

Approved: 4-9-97
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:15 a.m. on February 20, 1997 in Room 254-E of the Capitol.

All members were present.

Committee staff present: Mary Galligan, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Midge Donohue, Committee Secretary

Conferees appearing before the committee:
Mr. Bernie Norwood, Director, Alcoholic Beverage Control Division

Others attending: See attached list

Senator Oleen advised that she had received inquiries about accepting additional written testimony on bills previously heard, specifically **SB 21**, licensure to carry concealed weapons, and **SCR 1606**, constitutional amendment proposition for concealed weapons. She said that, as a matter of policy and for clarification purposes, written testimony will continue to be accepted until the bills are worked in committee and, if copies are provided, they will be distributed. She explained that two folders, one for proponents and one for opponents, will be set up for letters that are received on the two measures, and the folders would be made available to committee members upon request.

Senator Oleen announced that, even though the Senate is scheduled for all day sessions next week, it would recess at 11:00 a.m. and not reconvene until 1:30, and the committee would be able to meet at its regular time. She said the agenda would be revised and three bills would be scheduled for hearing on Wednesday and Thursday of next week. She indicated that bills in committee would be scheduled for hearing before the house origin deadline but reminded members that the committee is exempt and could still be assigned bills. Senator Oleen advised there were several bills dealing with liquor and staff would present a briefing on liquor laws tomorrow.

Additional written testimony in support of concealed carry:

Jamie Cheatum, Syracuse (Attachment #1)
Joseph G. Herold, Attorney at Law, Topeka (Attachment #2)
John W. Ellis, PMO Security Services, Roeland Park (Attachment #3)

Additional written testimony taking no formal position on concealed carry legislation but offering proposed amendment:

Kansas Association of Private Investigators, Overland Park (Attachment #4)

Senator Oleen told the committee the Division of Alcoholic Beverage Control, the agency responsible for regulations on alcoholic beverages, would appear before the committee this morning to present an overview of that agency and its responsibilities. She then introduced Mr. Bernie Norwood, Director of ABC.

Mr. Norwood told the committee the Division administers and enforces the Liquor Control Act and related tax statutes, as well as statutes governing 1) the licensing and taxation of bingo games, and 2) the sale of cigarettes and other tobacco products in Kansas (Attachment #5). He detailed other responsibilities of the Division, including the Criminal Tax Fraud Unit of the Department of Revenue, the unit that investigates suspected criminal activity connected with the reporting and payment of drug, liquor, income, motor fuel and other taxes collected by the Department. Mr. Norwood explained the two organizational subprograms of the Division, Administration and Enforcement, and listed responsibilities of each. He told the committee that liquor by the drink on premise is the most misunderstood regulation.

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL & STATE AFFAIRS COMMITTEE, Room 254-E-Statehouse, at 11:00 a.m. on February 20, 1997.

Discussion centered on background checks on individuals applying for a liquor license, and Mr. Norwood was asked how extensive the criminal history checks were. He explained that, initially, a computer records check is done and that this could be accomplished in a short time. Mr. Norwood deferred to a member of his staff who told the committee that the computer check would indicate only if the individual had a conviction of arrest, but it would not provide the charge, and a complete disposition is required from the KBI for a determination on whether the arrest would be a disqualifying factor, and that this could take as long as six weeks. Mr. Norwood related an incident in which a license was issued to an individual with a felony arrest conviction in another state. He said the individual had lied on his application and the Division issued the license because it did not have access to the out-of-state criminal history information.

Mr. Norwood told the committee that the movement of all alcoholic beverages is tracked by the Division's Records Section from the distributor's initial order from a supplier through shipment to retail liquor stores and on-premise establishments. He explained the licensing and renewal procedure, as well as administrative hearings which are conducted by the Director or his designee.

Senator Gooch inquired about enforcement on the purchase of cigarettes by underage individuals. Mr. Norwood acknowledged that the Division has received complaints from some licensees and had initiated controlled buys, but that the Division did not aggressively look for those violations because they are usually handled by local law enforcement officers. He added that, when compared to the population of the state, the percentage of violations is small.

Mr. Norwood explained the organizational structure of the Division, and Senator Oleen noted the additional responsibilities placed on the ABC by the legislature without an increase in personnel, indicating she felt the Division was understaffed. She asked Mr. Norwood to provide follow-up information on the number of personnel in the Division before and after the additional responsibilities were assigned to it.

