



Senate Committee on Federal and State Affairs
Re: SB 275 & 276
January 24, 2012

Mr. Chairman and Members of the Committee:

Thank you for allowing us to provide written testimony to express support for SB 275, repeal of the salesman permits statutes, and to express opposition to SB 276, establishing strict liability for employing certain individuals.

SB 275

We appreciate that ABC - after initiating deliberation and discussion with industry representatives - determined that salesman permit requirements no longer provide a meaningful benefit.

While salesman permits are not particularly problematic for our members, the permits do not provide any particular benefit to our members or their customers. Additionally, the requirements apparently consume agency resources while apparently not providing meaningful assistance to ABC to meet the statutory obligation to enforce the act "in the interest of sanitation, purity of products, truthful representation and honest dealings...".

Repeal of these statutes should be a benefit to all interested parties including the public and we request your support.

SB 276

KBWA opposes SB 276 because it establishes a "strict liability" standard for Club & Drinking Establishment licensees if they unknowingly employ an individual who has been convicted of a morality crime, felony or alcoholic liquor violation. KBWA also opposes the legislation because it establishes a new background investigation requirement but provides no statutory limits for the background investigation. Additionally the imposition of strict liability is not eliminated even if the yet-to-be defined background investigation is appropriately conducted.

ABC initiated the practice of conducting background investigations of employees without a statutory mandate. Simply abandoning that policy decision does not appear to be a sufficient reason to codify the practice. Any perceived necessity for codification is further diminished if the licensee remains strictly liable regardless of satisfying any investigation requirements.

Additionally, the last paragraph of the proposed legislation seems to require that a background investigation be conducted on all prospective employees. While the proposed legislation does not impose strict liability relative to all employees, it does appear to require a background investigation of all prospective employee. If the rules and regulations subsequently adopted pursuant to this legislation require that fingerprints be submitted before any individual can be hired, that would be an extreme result for no easily discernable benefit other than possibly to build an extensive fingerprint database.

Therefore, we request that SB 276 not advance to the Senate floor. Current law has served the licensees and employees sufficiently for decades and will likely continue satisfactorily if common sense and common dealing are invoked.

Thank you for considering our support of SB 275 and our concerns regarding SB 276.

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