

2/16/88

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRSThe meeting was called to order by Edward F. REilly, Jr. at
Chairperson11:00 a.m./p.m. on February 11, 19 88 in room 254-E of the Capitol.

All members were present except:

Senator Anderson was excused.

Committee staff present:

Mary Galligan, Legislative Research
 Emalene Correll, Legislative Research
 Mary Torrence, Assistant Revisor of Statutes
 June Windscheffel, Committee Secretary

Conferees appearing before the committee:

Mr. Tom Hanna, Director, Alcoholic Beverage Control Division, Department of Revenue
 Mr. Charles "Chuck" Simmons, Legal Counsel, Department of Corrections
 Mr. Neal Whitaker, Kansas Beer Wholesalers Association, Inc.
 Mr. R. E. "Tuck" Duncan, Kansas Wine and Spirits Wholesalers
 Mr. Steven Rosenblatt, Executive Manager, Topeka Expocentre
 Mr. John Lamb, Kansas Retail Dealers Association
 Mr. Dan Walstrom, Department of Revenue

The Chairman welcomed the first conferee, who had handouts, Mr. Charles Simmons, Legal Counsel, from the Department of Corrections. He appeared to request proposed legislation from this Committee concerning five issues: employment or contracting for a licensed chief physician for each of the correctional institutions, duties of the chief physician; inmate employment and training, withdrawals from pay, assistance upon release; purpose of the Reception and Diagnostic Center, miscellaneous matters of administration; transportation of persons committed to the Secretary of Corrections to court proceedings and assessment of costs; extensions of confinement of inmates of correctional institutions to work at schools, et cetera, for public service or welfare or charitable reasons. (Attachments #1, #2, #3, #4, and #5.)

Following Mr. Simmons appearance and request that these matters be introduced by the Committee, a motion was made by Senator Morris, seconded by Senator Ehrlich, that they be introduced. The motion carried. The Chairman said these bills will be set for hearing for next week, as the Revised Agenda will show.

The next item before the Committee was SB481, concerning amendments pertaining to alcoholic beverages. Mr. Neal Whitaker explained to the Committee "the complicated situation that brought us to this point." A copy of his written statement is part of these Minutes. (Attachment #6)

Mr. R. E. Duncan was the next conferee. Mr. Duncan also appeared concerning SB481, as well as SB559, pertaining to alcoholic liquors and gallonage tax, food sales requirements, temporary permits and caterers. Mr. Duncan's statement is also part of these Minutes. (Attachment #7)

The Reverend Richard Taylor appeared concerning both SB481 and SB559. He said in the name of consistency to put the percentage of gross receipts from the sale of food at 50% for drinking establishments.

Mr. Steven Rosenblatt, Executive Manager of the Topeka Expocentre, was the next conferee. He spoke to the provision in SB481, relating to municipality leases. A copy of an outline of his remarks is attached. (Attachment #8)

The representative of the Kansas Retail Dealers Association, Mr. John Lamb, was the next conferee. He said he would like to re-emphasize what an earlier conferee said in regard to putting in the requirements in terms of minimum and maximum fees that can be charged by local units of governments on various kinds of licenses. He said that there are some instances in the state where there are some very excessive fees being put on licenses. In essence they are an occupational tax, they are not licenses. They are put in under the guise of enforcement when that is not really the intent.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m./~~p.m.~~ on February 11, 1988.

The Committee then continued on with SB559. The Chairman announced that there were representatives from the Kansas Department of Revenue present to make presentations. He welcomed Mr. Tom Hanna, Director, Alcoholic Beverage Control. Mr. Hanna provided a written statement for the Committee, (Attachment #9), which supports the provisions of the bill. It states the bill would establish consistency in regard to licensing requirements, taxation and enforcement activities among license types. His memorandum is dated February 12, 1988.

