

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 12:30 p.m. on March 27, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Andrew Howell - excused
Representative Barbara Ballard - excused

Committee staff present: Amy Deckard, Legislative Research Department
Becky Krahl, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Robert Chapman, Legislative Research Department
Julian Efird, Legislative Research Department
Martha Dorsey, Legislative Research Department
J. G. Scott, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee: Tuck Duncan, Kansas Wine & Spirits Wholesalers Association
Robert Longino, Alcohol Beverage Control
Jim Conant, Department of Revenue
Kathy Porter, Office of Judicial Administration
Roger Werholz, Secretary of Corrections

Others attending: See attached

- Attachment 1 Fiscal Note on **HB 2458**
- Attachment 2 **HB 2458** testimony, Tuck Duncan, Kansas Wine & Spirits Wholesalers
- Attachment 3 **HB 2053** testimony, Kathy Porter, Office of Judicial Administration
- Attachment 4 **HB 2053** Budget Committee Recommendation
- Attachment 5 Fiscal Note on **HB 2461**
- Attachment 6 **HB 2461** testimony by Roger Werholtz

Hearing on HB 2458--Transferring the duties of the division of alcoholic beverage control to the Kansas highway patrol.

Julian Efird, Legislative Research Department, explained the bill which would transfer the Alcohol Beverage Control Division (ABC) from the Department of Revenue to the Kansas Highway Patrol. This bill would help implement one of the Governor's budget recommendations; it was also recommended by the Public Safety Budget Committee.

A fiscal note on **HB 2458** from Division of the Budget, was distributed (Attachment 1).

Tuck Duncan, Kansas Wine & Spirits Wholesalers Association, presented testimony in opposition to the transfer at this time. Mr. Duncan noted that they do not oppose the concept; however, the bill does not address all of the concerns of the proposed movement of the ABC and there is not sufficient time to complete the details for such a transfer of authority. Mr. Duncan stated that the bill does not transfer all of the functions relating to ABC; particularly the duties of the licensing and compliance functions. Attached to Mr. Duncan's testimony, is a copy of the testimony he presented to the Taxation Committee (Attachment 2).

Robert Longino, Alcohol Beverage Control, expanded on the problems not addressed by the bill, concerning the Licensing and Compliance Section. Mr. Longino indicated that the 38 FTE's addressed in the bill are administration and enforcement positions and the bill does not transfer all the employees working within ABC functions; it some FTE's in the Division of Taxation of the Department of Revenue. He explained that the concept has merit; however, **HB 2458**, as written poses some serious problems.

Jim Conant, Department of Revenue, explained how the transfer would affect the duties of Department of Revenue personnel especially those positions that interact with both the Department of Revenue and the

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 27, 2003, in Room 514-S of the Capitol.

Alcoholic Beverage Control Division.

The Hearing on **HB 2458** was closed.

Hearing and action on HB 2053--Authorizes the expenditure of funds by the Judicial Branch for a Seal of Justice in the Supreme Court Courtroom of the Judicial Center.

Carolyn Rampey, Legislative Research Department, explained the bill which authorizes the expenditure of funds by the Judicial Branch from the State General Fund or any special revenue fund for a replica of the Seal of Justice in the Supreme Court Courtroom of the Judicial Center.

Kathy Porter, Office of Judicial Administration, presented testimony voicing concern about the funding if the bill is passed (Attachment 3). Ms. Porter did not have a position on the bill but suggested that the seal could ideally be funded from private donations to the gift and benefit fund.

Representative McCreary, Chair of the Tax, Judicial, Transportation and Retirement Budget Committee, informed the Committee that the Budget Committee recommends amending the bill as follows: "The Supreme Court is hereby authorized to accept gifts and donations to pay for the cost of obtaining and installing the seal. Any funds received from gifts or donations could be credited to the existing Judicial Branch gifts funds."

Representative McCreary moved for the adoption of the Tax, Transportation Judicial and Retirement Budget Committee's report on HB 2053 as amended (Attachment 4). The motion was seconded by Representative Klein. Motion carried.