Senator Oleen asked about the training required for ABC agents. Mr. Norwood advised that each must complete the required mandatory training to qualify as a law enforcement officer. Additionally, he said each agent must qualify every year with his or her weapon.

Mr. Norwood discussed the major responsibilities of the Criminal Fraud Unit of the Division. He explained the tax on various illegal drugs was determined by weight and measurement. In response to a question from Senator Jones, Mr. Norwood advised that, when an individual purchases a stamp, no record is kept on the tax paid on illegal drugs. Senator Harrington inquired how many law abiding citizens buy drug stamps each year, and Mr. Norwood indicated he could provide statistical information later on drug stamps and the tax on illegal drugs.

Senator Becker moved for approval of the minutes for the February 5, 1997, meeting. Senator Harrington seconded the motion, and the motion carried.

The meeting adjourned at 12:05 p.m. The next meeting is scheduled for February 21, 1997.

February 19, 1997

Senate Federal and State Affairs Committee

Dear Chair and Committee Members:

My name is Jamie Cheatum, Syracuse, Hamilton County, Kansas. I encourage you to pass HB 2159, the Concealed Carry Weapons bill, and my reasons why are personal.

In August, 1994, my 18-year old daughter began college and was a member of a college cross-country team. The second week of workouts, she was running their normal 6 1/2 mile morning workout when with approximately 1/2 mile to go (while running alone because she wasn't as fast as the top runners, but faster than the slow ones--kind of an in-between when the pack time--difference between the top and bottom--is 6:00 minutes) a group of Hispanics in a car started to follow her. One got out and gave chase to her. She outran him to the school dorm parking lot and slipped on gravel between two cars. She proceeded to scream, and with a bloodied and bruised knee, got up and ran again. Some football players heard her scream and came out of the dorm at which time the Hispanic who was giving chase ran to the trailing car, and they speed away.

This almost ended a college education for this young girl as she called home crying and ready to pack up and come home. She is an honor student (Phi Theta Kappa) and is doing tutoring.

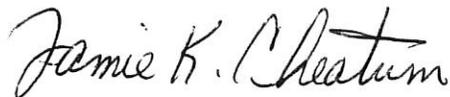
After having her freedom restricted because of this incident (very seldom went anywhere alone on the advice of police), she worked at the school and took an apartment with two other girls. In the fall of her second year, the three girls started being stalked (what the police said) by some Hispanic gang members. They got the girls' phone number, learned where they lived, what cars they drove, and when they went to classes. These girls began to, for safety sake, travel together to school, carry cell phones with police numbers pre-dialed so all they had to do was press "send". The police were almost escorting them to and from school with officers visiting with them between classes as to their plans for the day so they could station officers, caller I.D. on the phone, etc.

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We, and the police, think they may have finally scared the stalker off. One officer even told me to arm my daughter, and we talked seriously of doing it. Even though it is illegal to carry a concealed weapon, it is better to be tried by twelve than carried by six, or live with the embarrassment and scars of an attack. My daughter needs this piece of legislation to keep her a law-abiding citizen.

I can assure you that if a criminal wants a weapon he will have one even if they are outlawed, and it will be concealed. Give us law-abiding citizens the ability to defend ourselves without becoming criminals. HB 2159 is a good bill. I encourage you to pass it.

Thank you,

A handwritten signature in cursive script that reads "Jamie K. Cheatum". The signature is written in black ink and is positioned above the printed name.

Jamie K. Cheatum

JOSEPH G. HEROLD
Attorney at Law
1208 SW Tyler Street
Topeka, KS 66612-1735
(913) 223-8055 Telephone
(913) 234-8824 Telefax

To: Senate Federal and State Affairs Committee

Re: Senate Bill 21 (Concealed Carry)

February 19, 1997

MEMORANDUM OF SUPPORT

I am an attorney in private law practice in Topeka and the purpose of my written testimony is to provide some historical and legal insight in support of this proposed bill. The views presented here are my own.