Mr. Dan Walstom was the next conferee. He introduced Mr. Jim Conant, the Chief Administrative Officer for the Division of Alcoholic Beverage Control, who was also present to assist in answering any questions. Mr. Walstom distributed copies of a Memorandum from Secretary Harley T. Duncan, dated February 11, 1988, concerning Temporary Permits to Sell Alcoholic Beverages (Attachment #10). Mr. Walstrom made the presentation concerning temporary permits. The memorandum includes suggested changes dealing with the topic. The statement concluded by stating that it appears that a combination of the suggested amendments and the existing regulations would provide a clear, enforceable basis for controlling the issuance and usage of temporary permits.

The Chairman thanked the conferees for appearing.

There were Minutes of January 21, and 22, 1988, before the Committee. Senator Morris moved that they be approved. The motion was seconded by Senator Arasmith. The motion carried.

Senator Hoferer made a bill request of the Committee. It would allow blind vendors to install vending machines in certain places. There is also a bill in the House concerning this matter. There was Committee discussion concerning it.

Senator Martin moved that the bill be introduced. The motion was seconded by Senator Hoferer. The motion failed.

There was another request before the Committee for the introduction of a bill (7 RS 1889). The Chairman said this bill concerning the drug screening of applicants and employees of the state government, in safety sensitive positions in state government, was requested by the Governor. Senator Morris moved that this proposal be introduced. The motion was seconded by Senator Hoferer. The motion carried. (Attachment #11)

The meeting was adjourned at noon.

DEPARTMENT OF CORRECTIONS
STATE OF KANSAS

#1

LEGISLATIVE PROPOSAL NO. _____

Revisor of Statutes No. _____

SB 646

BILL NO. _____

DRAFT NO.	DATE

"CLEAN-UP"

"SUBSTANTIVE"

INTRODUCE THROUGH _____

APPROVED BY GOVERNOR YES

NO

DOC PERSONELL TO FOLLOW UP:

NOTES AND COMENTS

Empty box for notes and comments.

AN ACT CONCERNING: Chief physician; duties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

Section 1. That K.S.A. 75-5249 be amended to read as

follows:

The secretary of corrections shall ~~appoint-a~~ employ or contract for a licensed chief physician for each of the correctional institutions under ~~his-or-her~~ the secretary's supervision and control. One chief physician may be made responsible for more than one such institution. It is hereby made the duty of the chief physician of any correctional institution to ~~be-in-charge-of~~ direct the operation and management of such institution's hospital. ~~Such physician-shall-be-in-charge-and-be-responsible-for~~ medical services and to supervise and coordinate all inmate health care in such hospital-and institution. Such physician may recommend to the director of any institution the transportation of an inmate to an outside hospital when necessary to protect the health of such inmate.

Section 2. K.S.A. 75-5249 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the statute book.

Senate FSA
Chuck Simmons
2/11/88
Attachment #1

DEPARTMENT OF CORRECTIONS
STATE OF KANSAS

#2

LEGISLATIVE PROPOSAL NO. _____

Revisor of Statutes No. _____

SB 647

_____ BILL NO. _____

DRAFT NO.	DATE

"CLEAN-UP"

"SUBSTANTIVE"

INTRODUCE THROUGH _____.

APPROVED BY GOVERNOR YES

NO

NOTES AND COMMENTS

DOC PERSONELL TO FOLLOW UP:

AN ACT CONCERNING:

Inmate employment and training;
withdrawals from pay; assistance upon release.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

Section 1. That K.S.A. 75-5211 be amended to read as follows:

(a) The secretary of corrections shall provide programs of employment opportunities, work experiences, educational or vocational training for all those inmates whom the secretary determines are available, willing, and able to participate and are capable of benefiting therefrom. Equipment, management practices and general procedures shall, to the extent possible, approximate normal conditions of employment which includes a forty hour work week for every-inmate-who-is-available,-willing-and-able-to-participate. Such work week may include schooling, vocational training,-employment-at-private-industry,-treatment-or-other activities-authorized-by-the-secretary. For all purposes under state law, no inmate shall be deemed to be an employee of the state or any state agency. The secretary of corrections shall credit to each inmate as a reward for such employment, an amount which shall be set by the governor but shall not be less than \$.25 per day. Any inmate who is

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 Chuck Simmons
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 Attachment #2

1 gainfully employed under the work release provisions of
2 K.S.A. 75-5267 and 75-5268, and amendments thereto, or who
3 is gainfully employed by a private business enterprise,
4 operating on the grounds of a correctional institution under
5 K.S.A. 75-5288 and amendments thereto, or any other private
6 business at which inmates are permitted to be gainfully
7 employed, and any inmate who is incarcerated at the Kansas
8 reception and diagnostic center for the purpose of receiving
9 diagnosis and any inmate on disciplinary segregation status
10 shall not be eligible to receive compensation as provided in
11 this subsection.

