

Approved \_\_\_\_\_

Date

4/25/86

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

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

8:30 a.m. ~~pm~~ on April 12, 1986 in room 254-E of the Capitol.

All members were present except:

Senator Anderson and Senator Hoferer were excused.

Committee staff present:

Mary Torrence, Assistant Revisor of Statutes  
J. Russell Mills, Jr., Legislative Research  
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Mr. Richard Mills, Secretary of Corrections

SB724 - prohibition of clove cigarettes.

The Chairman reported that Senators Morris, Anderson and Reilly, and Representatives Rolfs, Leach and Lowther were members of the conference committee on SB724. He explained about their meeting and the Committee discussed the matter briefly. Proposed amendments were handed out to the Committee for its consideration, and the Committee discussed them. The proposed amendments are part of these Minutes. (Attachment #1) Senator Morris moved that a new bill be introduced. 2d by Senator Arasmith. Motion carried.

HB3114 - tort claims act, excepting claims from community service work programs.

The Chairman called the bill to the Committee's attention. The Chairman said he had been contacted by the school boards and the League of Kansas Municipalities that they might put together some language to amend the tort claims act and which would include them. He asked if the Committee would object to having the bill referred back to this Committee by the President of the Senate. If not, the first day back after recess the Committee can review this.

HB2756 - Substitute for HB2756 concerning reporting of certain health conditions of preschool children to the secretary of health and environment.

The Chairman said that Senator Walker has some suggested amendments for the bill. Senator Walker explained the amendments. They are Attachment #2.

Senator Martin moved for the adoption of the amendments suggested by Senator Walker. 2d by Senator Strick. Motion carried.

Senator Daniels moved the bill be recommended favorably as amended. 2d by Senator Martin. Motion carried.

HB2655 - expansion and enforcement of use of prison-made goods.

The Chairman said there have been strong feelings about whether to expand the Department of Corrections getting involved in free enterprise. Yesterday he talked with some of the DOC officials who indicated they were a little concerned about the prison-made goods act, that it does not mean the employment of many people. Taking them out in groups to do work is more productive. There was Committee discussion concerning the matter.

Secretary of Corrections, Richard Mills, appeared before the Committee. He said that they are moving toward getting started with public meetings in May. To try to get the public in and determine what kinds of jobs are available in

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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,  
room 254-E, Statehouse, at 8:30 a.m. ~~8:30~~ on April 12, 19 86

the communities. He said they have been approached by the municipalities and school districts. The DOC does not want to replace any businesses that are in existence, but it is moving toward some meaningful types of things that can be done.

There was discussion concerning a letter from the Committee to the DOC. Senator Daniels made the motion that the Committee send a letter to the Department of Corrections that explains the concept of the Committee. 2d by Senator Morris. Motion carried.

A memorandum from Mr. John Lamb concerning False Identification was brought to the Committee's attention. (Attachment #3) Senator Morris made the conceptual motion that a bill be introduced to take care of the problem. 2d by Vidricksen. Motion carried.

The meeting was adjourned at 9:40 a.m.



4/12/86  
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.

4/12/86  
Attachment #2

FEDERAL AND STATE AFFAIRS COMMITTEE

HB 2756

Proposed amendments:

- 0039 Change word "may" to "will"
- 0050 through 0052  
Sec. 2 The Secretary of Health and Environment shall supervise the reporting of any medically diagnosed condition of a pre-school child under six years of age that indicate mental retardation, chronic disease or physical handicap
- 0053 Change the word "condition" to "a diagnosis"
- 0061 Strike the words "who are at risk for or"
- 0122 (d) With appropriate medical consultation an enumeration of handicapping or chronic conditions to be reported under this Act.

*June  
255-E*



4/12/86  
Attachment #3

MEMORANDUM

TO: Senator Ed Reilly, Chairman  
Senate Federal and State Affairs Committee

FROM: JOHN A. LAMB, DIRECTOR, ABC DIVISION

RE: False Identification

DATE: April 8, 1986

Last year this Legislature passed into law measures that restated this state's continued policy that young people under the age of 21 cannot legally purchase, possess or consume alcoholic liquor; and raising the minimum age to 21 for cereal malt beverages. One of the biggest problems in enforcing the minimum drinking age among minors and among the sellers of alcohol is the continued proliferation of false identification documents.

This matter is currently covered by several statutes, including K.S.A. 1985 Supp. 21-3830, titled, Dealing in false identification documents, amended most recently in 1983. This statute prohibits the reproducing, manufacturing, selling or offering for sale [of] any identification document which:

- [a] Simulates, purports to be or is designed so as to cause others reasonably to believe it to be an identification document issued by a governmental agency of the United States or of this or any other state; and
- [b] Bears a fictitious name or other false information.

Violation of this statute is a class E felony.

Within the past few months, we have become aware of a different practice that is not covered by K.S.A. 21-3830. Private businesses that deal in identification cards are now selling identification cards that do not in any way purport to be issued by a government. The card is simply labeled "Identification", and carries the person's photograph, name, address, date of birth, possibly social security number, etc.

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As part of an investigation of one such business, a young person was sent into the business in such a way that the entire transaction could be recorded. The transcript of that incident is quite revealing. Early in the transaction, the customer was asked what he wanted the ID card for. He responded that he wanted it to get into bars. The seller responded to this by stating that sometimes the ID does work, sometimes it does not. The seller went on to say that he used to have an ID card that looked just like a Kansas driver's license but that law enforcement pressure had forced him to discontinue that one. As the discussion continued, the seller asked the customer what bars he went to. Then he asked the customer how old he was. The response was "18". The final ID card showed the customer to be over 21. The seller never questioned the fact that the card contained false information.

These identification cards typically sell for \$15 to \$20 apiece. While there are a number of potential uses for ID cards bearing the purchaser's photograph and whatever information he or she desires, one obvious attraction of these bogus ID cards is to facilitate the purchase of alcoholic liquor by minors. Because these bogus ID cards do not imitate driver's licenses or otherwise purport to be issued by any government, the sellers of these bogus ID's are not in violation of 21-3830.

These "generic" bogus ID's do seem to be very attractive to minors who want to buy alcoholic liquor. The same shady businesses that used to produce bogus driver's licenses on a "no questions asked" basis have now found a way to avoid the criminal sanctions of 21-3830 without losing their lucrative business among our young people. Something should be done to put these operators out of the ID business entirely. The problem becomes in drafting a statute that does not unduly restrict legitimate business interests in issuing employee ID cards. This issue might be incorporated into an interim committee for review.

  
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JOHN A. LAMB, DIRECTOR

JAL/cjk