

# KANSAS REGISTER

State of Kansas

**JACK H. BRIER**  
Secretary of State

Vol. 1, No. 16

April 22, 1982

Pages 379-439

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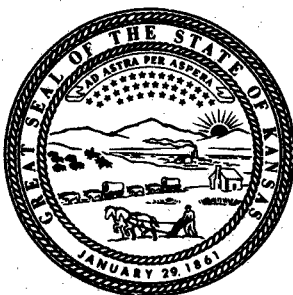
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The *Kansas Register* is an official publication of the State of Kansas, published by authority of K.S.A. 1981 Supp. 75-430. The *Kansas Register* is published weekly by the Kansas Secretary of State; State Capitol; Topeka, Kansas 66612. One-year subscriptions are \$47.50; single copies may be purchased, if available, for \$2.00 each. Second class postage paid at Topeka, Kansas.

ISSN No. 0744-2254.

Postmaster: Send change of address form to Kansas Register; Secretary of State; State Capitol; Topeka, Kansas 66612.

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PUBLISHED BY  
**JACK H. BRIER**  
 Secretary of State  
 State Capitol  
 Topeka, Kansas 66612

PHONE: 913/296-2236

**Carol A. Bell**  
 Publications Director

## State of Kansas

**FISH AND GAME COMMISSION****OPEN MEETING NOTICE**

A meeting of the Kansas Fish and Game Commission is scheduled for April 29 and 30 in the Kansas Room at the Heart of America Inn in Salina. The meeting begins at 2:00 p.m. on April 29, and 9:00 a.m. on April 30. Fish and Game legislation and other business matters will be discussed. A public hearing on regulations the Commission proposes to adopt will be conducted starting at 7:30 p.m. on the evening of April 29.

JOE P. RISHEL  
Commission Chairman

Doc. No. 000175

## State of Kansas

**LEGISLATURE**

The following list gives the numbers and titles of bills and concurrent resolutions recently introduced in the Legislature.

Copies of bills and resolutions are available free of charge. (Limit: 5 copies of any one item.) Write: Legislative Document Room; State Capitol; Topeka, KS 66612. Or call: (913) 296-7394. (Open 9 a.m. to 3 p.m. while the Legislature is in recess.)

**Bills Introduced April 8-9:**

**SB 890**, by Committee on Ways and Means: An act amending the disposition of unclaimed property act; concerning payment of claims and costs relating thereto; amending K.S.A. 1981 Supp. 58-3919 and repealing the existing section.

**SB 891**, by Committee on Ways and Means: An act relating to the taxing authority and aggregate levy limitation of counties, cities and townships.

**SB 892**, by Committee on Ways and Means: An act concerning the practice of nursing; relating to the practice of nursing by students enrolled in accredited schools of professional or practical nursing; amending K.S.A. 65-1124 and repealing the existing section.

**SB 893**, by Committee on Ways and Means: An act relating to salaries and compensation of certain state officers and employees; authorizing and providing for certain increases; making appropriations for the fiscal year ending June 30, 1983, and authorizing certain transfers and adjustments in expenditure limitations therefor; amending K.S.A. 40-102 and K.S.A. 1981 Supp. 75-3101, 75-3103, 75-3104, 75-3108 and 75-3110 and repealing the existing sections.

**SB 894**, An act making and concerning appropriations for the fiscal year ending June 30, 1983, for the Kansas energy office and the department of administration; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain disbursements and acts incidental to the foregoing.

**SB 895**, An act making and concerning appropriations for the fiscal year ending June 30, 1983, for the state historical society; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain disbursements and acts incidental to the foregoing.

**HB 3168**, by Committee on Federal and State Affairs: An act amending the Kansas securities act; relating to exempt transactions and securities; amending K.S.A. 17-1261, as amended by section 1 of 1982 Senate Bill No. 606, and K.S.A. 17-1262, as amended by section 2 of 1982 Senate Bill No. 606, and repealing the existing sections; also repealing K.S.A. 17-1261, as amended by section 8 of 1982 House Bill No. 3075.

**HB 3169**, by Committee on Ways and Means: An act relating to associate district judges; concerning jurisdiction, powers and duties; amending K.S.A. 20-302a and repealing the existing section.

**HB 3170**, by Committee on Ways and Means: An act concerning the Kansas public employees retirement system; providing for membership, crediting of prior and participating service and benefits under certain circumstances; prescribing prior service salaries and the payment of contributions therefor.

**HCR 5069**, by Representatives R. Frey and Whitaker: A proposition to amend section 2 of article 2 of the constitution of the state of Kansas, relating to members of the legislature.

## State of Kansas

**DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES****OPEN MEETING NOTICE**

Notice is hereby given to all interested parties that the Department of Social and Rehabilitation Services will hold an Open Meeting on May 4, 1982, at 9:00 a.m., in the Staff Development Training Center, Topeka State Hospital.

The scheduled agenda for the Open Meeting includes:

- Preliminary discussion of possible budget guidelines for FY 1984.
- Overview of legislation passed in 1982 session
- Synopsis of issue papers submitted to the Governor's office for FY 1984.

The public is invited to this meeting. Telephone hook-ups are provided at the following locations of Social and Rehabilitation Services offices: Chanute, Emporia, Garden City, Hays, Hutchinson, Junction City, Kansas City, Lawrence, Olathe, Ottawa, Parsons, Pittsburg, Pratt, Salina, Topeka (Area Office and State Office Building), Wichita, and Winfield.

ROBERT C. HARDER, SECRETARY  
Social and Rehabilitation Services

Doc. No. 000218

(Published in the KANSAS REGISTER, April 22, 1982.)

**NOTICE OF BOND SALE**

**\$150,000.00**

**GENERAL OBLIGATION CAPITAL  
OUTLAY BUILDING BONDS  
OF COFFEYVILLE COMMUNITY  
COLLEGE DISTRICT,  
MONTGOMERY COUNTY, KANSAS**

THE BOARD OF TRUSTEES OF COFFEYVILLE COMMUNITY COLLEGE DISTRICT, MONTGOMERY COUNTY, KANSAS, will receive sealed bids at the OFFICE OF THE PRESIDENT OF COFFEYVILLE COMMUNITY COLLEGE, 11TH AND WILLOW, COFFEYVILLE, KANSAS, until 5:00 O'CLOCK P.M., C.D.T., on

MONDAY, MAY 3, 1982

for \$150,000.00 par value GENERAL OBLIGATION CAPITAL OUTLAY BUILDING BONDS, SERIES 1982, of said Community College District, and said bids will immediately thereafter be publicly opened in the meeting room of the Board of Trustees of the Community College District. No oral or auction bids will be considered.

