Approved: 4-6-93
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 11:05 a.m. on February 19, 1993 in Room 254-E of the Capitol.

All members were present except:
Sens. Hensley and Parkinson were excused

Committee staff present: Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee: See attached list

Others attending: See attached list

Sen. Oleen announced the committee will hear testimony on SB 197 and introduced the following proponents:

Col. Fred Hepler (Attachment 1);
Brandon Myers (Attachment 2);
Ed Bruske (Attachment 3);
Gordon Risk (Attachment 4);
Rep. Alex Scott, who did not appear, but submitted written testimony (Attachment 5).

Discussion centered around housing income guidelines and the fact that military personnel are often stationed for short periods of time in an area and may have to vacate the premises on short notice, as during Desert Storm and Desert Shield. Col. Hepler stated they want the soldier to have the same opportunities as other citizens if they meet the same requirements. Sen. Walker asked conferees if they would oppose the amendment proposed by Mr. Risk concerning sexual preference, and Mr. Bruske answered the KCCI has not considered the amendment. Sen. Walker asked if the military would oppose it, and Col. Hepler answered he did not believe it would be a problem. Sen. Gooch made a statement that about 50 years ago, when as a member of the military, he experienced housing discrimination because of race on the base and that he feels relief now to know the military recognizes the need for this legislation. He stated we need to do the right thing and are taking a step forward because the community also will support such legislation. He asked for support from the committee for this bill. There were no opponents.

Sen. Oleen announced the committee will hear testimony on SB 323 and recognized the following proponents:

Kevin Tipton (Attachment 6);
Tuck Duncan (Attachment 7).

There were no opponents. Sen. Oleen asked Jim Conant if removing the stamp would be a problem for tracking bottles, and Mr. Conant replied that they use a reporting system to track bottles and a cross check audit to determine tax collections. Sen. Ramirez asked if the cost reduction will be passed on to the consumer and Mr. Duncan stated that he will ask the suppliers. Sen. Gooch made a motion SB 323 be moved favorably to the Senate; it was seconded by Sen. Papay; the motion passed.

Sen. Vidricksen explained Proposed Substitute for SB 78, which was adopted by the committee yesterday. Since two committee members were absent, the Chairman announced the committee will consider the bill on Monday. She also announced the committee will hear testimony on SB 322 and recommendations from the subcommittee.

Sen. Vidricksen explained a proposal (Attachment 8) relating to public utilities, exempting certain service rates from KCC regulation. Sen. Vidricksen made a motion the committee introduce it as a bill, and it was seconded by Sen. Jones; the motion passed.

Sen. Oleen recognized two pages from Manhattan who have assisted the committee today.

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E Statehouse, at 11:05 a.m. on February 19, 1993.

Sen. Oleen referred to the Minutes for January 20, 21, and 25. Sen. Gooch and Sen. Jones abstained from voting on January 20 and 21 approval since they were absent. Sen. Ramirez made a motion the committee approve the Minutes for January 20, 21 and 25; it was seconded by Sen. Walker and the motion passed.

Meeting adjourned at 11:50.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs DATE: Feb. 19, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
ED BRUSKE	500 BANK IV	K.C.C.I.
J. Bowser	Junction City	United Tel
Pat Hahlweg	Topeka	WSP
DANA NELSON	KC, Ks.	KS. TB ASSOC
MIKE Brungardt	Topeka	KHRC
FRED HEDLER	Ft. Riley KS.	U.S. ARMY
MARSHALL M. KAPLAN	SJA OFFICE FT. RILEY KS.	U.S. ARMY
Victor M. Hansen	SJA Office Ft. Riley KS	U.S Army
Neal Whitaker	Carbondale	KS Beer Wholesalers
Robert Engler	Topeka	KDOR ABC
John Conant	Topeka	KS ABC
KEVIN TIPTON	Denver Co	Distilled Spirits Cncl.
Jack R. Shipman	Topeka	Div of Purchases
Kathy Peterson	Topeka	Distilled Spirits
Dave Schneider	Topeka	KFLA/B
Charles G. Bredahl	Topeka	Adj Gen Dept.
Randy Mettner	Topeka	Adjutant Generals Dept

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

AGENDA

FRIDAY, FEBRUARY 19

SENATE BILL 197

PROPONENTS:

Col. ~~John~~ Fred Hepler, Ft. Riley

Brandon Myers, Human Rights Comm.

