

MINUTES OF THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Doug Mays at 1:35 p.m. on February 28, 2001 in Room 313-S of the Capitol.

All members were present except: Representative John Faber, Excused  
Representative Joann Freeborn, Excused  
Representative Judy Morrison, Excused  
Representative L. Candy Ruff, Excused

Committee staff present: Theresa M. Kiernan, Revisor of Statutes  
Russell Mills, Legislative Research Department  
Shelia Pearman, Committee Secretary

Conferees appearing before the committee: John Campbell, Senior Deputy Attorney General

Others attending: See attached list

Without objection bill will be introduced as requested by Bud Grant, Kansas Merchants Security Association regarding revising returned checks language. [HB 2549]

Without objection bill will be introduced as requested by Representative Kauffman regarding post-casting by veterinarians. [HB 2554]

Chairman Mays opened the hearing on SB 242 - Requirements for sale of cigarettes.

Mr. Campbell requested amendments to K.S.A. 2000 Supp. 56-6a01, et seq., known as the Non-Participating Manufacturer statute (Attachment #1) as already addressed by SB 242 as received. These technical amendments would assist Kansas in receiving its fair share of funding from the major tobacco companies during anticipated litigation as a participant in the tobacco settlement.

The hearing on SB 242 was closed.

Representative Powell moved that Committee recommend SB 242 favorable for passage. Representative Peterson seconded the motion. Motion passed.

The committee meeting adjourned at 2:00 p.m. The next scheduled meeting is March 5, 2001.

HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

COMMITTEE GUEST LIST

DATE: 2/28/01

NAME	REPRESENTING
John Campbell	AA Office
Dino Corbani	KMSA
Dave Meek	KS SAR Dog Assn
Pat Lehman	KFSH
Jeff Bottberg	Kansas Police Officers
Roger Trawate	KGE

**HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE**

**TESTIMONY IN SUPPORT OF**

**SENATE BILL 242**

**February 28, 2001**

**JOHN W. CAMPBELL  
SENIOR DEPUTY ATTORNEY GENERAL**

Mr. Chairman, members of the Committee, my name is John Campbell, I am the Senior Deputy Attorney General for the State. I am here today to testify in support of Senate Bill 242. This bill helps protect the State's \$1.5 billion settlement of its tobacco litigation.

Under current Kansas law, K.S.A. 2000 Supp. 50-6a01, *et seq.*, known as a Non-Participating Manufacturer statute (NPM), companies which manufacture cigarettes for sale in Kansas may join either the Master Settlement Agreement (MSA) or they may elect to pay into an escrow account. By terms of the MSA, a state's NPM statute must not materially differ from the language contained in the MSA's Model Non-Participating Manufacturer Statute. Without a valid NPM statute, a state's share of the MSA tobacco settlement money could be substantially reduced or even eliminated.

The major tobacco companies now maintain that five states, including Kansas, have NPM statutes that are materially different from the Model statute contained in the MSA. We disagree and are prepared to fight in court for years if need be to prove this point. However there is an alternative, if the Kansas NPM statute is amended as shown on the attached page, the tobacco companies will drop their claims that our statute does not comply with the terms of the MSA. We recommend that Kansas accept this offer and make the technical amendments requested.

House Fed. &  
State Affairs  
Date 2/28/2001  
Attachment No. 1  
Page 1 of 2

SB 242 Amendments:

Page 2, line 12, delete "and amendments thereto"

Page 2, line 22, add "("

Page 3, line 19, add "."

Page 4, line 35, delete "statute book". Add "Kansas Register"