All of the Bonds will be negotiable coupon bonds, will be in denominations of \$5,000.00 each, and the Bonds will be dated MAY 1, 1982. The Bonds will mature serially on NOVEMBER 1 in each of the years and in the amounts as follows:

| Principal Amount | Maturity Date |
|------------------|---------------|
| \$40,000.00      | 1983          |
| 55,000.00        | 1984          |
| 55,000.00        | 1985          |

(continued)

Interest on the Bonds will first be payable on MAY 1, 1983, and thereafter semiannually on the first days of NOVEMBER and MAY in each year until the Bonds are fully paid. Both the principal of and interest on the Bonds will be payable to bearer at the Office of the State Treasurer in the City of Topeka, Kansas.

Proposals will be received on the Bonds bearing such rate or rates of interest, not exceeding THREE (3) different interest rates, as may be specified by the bidder. The repetition of a rate will not constitute one of said maximum number of rates. The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be in an even multiple of one-eighth (1/8th) or one-tenth (1/10th) of one percent (1%). The difference between the highest and lowest coupon rates specified in any bid shall not exceed Two percent (2%). No interest rate shall exceed the legal rate therefor as provided by the laws of the State of Kansas, and no bid of less than par and accrued interest will be considered. Bids involving the use of extra or supplemental coupons will not be considered. Bids for less than the entire issue of Bonds will not be considered.

Bids shall be submitted on the OFFICIAL BID FORM furnished by the Community College District, and shall be addressed to the BOARD OF TRUSTEES, COFFEYVILLE COMMUNITY COLLEGE DISTRICT, MONTGOMERY COUNTY, KANSAS, 11TH AND WILLOW, COFFEYVILLE, KANSAS 67337, ATTENTION: RUSSELL GRAHAM, SECRETARY, and shall be plainly marked BOND BID. All bids must state the total interest cost of the bid, the premium bid, if any, the net interest cost of the bid, and the average annual interest rate, all certified by the bidder to be correct; and the Community College District will be entitled to rely on the certificate of correctness of the bidder. Each bid must be accompanied by a certified or cashier's check equal to Two percent (2%) of the total amount of such bid, and which shall be payable to COFFEYVILLE COMMUNITY COLLEGE DISTRICT, MONTGOMERY COUNTY, KANSAS. In the event a bidder whose bid is accepted shall fail to carry out his Contract of Purchase, said deposit shall be retained by the Community College District as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

The Bonds, duly printed, executed and registered, will be furnished and paid for by the Community College District; and the Bonds will be sold subject to the unqualified approving opinion of GAAR & BELL, Bond Counsel, of Wichita, Kansas, whose opinion will be paid for by the Community College District. The purchaser will be furnished with a complete Transcript of Proceedings evidencing the authorization and issuance of the Bonds; and the usual closing proofs, which will include a Certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity. Delivery of the Bonds will be made to the successful bidder on or before JUNE 1, 1982, at any bank in the STATE OF KANSAS or KANSAS CITY, MISSOURI, at the expense of the Community College District. Delivery elsewhere will be made at the expense of the purchaser.

The Bonds will constitute general obligations of the

Community College District, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the Community College District. The proceeds of the Bonds will be used, together with \$150,000.00 available from other funds, for the purpose of paying the \$300,000.00 total costs of building a physical education building on the campus of the Coffeyville Community College.

The sealed bids for the Bonds shall be opened publicly and only at the time and place specified in this Notice; and the Bonds will be sold to the best bidder. The Community College District reserves the right to reject any and/or all of the bids, and to waive any irregularities. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the Community College District; and the net interest cost will be determined by deducting the amount of any premium paid from the aggregate amount of interest upon all of the Bonds from their date until their respective maturities.

Assessed valuation figures for Coffeyville Community College District, Montgomery County, Kansas, for the year 1981, are as follows:

|   |                     |
|---|---------------------|
| Real Estate .....   | \$29,436,850.00     |
| Minerals .....  | 30,720.00           |
| Personal Property ...   | 22,180,083.00       |
| Utilities .....   | 9,783,318.00        |
| Oil .....   | 4,949,740.00        |
| Motor Vehicles .....  | <u>9,085,917.00</u> |
| Equalized Tangible<br>Valuation for Com-<br>putation of Bonded<br>Indebtedness Limi-<br>tations ..... | \$75,466,628.00     |

The total bonded indebtedness of Coffeyville Community College District, Montgomery County, Kansas, at the date hereof, including this \$150,000.00 proposed issue of Bonds, is in the amount of \$930,000.00

Dated April 12, 1982.

RUSSELL GRAHAM, Secretary  
to the Board of Trustees  
Coffeyville Community College District,  
Montgomery County, Kansas

Doc. No. 000217



State of Kansas

**DEPARTMENT OF HEALTH AND ENVIRONMENT**

**PUBLIC HEARING NOTICE**

Joseph F. Harkins, Secretary, Kansas Department of Health and Environment, gives notice to all interested parties that he is proposing to adopt temporary and permanent rules and regulations to be cited as K.A.R. 28-19-80 thru 28-19-82, under the provisions of K.S.A. 65-3022, for the purpose of establishing and collecting fees from power generation facilities to defray the costs of determining and monitoring the air quality or radiological environmental impact of these facilities.

Copies of the proposed regulations and a fiscal impact statement concerning them may be obtained by writing to the Bureau of Air Quality, Kansas Department of Health and Environment, Forbes Field, Topeka, Kansas 66620, or by calling (913) 862-9360, extension 266.

A public hearing will be held to discuss these proposals and receive oral and written testimony concerning them at 1:00 p.m. on May 10, 1982, in the auditorium of the Topeka-Shawnee County Health Department, 1615 W. 8th, Topeka, Kansas. Written comments concerning the proposals will also be accepted by the Bureau of Air Quality, provided that they are postmarked anytime before 12:00 midnight, May 17, 1982.