Ed Bruske, Kansas Chamber of Commerce & Industry

~~John Bowser, United Telephone, Junction City~~

Gordon Risk, ACLU

Rep. Alex Scott - written testimony only

OPPONENTS: None

SENATE BILL 323

PROPONENTS

Kevin Tipton, Distilled Spirits Council

Tuck Duncan, Wine & Spirits Wholesalers Assoc.

OPPONENTS: None

Attach

STATEMENT OF

COLONEL JOHN FREDERICK HEPLER

GARRISON COMMANDER, FORT RILEY

CHAIRMAN OLEEN AND MEMBERS OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE: I am Colonel Fred Hepler, the Garrison Commander at Fort Riley. With me today are COL Kaplan, the senior legal officer at Fort Riley and CPT Hansen, an attorney in COL Kaplan's office. I welcome this opportunity to testify in support of Senate Bill 197. In my capacity as Fort Riley Garrison Commander I am responsible for the quality of life of our soldiers and family members. One of the most important aspects affecting quality of life is adequate housing. Over the past two or three years the number of soldiers assigned to Fort Riley has at times risen dramatically. Many of these soldiers have been required to seek housing in the communities surrounding Fort Riley. In their search for adequate housing, these soldiers have experienced some unfair treatment. Some landlords in surrounding communities have refused to rent to soldiers because of the soldier's occupational status. Because of the limited amount of decent housing available, this means that some soldiers are forced to live in sub-standard housing simply because they have chosen to serve their country. Senate Bill 197 will alleviate this unfair treatment. The bill will make it illegal for landlords to deny housing solely because of a soldier's occupation. The bill will not give soldiers special treatment. It will give them the equal treatment that they deserve. The profession of a soldier is unique. It is a calling where individuals may be asked to sacrifice their lives for the greater good of the nation. No soldier deploying into combat or to perform a humanitarian relief mission should have to worry about whether his or her family back home is adequately housed. Soldiers serving their country are entitled to the same quality of

Sen. F+SA.
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life enjoyed by other citizens. Senate Bill 197 will help to ensure that soldiers receive equal treatment and enjoy the quality of life that they deserve. Thank you for allowing me to testify in support of this important bill.

Attach. 2

**TESTIMONY OF BRANDON L. MYERS, CHIEF LEGAL COUNSEL
KANSAS HUMAN RIGHTS COMMISSION
BEFORE SENATE FEDERAL AND STATE AFFAIRS
COMMITTEE, FEBRUARY 19, 1993**

The KHRC does not oppose the adoption of this bill. The bill proposes to prohibit discrimination on the basis of occupation in housing, by adding such provisions to the Kansas Act Against Discrimination which the KHRC administers and enforces.

However, as can be seen from our letter to Gloria Timmer in response to her fiscal note preparation request, the bill may result in more complaints being filed which the Commission would be responsible for investigating and processing. Thus, we would request an increase of at least one additional investigator to address this potential increase. While we have not experienced through our intake process inquiries as to filing complaints of this nature, that does not mean it is not a needed change to the law.

We are merely concerned that the proposal be adequately funded.

In fact, to some extent such a proposal supports other provisions of the law. For instance, a seller or landlord who wishes to refuse to sell or rent to someone because of their race could not use the subterfuge of denying the sale or rental by instead claiming the decision was due to the person's occupation.

The other concern we have is that both this bill and H.B. 2147 (a very important bill requested by KHRC regarding jurisdictional areas of coverage under the KAAD) both propose a change to K.S.A. 44-1001. If both passed, there might be some statutory conflict as has occurred in the past when the same statute was amended twice in

Sen. F. & A.
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the same Legislative session. This raises an issue of which version is the governing law. Perhaps the Revisor's office could address this for the Committee.