HISTORICAL BACKGROUND

There was no prohibition preventing the general public from carrying concealed weapons for self defense in Kansas at the time of statehood. The first statute to address this issue was Section 282 of the General Statutes of Kansas 1868. This statute stated in part:

"Any person who is not engaged in any legitimate business, any person under the influence of intoxicating drink, and any person who has ever borne arms against the government of the United States, who shall be found within the limits of this state carrying on his person a pistol, bowie-knife, dirk or other deadly weapon...."

This statute was amended in 1903 by House Bill 72 which prohibited anyone other than law enforcement officers or their deputies from carrying concealed weapons. The amended statute can be found at Section 2365 of the General Statutes of Kansas 1905, however, unfortunately the House and Senate Judiciary Committee records and minutes for the 1903 session are not available at either the State Historical Society or the Legislative Administrative Services office for the purpose of reviewing the Legislature's intent in amending this statute.

During the same time when concealed carry was legal so was the death penalty from statehood until 1907 (then again from 1933 until 1972, and finally once again in 1994). The last legal hanging prior to 1907 was in 1870 when William Dickson was executed at Leavenworth. Thus during the time period generally acknowledged as the wild west (i.e., the 1870's and 1880's), Kansas apparently did not have enough of a crime problem to warrant the use of the death penalty. An argument could thus be made that our state's history would appear to indicate concealed carry did not result in an inordinate number of "wild west" shootouts during the actual days of the wild west in Kansas, at least based upon the lack of any application of the death penalty for the same.

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LEGAL BACKGROUND

History aside, the Kansas Supreme Court's holding in Robertson v. City of Topeka, 231 Kan. 358, 644 P.2d 458 (1982), should leave no doubt Kansas citizens must at times look to themselves for defense from criminal threat.

In Robertson the City of Topeka was sued for monetary damages for the destruction of some residential property based upon the alleged negligence of three police officers. The policemen were called to a house by the owner for the purpose of removing a man whom the owner believed to be intoxicated and capable of burning down the owner's house. However, the policemen chose to leave the trespasser at the house and removed the owner. Fifteen minutes later the house was burned by the trespasser.

In Robertson the Court stated in part at page 363:

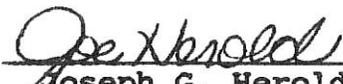
"...It is generally held that the duty of a law enforcement officer to preserve the peace is a duty owed to the public at large, not to a particular individual....Absent some special relationship with or specific duty owed an individual, liability will not lie for damages...." (Emphasis added).

Although the Supreme Court decided the Robertson case based in part upon the discretionary function exception of the Kansas Tort Claims Act, the language quoted above was the second basis and is the law of Kansas. The police simply owe no specific duty to protect any one individual from criminal harm, just the public in general. This applies even when the police may make bad decisions in the exercise of their duties.

Since the police cannot protect everyone, everywhere and at all times, the question which should be asked when considering a concealed carry law is: Shall Kansans be allowed the opportunity of exercising reasonable self defense for themselves? This is the real issue to be addressed when you debate the merits of this bill.

Thank you for your time and consideration.

Very truly yours,



Joseph G. Herold
Supreme Court #12015



SM, PMO, R.P., KS, 1996

PMO SECURITY SERVICES
5023 Briar
Roeland Park, KS 66205
816-830-1177



SM, KAPI, O.P., KS 1996
MEMBER
KANSAS ASSOCIATION
OF
PRIVATE INVESTIGATORS

February 19, 1997

Federal and State Affairs Committee

Background. I am a licensed Private Detective operating a small security business in Roeland Park, KS. I have both Bachelor's and Masters degrees in Administration of Justice, and a varied experience background which is evenly balanced between military service, law enforcement, and private security. I have served a total of seven years of active military duty including a combat tour in VietNam and a Reserve call-up tour in the Persian Gulf; seven years of active law enforcement duties as both a Kansas local police officer and a federal law enforcement officer; and nine years in the private security sector, all in Johnson County. I have dealt with everything from intervening into minor arguments to planning and implementing anti-terrorist measures against MidEastern terrorist groups in a high threat environment. In my capacity at a federal law enforcement officer, I carried a concealed firearm all over the United States, and handled a wide variety of criminals including domestic terrorists, Mafia Godfathers and hitmen, gang members, and many persons who were on death row. My experience is not typical of the average citizen. In my current business, I offer both firearm certification training to Private Detectives under provisions of the Private Detective Licensing Act and consultation to small businesses on their security problems. In furtherance of these two services, I have undertaken the review of much literature which orients on the effective means of preventing or dealing with serious criminal events. These studies have only reinforced my own experiences and earlier college work.