Representative Shriver moved to pass out HB 2053 favorably. The motion was seconded by Representative Minor. Motion carried.

Hearing and action on HB 2461--Authorizes the secretary of corrections to convey land to the city of Hutchinson.

Martha Dorsey, Legislative Research Department, explained that the bill authorizes the transfer of seven acres of land located in Reno County and owned by the Department of Corrections, at no cost, to the City of Hutchinson for the purpose of building an animal shelter. The Department of Corrections currently has no use for the land.

A fiscal note on **HB 2461** was distributed to the Committee (Attachment 5).

Roger Werholtz, Secretary of Corrections, presented written testimony supporting an amendment that would address the error in the language of line 22 of the bill concerning the legal description of the land (Attachment 6).

Representative Mike O'Neal presented a few comments in support of the bill, noting that he has spoken with both the Department of Corrections and the City of Hutchinson and felt this is a good partnership between the two entities. Representative O'Neal stated that he felt the animal shelter would afford the prison some opportunity for employment of inmate labor and inmate involvement in the shelter.

The hearing on **HB 2461** was closed.

Representative Klein moved to adopt the balloon amendment to change the language in Line 22 of HB 2461, striking the words "thence continuing S89 degrees 43'12" W, 550.00 feet" and inserting the words "thence continuing S89 degrees 43'12" W, 650.00 feet". The motion was seconded by Representative Campbell. Motion carried.

Representative Feuerborn moved to pass out HB 2461 favorably as amended. The motion was seconded by Representative Pottorff. Motion carried.

HB 2067--Establishing the state-wide independent living council

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 27, 2003, in Room 514-S of the Capitol.

Representative Landwehr, Chair of the Social Services Budget Committee, presented the recommendation from the Budget Committee on **HB 2067**, which establishes the State-wide Independent Living Council of Kansas.

Representative Landwehr moved to amend the bill on Page 3, Line 15, by correcting the "on" to read "one" and to pass the bill favorably as amended. The motion was seconded by Representative Henry. Motion carried.

The meeting was adjourned at 1:30 p.m. The next meeting will be on Friday, March 28th, upon first recess of the House.



Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 27, 2003

NAME	REPRESENTING
TICK DUNN	Ks. Wine & Spirits Wholesalers Assn.
Phil BRADLEY	Ks Licensed Beverage Assn
Jeremy Anderson	Gov Office
HERMAN JONES	KHP
Neal Whiteker	Ks Beer Wholesalers
Charles B. MCGARRETT	WINE INSTITUTE
Ron Seebler	Kansas Rest. Hospitality Ass.
Bill Watts	KDOT
Mike Huttles	Ks. Govt. Consulting
R. Longino	KDOR/ABC
Pete Bodurk	KDOR/ABC
Kyle Kessler	DOB
Nick DeLelsel	DOB
Jim Conant	KDDOR
Jennifer Schwartz	ATK

KANSAS

DIVISION OF THE BUDGET
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

March 27, 2003

The Honorable Melvin Neufeld, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Neufeld:

Subject: Fiscal Note for HB 2458 by House Committee on Appropriations

This is to notify you that the Division of the Budget is preparing a fiscal note for the bill indicated above. A request to provide fiscal effect information has been sent to one or more agencies or organizations, and we are awaiting a response from them to complete the fiscal note. This notice is to acknowledge that a hearing has been scheduled on the bill and to advise you of the status of the fiscal note in our continuing effort to provide useful and timely information on proposed legislation. As soon as the necessary information is received, the fiscal note will be completed and submitted to you for your deliberations.

If you have questions or more detailed information is desired, please contact us.

Sincerely,



Duane A. Goossen
Director of the Budget

HOUSE APPROPRIATIONS

STATE CAPITOL BUILDING, ROOM 152-E, TOPEKA, KS 66612
Voice 785-296-2436 Fax 785-296-0231 <http://da.state>

DATE 3-27-2003
ATTACHMENT 1

K · A · N · S · A · S
WINE & SPIRITS
WHOLESALERS ASSOCIATION.