BLM/ms

JOAN FINNEY, GOVERNOR
STATE OF KANSAS

KANSAS HUMAN RIGHTS COMMISSION

LANDON STATE OFFICE BLDG.—8TH FLOOR
900 S.W. JACKSON ST.—SUITE 851 S.
TOPEKA, KANSAS 66612-1258
(913) 296-3206

TDD# (913) 296-0245
FAX# (913) 296-0589

M E M O R A N D U M

TO: GLORIA TIMMER, DIRECTOR OF THE BUDGET

FROM: BRANDON L. MYERS, CHIEF LEGAL COUNSEL

DATE: FEBRUARY 11, 1993

RE: REQUEST FOR FISCAL NOTE ASSISTANCE, S.B. 197

This bill proposes to add prohibitions against housing discrimination on the basis of "occupation" to the Kansas Act Against Discrimination, which KHRC administers and enforces. It is very difficult to accurately estimate the potential effect of this bill upon KHRC complaint-filing flow and concomitant increased need for resources. We are not aware of such provisions added to other states' anti-discrimination laws to refer to and predict complaint-filing increase with us. Neither do we at this point have any tracing of inquires to our intake department where people wishing to file housing complaints premised upon occupation have been turned away. Thus, all we can really say is that it must be presumed there would be some increase in case-filing, and if the increase was no more than 60 cases per year (the minimum each investigator must complete) the fiscal impact would be no more than that needed to fund one additional investigator.

It is also possible, if the increase is minimal and less than 60 complaints, that this could be handled within existing resources. Whatever increase occurs, however, would probably constitute a long-range permanent, per year increase in complaint-filings, with a concomitant potential permanent, per year increase in needed resources. I believe the above addresses (1), (2), (4), (5) and (6) of your request.

As to your request (3) (dollar effect upon the budget), if one additional investigator was needed the effect is as follows:

If the passage of this bill creates the need for one additional Civil Rights Investigator I, and the additional related operating expenses to support their activities, the breakdown of expenditures is as follows:

Salaries (fringes included)	$28,543.00
Operating Expenses	5,506.00
Total	$34,049.00

Sincerely,

Brandon L. Myers
Chief Legal Counsel

BLM/ms
cc: Michael J. Brungardt, Executive Director
Robert G. Lay, Assistant Director

Attach.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 Bank IV Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the Kansas State Chamber of Commerce, Associated Industries of Kansas, Kansas Retail Council

SB 197

February 19, 1993

KANSAS CHAMBER OF COMMERCE AND INDUSTRY
Testimony Before the
Senate Committee on Federal and State Affairs
by
Ed Bruske
President

Madam Chair and members of the Committee:

On behalf of the Military Affairs Committee of KCCI, I would like to take this opportunity to express our support for Senate Bill 197.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Since the formation of our Military Affairs Committee approximately 18 months ago, it has been called to our attention several times the discrimination that takes place in the housing market, particularly as it relates to military personnel. It is our understanding that because of the military personnel's uncertainty of time commitments and

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the need to meet emergencies, the military have been discriminated against as it pertains to suitable housing.

It has also been called to our attention that the same discrimination has occurred for other individuals with lawful occupations, particularly those individuals who have moved to our state on special or limited assignments as it relates to research activities, the building of power stations, bridges, highways, and other activities.

We think the proposed language of this bill will not only remind all of us that any discrimination in housing is wrong, including discrimination because of occupation. It will also indicate the seriousness of our efforts to correct the problem.

In closing, discrimination in housing against the military is completely unacceptable. After all, it's these individuals whose job it is to protect our personal property rights and lets us enjoy the personal freedom of where we want to live and work.

I sincerely hope this committee sees fit to support Senate Bill 197.

Attach. 4

To: Senator Lana Oleen, Chairperson,
Senate, Federal and State Affairs Committee
From: Gordon Risk, M.D., American Civil Liberties Union of Kansas

Date: February 19, 1993

Subject: Senate Bill #197

We recommend that "sexual orientation" in addition to "occupation" be added to this act. Homosexuals do face discrimination in our society in employment, public accommodations, and housing as a consequence of their sexual orientation, and this legislature has the power to end it. I can think of no good reason not to do it and several reasons why you should. There is of course the individual harm suffered when someone is fired or denied housing or accommodations because of sexual orientation. That injury is no less unjust than when it occurs as a consequence of race, religion, color, sex, disability, occupation, national origin or ancestry, or in housing by reason of familial status. There is as well the loss society suffers when individuals lead hidden lives to avoid discovery and discrimination. Public life is diminished when people are afraid to participate and speak-up. The struggle to remain hidden can also take a fearful psychological toll that society has an interest in preventing.

You have an obligation to ensure that society's benefits are equally available to all. A significant, persecuted minority will remain if the amendment we are proposing is not adopted.