**JOSEPH F. HARKINS**  
Secretary  
Kansas Department of Health  
and Environment

Doc. No. 000216

State of Kansas

**SECRETARY OF STATE**

**NOTICE**

The following bills have been signed into law by the Governor, as of April 19, and transmitted to this office:

*Senate Bills*

|     |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|
| 30  | 505 | 550 | 595 | 651 | 743 | 791 |
| 36  | 506 | 557 | 599 | 655 | 749 | 793 |
| 61  | 507 | 560 | 605 | 657 | 760 | 797 |
| 72  | 510 | 562 | 606 | 662 | 762 | 800 |
| 73  | 512 | 563 | 608 | 665 | 763 | 803 |
| 174 | 513 | 564 | 609 | 675 | 764 | 812 |
| 203 | 514 | 569 | 610 | 677 | 767 | 817 |
| 301 | 522 | 570 | 613 | 678 | 768 | 820 |
| 370 | 524 | 571 | 615 | 687 | 769 | 823 |
| 383 | 525 | 575 | 617 | 689 | 770 | 826 |
| 391 | 526 | 582 | 618 | 693 | 772 | 832 |
| 438 | 530 | 583 | 622 | 707 | 773 | 836 |
| 441 | 537 | 584 | 635 | 718 | 775 | 840 |
| 476 | 538 | 589 | 636 | 731 | 776 | 843 |
| 485 | 539 | 590 | 640 | 740 | 781 | 851 |
| 487 | 542 | 591 | 646 | 741 | 782 | 853 |
| 496 | 547 | 593 | 650 | 742 | 785 | 857 |
| 504 | 548 | 594 |     |     |     |     |

*House Bills*

|      |       |      |      |      |      |      |
|------|-------|------|------|------|------|------|
| 2139 | 2655  | 2710 | 2770 | 2870 | 2999 | 3049 |
| 2140 | 2656  | 2713 | 2786 | 2883 | 3002 | 3050 |
| 2253 | 2657  | 2714 | 2788 | 2889 | 3009 | 3051 |
| 2286 | 2658  | 2715 | 2793 | 2918 | 3011 | 3054 |
| 2394 | 2661  | 2724 | 2798 | 2919 | 3013 | 3065 |
| 2469 | 2668  | 2731 | 2799 | 2923 | 3017 | 3068 |
| 2519 | 2669  | 2732 | 2809 | 2930 | 3018 | 3069 |
| 2546 | 2670  | 2735 | 2810 | 2941 | 3019 | 3070 |
| 2595 | 2671  | 2738 | 2817 | 2952 | 3020 | 3072 |
| 2610 | 2672  | 2744 | 2820 | 2955 | 3025 | 3073 |
| 2613 | 2674  | 2746 | 2822 | 2957 | 3026 | 3101 |
| 2616 | 2675  | 2752 | 2828 | 2969 | 3027 | 3106 |
| 2617 | 2677  | 2765 | 2831 | 2971 | 3029 | 3110 |
| 2630 | 2682  | 2766 | 2834 | 2972 | 3030 | 3111 |
| 2636 | 2686* | 2767 | 2837 | 2974 | 3034 | 3117 |
| 2637 | 2695  | 2768 | 2856 | 2994 | 3042 | 3127 |
| 2653 | 2703  | 2769 | 2859 | 2998 | 3045 | 3166 |
| 2654 |       |      |      |      |      |      |

\* Incorrectly listed last week as 2868.

The following bills have been vetoed by the Governor:

*Senate Bills:* 535, 615, 664, 797.

*House Bills:* 2632, 2634, 2887.

The following resolutions have been adopted by the Legislature and transmitted to this office:

*Senate Concurrent Resolutions:* 1633, 1644, 1647, 1649, 1650, 1651, 1657, 1659.

*House Concurrent Resolutions:* 5032, 5041, 5043, 5046, 5047, 5048, 5049, 5054, 5058, 5059, 5067.

*House Resolutions:* 6117, 6118, 6126, 6127, 6130, 6137, 6156, 6167.

Titles of the above bills and resolutions were listed in earlier editions of the *Kansas Register*, as they were introduced. Copies of enrolled (final) bills and resolutions are available from the Legislative Division of the Secretary of State's Office; State Capitol; Topeka 66612. Phone: 913/296-2236.

**JACK H. BRIER**  
Secretary of State

## State of Kansas

**DEPARTMENT OF ADMINISTRATION  
DIVISION OF PURCHASES****NOTICE TO BIDDERS**

Sealed bids for items hereinafter listed will be received by James I. Tolbert, Director of Purchases, State Office Building, Topeka, Kansas, until 2:00 p.m., C.S.T., or D.S.T., whichever is in effect on the date indicated, and then will be publicly opened.

**MONDAY, MAY 3, 1982**

#49843

Kansas State University, Manhattan—ROLL FILTER ASSEMBLY UNIT

#49845

Department of Transportation—ELECTRIC DRILL, for Norton, Salina, Topeka, Hutchinson & Garden City

#49857

University of Kansas, Lawrence—ANALYZER SYSTEM

**TUESDAY, MAY 4, 1982**

#25097

Statewide—FROZEN FOODS

#49848

Department of Transportation, Topeka—HERBICIDE AND PESTICIDE

#49849

Norton State Hospital, Norton—MOWER

#49850

Kansas State University, Manhattan—LUMBER AND PLYWOOD

#49851

Department of Transportation, Topeka—LUMBER, BRIDGE AND PLANK

#49852

Kansas State University, Manhattan—TWO-WAY RADIO EQUIPMENT

#49854

Department of Social and Rehabilitation Services, Topeka—CONTINUOUS FORMS-OCR-3 PART-CARBON INTERLEAVED

#49855

Winfield State Hospital and Training Center, Winfield—FEEDING FORMULA

#49859

Winfield State Hospital and Training Center, Winfield—HOSPITAL BEDS AND TABLES

#A-4061

University of Kansas, Lawrence—REPLACEMENT OF UNDERGROUND STEAM AND CONDENSATE LINES, FOR SCHOLARSHIP HALLS AREA

#A-4185(a)

Youth Center at Atchison, Atchison—TERMITE CONTROL SERVICES FOR VARIOUS BUILDINGS

**WEDNESDAY, MAY 5, 1982**

#25098

Statewide—SPICES AND MISCELLANEOUS GROCERIES

#25100

Department of Health and Environment, Topeka—PAPANICOLAU SCREENING

#25102

Department of Transportation—REFLECTIVE SHEETING, for Topeka and Lansing

#25103

Kansas State Fair and Kansas Law Enforcement Training Center, Hutchinson—ELECTRICAL MAINTENANCE SERVICE CONTRACT