Concern: Senate Bill 21 and Concurrent Resolution 1606. *I recommend the passage of Senate Bill 21 or another bill with similar provisions. I have reviewed the provisions of the bill and feel that the problem areas inherent with carrying firearms have been appropriately addressed. I recommend the defeat of Senate Concurrent Resolution No 1606.* My reasons are detailed briefly below. This measure deals with the reality faced by crime victims and helps overcome the current and developing risks to the public safety. As an individual who has operated in high threat environments and has administered law enforcement agencies as well as served in them, I can state that the risk concerns mentioned by police agencies are being overstated; they are espousing an ethnocentric viewpoint that is a partly a product of their isolation in their work environment and partly a product of the current political environment. Like any other social group, police officers sometimes form a view of the world that is not quite consistent with either the actualities or with the view of the larger social group. There are times to rely upon the expertise of smaller social groups, and times to remember that their expertise may influence their perspective causing an overreaction. Also, public officials who may have the most to offer in terms of expertise in dealing with criminals are usually prohibited or discouraged from voicing political opinions. Keep that in mind when evaluating their comments.

Reasons for Supporting the Bill:

1. **Tactical Reality.** When a personal attack occurs, only those people who are immediately present can effectively defend to keep you alive. This means those who can respond within seconds. A deadly attack with something as simple as a knife or baseball bat can be mounted in less than two seconds from a distance of up to thirty feet. There is not time to call for police let alone for them to respond. More police will not solve this problem as studies clearly show. This is completely consistent with military history. As a military tactician, I will point out that police departments utilize what is called a

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'mobile defense'. Successful mobile defense depends upon detection of the attack, communication of the location to the response force, movement of the response force to the site of the attack, and initiation of defense. It has been an accepted principle in military tactics for several centuries that a mobile defense can be defeated at any given location for a short period of time. Attacks mounted against static sites easily demonstrate this reality. Personal attacks mounted by a criminal against a homeowner or business owner fit this description. The initial defense in this setting must come from the resident or business owner. This bill helps the responsible resident and business owner to meet the tactical reality of the situation.

2. Shifting Business Risks. Two trends have been apparent in the business world for the last decade: the increasing percentage of service businesses and the increasing percentage of small businesses. Both small and service businesses have some of the same security risks as larger businesses, but lessened structural capabilities to meet the risks. Small businesses have limited financial resources and may not be able to hire armored courier services to move cash, private security offers to guard the business, or alarm services to monitor it. The limited resources means that the owner must do it himself. Under current law, the owner can carry a firearm on the fixed business premises to address the risk, but is unable to do so away from a fixed site. Service businesses have the additional problem that many are mobile. They can not arm themselves since the business is not fixed, nor can they depend upon other alternatives such as window bars, closed circuit TVS, or alarm systems. All are hard to utilize in a mobile environment. This bill assists those responsible business owners as they build their business.

3. Increasing personal risk and responsibilities. The changes in society are increasing the risk for the average citizen in many settings. Two facets of this increase are worth mentioning. The corporate loss prevention process responds to and bases its policy and security measures upon examination of and response to civil liability, structuring its policy toward "customer friendly environments" and "loss-benefit" ratios. The primary orientation is not on protection of people, but rather on protection of the corporation assets which are usually expressed in terms of dollars. This approach produces some inequities about which the average citizen can do little. The retail worker can not set store policy concerning the handling of cash, but it is the retail worker and not the policy maker that will face the criminal activity and suffer the personal consequences. The current civil liability procedures of dealing with one part of the problem through worker compensation procedures and the other liability through civil lawsuits influences corporate policy to the disadvantage of the worker. It is an imbalanced system. The second change is the impact of technology; this can easily increase risks while also demonstrating corporate policy thinking. Examine the technology that has produced the greatest single risk to the citizen of anything else, the Automatic Teller Machine. ATMs are growing in quantity and in usage daily. The risk also grows. A cash transaction (the best target of the armed robber) has been moved from the limited daytime banking hours to a 24 hour environment, and has been moved from the inside of protected environments (mandatory bank security procedures) to the 'street' (parking lots, sidewalks, etc.). Yet, the corporate attitude, based on loss-risk analysis and civil liability precedent, is that the risk of usage is *totally* up to the customer. There are even signs posted that say this near many ATMs. How does a citizen protect himself in such an environment? The bank provides no security guards? This bill gives the responsible citizen a means to deal with the increasing risks of our changing society.

