

MINUTES OF THE SENATE COMMITTEE ON SENATE WAYS AND MEANS.

The meeting was called to order by Vice Chairperson David Adkins at 10:35 a.m. on March 1, 2001 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Amory Lovin, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Julie Weber, Administrative Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Lana Oleen
Bob Longino, Acting Director, Division of Alcohol Beverage Control, Kansas Dept. of Revenue
R. E. "Tuck" Duncan, Attorney, Kansas Wine & Spirits Wholesalers Association
Amy Campbell, Executive Director, The Kansas Association of Beverage Retailers
Rita Madl, Board Member, Kansas Licensed Beverage Association
Neal Whitaker, Executive Director, Kansas Beer Wholesalers Association
Ron Hein, on behalf of the Kansas Restaurant and Hospitality Association
Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services
Kathy Porter, Office of Judicial Administration

Others attending: See attached guest list

Vice Chairman Adkins opened the public hearing on:

SB 13—Fee increases for certain liquor licensees and CMB licensees; refunds; ABC general fees fund, established

Staff briefed the Committee on the bill.

Vice Chairman Adkins welcomed Senator Lana Oleen who spoke in support of **SB 13** (Attachment 1). Senator Oleen mentioned that **SB 13** was recommended to the Kansas Legislature by the Special Committee on Federal and State Affairs. She explained that the Special Committee spent a significant amount of time probing the issue of dwindling enforcement of Kansas liquor laws and underage drinking. Senator Oleen noted that this bill would increase several of the license and permit fees for liquor licensees.

Vice Chairman Adkins welcomed Robert Longino, Acting Director, Division of Alcoholic Beverage Control, Kansas Department of Revenue who spoke in support of **SB 13** (Attachment 2). Mr. Longino spoke regarding several initiatives that have been undertaken to deal with many of the issues brought up during the interim committee. He also noted some facts and projections that might shed some light on the need for increased staffing and resources of the division and preliminary requirements identified to support enhancing the division's capabilities and performance. In his closing testimony, some concerns were mentioned regarding the way the current bill is drafted that the current division of Alcoholic Beverage Control budget from the state general fund could be reduced by an amount equal to the fees collected under this bill.

Vice Chairman Adkins welcomed R. E. (Tuck) Duncan, Attorney, Kansas Wine and Spirits Wholesalers Association who spoke in opposition to **SB 13** (Attachment 3). Mr. Duncan mentioned that the Kansas

Wine and Spirits Wholesalers Association appears in opposition to **SB 13** in its current form. He also listed several concerns in his written testimony.

Chairman Morris welcomed Amy Campbell, Executive Director, The Kansas Association of Beverage Retailers, who spoke in opposition to **SB 13** (Attachment 4). Ms. Campbell mentioned that retail liquor store licensees are particularly concerned about the increased application fees, which would go from \$10 per year to \$100. She noted that this is a concern because most of the locally owned small liquor stores which only employ one or two part time clerks and do not have large, flexible budgets. Ms. Campbell also explained that they would respectfully request the bill be amended to permit the 700 retail liquor stores to have two year licenses and listed several benefits in her testimony.

Chairman Morris welcomed Rita Madl, Board Member of the Kansas Licensed Beverage Association and Owner/Operator of The Sandbar in Lawrence and The Lodge in Baldwin City. Ms. Madl spoke in opposition to **SB 13** (Attachment 5). She mentioned that they have concerns with **SB 13**. Ms. Madl noted that they are willing to accept a small increase in fees to secure the future budget of this agency.

Chairman Morris welcomed Neal Whitaker, Executive Director, Kansas Beer Wholesalers Association, who spoke in opposition to **SB 13** (Attachment 6). Mr. Whitaker enclosed with his testimony copies of the testimony he gave to the Interim Committee which lists some of the problems and a copy of the restructuring plan. The concerns are listed in his testimony regarding **SB 13**.

Chairman Morris welcomed Ron Hein, on behalf of the Kansas Restaurant and Hospitality Association (KRHA), who spoke as a neutral conferee regarding **SB 13** (Attachment 7). Mr. Hein noted that the KRHA has concerns about the bill. He mentioned that they support the provisions of SB 13 that provide that the increases in the fees will be put directly into the alcoholic beverage control general fees fund created by the bill. In his testimony Mr. Hein explains other concerns and points regarding the bill. Mr. Hein mentioned that KRHA does not take a position for or against **SB 13** at this time.

The Chairman thanked the conferees for appearing before the Committee. There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 13**.

Chairman Morris opened the public hearing on:

SB 329—Child support enforcement, Kansas payment center and income withholding

Staff briefed the Committee on the bill.

Chairman Morris welcomed Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services, who spoke in support of **SB 329** (Attachment 8). Secretary Schalansky explained that this legislation codifies the authority of the Kansas Supreme Court to require that child support payments be sent to the Kansas Payment Center (KPC). She further noted that a proviso in the 2000 Omnibus budget bill was enacted which authorized the Kansas Supreme Court to issue an administrative order directing child support payments to be made to the KPC instead of to the district courts. The legislative proviso and Supreme Court Administrative Order No. 154 will both expire on July 1, 2001. Secretary Schalansky also provided an update on the Kansas Payment Center.

Chairman Morris welcomed Kathy Porter, Office of Judicial Administration, who spoke in support of **SB 329** (Attachment 9). Ms. Porter mentioned that continued operation of the Kansas Payment Center will require legislation this year. Without legislative action, the statutory requirements that support payments be made through the clerk of the district court or the court trustee will again become effective on July 1, 2001. At that point in time, the KPC will have been operation for nine months, and it will be nearly impossible for the system of receipting and disbursing these payments to be returned to the courts. Ms. Porter noted that the Office of Judicial Administration requests three amendments to **SB 329** as listed in her testimony.

The Chairman thanked the conferees for their appearance before the Committee. There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 329**.

The meeting was adjourned at 12:20 p.m. The next meeting is scheduled for March 2, 2001.