Sen F & A.
2-19-93
Att 4

Attach. 5

STATE OF KANSAS

ALEX SCOTT, M.D.
REPRESENTATIVE, SIXTY-FIFTH DISTRICT
835 WEST FIFTH
P.O. BOX 1087
JUNCTION CITY, KANSAS 66441-3219
(913) 238-3760

TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: ELECTIONS
JUDICIARY
PUBLIC HEALTH AND WELFARE

Testimony S.B. 197
By Representative Alex Scott
February 19, 1993

It is regrettable that anyone must testify on a bill that discriminates against people because of occupation. This is not new for throughout history there have been workman who suffered this inhumanity.

In Egypt during the time of the Pharoahs those who prepared bodies for burial were socially unacceptable altho their embalming techniques resulted in cadavers surviving in excellent preservation even until today. In the present day, one need only look to India for a classic example of occupational discrimination with a caste system extending down to the lowly untouchables.

I ask you to pass Senate Bill 197 because we have an occupational bias in housing and entertainment directed at members of our armed forces. This is not new because Kipling memorialized in his poetry about the English Tommies - English unlisted soldiers serving on the Indian Northwestern frontier in the neighborhood of the Khyber Pass.

Unfortunately, the gratitude paid to verterans of Desert Shield and Desert Storm with trees and roadsigns decorated with yellow ribbons, lasted about as long as the ribbons. Until we have a change in the human mind we shall not have a change in the human heart and we need amendments like the addition of the word "occupation" to existing statutes.

I support this piece of legislation and so does a majority of the rental property owners of Junction City.

Sen Ft & SA.
2-19-93
Att 5

Attach. 6

SB 323

TESTIMONY

PRESENTED BEFORE THE

KANSAS SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

By

Kevin Tipton
Area Director

Distilled Spirits Council of the United States, Inc.

Sen. F+SA.
2-19-93
Att 6

Madam Chairperson and members of the Committee, my name is Kevin Tipton. I am the Area Director of the Distilled Spirits Council of the US, Inc, or DISCUS, a national trade association representing a majority of the producers and importers of liquor products sold in the United States.

The Distilled Spirits Council and its member companies would like to ask you to support SB 323 which proposes to remove an arcane identification stamp from most liquor bottles sold in the state.

Bottle stamps were first introduced in Kansas in 1949 and were required to be placed upon all wine and distilled spirit containers being sold within the state by either the supplier, or wholesaler.

Initially, the purpose of bottle stamps was to indicate to consumers, retailers and law enforcement officials that state excise taxes on these products had been paid.

In 1973, the stamp requirement was removed from wine containers. There was no opposition to the removal of the bottle stamp. In 1983, Brandy products were removed from the bottle stamp requirements.

When the requirement removing bottle stamps was approved for Brandy products, it should also have included distilled spirits because Brandy involves the distillation of fermented mash of fruit, such as grapes, distilled at less than 190 proof and bottled at not less than 80 proof. Brandy products include Cognac's, Armagnac's, and Calvados. Brandy products are distilled spirits. In the final days of the 1983 session, when the bottle stamp requirement for Brandy was repealed, lawmakers believed that Brandy was a wine product. Since wine products had already had the stamp requirement removed from statute, lawmakers thought they were simply extending the bottle stamp requirement to another wine product.

Today, suppliers selling their products to a licensed Kansas liquor wholesaler must submit under oath by the 15th of each month a copy of the shipment manifest and bills of lading to the state's Alcoholic Beverage Division. This data reflects the previous month's shipments to the wholesaler.

State liquor wholesalers must, in turn, file a report under oath each month with the state Alcoholic Beverages Division specifying the total amount of liquor purchased from suppliers or other wholesalers, the price paid, and the quantity of each brand purchased. In addition, wholesalers are required to list the names and locations of retailers to whom they sold liquor during the preceding month alongwith the price charged and the quantity ordered. Both documents are used by the state Alcoholic Beverages Division to assess and verify the excise taxes owed on distilled spirits.

Wholesalers are also required by the state to put up a performance bond to assure the timely payment of excise taxes.

Kansas's requirement for supplier and wholesaler manifests, bills of lading, and reports practically assures the state that the excise taxes being collected on distilled spirits sales are correct.