12 (b) The secretary of corrections shall establish
13 programs and prescribe procedures for withdrawing amounts
14 from the compensation paid to inmates from all sources for
15 the same purposes as are prescribed by K.S.A. 75-5268 and
16 amendments thereto for moneys of work release participants,
17 except that any inmate employed in a private industry
18 program, other than work release, shall, in addition to the
19 deductions specified in K.S.A. 75-5268 and amendments
20 thereto, have deduction of 5% of monthly gross wages paid to
21 the crime victims reparations fund for the purpose of victim
22 compensation. The department of corrections is authorized
23 to make this deduction and payment to the crime victims
24 reparations fund.

25 (c) (1) Upon the release of any inmate on parole,
26 conditional release or expiration of the inmate's maximum
27 sentence, the inmate shall be provided with suitable
28 clothing and a cash payment of \$100. Any inmate who is
29 gainfully employed under the work release provisions of
30 K.S.A. 75-5267 and 75-5268, and amendments thereto, or who
31 is gainfully employed by a private business enterprise
32 operating on the grounds of a correctional institution under
33 K.S.A. 75-5288 and amendments thereto, or any other private
34 business at which inmates are permitted to be gainfully
35 employed or any inmate paroled to a detainer shall not be
36 eligible to receive this cash payment.

1 (2) An inmate released on expiration of the inmate's
2 maximum sentence shall be provided public transportation, if
3 required, to the inmate's home, if within the state, or, if
4 not, to the place of conviction or to some other place not
5 more distant, as selected by the inmate. An inmate released
6 on parole or conditional release shall be provided public
7 transportation, if required, to the place to which the
8 inmate was parole or conditionally released.

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10 Section 2. That K.S.A. 75-5211 is hereby repealed.

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12 Section 3. This act shall take effect and be in force
13 from and after its publication in the statute book.

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DEPARTMENT OF CORRECTIONS
STATE OF KANSAS

#3
SB 648

LEGISLATIVE PROPOSAL NO. _____

Revisor of Statutes No. _____

_____ BILL NO. _____

"CLEAN-UP"

"SUBSTANTIVE"

DRAFT NO.	DATE

INTRODUCE THROUGH _____

APPROVED BY GOVERNOR YES

NO

DOC PERSONELL TO FOLLOW UP:

NOTES AND COMENTS

AN ACT CONCERNING:

Purpose of reception and diagnostic center; delivery of offenders; examination and study; rehabilitation program; assignment, parole or treatment.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

1 Section 1. That K.S.A. 75-5252 be amended to read as
2 follows:

3 (a) The primary function and purpose of the Kansas
4 state reception and diagnostic center shall be to provide a
5 ~~thorough-and-scientific~~ for examination and study of all
6 felony offenders of the male sex sentence by the courts of
7 this state to the custody of the secretary of corrections so
8 that each such offender may be assigned to a state correc-
9 tional institution having the type of security (~~maximum,~~
10 ~~medium-or-minimum~~) and programs ~~of-education,-employment-or~~
11 ~~treatment~~ designed to accomplish a maximum of rehabilitation
12 for such offender. All such offenders hall be delivered to
13 said center as provided in K.S.A. 75-5220, upon being
14 sentenced by the court.