#25106

Statewide—TIRES AND TUBES

#49340

University of Kansas, Lawrence—STORAGE CABINETS

#49757

Various State Agencies—SALE OF USED CARS

#49861

Kansas State University, Manhattan—VETERINARY SURGICAL SUPPLIES

#49865

Winfield State Hospital and Training Center, Winfield—JANITORIAL SUPPLIES

#49868

Kansas State University, Manhattan—TRUCK

#49869

Department of Transportation—FLOOR JACKS

#49870

Kansas State Penitentiary, Lansing—GASOLINE

#A-2324

University of Kansas Medical Center, Kansas City—PRECAST CONCRETE PANEL RESTORATION, BELL MEMORIAL HOSPITAL (BUILDING 55)

#A-4333

University of Kansas, Lawrence—REPLACE GRAVEL STOP AT McCOLLUM LAB WEST

**THURSDAY, MAY 6, 1982**

#25104

Department of Transportation, Topeka—VEHICLES TO TRANSPORT THE ELDERLY AND HANDICAPPED

#25107

University of Kansas Medical Center, Kansas City—HAZARDOUS WASTE DISPOSAL SERVICE

#25108

University of Kansas, Lawrence—JUNE (1982) MEAT PRODUCTS

#49482

Regents (Various)—AUDITING SERVICES

#49874

Department of Transportation—COMBINATION WRENCHES, for Hutchinson, Chanute, Norton, Salina, Topeka, and Garden City

#49876

Kansas State Penitentiary, Lansing—AIR CONDITIONING EQUIPMENT

#49877

Department of Transportation—PLANT MIX BITUMINOUS MIXTURE (COMMERCIAL GRADE), for Cherokee County

#49878

University of Kansas, Lawrence—LIGHT POLES AND FIXTURES

*(continued)*

#49881

Pittsburg State University, Pittsburg—AIR COMPRESSOR

#49882

University of Kansas Medical Center, Kansas City—MEAT PRODUCTS

#49887

Department of Transportation, Topeka—AUTOMATIC TRANSMISSION FLUID

FRIDAY, MAY 7, 1982

#49885

University of Kansas Medical Center, Kansas City—KITCHEN EQUIPMENT (CHINA)

#49888

Department of Social and Rehabilitation Services, Topeka—CORRUGATED CARTONS, for Kansas Industries for the Blind, Kansas City

#49889

Kansas State University, Manhattan—ACOUSTICAL TILES (MATERIAL ONLY)

#49890

Department of Transportation, Salina—TREATED WOOD SIGN POSTS

#49893

Kansas State University, Manhattan—FEED

#49894

Kansas State University, Manhattan—FEED

#49895

Kansas State University, Manhattan—MORPHOLINE SOLUTION

#49899

University of Kansas Medical Center, Kansas City—MICROSCOPE ACCESSORIES

#49903

Kansas State University, Manhattan—ULTRASOUND SYSTEM

MONDAY, MAY 10, 1982

#25095

Statewide—KANSAS STATE EMPLOYEES HEALTH INSURANCE

#25105

Department of Human Resources, Division of Employment—JANITORIAL SERVICES for Job Service Center, Overland Park

TUESDAY, MAY 11, 1982

#A-3967

Department of Human Resources—FURNISH AND INSTALL CARPET AND PAINT INTERIOR of the Job Service Center, Leavenworth

WEDNESDAY, JUNE 16, 1982

#25101

Kansas Fish and Game Commission—LIABILITY INSURANCE

THURSDAY, JUNE 17, 1982

#25092

University of Kansas Medical Center, Kansas City—PROPERTY INSURANCE

JAMES I. TOLBERT  
Director of Purchases

Doc. No. 000229

State of Kansas

**SENATE WAYS AND MEANS COMMITTEE****PUBLIC HEARING NOTICE**

Notice is hereby given to all interested parties that the Senate Ways and Means Committee will hold a Public Hearing on April 26, 1982, at 9:00 a.m., in the Senate Hearing Room, 123-S, State Capitol, Topeka, Kansas. The scheduled agenda for the hearing is as follows:

1. The Social Services Block Grant.
2. Home Energy Assistance Block Grant.
3. Alcohol Abuse, Drug Abuse, and Mental Health Block Grant.

SENATOR PAUL HESS  
CHAIRMAN  
SENATE WAYS AND MEANS

Doc. No. 000242

State of Kansas

**PERMANENT ADMINISTRATIVE REGULATIONS****NOTICE**

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1. Any such legislative action will be reported in the Kansas Register. The May 6, 1982 issue of the Register will contain a complete index to regulations effective May 1, and any legislative actions on them.

**STATE BOARD OF AGRICULTURE—  
DIVISION OF  
WEIGHTS AND MEASURES**

**ADMINISTRATIVE REGULATIONS**

**99-8-1 to 99-8-7.** (Authorized by K.S.A. 83-150; effective Jan. 1, 1966; revoked May 1, 1982.)

**99-8-8.** Adoption by reference. Sections 1 through 12 of the "Model State Packaging and Labeling Regulations" as adopted by the national conference on weights and measures and published by the national bureau of standards, Washington, D.C., in September, 1981, copies of which or copies of the pertinent portions of which are available from the division of weights and measures, state board of agriculture, Topeka, Kansas, are adopted by reference and shall apply to commodities sold in package form in Kansas. (Authorized by K.S.A. 83-150; implementing K.S.A. 83-150; effective May 1, 1982.)

STATE BOARD OF AGRICULTURE

Doc. No. 000214

## State of Kansas

**PERMANENT ADMINISTRATIVE  
REGULATIONS****NOTICE**

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1. Any such legislative action will be reported in the *Kansas Register*. The May 6, 1982 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

**KANSAS REAL ESTATE COMMISSION****ADMINISTRATIVE REGULATIONS****Article 1.—EXAMINATION AND  
REGISTRATION**

**86-1-5. Fees.** (a) The testing service designated by the commission shall collect a fee in an amount equal to the actual cost of the examination and the administration thereof.

(b) The commission shall collect:

(1) For an original salesperson's license, a fee, based on an annual amount of fifteen dollars (\$15), computed to the nearest whole month for the period of time from date of licensure until the renewal date determined by the schedule contained in K.A.R. 86-1-4.