TO: HOUSE APPROPRIATIONS COMMITTEE
FROM: R.E. "TUCK" DUNCAN
KANSAS WINE & SPIRITS
WHOLESALERS ASSOCIATION
RE: HOUSE BILL No. 2458
DATE: MARCH 27, 2003

I APPEAR HERE TODAY IN OPPOSITION TO HB 2458, AN ACT TRANSFERRING THE DUTIES OF THE DIVISION OF ALCOHOLIC BEVERAGE CONTROL TO THE KANSAS HIGHWAY PATROL. IT IS NOT THAT WE OPPOSE THE CONCEPT, BUT AT THIS STAGE OF THE BUDGET PROCESS WE BELIEVE THERE IS NOT SUFFICIENT TIME TO EFFECT THE TRANSFER.

WHEN THIS PROPOSAL WAS UNVEILED IN THE GOVERNOR'S BUDGET THE INDUSTRY MET WITH REPRESENTATIVES FROM THE GOVERNOR'S OFFICE, THE DEPARTMENT OF REVENUE, THE KANSAS HIGHWAY PATROL AND THE ALCOHOLIC BEVERAGE CONTROL. THE INDUSTRY DEVELOPED A POSITION PAPER REGARDING TRANSFERRING THE DUTIES OF THE DIVISION OF ALCOHOLIC BEVERAGE CONTROL TO THE KANSAS HIGHWAY PATROL, WHICH I HAVE ATTACHED HERETO FOR YOUR REFERENCE.

WE WOULD BE PLEASED TO WORK WITH THE LEGISLATURE, THE GOVERNOR'S OFFICE, THE DEPARTMENT OF REVENUE, THE KANSAS HIGHWAY PATROL AND THE ALCOHOLIC BEVERAGE CONTROL THIS SUMMER TO IDENTIFY ALL THE COMPONENTS NECESSARY TO ACCOMPLISH THIS TRANSFER IF THAT BE THE DECISION OF THE LEGISLATURE.

THANK YOU FOR YOUR ATTENTION TO AND CONSIDERATION OF THIS MATTER.

HOUSE APPROPRIATIONS

DATE 3-27-2003
ATTACHMENT 2



Proposal regarding transfer of Alcoholic Beverage Control from the Kansas Department of Revenue to Kansas Highway Patrol

The Governor's Budget for 2004 states as follows:

"Highway Patrol

Alcoholic Beverage Control Operations. The Alcoholic Beverage Control Division is recommended to be moved to the Highway Patrol beginning in FY 2004 from the Department of Revenue. It provides oversight to several regulatory and enforcement activities. The Division's priority is the regulation of the distribution and sale of alcoholic beverages. All persons and organizations involved in the sale of alcoholic beverages, including retailers, suppliers, distributors, drinking establishments, salespersons, caterers, and private clubs, must obtain licenses or permits to operate. The Division also monitors the movement of alcoholic beverages, audits alcoholic beverage tax returns, and takes enforcement actions as necessary. The agency also conducts criminal tax fraud investigations.

The Division functions through four primary processes. The Investigation and Criminal Enforcement Unit provides the enforcement arm for the agency and performs the following: investigating applicants and inspecting premises for compliance with laws governing alcoholic beverage establishments and sales, and conducting inspections of private clubs, drinking establishments, retail liquor stores, hotel/caterers, distributors, bingo licensees, and bingo parlors. Enforcement agents are certified state law enforcement officers. They work closely with local law enforcement agencies. This process also enforces the cigarette laws concerning sales to minors in cooperation with other state agencies to decrease access to cigarette and tobacco products by youth. The licensee administrative action process focuses the Division's efforts on legal action taken against licensees who violate the state's liquor laws. The licensing and marketing section works directly with license applicants and licensees to ensure only authorized persons or organizations obtain licenses. Once the license is obtained, the field inspectors of the Compliance Section work with licensees to ensure they remain compliant with the laws."