15 (b) Each inmate so delivered to the Kansas state
16 reception and diagnostic center shall be examined and
17 studied as provided by the secretary and shall have a
18 ~~rehabilitation~~ program planned and recommended for him. An
19 inmate shall be held at the Kansas state reception and

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2/11/88
Attachment #3

1 diagnostic center for a period not exceeding ~~sixty-(60)~~ days
2 except that an inmate may be held for a longer period of
3 time at said center on order of the secretary. Upon the
4 completion of the case study, diagnosis and report on an
5 inmate, the inmate shall be assigned to one of the state
6 correctional institutions or facilities for confinement,
7 which shall be selected as the secretary shall prescribe,
8 based on the examination and study of the inmate, or the
9 inmate may be paroled or he may be assigned to one of the
10 state hospitals for further treatment ~~not-exceeding-sixty~~
11 ~~(60)~~ days where an ultimate parole is indicated at the
12 ~~expiration-of-said-additional-time.~~

13 Section 2. K.S.A. 75-5252 is hereby repealed.

14 Section 3. This act shall taken effect and be in force
15 from and after its publication in the statute book.

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DEPARTMENT OF CORRECTIONS
STATE OF KANSAS

#1

LEGISLATIVE PROPOSAL NO. _____

SB 649

Revisor of Statutes No. _____

BILL NO. _____

DRAFT NO.	DATE

"CLEAN-UP"

"SUBSTANTIVE"

INTRODUCE THROUGH _____.

APPROVED BY GOVERNOR YES

NO

DOC PERSONELL TO FOLLOW UP:

NOTES AND COMENTS

AN ACT CONCERNING:

Transportation of persons committed to the secretary of corrections to state court proceedings in judicial proceedings; sment of costs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

1 Sec. 1. When any court of the state of Kansas issues
2 an order directing any person committed to the custody of
3 the secretary of corrections to appear before the court in
4 any judicial proceeding in which the Kansas department of
5 corrections is not a party, the order shall specify to whom
6 the costs of transportation shall be assessed. In no
7 instance shall the court assess the cost or responsibility
8 of transporting inmates to court upon the department of
9 corrections where the department is not a party to the
10 action.

11 Sec. 2. This act shall take effect and be in force
12 from and after its publication in the statute book.

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Chuck Simmons
2/11/88
Attachment #4

DEPARTMENT OF CORRECTIC
STATE OF KANSAS

#5

LEGISLATIVE PROPOSAL NO. _____

SB651

Revisor of Statutes No. _____

_____ BILL NO. _____

"CLEAN-UP"

"SUBSTANTIVE"

DRAFT NO.	DATE

INTRODUCE THROUGH _____.

APPROVED BY GOVERNOR YES

NO

NOTES AND COMENTS

DOC PERSONELL TO FOLLOW UP:

=====

AN ACT CONCERNING:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

1 Section 1. That K.S.A. 75-52,116 be amended to read as follows:

3 75-52,116. ~~Heree-camps~~ (a) The director of ~~heree~~

4 ~~eamps~~ any correctional institution, with the approval of the

5 secretary of corrections, may extend the limits of confine-

6 ment of inmates of the ~~correctional heree-camps~~ institution

7 to work for any state agency, federal agency, city, county,

8 school district or nonprofit organization organized for

9 charitable purposes if such work is in furtherance of public

10 service and public welfare or charitable objectives within

11 the community. The inmates shall remain under the legal

12 custody of the secretary of corrections with the actual

13 limits of confinement extended and without actual supervi-

14 sion of correctional officials. Those persons observing,

15 supervising, managing, controlling and reporting back to

16 correctional officials regarding such inmates in their work

17 shall be agents of the state and of the secretary of

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Chuck Simmons
2/11/88
Attachment #5

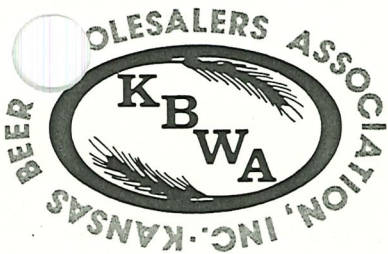
1 corrections for that purpose only but shall not, solely be
2 reason of the agency, have law enforcement powers.

3 (b) Compensation of inmates working pursuant to this
4 section shall be normal inmate incentive pay rendered to
5 other inmates working within correctional institutions
6 pursuant to K.S.A. 75-5211 and amendments thereto.