I recommend the passage of Senate Bill 21 and the defeat of Senate Concurrent Resolution No 1606.



John W. Ellis, B.S., M.A.J.
Licensed Private Detective
Certified Firearms Instructor

KANSAS ASSOCIATION OF PRIVATE INVESTIGATORS
P.O. Box 2111
Overland Park, KS 66201-1111
Mickey Gillin, President, 913-362-0104
John Ellis, Secretary, 913-362-2017



February 18, 1997

Federal and State Affairs Committee

Background. The Kansas Association of Private Investigators is a non-profit Kansas Corporation which was formed to establish and maintain high ethical standards and professionalism in the Private Detective business. At the beginning of the year, the association had approximately 60 members, most of whom are either Kansas residents or Private Detectives or both. The members range in experience from less than one to more than fifty years in the profession and from one-man-independent operations to corporate-structured businesses employing more than eighty people. Their educational background ranges from G.E.D. certificates to Masters Degrees. Many have extensive law enforcement or military backgrounds while some have neither background. They are from every area of the state, and three other states as well. The services provided by our members as a whole cover virtually every facet of the Private Security industry. We are drawn together by the common interest of providing quality service to the public through ethical, professional response. We monitor the state legislative and regulatory actions affecting our industry.

Concern: Senate Bill 21. The Kansas Association of Private Investigators assumes a neutral stance on the passage of this measure due to both our non-profit status and our membership's desires. Having reviewed the provisions of the act, K.A.P.I. offers the following amendment designed to clarify the impact of this bill on those people in the state who already carry firearms for occupational purposes.

Correction: Make the following correction of statutory citation: Page 18, Line 35 and Page 22, Line 20: Strike "K.S.A. 75-7601" and substitute "K.S.A. 75-7b01"

Proposed Amendment: At Page 18, Line 33 strike the following words: "who is also employed as a private detective or security officer and licensed under the K.S.A. 75-7601 and amendments thereto" and strike the words "that act or" on line 36. At Page 18, Line 36 add the following after the word "thereto": "No license issued pursuant to this section shall authorize the licensee to carry a concealed handgun while performing law enforcement, military, or private detective or similar private security duties when or where existing federal codes, state statutes, municipal ordinances or applicable administrative regulations impose other requirements upon those duties. This does not prohibit law enforcement officers, military personnel, and private detectives or other private security officers from becoming licensed under this section to carry a concealed firearm when in an off-duty status."

Sec 29. Would then read: "This article does not exempt a license holder from the duty to comply with K.S.A. 21-4201 et seq and amendments thereto. No license issued pursuant to this section shall authorize the licensee to carry a concealed handgun while performing law enforcement, military, or private detective or similar private security duties when or where existing federal codes, state statutes, municipal ordinances or applicable administrative regulations impose other requirements upon those duties. This does not prohibit law enforcement officers, military personnel, and private detectives or other private security officers from becoming licensed under this section to carry a concealed firearm when in an off-duty status."

Additionally, the Committee may wish to consider striking the phrase "while actually engaged in the performance of the duties of their employment" at Page 24, Line 16. This would remove the necessity for a properly licensed private detective with a valid state firearm permit to seek an additional license to carry the same firearm while off-duty. This would reduce the cost for both the state and the individual involved while incurring no additional risk to the public.

John W. Ellis
Secretary
Chairman of Legislative Committee

Bernie Norwood, Director
Division of Alcoholic Beverage Control
4 Townsite Plaza, Suite 210
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FAX (913) 296-0922

Division of Alcoholic Beverage Control

MEMORANDUM

TO: Senate Federal and State Affairs Committee
Honorable Lana Oleen, Chairwoman

FROM: Bernie Norwood, Director
Alcoholic Beverage Control

DATE: February 20, 1997

SUBJECT: Kansas Department of Revenue
Alcoholic Beverage Control Division Overview

The Alcoholic Beverage Control Division administers and enforces the Liquor Control Act and related tax statutes and statutes governing the licensing and taxation of bingo games and the sale of cigarettes and other tobacco products in Kansas. The Division issues liquor licenses; collects gallonage taxes; conducts field enforcement activities, including auditing and inspection of bingo licensees and compliance checks for underage sale of tobacco products; and conducts administrative hearings on violations. The Division also houses the Kansas Department of Revenue's Criminal Tax Fraud Unit (CFU). This unit is responsible for investigating suspected criminal activity relating to the reporting and payment of drug, liquor, income, motor fuel and other taxes collected by the Department. The Division contains two organizational subprograms: Division Administration and the Enforcement Bureau.