And the Governor's Budget recommends as follows:

“Relocation of Alcoholic Beverage Control. There are an additional 38.0 FTE positions over the FY 2002 level. These positions are from the Department of Revenue and represent the Alcoholic Beverage Control function, which the Governor recommends be moved to the Highway Patrol beginning in FY 2004. The final \$1.8 million of the \$5.2 million increase will fund the Alcoholic Beverage Control Division.”

However, the transfer of the 38 FTE positions does not include the persons who handle the actual functions of receiving applications for licenses and processing same.


Therefore, on behalf of the beverage control industry the undersigned, in light of the fact that “The licensing and marketing section works directly with license applicants and licensees to ensure only authorized persons or organizations obtain licenses,” we propose the following:

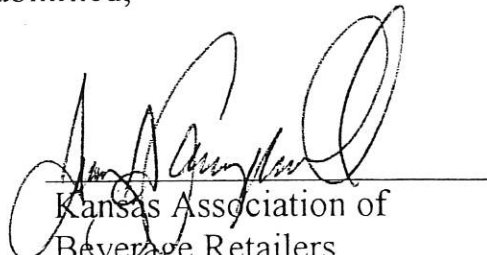
- Transfer all Alcoholic Beverage Control functions contemplated by the Liquor Control Act, licensing, marketing and enforcement in order to “preserve an orderly market” from the Kansas Department of Revenue (hereinafter “Revenue”) to the Kansas Highway Patrol (hereinafter “KHP”); not just the Director and enforcement activities as currently contemplated by the Governor’s recommendations; *except*, maintain with Revenue the business application and tax collection functions (as they undertake for any Kansas business). Excise and gallonage taxes would still be collected by Revenue and the reports necessary to effectuate that function would continue to be filed with Revenue.
- Provide statutory authority for the Director of Alcoholic Beverage Control to access such reports and tax information as may be necessary to carry out the Director’s powers and duties.
- Provide for a transition (perhaps up to one year) for Revenue to “carve out” those personnel now performing multiple tasks involving the licensing and other compliance activities who were formerly part of the A.B.C. but are now responsible to the Director of Taxation. During this interim provide for policy and operational decisions to be made by the Director.


- Provide for the identification of those funds used by Revenue to support certain A.B.C. activities (technology etc.) and by FY 2005 transfer said support funds to KHP for the continued support of A.B.C. functions.
- Identify such funds as may be available in the KDOT highway safety program that could be used to support A.B.C.

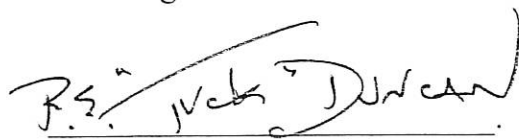
Whether or not the KHP is funded through the State General Fund or under the Governor's proposal KHP's budget is funded through a transfer from the State Highway Fund to the Highway Patrol Operations Fund is a matter of policy for the Governor and Legislature. Obviously, as an industry that pays considerable fees and collects substantial taxes, we would encourage a source of funds that will adequately allow the Alcoholic Beverage Control to properly license, regulate and communicate with those it supervises and provides it with the ability to advance it operations through improved technology.

Respectfully submitted,


Kansas Beer Wholesalers
Association


Kansas Association of
Beverage Retailers


Kansas Licensed Beverage
Association


Kansas Wine & Spirits
Wholesalers Association


Kansas Clubs & Associates

February 17, 2003

K · A · N · S · A · S
WINE & SPIRITS
WHOLESALE ASSOCIATION.

March 10, 2003

To: House Committee on Taxation

From: R.E. "Tuck" Duncan
Kansas Wine & Spirits Wholesalers Association

RE: Sales tax exemption when excise taxes paid

Removing the exemption from sales taxes when the consumer has paid excise taxes on the goods purchased, in our case, wines, spirits and beer, constitutes double taxation. "Double taxation" is generally defined as a form of taxation under which any dollar of income is subject to more than one level of tax. The classic example is income that is taxed at the corporate level and then taxed again as dividend income when received by the shareholder. With capital gains taxes and estate taxes, it is possible for a single dollar of income to be taxed four times. And in the case of applying sales taxes on good for which the state is already collecting an excise tax (usually at a rate higher than the sales tax rate) is another form of double taxation.