(2) For an original broker's or associate broker's license, a fee, based on an annual amount of twenty-five dollars (\$25), computed to the nearest whole month for the period of time from date of licensure until the renewal date determined by the schedule contained in K.A.R. 86-1-4.

(3) For renewal of a salesperson's license, a fee, based on an annual amount of fifteen dollars (\$15), computed to the nearest whole month for the renewal period.

(4) For renewal of a broker's or associate broker's license, a fee, based on an annual amount of twenty-five dollars (\$25), computed to the nearest whole month for the renewal period.

(5) For reinstatement of a license which has been deactivated or which has been canceled pursuant to K.S.A. 58-3047(d) or by reason of termination of a salesperson or associate broker, fifteen dollars (\$15).

(6) For reinstatement of all licenses canceled pursuant to K.S.A. 58-3047(e), fifteen dollars (\$15) for each license canceled or one hundred dollars (\$100) for all licenses canceled, whichever is less. (Authorized by K.S.A. 74-4202(b); implementing K.S.A. 58-3063; effective Jan. 1, 1966; amended, E-73-30, Sep. 28, 1973; amended Jan. 1, 1974; amended, E-74-50, Sep. 13, 1974; amended May 1, 1975; amended, E-81-18, July 16, 1980; amended May 1, 1981; amended May 1, 1982.)

**86-1-9. Approval of courses of instruction; procedure.** (a) To request commission approval of a course of instruction required by K.S.A. 58-3046, the school shall:

(1) Appoint a coordinator to supervise the course.  
(2) Submit all information required by the commission for course approval at least thirty (30) days prior to the first scheduled class session. The information shall include but not be limited to the following:

(A) A completed application for course registration form which has been obtained from the commission;

(B) An application for real estate instructor, completed in accordance with section (f) of this regulation; and

(C) A course syllabus, which shall contain the school name, location and telephone number; name of course; policy regarding attendance and procedure for record-keeping of attendance; instructor's name; prerequisites for course; proposed dates of offering; sample of proposed advertising; total amount of attendance fee; total number of class sessions; time spent per session; total hours in the course; course description, including a brief idea of the course content and for whom the course is intended; objectives or aims of the course; methods of class presentations; materials to be used; a detailed course outline; name and author of the textbook; and method used to determine successful completion of the course.

(b) Courses eligible for approval include but are not limited to the following:

(1) Principles and practices of real estate;

(2) Real estate finance;

(3) Real estate law;

(4) Real estate appraisal;

(5) Real estate investment; and

(6) Real estate management.

(c) The following course offerings shall not be considered for approval:

(1) "Cram" courses of instruction designed to prepare a student for passing the real estate broker's or salesperson's examination; or

(2) Offerings in mechanical office and business skills, such as typing, speed-reading, memory improvement, language report writing, personal motivation, salesmanship and sales psychology.

(d) Courses shall not be approved by the commission if the total instruction time is less than three (3) hours.

(e) The commission shall notify the school, in writing, of each course approved or disapproved. The commission shall issue a certificate to each school offering courses approved by the commission. The certification shall expire at the end of the calendar year and may be renewed annually. At least sixty (60) days prior to the termination date of a certification, the commission shall inform the school that an application for renewal is due and forward the necessary forms to the school.

(f) An individual desiring to teach a course approved by the commission shall submit an application for instructor approval obtained from the commission. The application shall contain a resume, outlining the applicant's specialized preparation, training and experience which qualifies the applicant to instruct the course. The commission may require instructors to meet certification requirements established by the commission. The commission shall notify the school, in writing, of its approval or disapproval of each instructor. The school shall not allow an individual to

(continued)

instruct a course approved by the commission prior to having verification of commission approval of the instructor on file at the school.

(g) The coordinator appointed by the school shall be responsible for regular and consistent evaluation of the course and the instructors. Each time a school uses an instructor for the first time, the coordinator shall ask each student in the course to complete an instructor evaluation form. The coordinator shall also complete an instructor evaluation form. Both student and coordinator evaluations shall be submitted to the commission.

Subsequent evaluations of instructors may be completed at the discretion of the coordinator and may be used to measure any changes in the quality of the instructor.

The coordinator shall supply additional student and coordinator evaluations of specific instructors upon request of the commission.

(h) Schools which do not have transcript capabilities shall issue a certificate of completion to each student who successfully completes a course approved by the commission and shall give or mail the certificate to the student. A certificate shall not be issued to a student who was absent more than ten (10) percent of the scheduled classroom hours.

(i) The school shall maintain records of students successfully completing a course approved by the commission for a minimum of three (3) years. Attendance records shall be kept current and available for inspection by commission representatives during regular school hours or upon request.

(j) The school shall notify the commission, in writing, at least thirty (30) days prior to a significant change in a course approved by the commission. Changes to be reported include changes in coordinator, instructor, name or location of school, and fees charged to students.

(k) A school shall not use the trade name of any brokerage or franchise.

(l) A school shall not advertise a course as meeting the educational requirements of the Kansas Real Estate Brokers' and Salespersons' License Act prior to approval of the course by the commission and verification of that approval being on file at the school.

A school or agent of a school shall not guarantee that successful completion of the school's courses will result in the student's passing of a real estate licensing examination.

(m) The commission may deny, suspend or revoke approval of a real estate course, an instructor or a school if it is determined they are not in compliance with K.S.A. 58-3046 or this regulation. Falsification of attendance records shall be grounds for suspension or revocation. If disciplinary action is taken by the commission, the commission shall issue a written order of suspension, revocation or denial of approval.

(n) A school offering a correspondence course shall, to the extent applicable, meet all other standards prescribed by the commission and shall require that at least fifty (50) percent of the passing grade of its corresponding students be based on scores obtained by proctored examinations. (Authorized by K.S.A. 74-4202(b); implementing K.S.A. 58-3046; effective, E-81-18, July 16, 1980; effective May 1, 1981, amended May 1, 1982.)

## Article 2.—AUTHORITY OF COMMISSION; PROCEDURE

**86-2-1.** (Authorized by K.S.A. 74-4202(b); implementing K.S.A. 58-3062(c)(3); effective Jan. 1, 1974; amended, E-81-18, July 16, 1980; amended May 1, 1981; revoked May 1, 1982.)

## Article 3.—PERSONS HOLDING LICENSES; DUTIES

**86-3-19.** Disclosure of interest in property purchased or sold. A licensee shall not buy or sell real estate for the licensee, the licensee's firm, or a corporation, partnership or association in which the licensee has an interest, without making the licensee's position known to the seller or buyer in the sales contract. (Authorized by K.S.A. 74-4202(b), implementing K.S.A. 58-3062(6) and K.S.A. 58-3062(21), effective May 1, 1982.)