Upon repeal of Prohibition, many other states enacted similar bottle stamp requirements to ensure the payment of taxes. Today, only four state's, including Kansas, still require bottle stamps.

The reports and affirmations, bills of lading and shipment manifests required by basically all states - including Kansas - virtually guarantees that liquor products being sold in Kansas have had excise taxes collected and paid. ID bottle stamps are an unnecessary and expensive redundancy for both suppliers and liquor wholesalers doing business within the state.

ID bottle stamps are duplicitous considering the reports and other documents previously noted, which provide more than enough information to the state about liquor sales - from the supplier to the wholesaler and to the retailer.

ID bottle stamps are also expensive. Kansas consumers have paid higher liquor prices for suppliers and wholesalers to adhere stamps to containers. Using 1991 consumption figures for Kansas, the compliance cost to adhere stamps, or reasonable facsimiles, to bottles is between $609,000 ($0.61/case) to $1,054,000 ($1.05/case). The difference in cost is based upon which type of stamping method is used - video ink jet on bottles and labels, or pressure sensitive labels.

In addition suppliers have had to finance the liquor inventory - and labels - they must set aside for shipment to Kansas. For instance, product coming off a bottling line must be stopped and equipment re-set to reflect the Kansas bottle stamp information. That product must then be set aside in warehouses for shipment to Kansas because it can not be sold in another state. This additional bottling line cost and warehousing cost as well as the administrative cost to track these state-specific bottles adds another $ 0.56 per case to the cost of liquor products being sold in Kansas.

When DISCUS proposed repealing the bottle stamp requirement on distilled spirits, we initially approached the state Alcoholic Beverages Division because our research showed that the stamps could be removed administratively. However, the state Attorney General ruled that removal of the stamps would have to be done legislatively. The state Alcoholic Beverages Division during our initial inquiry, and as recently as last month, said that there are sufficient alternative means to accurately collect the excise tax owed on distilled spirits and that the need for ID bottle stamps was negated by the reports and other shipment and sales advisories provided the state by industry.

In addition, DISCUS met with Kansas Department of Revenue Secretary, Nancy Parrish and Mark Burghart, General Counsel of the Department and appraised them of our intentions. The Department, after some review, said it would not object if DISCUS pursued the repeal of bottle stamps on liquor containers.

Almost all segments of the liquor industry - liquor suppliers, wholesalers and retailers - support the repeal of Kansas bottle stamps on distilled spirits. The stamps are an expensive nuisance whose idea initially was good but whose usage now is arcane and redundant. For the reasons outlined above I would like to ask for your support on SB 323 which would repeal the requirement for suppliers and wholesalers to adhere bottle stamps on liquor containers.

I would be happy to answer any questions the Committee may have.

Attach. 7

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

February 19, 1993

TO: Senate Committee on Federal and State Affairs

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

RE: Senate Bill 323

The Kansas Wine & Spirits Wholesalers Association (K.W.S.W.A.) supports Senate Bill 323. Neither beer nor wine currently require identification stamps, and it does not appear that the absence of such stamps on those containers creates any difficulties in the market place.

Kansas is one of the few states that requires identification stamps. Thus, separate production runs are required by suppliers for goods shipped to Kansas and occasionally distributors experience a delay due to the necessity of affixing an identification mark on Kansas sold products.

Additionally, we would suggest that the committee consider, if after the hearing on Senate Bill 322, set for Monday, and the committee is inclined to act favorably on both measures that inasmuch as amendments are required in both bills to K.S.A. 41-211, 41-503, and 41-508 and K.S.A. 1992 Supp. 41-403 and 41-502, the committee amend this bill to include the provisions of SB 322.

Thank you for your kind attention to and consideration of this matter.

Sen. F. & S.A.
2-19-93
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Attach. 8

3 RS 0487

Introduced Feb 19

SENATE BILL NO. ____

By

AN ACT relating to telecommunications public utilities; exempting certain basic exchange service rates from corporation commission regulation; procedures.

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

Section 1. (a) As used in this section:

(1) "Telecommunications public utility" means telecommunications public utility as defined by subsection (a) of K.S.A. 66-1,187, and amendments thereto;

(2) "basic exchange service rate" means the rate applied to the provision of local exchange telephone service furnished to either individual or business customers, or both, within a specified geographical area for local calling and access to the telecommunications network, and may include forms of public or semipublic coin telephone service; including all recurring and nonrecurring charges associated with such service;

(3) "commission" means the state corporation commission; and

(4) "subscribers" and "published subscribers" means those customers whose names appear in the telecommunications public utility's latest directory.