There are 4 stages of taxation on alcoholic beverages in Kansas. First there is the federal tax ... then the state gallonage tax paid by wholesalers ... then the enforcement (excise) tax paid by consumers and restaurants when product is bought at retail liquor stores ... then the 10 % drink (excise) tax when a customer buys a beer, glass of wine or beverage.

For example, this four tier system of taxation generate on an average \$10.49 liter the following taxes:

Federal excise taxes \$13.50 proof gal. 80 proof liter 10.80 x .264172	\$2.85
State Gallonage Tax - \$2.50 gallon	.66
Enforcement (excise) Tax 8 %	.84
SUB-TOTAL	\$4.35
10% Drink Tax 33 drinks/bottle at \$3.50 drink = \$115.50 x 10%	\$11.55
TOTAL FEDERAL & STATE TAXES.....	\$15.90

Removing the exemption of the payment of sales taxes would increase the consumer's burden on a product that already generates significant taxes to the federal and state government.

The real question that has generated the discussion for repealing sales tax exemptions that have merit for a variety of economic development and/or fairness reasons is that the state of Kansas, like many states, finds itself with a revenue shortfall. Kansas based its current year's budget on estimates that have not materialized and now in an effort to find new revenues this committee is considering repeal of long standing exemptions, such as the one that exempts the payment of sales taxes when excise taxes are already applied.

I respectfully suggest that **what Kansas has is not a taxing problem, but a spending problem.** Not unlike many industries which must rethink spending patterns in times of economic downturn, so must the state. *How ?*

The state must initiate a two year budgeting process. Long term planning, which is what is necessary to achieve spending reform, cannot be done with an annual budget cycle. While many fee agencies are on a two year cycle, the state general fund should also be so budgeted. This reduces the incentive to "spend or lose" each June 30th, and it affords planners the opportunity to make wise long term capital purchases. Because the state fiscal year cycle is, depending upon how you view it, 6 months behind or ahead of municipal units of government budgets, long term planning at the state level benefits local units of government as well.

To reduce spending requires a reduction in the workforce. Kansans may not be able to afford all the government services that are currently being provided. When family income is reduced, one does not continue to spend at the same rate as before the reduction. Consumable expenditures are reduced, durable goods are kept longer. The "belt is tightened." Personnel costs constitute a large slice of the budgetary pie. Personnel priorities must be established (public safety, etc.) and layers of intermediate management eliminated. This is how the private sector would reduce its work force, and state government should consider doing likewise.

These reductions might include cuts to state employee pay raises, eliminate or reduce funding for lower priority programs, closing offices, and deferring capital projects. This might also include hiring and salary freezes, removing personnel from the state payroll (layoffs), require state employees to take a specified number of unpaid days off (furloughs), and freeze all hiring or create a "freeze committee" to review every state government job opening to determine if the position can remain unfilled. Also, by allowing state workers to start collecting their pensions at age 55 the state might achieve a significant reduction in monthly state salary expenses (early retirement).

Structural reform of government must be considered at both state and local levels, including education. Restructuring and overhauling government functions to address overlapping jurisdictions, management inefficiencies, and costly administrative overhead. (e.g. closing or consolidating divisions and programs creating compliance efficiencies, costs savings; develop a commission to comb state government top to bottom to find waste and make services more efficient; pursue budgeting, fiscal, tax, and human

resource policies that improve performance; reexamine basic business practices and operations including payroll, travel reimbursements, purchasing strategies). Solicit opinions from industries which are regulated by state government for areas they have identified that are not cost effective.

Explore private sector solutions to government services. Public-private funding is viable for a variety of government services. Can the state contract-out for personnel (e.g. retired individuals on a part-time basis)? The market place could provide competition for services at a lower cost to taxpayers.

Consider limits on future spending. Combined with a two year budget, capping state spending at 1 to 2 percent of the previous year's budget or restricting state spending growth to the percent of state population growth and an inflation factor, and limit the spending growth of government by establishing a revenue target based upon personal income growth that applies to both state local governments would reduce the need for annual calls in increasing taxes.