Division Administration performs general staff-support for the Director of Alcoholic Beverage Control and related work such as budget preparation, personnel record-keeping and coordination of the Division's activities. This subprogram also contains the Division's Licensing Section, Records Section and Legal Section.

- The Licensing Section processes license applications (3500+ annually) for retail liquor stores, distributors, farm wineries, microbreweries, on-premise establishments, temporary permits and nonbeverage user permits. The Section issues all salespersons and carrier permits, manages the cereal malt beverage stamp program, maintains all file information pertaining to businesses licensed to deal in alcoholic beverages and issues monthly and annual statistical reports.

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to deal in alcoholic beverages and issues monthly and annual statistical reports. The Section functions as the first point of contact for businesses desiring to sell alcoholic beverages. Applications are received and, with the assistance of the Enforcement Bureau and other KDOR Divisions, verified against tax records, criminal history record information and various other records maintained by agencies such as the Secretary of State. Licenses are issued and renewed on an annual basis.

- The Records Section reviews and approves all suppliers desiring to do business in Kansas and products offered for sale. Brand registration is monitored at the supplier level, along with collection of necessary fees. The Section reviews and maintains records on all franchise agreements between suppliers and distributors. Records pertaining to the shipment of alcoholic beverages into and within the state are examined to ensure accurate collection of applicable taxes. The movement of all alcoholic beverages is tracked from the distributor's initial order from a supplier through shipment to retail liquor stores and on-premise establishments. These records are vital to the accurate collection of gallonage, enforcement and liquor excise taxes. They are also used for audit purposes to determine on-premise establishment compliance with the minimum food requirements. The Section also compiles statistical data on the types and brands of alcoholic beverages shipped into Kansas. The Section is currently implementing electronic reporting options intended to reduce the paperwork burden on both the industry and the agency.

- The Legal Section is staffed by an Assistant Attorney General who serves as a prosecutor for liquor and bingo related hearings before the Director or his designee. The Attorney also prosecutes cigarette and tobacco related hearings before the Secretary's designee. The Attorney represents the Division at all appellent levels, assists in drafting administrative regulations, reviews agreements and responds to requests for legal interpretations. The Director, as hearing officer, and the Assistant Attorney General are responsible for disposition of all liquor-related administrative citations brought forth by the investigative activities of the Enforcement Bureau and other law enforcement agencies. Citations are issued for violations such as liquor sale to a minor, various bingo violations, or allowing consumption of liquor by a minor, delinquent in payment of taxes and numerous other violations of state and federal law and rules and regulations.

The Enforcement Bureau provides field compliance and investigative support services for the ABC Division and the Department of Revenue. The Bureau is the only dedicated program for statewide enforcement of the Liquor Control Act. Field associates work with local law enforcement and elected officials, businesses licensed by the Department of Revenue and the general public. Major functions of the Enforcement Bureau may be classified as follows:

- Compliance inspections of bingo licensees and liquor licensees, including on-premise establishments, retail liquor stores and distributors. Compliance inspections are performed annually with additional follow-up inspections when violations are found. These inspections serve a dual purpose in providing licensees assistance in operating in a legal manner and encouraging voluntary

compliance with the operational and tax statutes which govern these regulated industries.

- Criminal and civil investigations of illegal activities involving the sale and distribution of liquor and tobacco, violations of bingo and other gambling laws and tax violations. These investigations provide the Department with the ability to enforce statutes, rules and regulations by pursuing appropriate civil or criminal sanctions against violators or tax evaders. In addition to ongoing liquor, bingo and tax activity, the Division has recently implemented additional procedures to monitor and enforce retail compliance with the underage cigarette and tobacco products age laws.