## KANSAS REAL ESTATE COMMISSION

Doc. No. 000167

## State of Kansas

**PERMANENT ADMINISTRATIVE REGULATIONS****NOTICE**

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1. Any such legislative action will be reported in the *Kansas Register*. The May 6, 1982 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

**STATE FIRE MARSHAL****ADMINISTRATIVE REGULATIONS****Article 3.—LIFE SAFETY CODE**

**22-3-1. Life safety code.** National fire protection association pamphlet no. 101, chapters 1 through 31, including appendices a, b, and c, 1981 edition, is hereby adopted by reference, except chapter 22. Upon application by a person aggrieved by the requirements of this regulation, the fire marshal may grant a variance from these requirements or allow additional time for the person to comply with the requirements, if, after an opportunity to investigate, the fire marshal finds that the condition, structure, or activity in noncompliance does not pose a life safety hazard. This finding shall be made in writing to the aggrieved person making application. (Authorized by and implementing K.S.A. 31-133; effective May 1, 1980; amended May 1, 1982.)

**Article 5.—FIRE REPORTING REQUIREMENTS**

**22-5-1. Reporting of incidents and casualties.** (a) It shall be the duty of the chief of any organized fire department, regular or volunteer, or the chief law enforcement officer where no fire department exists, to submit the following reports to the state fire marshal for every incident occurring in his or her municipality or fire district territory:

- (1) Incident reports for each incident where a response is made;
- (2) Casualty reports for each civilian casualty (injury or death) that occurs as the result of any fire or explosion; and
- (3) Casualty reports for each firefighter casualty (injury or death) that occurs while acting in an official role as a firefighter.

(b) The reports shall be submitted by the 20th of the month following the incident.

(c) After January 1, 1984, Kansas Uniform Fire Incident Reporting System (K-FIRS) incident and casualty report forms will be the only approved report forms, except that a municipality or fire district territory that can provide a machine readable medium which has been approved in writing by the state fire marshal may report by this machine readable medium and except that only the incident and casualty report forms will be accepted from a fire department after the

fire department has complete training on the forms. (Authorized by and implementing K.S.A. Supp. 31-133(a)(6); effective May 1, 1980; amended May 1, 1982.)

**22-5-2. Reporting of fire deaths.** It shall be the duty of the chief of any organized fire department, regular or volunteer, or the chief law enforcement officer where no fire department exists, to report the name and address of any firefighter or other person who dies as a result of any fire or explosion in his or her municipality or fire district territory to the state fire marshal by telephone within seventy-two (72) hours. Telephone notification does not relieve the fire department of other reporting requirements. (Authorized by and implementing K.S.A. 31-133(a)(6); effective May 1, 1980; amended May 1, 1982.)

**Article 6.—FIREWORKS**

**22-6-15. Registration of bottle rocket manufacturers and wholesalers.** (a) Any manufacturer or wholesaler of bottle rockets who desires to store, handle, possess, or transport bottle rockets in this state for any purpose outside this state shall register annually with the office of the state fire marshal.

(b) Any person desiring to store, handle, possess, or transport bottle rockets in this state shall complete a registration application furnished by the office of the state fire marshal. This application shall be completed and received by the state fire marshal's office before May 31 of each year. Each registration shall be valid for one year from June 1 to May 31 of the following year. The application shall contain name of applicant, name of business, address of business, description of business activity, destination and disposition of the bottle rockets, and any other information deemed necessary by the state fire marshal.

(c) A fee of five dollars (\$5.00) shall be charged to all registration applicants to cover the expense of implementing, records storage, and printing of the registration process. (Authorized by and implementing K.S.A. 31-133, 31-155 and 31-156; effective May 1, 1982.)

**Revisor's Note:**

Former regulation 22-6-15 was revoked May 1, 1980, and the number has been reassigned to the current regulation.

**Article 8.—LIQUIFIED PETROLEUM GASES**

**22-8-1. Liquefied petroleum gases.** National fire protection association pamphlet no. 58, chapter 1 through 7, including appendices a, b, c, d, e, and f, 1979 edition, is hereby adopted by reference. The state fire marshal shall have the authority to make modifications, allow extensions of time for corrections, and may exempt requirements of pamphlet no. 58, if, upon investigation, the fire marshal finds that it would not present a definite life safety hazard. (Authorized by and implementing K.S.A. 31-133; effective May 1, 1979; amended, E-82-28, Dec. 22, 1981; amended May 1, 1982.)

**22-8-3. Definitions.** (a) "Check list certificate" means the procedures used for inspecting LP gas powered vehicles for proper installation, and is issued to an installer or inspector by the state fire marshal.

(b) "Check list seal" means the official numbered

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seal issued by the state fire marshal that is placed on a LP gas powered vehicle that has successfully passed inspection.

(c) "Inspector" means a person who has been issued a check list certificate by the state fire marshal to inspect LP gas powered vehicles.

(d) "Installer" means a person, partnership, firm, association, joint-stock company, syndicate or corporation engaged in the installation, repair, or reconditioning of LP gas carburetion kits or LP gas components installed, or to be installed for motor fuel use on a public transportation vehicle, or a motor vehicle not owned by the installer.

(e) "Kit" or "Component" means a unit designed for the purpose of enabling an internal combustion engine on a motor vehicle to utilize LP gas motor fuel.

(f) "LP gas motor fuel" means a material having a vapor pressure not exceeding that allowed for commercial propane composed predominantly of the following hydrocarbons, either by themselves or as mixtures. This includes Propane, Propylene, Butane (normal butane or iso-butane) and Butylenes.

(g) "Motor vehicle" means a self propelled vehicle used on public highways.

(h) "Public highway" means a paved or unpaved roadway open to the use of the public for the purpose of vehicle travel, including a toll highway.

(i) "Public transportation vehicle" means a motor vehicle used to transport persons for hire, or to transport more than six unrelated persons in one vehicle.

(j) "Plot plans" means a scale drawing of the LP gas service station property showing the location of the facilities, including the location of buildings, above ground or underground tanks, dispensing units, and indicating the distances between each.