Explore expanded use of technology. The private sector has significantly improved its efficiency through IT. Use of technology (E -Governance and streamlining administrative processes) to reduce the number of FTE's and improve service delivery practices; create savings by consolidating computer systems and providing more government services online; better planning, budgeting and tracking of information technology spending; increase federal research and development funding to industry and state colleges and universities; and fostering economic development in rural areas by developing high-speed wireless internet access.

Structural reform of state tax policy must be examined. We can "grow" our state out of this economic downturn. The question is, will we plant the appropriate seeds for growth? Continuing to raise taxes from the same source is not the answer. *"Today's state tax systems were designed in the 1930s for a nation of smokestack industries that no longer exists. The traditional tax structure doesn't fit an economy that is based on new services and technologies; an older more mobile population; or business activities that are increasingly multistate and international. And unless these changes are addressed, taxation is likely to be inequitable and state finances more difficult to manage."* Financing State Government in the 1990s, NCSL, December, 1993. A decade later we still need to address these issues. (see also Reforming State Tax Systems, NCSL, Dec. 1986).

Finally, we must again examine Kansas' policy choices. An excellent work with numerous suggestions that have not been implemented but worth review is Kansas Policy Choices, H.Edward Flentje, Univ. Press of Kansas, 1986. We must re-explore economic prospects for rural communities, state and local finance, capital finance and public infrastructure, educational governance and finance, and better health for Kansas ... subjects all addressed nearly 20 years ago. **The goal then was to make Kansans more knowledgeable of these issues and the problems facing our state, and secondly "to enhance the capacity of Kansas policy makers in responding to these problems."** Id. at p.20. It is a noble goal worth pursuing again.



R.E. "TUCK" DUNCAN
ATTORNEY AT LAW, TOPEKA, KANSAS.

BORN OCTOBER 4, 1951, WASHINGTON, D.C. EXECUTIVE SECRETARY AND GENERAL COUNSEL KANSAS WINE AND SPIRITS WHOLESALERS ASSOCIATION (KWSWA). UNIVERSITY OF KANSAS, B.S., JOURNALISM '73; WASHBURN UNIVERSITY J.D. '76. SECRETARY AND CHIEF COUNSEL, KANSAS BOARD OF TAX APPEALS '76-'78; ASSISTANT ATTORNEY GENERAL, KANSAS ALCOHOLIC BEVERAGE CONTROL, '79-'81; ASSISTANT CITY ATTORNEY, CITY OF TOPEKA, KS, '81-'83. PRIVATE PRACTICE 1983 TO PRESENT. ADMITTED TO PRACTICE IN KANSAS, FEDERAL DISTRICT COURT, CIRCUIT COURTS OF APPEAL, AND THE UNITED STATES SUPREME COURT. MR. DUNCAN HAS MADE NUMEROUS PRESENTATIONS TO REGIONAL AND NATIONAL NCSLA CONFERENCES ON BEVERAGE ALCOHOL LAW. MR. DUNCAN CURRENTLY SITS AS A JUDGE *PRO TEM*, SHAWNEE COUNTY DISTRICT COURT FOR DOMESTIC VIOLENCE MATTERS. MR. DUNCAN REPRESENTS THE KWSWA, THE KANSAS OCCUPATIONAL THERAPY ASSOCIATION AND AMERICAN MEDICAL RESPONSE BEFORE THE KANSAS LEGISLATURE. PREVIOUS ACTIVITIES INCLUDE: PRESIDENT TOPEKA FRIENDS OF THE ZOO, MEMBER AND VICE-CHAIRMAN TOPEKA PUBLIC SCHOOLS BOARD OF EDUCATION; CHAIRMAN KANSAS EXPOCENTRE OPERATING BOARD; PRESIDENT VOLUNTARY ACTION CENTER (A UNITED WAY AGENCY); MOVIE REVIEWER WIBW-TV (CBS) 1996-97 AND KMAJ (RADIO) AT SUNRISE 1997. FORMER CHAIRMAN AND CURRENT MEMBER WINE & SPIRITS WHOLESALERS OF AMERICA ADVISORY COMMITTEE, FORMER MEMBER WSWA BOARD OF DIRECTORS; MEMBER, TOPEKA, KANSAS AND AMERICAN BAR ASSOCIATIONS; LIFE MEMBER WASHBURN LAW SCHOOL ASSOCIATION; LIFE MEMBER, UNIVERSITY OF KANSAS ALUMNI ASSOCIATION; LIFE MEMBER TOPEKA/SHAWNEE COUNTY FRIENDS OF THE LIBRARY; PRESIDENT-ELECT AND BOARD MEMBER SHAWNEE COUNTY HISTORICAL SOCIETY; 2002-2003 CHAIRMAN TOPEKA POSTAL SERVICE CUSTOMER ADVISORY COUNCIL; AND CHAIRMAN, TOPEKA HOUSING AUTHORITY 1999-PRESENT. MARRIED 28 YEARS TO KATHLEEN ALLEN DUNCAN, FATHER TWO ADULT SONS & PROUD GRANDFATHER TO GRANDDAUGHTER TESSA, AGE 4.