- The Criminal Fraud Unit (CFU) has two major purposes: (1) collection of the tax on illegal drugs; and (2) investigation of criminal tax fraud for all taxes administered by the Department, including income and excise taxes. The unit has developed expertise in the areas of financial asset identification, net worth analysis and legal procedures to facilitate the seizure of drug dealers' assets and to identify instances of tax fraud. The unit works closely with local, state and federal law enforcement agencies as well as the Division of Taxation and other operating divisions of the Department of Revenue in carrying out these activities. Most recently, internal procedures and additional training have been implemented in support of the Department's initiative to reduce motor fuel tax fraud in the state. The CFU will have primary responsibility for field investigation of suspected motor fuel tax fraud, providing additional incentive for voluntary compliance through an effective, visible enforcement presence.

- Management of office support for the activities of the field associates assigned to the Enforcement Bureau. Computerized data is used in this management program to monitor operational efficiency and responsiveness to the priorities assigned to the Bureau. Tracking data includes a case management system, a master name index of criminal history record checks and detailed associate activity information.

ABC DIVISION CUSTOMERS

External

Kansas liquor licensees
Domestic & international brewers,
distillers and other liquor suppliers
Kansas bingo licensees
Kansas retail cigarette licensees
Local law enforcement agencies
Kansas Dept. of Soc. & Rehab. Services
Kansas Dept. of Human Resources
Internal Revenue Service
Kansas Bureau of Investigation
Federal Bureau of Investigation
Bureau of Alcohol, Tobacco & Firearms

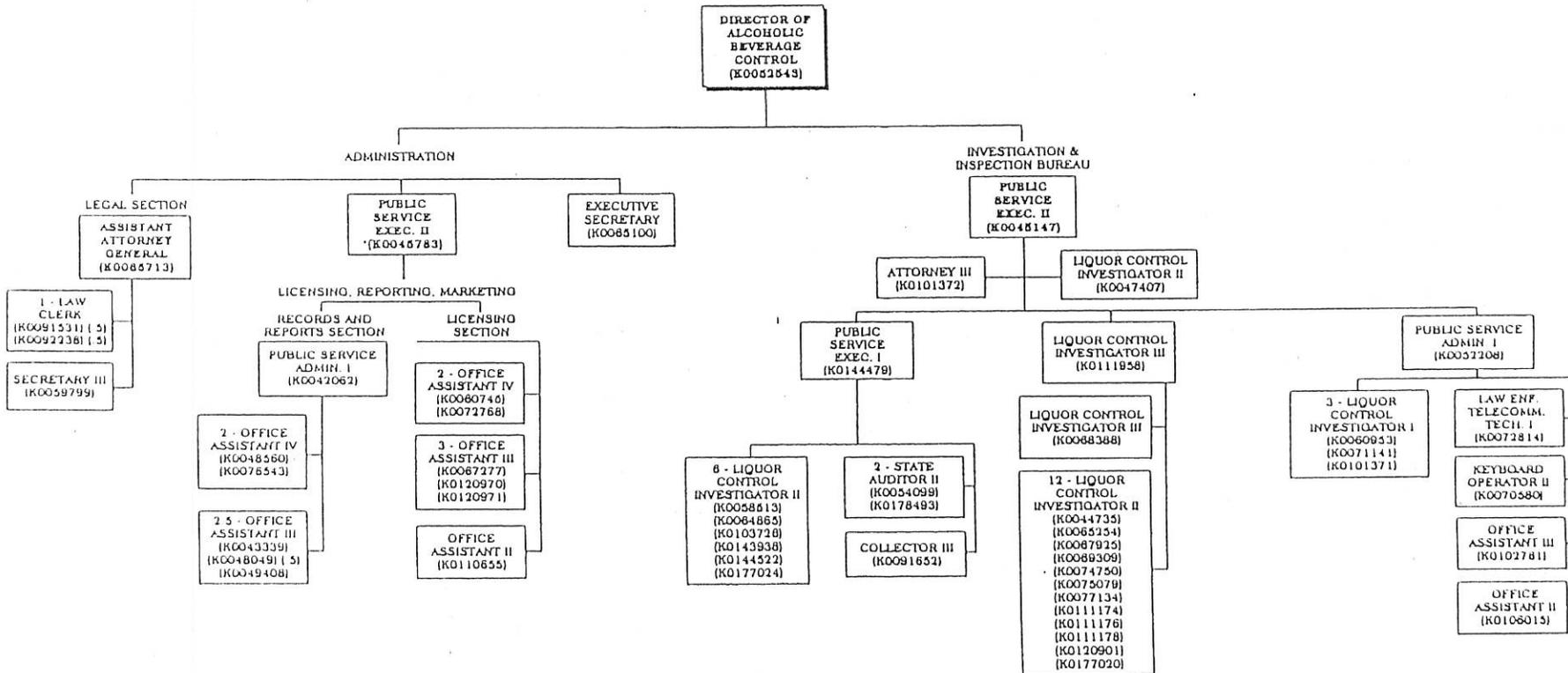
Internal (KDOR)