7 Section 2. K.S.A. 75-52,116 is hereby repealed.

8 Section 3. This act shall take effect and be in force
9 from and after its publication in the statute book.

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TESTIMONY BEFORE
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

by

Neal Whitaker, Executive Director
Kansas Beer Wholesalers Association

CONCERNING SENATE BILL 481

Chairman Reilly, Members of the Committee:

The Kansas Beer Wholesalers Association only has one area of concern with Senate Bill 481. The language beginning with line 355, that requires approval of the director prior to a distributor picking up product from a retailer at the manufacturer's request, would result in a tremendous administrative burden for the ABC.

All domestic beer sold in Kansas has a shelf-life and is code dated. As a requirement of a beer wholesaler's franchise agreement with the supplier, the wholesaler is expected to pick up any beer or cereal malt beverage that has not been sold by the expiration date on the package. Driver salesmen have standing instructions from their employing wholesalers to replace any beer found at a retailer that has reached its code date. While large quantities are not involved, the occurrences are frequent and most often one or two six packs at an establishment.

During the agency's public hearing on rules and regs we pointed out that this is a normal business practice in the beer wholesaling industry and should not involve ABC. As a result, the agency drafted their regulations to allow wholesalers to remove outdated product at a supplier's request without contacting the ABC.

Mr. Chairman, Members of the Committee, we respectfully request that you amend Senate Bill 481 back to the form it passed the legislature in the last session.

NW/km

*Senate FSA
2/11/88
Attachment #6*

• A • N • S • A • S
WINE & SPIRITS
WHOLESALE ASSOCIATION, INC.

To: Senate Federal and State Affairs Committee
From: R.E. "Tuck" Duncan
RE: SB 481 and SB 559

The K.W.S.W.A. considers these bills as "clean-up" legislation in the wake of the enactment of SB 141 in the 1987 legislative sessions. Since numerous items are covered, I need to discuss each item.

With regard to SB 481:

(a) Sections 1, 2, 6, 9, 10 and 11 relate to uniform language for defining a morals charge. The list treats members of this industry different from other occupations. To lose one's livelihood for bigamy or adultery may not be appropriate. Simply, we believe that licensees should, as we provide with regard to alcohol violations, be afforded an opportunity for due process review with the Director of the effect, if any, a violation on the morals list has on their ability to participate in the industry.

(b) Section 3 provides necessary language to ensure there are not consignment sales, and we support the provision for agency review of "buy back" plans.

(c) Section 4 allows for percentage leases for clubs/drinking establishments located on property where the municipality is a lessor (i.e. convention centers) and we do not oppose this provision.

(d) Section 4 and 12 provide consistency in the application of the 30% food sales rule, and we do not oppose this provision (see also item I).

(e) Section 5 eliminates "trustees" as the holder of a license, and we do not understand why. Inasmuch as there is a provision in the law for an executor or administrator of an estate to hold the license pending an orderly disposition of the business, elimination of this provision may be inappropriate, and thus we oppose Section 5.

(f) Section 7 eliminates "good moral character" as a requirement for club membership. Such provision is unenforceable and should be eliminated.

(g) Section 8 provides that a caterer must notify a sheriff of events the licensee serves. We defer to those in this class of licensee as to the practicality of such a provision and have no position. (see also item J).

With regard to SB 559:

*Senate FSA
R.E. "Tuck" Duncan
2/11/88
Attachment #7*

(h) We support the Secretary of Revenue's request regarding the military sales. This will allow Kansas to be competitive and is consistent with federal law. For administrative purposes we suggest, however, that the state not issue a refund, but rather allow a credit toward future liabilities. In this manner the state will not have to issue a check, and paperwork should be reduced. On line 49 delete the word refund and insert "...a credit toward future tax liabilities..."

(i) Sections 2 and 3, I believe are similar to item (d) above, except they also shorten the period in which reciprocity or drinking establishment status can be measured. Perhaps 9 months is more appropriate as that would be consistent with the statutory provision that a licensee have a lease for at least 9 months.

