

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 February 7, 2008 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Dennis Hodgins, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes Office
Connie Burns, Committee Assistant

Conferees appearing before the committee:

Thomas Groneman, Alcoholic Beverage Control

Others attending:

See attached list.

Senator Jim Barnett requested a bill introduction that has to do with radon awareness.

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

Thomas Groneman, Director, Alcohol Beverage Control Division, provided the committee a brief overview of the Alcoholic Beverage Control Division (ABC). (Attachment 1) The number one priority of the alcoholic Beverage Control Division is to fairly administer and enforce the liquor laws in Kansas to ensure compliance and to maintain a level playing field among all licensees; and as part of the Department of Revenue, is to see that all applicable liquor taxes due and owing are collected. Licenses are issued and renewed on an annual basis; licensing collects gallonage taxes, liquor drink taxes, liquor excise taxes, sales taxes and withholding taxes. 10% of gallonage tax goes to SRS Community Alcoholism and Intoxication Program and the remainder to the state general fund. 70% of Liquor Excise Tax goes to Local Alcoholic Liquor fund, 5% goes to the SRS Community Intoxication Program and 25% to the state general fund.

The ABC administrative unit performs general staff support for the Director and Chief Enforcement Officer and related work such as budget preparation, personnel record keeping, property management, records management, performs background investigations on licensees and coordinates the division's activities. The Enforcement unit provides investigative support for the ABC Director and Chief Enforcement Officer. Enforcement agents are certified law enforcement officers. They conduct criminal and administrative investigations to determine compliance with liquor laws.

The Licensee Administrative Action (LAA) section is staffed by the Assistant Attorney General assigned to the ABC, and reviews the cases presented by the enforcement section and local law enforcement agencies to determine the appropriateness of the charges and administratively prosecutes violations of the liquor laws before the Director or his designee.

Over the years ABC has been assigned other duties, including conducting the compliance checks required under the Synar amendment, where the state must maintain a minimum compliance rate of 80% for sales of cigarettes to minors or risk losing a portion of the block grant monies allocated to SRS under the agreement. In addition, ABC agents are responsible for levying drug tax assessments across the state.

Provided were maps reflecting Kansas on premise licenses, off-premise licenses, cities/counties adopting expanded hours, and cities opting to be dry. Also provided were brochures on the Alcoholic Beverage Control Division and underage cooperating individuals.

Discussion on the wine shipping bill from 2007; there are 39 wineries that signed up to ship into the state.

Discussion was opened on **SB 397-Consumption of alcohol at national guard armories** .

Senator Vratil moved an amendment to strike "or unknowingly" in KSA 41-2615, because there are two

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:30 a.m. on February 7, 2008 in Room 526-S of the Capitol.

statutes that cover the same offense. Senator Francisco seconded the motion.

The committee heard from ABC that just because a server was not paying attention that they should not be held responsible. The action that is taken is against the licensee, not the server. This is the administrative part of the statute.

With permission from the second, Senator Vratil withdrew his motion.

Senator Brownlee moved an amendment that the would increase the Class A person misdemeanor with a minimum fine of \$1,000 and six months in jail. Senator Barnett seconded the motion. Senator Barnett with the second requested ABC to provide their view on the amendment. ABC did not agree with the increased penalties. The motion failed.

Senator Vratil moved to amend KSA 41-346 to conform to the picture amendment in both administrative and criminal sections. Senator Reitz seconded the motion. The motion carried.

Will hold the discussion till Staff presents a balloon with all the changes.

The chairman closed the discussion on **SB 397-Consumption of alcohol at national guard armories**

The meeting was adjourned at 11:50 am. The next scheduled meeting is February 12, 2008.