

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE.

The meeting was called to order by Chairperson Senator Nancey Harrington at 10:30 a.m. on March 15, 2001 in Room 245-N of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Representative Lee Tafanelli
Major General (KS) Greg Gardner, Adjunct General
Charles Yunker, American Legion

Others attending: See Attached List

Chairman Harrington opened the hearing on:

HCR 5011–Lifetime healthcare benefits for military retirees and their families

Representative Lee Tafanelli presented testimony in favor of the resolution. (Attachment 1).

Chairman Harrington stated that written testimony had been provided by Ken Strafer, Brigadier General, USAR (Ret.), Candidate, Deputy Assistant Secretary of Veteran’s Affairs, Washington, D.C., in support of the resolution. (Attachment 2).

Major General (KS) Greg Gardner, Adjunct General, presented testimony in favor of the resolution. (Attachment 3).

Charles Yunker, American Legion, presented testimony in favor of the resolution. (Attachment 4).

Chairman Harrington asked for a recommendation from the committee.

Senator Vratil made a motion to recommend the resolution favorably. Senator O’Connor seconded the motion. The motion passed unanimously.

Senator Gooch was assigned to carry the bill on the floor.

Chairman Harrington opened the hearing on:

SB 152–An act relating to the regulation of alcoholic beverages

Senator Vratil asked the subcommittee Chairman, Senator Brungardt, for a brief update on the bill. Senator Brungardt stated that the first two parts of the bill were non-controversial. He stated that there had been more discussion on the issue of licensees’ spouses qualifications and how that should be handled in an effort to close a loophole about which ABC was concerned.

Senator Gooch stated that he was concerned about the residency requirement for ABC employees, and Senator Brungardt stated that the idea behind this issue was to allow people who had done the same type of work in another state to come and work in Kansas. Senator Gooch stated that they were in agreement.

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Theresa Kiernan stated that there was a proposed amendment to strike what was written in the amendment to change language to apply for a spouse who had been convicted of a felony or other disqualifying crime.

Senator Lyon stated that he thought everyone was happier with more restricted language.

Senator Vratil stated that in his notes, he had written that there were three amendments to the bill being offered, and Chairman Harrington stated that the bond issue was being taken care of through Rules and Regulations.

MS. Kiernan stated that **SB 152** and **SB 178** had a conflict which needed to be resolved.

After further discussion, Senator Vratil made a motion to amend **SB 152** to conform with **SB 178**. Senator O'Connor seconded that motion.

Senator Gooch asked what would happen if **SB 178** is not passed, and Senator Vratil stated that the committee was still going to want **SB 152** to conform **SB 178**. The committee then voted on the motion.

The motion to amend **SB 152** carried.

Chairman Harrington asked the committee for further discussion, and Senator Brungardt stated he would like to strike the references to spousal responsibility. Ms. Kiernan stated that under current law, if one's spouse does not qualify at initial application, one cannot get a license.

Senator Brungardt stated that the amendment he was proposing would strike all references to spouses. He stated that his argument was that the license is for the licensee, not the spouse. He stated that he did not think that any such spouse requirement existed in any other license process, and there were too many exceptions. Senator Gooch stated that he agreed.

Bob Longino, Director, Alcoholic Beverage Control, stated that if someone has a license and is single, then gets married, he or she is not disqualified. Senator Brungardt stated that the only problem would be if the future licensee was engaged to a felon, he would have to weigh which one was more important.

Senator Barnett stated that other relationships have been brought up, and he was curious if ABC would try to close those loopholes; Mr. Longino said no. Senator Vratil then asked what it was that the committee was accomplishing if there would still be loopholes for so many others. Mr. Longino stated that the spousal situation had come up as a problem and that was why ABC was seeking the amendment. He stated that in the history of ABC, there was necessary regulation to try to keep out corrupt or criminal elements, and this was another attempt to help with that regulation.

Senator O'Connor stated that a man should not be held accountable for his spouse unless he was involved in a disqualifying activity with his spouse. Mr. Longino stated that it was difficult to prosecute those involved with gambling, or other disqualifying actions in connection with alcoholic beverage sales.

Chairman Harrington asked Mr. Longino if it was in the budget of ABC to investigate issues which specifically disqualify licensees, associated with spouses. Mr. Longino stated that his organization did what it could, but that it needed to do more.

Senator Lyon asked Mr. Longino if a convicted felon could have a spouse apply for the license, and Mr. Longino stated that they could. Senator Lyon stated that it would seem like a felon would just have someone else get the license. Mr. Longino stated that the hope was that, based on the premise that having a license was a privilege, not a right, ABC hoped that felons would go elsewhere with stricter regulation in Kansas. Senator Barnett stated that he would like to know about investigative methods, and Mr. Longino stated that the loophole had occurred a few times, but that it was difficult to prove or prosecute.

In response to a question from Senator Barnett, Senator Brungardt stated that it was an anachronism which may have been applicable in the years after prohibition but should no longer exist. Senator Vratil agreed that

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the language should be removed.

Senator Vratil made a substitute amendment to delete lines 25-28 on page 3, and lines 21-24 on page 7. Senator Brungardt seconded the motion. Those voting in favor of the substitute amendment included: Senators Vratil, O'Connor, Gilstrap, Gooch, Brungardt, and Teichman. Those voting against the amendment included: Senators Lyon and Barnett. The substitute amendment passed.

Chairman Harrington stated that there was an interim study stating that ABC produces around \$70 million in revenue for the state and had about \$1.3 million on which to operate. She stated that she was concerned that enforcement might be a strain on ABC's budget. Mr. Longino stated that he would have to talk to the enforcers to gauge expense.

In response to a question from Senator Teichman, Chairman Harrington stated that there had been two amendments to the bill, one technical, and one substitute amendment from Senator Vratil. She thanked the subcommittee for their work on the bill.

Senator Brungardt made a motion to recommend the bill, as amended, favorably to the entire Senate. Senator Teichman seconded the motion. The motion passed.

Chairman Harrington opened the hearing on:

HB 2343—Concerning accountant peer review and permits

Senator Gilstrap stated that he thought that the committee might want to change the bill from saying within 12 years to making them consecutive reports.

Senator Brungardt stated that the peer reviews were every three years, so the bad reports would be on years one and four at the most, not years one and eleven as Senator Gilstrap may have been thinking.

Susan Summers, Executive Director of the Board of Accountancy, stated that the process of peer review should handle discipline by the Board, because reviewees could correct problems before Board reviews.

Senator Vratil asked how one could have a modified peer review in each of two consecutive years when the reviews are not done every year, and Ms. Summers stated that it should read two consecutive review periods, not years.

Senator Barnett stated that he felt that the twelve year period was too long and that he had information from outside of the committee to support his belief.

Senator Vratil stated that he was opposed to changing what was recommended to the committee by experts who negotiated the issue extensively, and that he felt that the committee ought to go with their opinion.

Senator Barnett made a motion to amend the bill to read nine years instead of twelve. Senator Gilstrap seconded that motion.

Senator O'Connor stated that she opposed it because she wanted to support the outcome of the negotiations.

Senator Teichman stated that she was opposed to Senator Barnett's information from beyond the table because its source was not revealed. Senator Barnett stated that he was not at liberty to disclose that.

Senator Barnett's motion to amend was defeated.

Senator Vratil made a motion to recommend the bill favorable for passage to the entire Senate. Senator O'Connor seconded the motion. The motion passed.

The meeting was adjourned at 11:38 a.m. The next meeting is scheduled for 10:30 a.m. on March 20, 2001.