(j) Section 4 provide that a caterer notify the ABC Ddirector of events they serve. See comments for item (g) above.

(k) Section 5 increases the time to files application for a temporary permit. We do not oppose this provision, because the Director can waive same "for good cause."

(l) Section 6,7, 8, 9, and 10 impose the 10% excise tax on "permit" events. The question arises, since many or most of such events are for charitable or political fund raising, how do we tax when there is a single payment for attendance and not a charge for each drink served? Example: single event fee is \$25.00, is the tax \$2.50 when the individual might only have 2 beverages at a true cost of \$5.00 for 50 cents tax?

Finally, in as much as there are SB 141 "clean up" provisions, and since these enactments are "uniform" enactments, we suggest that the legislature re-enact the provisions herein regarding municipal fees in order to make same uniform. Some cities contend that SB 141 was not a uniform enactment and thus have contemplated increasing their local fees for licensees in excess of the limits placed in the law.

Thank you for your attention to these matters.



Kansas EXPOCENTRE

MANAGEMENT BOARD

R. E. "TUCK" DUNCAN
Chairman

JULIE SCHLOETZER
Vice-Chairman

HARRY "BUTCH" FELKER
Secretary

R. R. DOMER, D.V.M.
Member

WINIFRED KINGMAN
County Commissioner

KAY MEADOWS
Member

DOUGLAS S. WRIGHT
Mayor

EXECUTIVE MANAGER
STEVEN R. ROSENBLATT

Testimony of Steven R. Rosenblatt before the Federal and State Affairs Committee Chaired by Senator Edward F. Reilly, Jr.

Good morning Senators, I am Steven R. Rosenblatt, Executive Manager of the Kansas Expocentre in Topeka. I am here today to testify in support of the Senate Bill which would allow facilities owned by municipalities to receive a percentage of liquor sales.

The Kansas Expocentre (Topeka), Bicentennial Center (Salina), Century II (Wichita) and The Kansas Coliseum (Wichita) are the major municipally owned convention and entertainment facilities in the State of Kansas. The Expocentre, Century II and Kansas Coliseum all have contracts with foodservice companies to provide concession, banquet and catering services (Bicentennial Center does its own). If we were allowed to receive a percentage of liquor sales, it would be an additional source of income for us.

My understanding is that the intent of the existing law is to insure the integrity and moral character of the owner. Certainly, the integrity and moral character of a municipality should not keep this part of the bill from being passed.

Thank you very much for your time and consideration and for allowing me to speak in support of this part of the bill.

*Senate FSA
2/11/88
Attachment #8*



SB 559
9

KANSAS DEPARTMENT OF REVENUE
Division of Alcoholic Beverage Control
Topeka, Kansas 66612-1584 · Phone (913) 296-3946

MEMORANDUM

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

FROM: Tom Hanna, Director
Alcoholic Beverage Control Division

DATE: February 12, 1988

SUBJECT: Senate Bill 559

The Alcoholic Beverage Control Division supports the general provisions of Senate Bill 559. The bill, which contains the previously presented Department of Revenue proposals, represents an effective "cleanup" to last session's liquor legislation. The bill would establish consistency in regard to licensing requirements, taxation and enforcement activities among license types.

Sales to the Military

The Department recommended giving distributors a refund of gallonage taxes paid on spirits sold to military installations. The reason for this was because military installations have the option of buying spirits directly from the supplier.

Section 1 of the bill, however, provides for a refund on all alcoholic liquor sold to military installations. Military installations currently buy all wine and beer in-state so a need to refund gallonage taxes on the sale of these products does not exist.

Definition of "Restaurant"

By redefining "restaurant" in section 2 of the bill, the food requirements would be made consistent among license types, multiple ownership and private club reciprocity. As pointed out in previous discussion, the current differences in food requirements and the different procedures for defining the requirements causes confusion in the industry. The 90-day provision in lines 0191 through 0193 (replacing "calendar year") was recommended by the Department at the beginning of the session

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2/11/88
Tom Hanna
Attachment #9

in order to prevent on-premise licensees from operating unchecked for extended periods of time. In addressing Senate Bill 481, the Department testified that a 6-month period would also be acceptable.

