and juvenile. (By system we mean, prisons, parole, jails, community corrections, local correctional facilities, detention and court services.) The K.C.A. is dedicated to improving the correctional system at all levels in the State of Kansas.

The organization would like to be on the record in support of SB 618 which authorizes the secretary of corrections to enter into an agreement with the Ellsworth Public Building Commission for a lease with the option to purchase a correctional facility.

We urge your consideration of the matter.

Thank you.



Ann Hebbenger, Lobbyist  
Kansas Correctional Association



429	410
Fiscal Note	Bill No.
1986 Session	
February 7, 1986	

The Honorable Edward F. Reilly, Chairperson  
Committee on Federal and State Affairs  
Senate Chamber  
Third Floor, Statehouse

Dear Senator Reilly:

SUBJECT: Fiscal Note for Senate Bill No. 410 by Special  
Committee on Federal and State Affairs

In accordance with K.S.A. 75-3715a, the following fiscal note concerning Senate Bill No. 410 is respectfully submitted to your committee.

Senate Bill No. 410 creates the Commission on Correctional Facilities, Services and Policies. This Commission will review, evaluate and develop recommendations concerning Kansas correctional facilities. Specifically, the Commission will study the current use of correctional facilities and the potential for consolidation of facilities, the possible conversion of other state-owned facilities to correctional use, and the use of contractual agreements with private entities to provide correctional facilities or services. In addition, the Commission will review legislation impacting inmate populations, examine alternatives to and alternate forms of incarceration, and evaluate and develop specific recommendations regarding crime classification, sentencing, parole practices, and the relationship between the number of inmates and the availability of facilities for housing and treatment. The Commission will submit a preliminary report of their activities and recommendations on or before January 31, 1987 and a final report on or before January 31, 1988. This act expires on January 31, 1988 or on the date the Commission submits its final report.

The Commission would be composed of the Secretary of Corrections, the Secretary of Social and Rehabilitation Services and the Chairperson of the Kansas Parole Board or their designees. In addition, 12 members would be appointed; five by the Governor with four from the general public and a director of a community services program; four from the Legislature one appointed by each legislative leader; two appointed by the Attorney General, one a sheriff the other a county or district attorney; and a judge of the District Court appointed by the Chief Justice of the Supreme Court. This 15 member Commission may request staff assistance, as authorized by the Legislative Coordinating Council, from the Legislative Research Department, the Office of the Revisor of Statutes and the Division of

Legislative Administrative Services. Other provisions identify agencies who are required to cooperate with the commission, the filling of Commission vacancies and the payment of compensation, subsistence and mileage for Commission members attending meetings.

This act will take effect from and after publication in the Kansas Register.

Senate Bill No. 410 provides for staff assistance from three legislative agencies and requires other agencies to provide information as required. Subject to Commission requests resulting in unanticipated staff requirements, all designated state agencies indicate they can absorb associated costs within their approved budget and anticipate continuing this service within proposed FY 1987 budgets.

Senate Bill No. 410 provides for the compensation of Commission members when attending Commission meetings. It is estimated a per meeting cost of \$800 will provide compensation, subsistence, and mileage for eligible members. If the Commission is organized in late FY 1986, it is anticipated two Commission and three subcommittee meetings could be held prior to the end of the current fiscal year. For fiscal years 1987 and 1988, it is anticipated the Commission will meet every other month while the subcommittees will meet monthly. Under these assumptions, State General Fund expenditures for member compensation, subsistence, and mileage are estimated to be \$4,000 for five meetings in FY 1986; \$14,400 for 18 meetings in FY 1987; and \$8,800 for 11 meetings in FY 1988.

Any expenditures resulting from passage of Senate Bill No. 410 would be from the State General Fund and would be in addition to amounts contained in the FY 1987 Governor's Budget Report.