(k) "Recognized testing laboratory" means a nationally recognized testing agency staffed by qualified personnel and properly equipped to conduct the particular test in question, who are regularly engaged in conducting tests and furnishing inspection and re-examination services. These laboratories are those who publish lists of tested materials, equipment, or devices and inspection examinations and tests of the most recent production of the listed product and shall be approved by the state fire marshal. (Authorized by and implementing K.S.A. 31-133; effective, E-82-28, Dec. 22, 1981; effective May 1, 1982).

**22-8-4. LP gas motor fuel installations.** (a) A person shall not inspect or install an LP gas motor fuel kit or components on a motor vehicle or public transportation vehicle without first obtaining a check list certificate from the state fire marshal office. A permit shall not be required for the following:

(1) A manufacturer of internal combustion engines which installs approved LP gas motor fuel equipment as part of internal combustion engine manufacturing process;

(2) A person or firm in the business of repairing and handling internal combustion engines equipped with LP gas motor fuel equipment, provided that no alterations are made to the original installation of the LP gas motor fuel system. This shall not relieve a person or firm from the responsibility of performing leak checks to the LP gas motor fuel components that might have been disturbed during the handling or repair process; or

(3) A person who installs an LP gas motor fuel kit or component on a non-highway titled vehicle.

(b) Persons desiring a check list certificate shall complete an application on forms provided by the state fire marshal office and provide proof of liability insurance for the minimum amount of three hundred thousand dollars (\$300,000.00) single occurrence.

(c) A person shall not dispense LP gas motor fuel into a Kansas highway titled motor vehicle or public transportation vehicle if the vehicle does not contain a valid Kansas check list seal.

(d) All persons who install LP motor fuel kits or components on their own vehicles shall have them inspected by a person who has a check list certificate. (Authorized by and implementing K.S.A. 31-133; effective, E-82-28, Dec. 22, 1981; effective May 1, 1982.)

**22-8-5. Plot plans.** A person operating or planning to operate a public LP gas service station shall submit a plot plan to the state fire marshal's office in accordance with the requirements of the National Fire Protection Association Pamphlet #58 (1979). (Authorized by and implementing K.S.A. 31-133; effective, E-82-28, Dec. 22, 1981; effective May 1, 1982.)

**22-8-6. Self service LP stations.** Self service LP gas service stations open to the public except political or state subdivisions shall be prohibited in the state of Kansas. (Authorized by and implementing K.S.A. 31-133; effective E-82-28, Dec. 22, 1981; effective May 1, 1982.)

## Article 10.—INSTALLATION AND CERTIFICATION STANDARDS FOR EXTINGUISHING DEVICES

**22-10-1. Certification for fire extinguisher and fixed extinguishing system firms and persons, definitions.** (a) "Certificate" means a written document issued by the state fire marshal that authorizes a person or firm to perform the act(s) permitted by these regulations.

(b) "Certified firm" means a firm having a valid registration certificate issued by the state fire marshal.

(c) "Charge" means to initially fill and make ready for use a portable fire extinguisher or fixed extinguishing system cylinder or container.

(d) "Class(es)" means the specific function(s) that a person or firm is authorized to do under these regulations.

(e) "Department of transportation (DOT) cylinder" means a cylinder manufactured and tested in compliance with specifications of the United States department of transportation.

(f) "Engineered system" means a fixed extinguishing system that requires individual calculation and design to determine the flow rates, nozzle pressure, quantities of extinguishing agent and the number and types of nozzles and their placement in a specific system.

(g) "Firm" means any person, partnership, corporation or association engaged in the business of installing, servicing, charging, recharging, or inspecting any portable fire extinguisher or fixed extinguishing system for a fee, unless otherwise exempted by these regulations.

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(h) "Fixed extinguishing system" means an automatic fire extinguisher for commercial cooking equipment, and shall be designed and installed in compliance with the following:

(1) National fire protection association pamphlet no. 17, standard for dry chemical extinguishing systems, 1978 edition;

(2) National fire protection association pamphlet no. 96, standard for the removal of smoke and grease laden vapors from commercial cooking equipment, 1978 edition; and

(3) The appropriate manufacturers design specifications.

(i) "Hydrostatic testing" means the pressure testing of cylinders and containers by approved hydrostatic methods.

(j) "Operating certificate" means a certificate issued by the state fire marshal to a person employed by a certificate firm that permits the person to carry out the act(s) indicated by the certificate class.

(k) "Portable fire extinguisher" means a device that contains within it chemical fluids, powder, or gases for extinguishing fires and has a label of approval attached by a nationally recognized testing laboratory.

(l) "Pre-engineered system" means a fixed extinguishing system with predetermined flow rates, nozzle pressures, and quantities of extinguisher agents.

(m) "Recognized testing laboratory" means a nationally recognized testing agency staffed by qualified personnel and properly equipped to conduct the particular test in question, who are regularly engaged in conducting tests and furnishing inspection and re-examination services. These laboratories are those who publish lists of tested materials, equipment, or devices and conduct inspection examinations and tests of the most recent production of the listed product and shall be approved by the state fire marshal.

(n) "Registration certificate" means a certificate issued by the state fire marshal to a firm indicating the class(es) of acts that the firm is authorized to do.

(o) "Service" means to conduct a "thorough check" of a portable fire extinguisher or fixed extinguishing system including charging, maintaining, recharging, repairing, testing or tagging necessary to assure that the portable fire extinguisher or fixed extinguishing system will operate properly.

(p) "Test" means to subject any portable fire extinguisher or fixed extinguishing system to any procedure necessary to insure its proper operating or installation. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-2. Applicability** (a) These regulations shall apply to:

(1) Firms and persons engaged in the business of servicing, charging, recharging, installing or inspecting portable fire extinguishers;

(2) Firms and persons engaged in the business of servicing, charging, recharging, installing, or inspecting fixed extinguishing systems;

(3) Firms or persons engaged in the business of conducting hydrostatic tests of a portable fire extinguisher or fixed extinguishing system cylinder or container;

(4) Any combination of (1), (2), or (3); or

(5) A business that has employees who service,

recharge, or inspect only the portable fire extinguishers owned and used only by the business.