OFFICE: 720 JACKSON STREET, SUITE 310, TOPEKA, KANSAS 66603
PHONE: (785) 233-2265 FAX: (785) 233-5659 TUCKDUNCAN@AOL.COM



State of Kansas

Office of Judicial Administration

Kansas Judicial Center
301 SW 10th
Topeka, Kansas 66612-1507

(785) 296-2256

March 27, 2003

Testimony Regarding HB 2053 House Appropriations Committee

Kathy Porter
Office of Judicial Administration

House Bill 2053 would allow the Judicial Branch to make expenditures either from the State General Fund or from any special revenue fund for a replica of the wooden seal of justice that currently hangs in the old Supreme Court Room in the Statehouse. The replica would be hung in the Supreme Court Room in the Kansas Judicial Center.

The bill's intent is to bring a piece of the state's history from the old Supreme Court Room to the current Supreme Court Room, and it is certainly gratifying that the Judicial Branch has been thought of in this context.

It should be noted, however, that the few special revenue funds within the Judicial Branch are, by statute, dedicated to specific purposes. The most realistic source of funding is the State General Fund, and the Judicial Branch is not in a position to request State General Fund money for an acquisition of this sort, particularly in the current fiscal climate. The Judicial Branch is concerned with obtaining sufficient funding to allow for its current staffing so that current caseloads can continue to be processed without significant delay, rather than obtaining funding for new projects or acquisitions.

This is the sort of project that would be ideally funded from private donations. However, the Judicial Branch currently has no mechanism to solicit such donations.

If the Legislature wishes to make a specific appropriation for this purpose, or wishes to make it clear that any unencumbered State General Fund money left at the end of a fiscal year could and should be used for this purpose, the Judicial Branch would be glad to work toward accomplishing the goal of this legislation when year-end State General Fund financing would permit.

Thank you for the opportunity to comment on this bill.

KP:mr

HOUSE APPROPRIATIONS

DATE 3-27-2003
ATTACHMENT 3

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Rm. 545N-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

kslegres@klrd.state.ks.us

<http://www.kslegislature.org/klrd>

March 25, 2003

To: House Appropriations Committee
From: Tax, Judicial, Transportation, and Retirement Committee
Re: HB 2053

HB 2053 authorizes the expenditure of funds by the Judicial Branch from the State General Fund or any special revenue fund for a Seal of Justice in the Supreme Court Courtroom of the Judicial Center. The seal is to be a replica of the Seal of Justice in the Supreme Court Chamber in the State Capitol.

The Budget Committee recommends that the bill be amended as follows: "The Supreme Court is hereby authorized to accept gifts and donations to pay for the cost of obtaining and installing the seal." Any funds received from gifts or donations could be credited to the existing Judicial Branch Gifts Fund.

The Office of Judicial Administration indicates that it could absorb the cost of the Seal if it does not exceed \$300.