Business Tax Bureau
Dealer Licensing Bureau
Driver Control Bureau
Motor Fuel Tax Section
Division of Collections
Division of Vehicles
Internal Audit
Audit Services
Income & Inheritance Tax
Bureau

**ORGANIZATION CHART
KANSAS DEPARTMENT OF REVENUE**

Alcoholic Beverage Control Division
Division Administration (8401) - 17.5 Positions
Investigation and Inspection (8483) - 35 Positions
Fiscal Year 1997 Authorized

52.5 TOTAL POSITIONS



KAS 8401 20.0
20.118

5-4

STATE OF KANSAS

BILL GRAVES, GOVERNOR

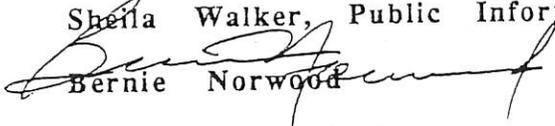
Bernie Norwood
Director
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200 S.E. 6th Street
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(913) 296-3946
FAX (913) 296-0922

Department of Revenue JOHN D. LaFAVER, SECRETARY

Division of Alcoholic Beverage Control

TO: Sheila Walker, Public Information Officer
FROM:  Bernie Norwood
DATE: November 18, 1996
SUBJECT: Status of Liquor-by-the-Drink

ABC has received certification from eight counties indicating that their voters to allow liquor to be sold by the individual drink to the general public. One county (Cowley) voted to allow the sale of liquor-by-the-drink without the 30 percent food requirement. The other counties voted to allow the sale of liquor-by-the-drink with the 30 percent food requirement. They include:

- Anderson
- Harvey
- Labette
- McPherson
- Phillips
- Seward
- Mitchell

To date, these are the only counties reporting the results of the November election with the liquor-by-the-drink question being passed. Newspaper accounts show that the liquor-by-the-drink question failed in Brown County while the voters of Riley County voted not to eliminate the 30% food requirement.

There are 55 liquor-by-the-drink counties and 50 counties where liquor-by-the-drink is prohibited. This is the first time there are more liquor-by-the-drink counties than not since the constitutional amendment passed in 1986. In 1986, 35 counties originally passed the amendment. The 55 current liquor-by-the-drink counties account for 88.1 percent of the state's population.

Attached is a map indicating the liquor-by-the-drink counties.

Please let me know if you need additional information.

WET COUNTIES

WET W/FOOD REQUIREMENT

ANDERSON (11/96)
ATCHISON
BARTON
BOURBON
BUTLER
CHASE
DICKINSON
EDWARDS
ELLSWORTH
FINNEY
FORD
FRANKLIN
GREENWOOD
HARVEY (11/96)
JEFFERSON
JOHNSON
KEARNY
LEAVENWORTH
LABETTE (11/96)
LINCOLN
MARSHALL
MCPHERSON (11/96)
MIAMI
MITCHELL (11/96)
MORRIS
NEMAHA
NORTON
OSAGE
PAWNEE
PHILLIPS (11/96)
POTTAWATOMIE
RENO
REPUBLIC
RILEY
RUSH
RUSSELL
SEWARD (11/96)
SHERMAN
SMITH
SUMNER
THOMAS
TREGO
WABAUNSEE
WASHINGTON

WET W/NO FOOD

COWLEY (11/96)
CRAWFORD
DOUGLAS
ELLIS
GEARY
GRAHAM
LYON
SALINE
SEDGWICK
SHAWNEE
WYANDOTTE

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