Gary L. Stotts  
Acting Director of the Budget

The Honorable Edward Reilly, Chairperson  
Committee on Federal and State Affairs  
Senate Chamber  
Third Floor, Statehouse

Dear Senator Reilly:

SUBJECT: Fiscal Note for Senate Bill No. 401 by Senator  
Daniels

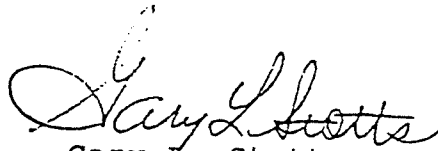
In accordance with K.S.A. 75-3715a, the following fiscal note concerning Senate Bill No. 401 is respectfully submitted to your committee.

Senate Bill No. 401 establishes a Kansas Comprehensive Criminal Justice Commission. The purpose of the Commission is to examine the causes, extent and ramifications of rising prison populations, to assess the number and quality of inmate programs and activities, to examine the adequacy of probation and parole programs and to make recommendations to the Governor and Legislature to address and resolve problems in these areas. In addition, the Commission may study and make recommendations regarding other matters related to the improvement of the criminal justice system. The Governor will appoint two members from the general public, a director of a community services program and a public defender to serve on the Commission. The legislative leadership will each appoint one legislator while the Chief Justice of the Supreme Court will appoint a judge of the district court and a court services officer. Other members include a county or district attorney appointed by the Executive Director of the Kansas Association of County and District Attorneys, the Secretary of Corrections, the Chairperson of the Kansas Parole Board, and the Attorney General; the latter three members may select a designee. Other provisions specify the Commission's priorities and dates for preparation of recommendations, membership compensation, the number of administrative staff, and other duties within the Commission's charge.

This act will take effect upon publication in the Kansas Register. Accordingly, it is possible some expenses could be incurred in the current fiscal year. However, for purposes of this fiscal note we have assumed that while appointment of commission members might occur in the current year, selection of staff and commission business would not take place until FY 1987.

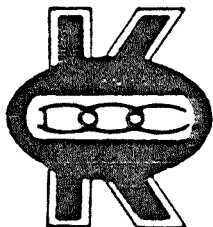
The act directs the Commission to appoint an executive director and one clerical staff member to perform such duties as directed by the Commission. Salary and wage expenditures for the two positions are estimated at \$56,000 for FY 1987. An additional \$26,000 would be required for other operating expenditures to finance the cost of office space, commission meetings, travel expenses, office equipment, and other miscellaneous costs. Therefore, the budget of the Commission is estimated to total \$82,000 for FY 1987.

Any expenditures resulting from passage of Senate Bill No. 401 would be from the State General Fund and would be in addition to amounts contained in the FY 1987 Governor's Budget Report.



Gary L. Stotts  
Acting Director of the Budget.

GLS:KLS:sr



KANSAS DEPARTMENT OF CORRECTIONS

INTERDEPARTMENTAL MEMORANDUM

TO: Senator Norma Daniels  
 Senator Neil Arasmith  
 Senator Roy Ehrlich

DATE: February 19, 1986

FROM: Larry Cowger, Special Assistant to Secretary of Corrections

SUBJECT: Remaining FY 86 Planning Monies

An appropriation of \$1,150,000 was made in FY 86 for any correctional capital improvements that are approved by the State Finance Council after consultation with the Joint Committee on State Building Construction. The funds were earmarked for use for planning, acquisition, lease, construction, renovation, emergency manufactured housing, or other alternatives to address the prison overcrowding problem.

The following are the amounts authorized by the State Finance Council from the above-referenced fund:

Planning, KCIL, 120-Bed Dorm	\$ 160,752
Planning, KCIL, Food Service & Program Bldg.	125,657
Asso. Arch. Study to Re-Vamp KCIL Plan	7,500
Site Evaluations	6,000
Ellsworth Correctional Facility Preliminary	170,029
Ellsworth Correctional Facility Final	295,646
SRDC 32-Bed Expansion & Building	<u>223,985</u>
	\$ 989,569
H.B. 2801 Section 21a Lapses	<u>160,431</u>
	\$1,150,000

If you need further information, please advise.

LC:dja

cc Secretary Richard A. Mills