

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 24, 2007 in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Ken Wilke, Revisor of Statutes Office
Connie Burns, Committee Assistant

Conferees appearing before the committee:

Senator Schodorf
Christie Brandau, State Librarian
Rosanne Siemans, The Library Association
Micaela Ayres, Library Services
Thomas Groneman, Alcoholic Beverages Control

Others attending:

See attached list.

Steve Kearney, Kansas Surgical Hospitals Association, requested a bill introduction that relates to assignment of insurance payments for covered services. (Attachment 1)

Senator Gilstrap moved that this request should be introduced as a committee bill. Senator Reitz seconded the motion. The motion carried.

SB 67 - Libraries; creating the state library board and related entities

Chairman Brungardt opened the hearing on **SB 67**.

Staff provided the committee with an overview of the bill.

Senator Jean Schodorf spoke in favor of the bill. (Attachment 2) The bill focuses on the consolidation of the State Library Advisory Commission and the Kansas Library Network Board; if enacted these two entities will become the State Library of Kansas Board. This consolidation would help to centralize and simplify the current system in place for the administration of the state's library system by combining two similar entities into one uniform agency.

Christie Brandau, State Librarian, State Library of Kansas, appeared in favor of the bill. (Attachment 3) The bill reduces the number of library policy boards for the state Library of Kansas from two to one, and the membership from a total of 18 to 14; the reorganization will be more effective and efficient.

Rosanne Siemens, Executive Director, Kansas Library Association, spoke in favor of the bill. (Attachment 4) The reorganizing of the State Library Board is to better serve libraries in Kansas and to serve those who use the libraries; this will eliminate the confusion in the library community and the public. The 1,600 members of KLA support the bill.

Micaela Ayers, Chairperson of the Kansas Library Commission and the Director of Library Service, Butler Community College, appeared as a proponent of the bill. (Attachment 5) A wide variety of library personalities and library constituencies have contributed and support the bill; the bill will make it easier for libraries of all types and locals to talk and work together toward better library service for the entire state of Kansas.

The committee asked about having some language in the bill to promote cooperation with the KAN-ED network to ensure the inclusion of libraries on the network and continued availability of statewide library reference resources.

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:30 a.m. on January 24, 2007 in Room 231-N of the Capitol.

Chairman Brungardt closed the hearing on **SB 67**.

Thomas Groneman, Director of Division of Alcoholic Beverage Control, (ABC) provided a briefing on Alcoholic Beverage Control Division for the committee. (Attachment 6) The number one priority of the ABC Division is that they fairly administer and enforce the liquor laws in Kansas and ensure compliance and maintain a level playing field among all licensees. As part of the Department of Revenue, their duty is to see that all applicable liquor taxes due and owing are collected. There are three organizational units: licensing, administration and enforcement. Licensing is functionally part of the Customer Relations Bureau with the Division of Tax Operations, but under the authority of the Director of ABC for issues related to liquor licenses.

In 2006 licensing processed in excess of 3,900 renewals and new license applications for retail liquor stores, distributors, manufacturers, farm wineries, micro breweries, on-premise establishments (class "A" clubs, class "B" clubs and Drinking Establishments), caterers, suppliers and temporary permit holders. Licensing handled 33,764 phone calls and assisted 1,955 walk in customers, licenses are issued and renewed on an annual basis. Licensing collects gallonage taxes, liquor drink taxes, liquor excise taxes, sales taxes and withholding taxes.

The Enforcement unit provides investigative support for the ABC Direct and Chief Enforcement Officer. Enforcement agents are certified law enforcement officers; they conduct criminal and administrative investigations to determine compliance with liquor laws, provide training to licensees and local law enforcement officers; conduct controlled buy operations and bar checks; investigate complaints and hidden ownerships; and perform routine compliance checks.

ABC has been assigned other programs to administer, including conducting the compliance checks for the Master Tobacco Settlement Agreement (SYNAR), and under the SYNAR a state must maintain a minimum compliance rate of 80% or risk losing a portion of the monies allocated to the state under the agreement.

Senate Bill **297** was enacted in 2006; the bill had several provisions pertaining to the direct shipment of wine; the bill allowed Kansas farm wineries and out-of-state wineries to ship directly to a Kansas consumer under certain circumstances. In addition, the bill provided for the sale of wine and beer at the state fair; the State Fair Board chose not to contract for the sale of beer and wine. Senate Bill **298** was passed in 2005 allowing for issuance of retail liquor licenses with all cities in the state, unless the city passed an ordinance prohibiting such sales, and to date there are four cities that have notified ABC that they have opted to go dry. The bill also allowed expanded hours and 58 cities and two counties have notified ABC of expanded hours.

Included were maps showing on and off-premise licenses, a listing of cities /counties adopting expanded hours, and cities opting to be dry. (Attachment 7)

The meeting was adjourned at 11:30 am. The next scheduled meeting is January 25, 2007.