Notification by Caterers

By requiring caterers to notify the ABC of upcoming events, section 4 of the bill would enable the ABC to enforce the liquor laws more consistently among license types. Caterers are licensees of the ABC and for the ABC to have no knowledge of when and where their events are being held is inconsistent vis-a-vis other ABC licensees. With the ABC having no knowledge of catered events, there currently exists a potential for violations, including sales to minors.

Temporary Permits

A temporary permit candidate is currently required to file an application with the ABC 7 days prior to an event. As previously discussed, 7 days is not a long enough period of time for the ABC to run the necessary checks on the candidate and to notify the appropriate liquor control agent(s) and the local law enforcement agency. Section 5 of the bill extends the time period to 14 days.

Section 7 subjects liquor sales at temporary permit events to the 10% liquor excise tax. This would make sales of liquor at temporary permit events consistent with sales at all other on-premise locations.



KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
Robert B. Docking State Office Building
Topeka, Kansas 66612-1588

Temporary Permits

MEMORANDUM

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

FROM: Harley T. Duncan
Secretary of Revenue

RE: Temporary Permits to Sell Alcoholic Beverages

DATE: February 11, 1988

In response to concerns expressed by the committee, enforcement officials within the Division of Alcoholic Beverage Control met to discuss ways to reduce the potential for abuse of temporary permits. As a result of these discussions, the following information is provided.

1. Reduce the number of groups eligible for temporary permits. The legislation which provides for temporary permits is found in Ch. 182, New Sec. 91, of the 1987 Session Laws of Kansas. It is proposed that subsection (b) be amended to read as follows:

(b) The director may issue a temporary permit to: (1) organizations supporting a candidate for public office; or (2) an organization exempt from the payment of federal income tax as provided by section 501(c) of the federal internal revenue code.

This language provides specific definition as to who may receive a temporary permit. An individual would not qualify for a temporary permit, thus eliminating enforcement nightmares such as random "pasture parties" and the sale of liquor at garage sales, etc. Under part (2), commercial for-profit organizations and businesses would not qualify and would be required to seek licensure as a club, drinking establishment or caterer in order to supply liquor to customers. Legitimate nonprofit organizations would remain eligible. It should be pointed out that any person or organization who would be disqualified by this definition, or is in any other way ineligible for a temporary permit, would have the option of acquiring a licensed caterer's services to provide liquor for desired events.

2. The other area of concern has to do with the restriction that not more than four temporary permits may be issued to any one applicant in a calendar year. There have been instances of individuals or organizations attempting to circumvent

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Attachment #10

this restriction by having friends, family or employees apply for a permit after the original applicant had been issued the maximum of four. This problem has been addressed in recently promulgated rules and regulations. K.A.R. 14-23-3 provides requirements for issuance of a temporary permit to a corporation, an association, a partnership or an individual. In each case, the regulation specifies that a permit shall not be issued if the applicant "intends to act as the agent of another in exercising control of the permit." As an example, this regulation will prohibit the issuance of a permit to an employee of a previous applicant who has already been issued four permits, if it appears that the employee is requesting the permit for an event which will benefit the employer.

It appears that a combination of the suggested amendments and the existing regulations would provide a clear, enforceable basis for controlling the issuance and usage of temporary permits.

Rally

3

PROPOSED BILL NO. _____

By

AN ACT relating to state officers and employees; concerning a drug screening program for applicants for and current employees in safety sensitive positions in state government.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The director of the division of personnel services shall have the authority to establish and implement a drug screening program for applicants for safety sensitive positions in state government. The director also shall have the authority to establish and implement a drug screening program for persons currently holding safety sensitive positions in state government based upon reasonable suspicion of illegal drug use by any such person.

(b) "Safety sensitive positions" means state law enforcement officers who are authorized to carry firearms, state correctional officers, the governor and lieutenant governor, heads of state agencies who are appointed by the governor and employees on the governor's staff.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

2/11/89
Attachment #11