The Budget Committee recommends favorable consideration for the bill, as amended.

38005(3/25/3{4:28PM})

HOUSE APPROPRIATIONS

DATE 3-27-2003

ATTACHMENT 4

KANSAS

DIVISION OF THE BUDGET
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

March 27, 2003

The Honorable Melvin Neufeld, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Neufeld:

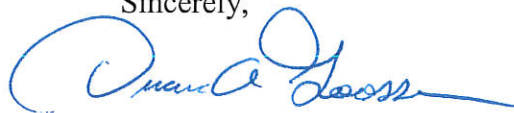
SUBJECT: Fiscal Note for HB 2461 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2461 is respectfully submitted to your committee.

HB 2461 would transfer ownership of an unused plot of land at the Hutchinson Correctional Facility to the City of Hutchinson for use as a site for a new animal shelter.

The Department of Corrections indicates that the Hutchinson Correctional Facility has no use for this plot of land. As a result, the passage of the bill would have no fiscal effect.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Roger Hayden, Corrections

HOUSE APPROPRIATIONS

STATE CAPITOL BUILDING, ROOM 152-E, TOPEKA, KS 66612
Voice 785-296-2436 Fax 785-296-0231 <http://da.state>

DATE 3-27-2003
ATTACHMENT 5

KANSAS


KANSAS DEPARTMENT OF CORRECTIONS
ROGER WERHOLTZ, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

MEMORANDUM

TO: House Appropriations Committee

FROM: Roger Werholtz



DATE: March 27, 2003

RE: HB 2461

I wish to advise the members of the House Appropriations Committee that I am aware of and support the transfer of ownership of the land proposed in HB 2461 to the City of Hutchinson for use as the site of a new animal shelter. I have discussed this proposal with Warden Bruce, and we are in agreement that the Department does not foresee any correctional use for this land. Both the warden and I have reviewed the plans for the facility and believe it will be compatible with the Hutchinson Correctional Facility's current operations. Further, because of the use planned for this land, we believe it is in the best interests of the state to transfer ownership of the tract to the City of Hutchinson rather than retaining any ownership interests, unless the shelter is never constructed and operated. We believe that this project can serve the local community and provide the potential for some inmate jobs while utilizing an otherwise unused resource.

As to the technical aspects of the bill, in cross-checking the legal description contained in HB 2461 with the legal description on the survey of the tract performed by the Reno County Surveyor's Office on March 18, 2003, it was discovered that there is an error in describing one of the courses. Specifically, on line 22 of the bill, the first course set out in that line should read as follows:

"thence continuing S 89 43' 12" W, 650.00 feet,"

Currently, the figure of "550.00 feet" appears in that line.

HOUSE BILL No. 2461

By Committee on Appropriations

3-25

AN ACT authorizing the secretary of corrections to convey certain land.

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

Section 1. (a) The secretary of corrections is hereby authorized to convey, without consideration, to the city of Hutchinson, Kansas the following described state property located in Reno county, Kansas containing 7.19 acres more or less:

A tract of land located in the Southwest Quarter of Section 19, Township 23 South, Range 5 West of the 6th Principal Meridian in Reno County, Kansas more particularly described as follows:

Commencing at the Center Section Corner of said Section 19; thence South along the East line of said Southwest Quarter, S 0°16'48" E, 265.00 feet to a point; thence S 89°43'12" W, 50.00 feet to the point of beginning; thence continuing S 89°43'12" W, ~~550.00~~ feet, thence S 41°31'49" W, 75.00 feet; thence South and Parallel to the East line of the Southwest Quarter of said Section 19 S 0°16'48" E, 393.85 feet; thence N 89°43'12" E, 700 feet to a point that is 50.00 feet West of the East line of said Southwest Quarter; thence N 0°16'48" W, 449.75 feet to the point of beginning. Said tract containing 7.19 acres more or less.

650.00

(b) The deed conveying the real estate described under subsection (a) shall be approved by the attorney general and shall be executed by the secretary of corrections.

(c) The conveyance authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto.

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