(b) Notwithstanding other provisions of law, telecommunications public utilities, which serve less than 15,000 access lines within the state shall not be subject to basic exchange service rate regulation by the state corporation commission unless:

(1) The utility elects by action of its board of directors to be subject to such basic exchange service rate regulation by the commission;

(2) the proposed recurring basic exchange service rate increase exceeds $2 per access line per month in any one year;

Sen. F. & A.
2-19-93
Att 8

(3) fifteen percent of the subscribers petition the commission to regulate basic exchange service rates pursuant to subsections (c) or (e); or

(4) the commission declares that the utility shall be subject to basic exchange service rate regulation by the commission pursuant to subsection (f).

(c) Each such telecommunications public utility not subject to basic exchange service rate regulations, at least 60 days before the effective date of any proposed rate change, shall notify the commission and each of the subscribers of such company of the proposed basic exchange service rate change. Notice to the commission shall include a list of the published subscribers of such company. Notice by the company to all subscribers shall:

(1) Be in a form prescribed by the commission;

(2) be by regular mail and may be included in regular subscriber billings; and

(3) include a schedule of the proposed basic exchange service rates, the effective date of such rates and the procedure necessary for the subscribers to petition the commission to examine and determine the reasonableness of the proposed rates. If the telephone directory published by the utility for its subscribers sets forth the procedure for petitioning the commission, a reference to the location in the directory shall be adequate notice of the procedure.

(d) The subscribers of a telecommunications public utility not subject to the commission's basic exchange service rate regulation may request the commission to examine and determine the reasonableness of the basic exchange service rate change proposed by the utility pursuant to subsection (c). The commission shall adopt rules and regulations governing the form of such requests. A request substantially in compliance with such rules and regulations shall not be deemed invalid due to minor errors in its form.

(e) If, by the effective date of the proposed basic exchange

service rate change, the commission has received petitions from fewer than 15% of the subscribers requesting that the commission examine the proposed basic exchange service rate change, the commission shall immediately certify such fact to the utility and the proposed basic exchange service rates shall become effective as published in the notice to subscribers. If, on or before the effective date of the proposed basic exchange service rate change, the commission has received petitions from 15% or more of the subscribers requesting that the commission examine and determine the reasonableness of the proposed basic exchange service rates, the commission shall notify the utility that it will examine and determine the reasonableness of the proposed basic exchange service rate change. If such petition is received by the commission, after the utility is notified of proposed commission review of such proposed increase the utility may withdraw its proposed increase by notification to subscribers and the commission. Basic exchange service rates and charges established by the commission or by a telecommunications public utility pursuant to this subsection and subsection (c) shall be in force for not less than one year.

(f) In addition to the procedure for petition prior to any proposed basic exchange service rate change pursuant to subsections (c) through (e), the subscribers of a telecommunications public utility not subject to the commission's basic exchange service rate regulation may at any time petition the commission to declare the utility to be subject to such rate regulation. If the commission determines that at least 51% of the subscribers of a utility have properly petitioned that the utility be subject to the commission's rate regulation, the commission shall certify such fact to the utility and thereafter the utility shall be subject to rate regulation by the commission until at least 51% of the subscribers of the utility properly petition that the utility no longer shall be subject to the commission's basic exchange service rate regulation. The

commission shall adopt rules and regulations governing the petition procedure and the form of such petitions and a petition substantially in compliance with such rules and regulations shall not be deemed invalid due to minor errors in its form.

(g) Subsections (a) through (f) apply only to basic exchange service rates and charges and shall have no effect on the state corporation commission's jurisdiction over, and regulation of, intrastate toll and access rates and charges.

(h) The commission shall have the right to investigate and determine the reasonableness of the increase in basic exchange service rates and charges of each telecommunications public utility not subject to basic exchange service rate regulation within one year of the time basic exchange service rates or charges are increased. If the commission determines such rate or charge increases are unreasonable, the commission shall have the authority to order a rate hearing and, after such hearing, shall have the authority to order the rollback of basic exchange service rates to the level in effect prior to the increase, and require that such decreased rate levels remain in effect for a period of not less than one year from the date of such determination.

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