(b) These regulations shall not apply to:

(1) An employee of a state or political subdivision, including a full time, part time or volunteer firefighter, who recharges, inspects or services the portable fire extinguishers owned and used by the same state or political subdivision;

(2) A manufacturer who charges a portable fire extinguisher or fixed extinguishing system cylinder or container prior to its initial sale;

(3) A business engaged in the sale of approved portable fire extinguishers but not engaged in the servicing, charging, recharging, installing or inspection of portable fire extinguishers;

(4) A business that has employees who service, recharge, or inspect only the portable fire extinguishers owned and used only by the business, provided that these employees have sufficient knowledge and training to safely carry out those functions, and the business provides a letter of approval for these actions from the business property and liability insurance company underwriter; and

(5) The state fire marshal or any person designated in K.S.A. 1980 Supp. 31-137 or any insurance company inspector who, during his normal activities, inspects a portable fire extinguisher or fixed extinguishing system. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 1, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-3. Registration certificates.** (a) Each firm operating in Kansas who is engaged in the business of servicing, recharging, installing, or inspecting portable fire extinguishers or fixed extinguishing systems or hydrostatically testing these cylinders or any combination of them shall obtain a registration certificate issued by the state fire marshal before engaging in this business. The registration certificate shall contain the class(es) of acts that are authorized. A certified firm shall be allowed to take orders for class(es) of acts that are not authorized by the registration certificate, provided that these orders are consigned to another firm that is certified to perform the necessary class(es) of acts indicated by the order.

(b) The registration certificate shall indicate one (1) or more of the following class(es):

(1) Class RA which permits servicing, charging, recharging, installing or inspecting fixed extinguishing systems;

(2) Class RB which permits servicing, charging, recharging, installing, or inspecting portable fire extinguishers;

(3) Class RC which permits hydrostatic testing of non-DOT cylinders such as wet chemical or dry chemical containers. Only those acts permitted by the class(es) of the certificate can be undertaken by the firm holding the certificate.

(c) A firm that desires to obtain a registration certificate shall make a written verified application to the state fire marshal. The application shall be signed by the sole proprietor, or each partner, or by an officer of the corporation or firm. The state fire marshal shall make application forms available on request.

(1) For a class RA registration certificate, the following items shall accompany the application:

(continued)

(A) Proof of insurance providing a minimum of three hundred thousand dollars (\$300,000) coverage for comprehensive general liability for bodily injury and property damage; and

(B) Written authorization from each fixed extinguishing system manufacturer whose products are used by the firm. This authorization shall include the type(s) of systems the firm is authorized to install or service.

(2) For a class RB registration certificate, proof of insurance which provides a minimum of fifty thousand dollars (\$50,000) coverage for comprehensive general liability for bodily injury and property damage.

(3) For firms requesting a combination of class(es), the requirements in section (c) (1) and (2) shall be met.

(d) If the state fire marshal finds after reviewing a firm's application, insurance information, record of services, servicing and shop facilities, and methods and procedures of operations, that the granting or renewing of a registration certificate would not be contrary to public safety and welfare, the state fire marshal shall issue or renew the appropriate class of registration certificate requested by the firm. The state fire marshal shall assign an identifying number to each registration certificate.

(e) A registration certificate issued by the state fire marshal is valid for one (1) calendar year from the date of issue. Renewal applications shall be submitted to the state fire marshal not less than thirty (30) days before its expiration. Renewal applications shall include the same items required in section (c) of this regulation.

(f) Evidence of alteration of a registration certificate shall render the certificate invalid, and the altered certificate shall be surrendered to the state fire marshal.

(g) A location change by a certified firm shall be reported to the state fire marshal in writing at least fourteen (14) days before the change. A failure to notify the state fire marshal shall render the registration certificate invalid. A location change shall be verified by the state fire marshal or an authorized deputy who shall affix a location change stamp to the affected registration certificate upon verification of the change.

(h) Every registration certificate issued by the state fire marshal shall be posted on the premises of the certified location and shall be available for inspection during normal business hours by the general public or the state fire marshal or a duly authorized deputy.

(i) A duplicate registration certificate may be issued by the state fire marshal to replace a previously issued registration certificate which has been lost or destroyed. A certified firm requesting a duplicate certificate shall submit in writing a statement attesting to the fact that the registration certificate has been destroyed.

(j) A registration certificate issued by the state fire marshal shall not be transferred from one (1) person or firm to another.

(k) A registration certificate shall not constitute authorization for a certified firm or any of its employees to enter any property or building. A registration certificate shall not constitute authorization for a holder of a registration certificate or any of the certificate holder's employees to enforce any provision of these regulations.

(l) The certificate of registration shall become invalid on its expiration date if an application for renewal has not been received in the office of the state fire marshal by thirty (30) days before its date of expiration. The firm and its employees shall cease to perform those class(es) of acts permitted by the registration certificate after the date of expiration.

(m) Each firm performing hydrostatic testing of cylinders manufactured in accordance with the specifications and procedures of the United States department of transportation shall do so in accordance with the procedures specified by that department for compressed gas cylinders and shall have a valid hydrostatic testing certificate issued by the department of transportation. All hydrostatic testing of DOT cylinders after the expiration date of the hydrostatic testing certificate issued by the United States department of transportation shall be prohibited.

(n) A certified firm shall perform the servicing, charging, recharging, installing or inspecting of portable fire extinguishers or fixed extinguishing systems or hydrostatic testing on non-DOT cylinders in accordance with these regulations and the applicable adopted standards pertaining to those acts.

(o) A certified firm installing fixed extinguishing systems shall provide the state fire marshal with written notification of the installation of a fixed extinguishing system in this state. This notification shall contain: the name of the business and the location of the installation; references to the manufacturers appropriate installation manual and to the section by which the system was installed; the date of installation; the certificate number of the person who made the installation; the name and address of the firm making the installation; the make and model of the system; and a rough draft of the piping layout and nozzle placement. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-4. Operating certificate.** (a) Each person who services, charges, recharges, installs, or inspects a portable fire extinguisher or fixed extinguishing system or hydrostatically tests these cylinders, or any combination of them, shall obtain an operating certificate issued by the state fire marshal before engaging in these activities. The operating certificate shall contain the class(es) of acts that are authorized. A person shall not be authorized to carry out acts not permitted by the registration certificate of that person's employer.

(b) The operating certificate shall indicate one (1) or more of the following class(es).

(1) Class OA which permits servicing, charging, recharging, installing, or inspecting fixed extinguishing systems;

(2) Class OB which permits servicing, charging, recharging, installing, or inspecting portable fire extinguishers;

(3) Class OC which permits hydrostatic testing of non-DOT cylinders such as wet chemical or dry chemical containers;

(4) Class OD which permits hydrostatic testing of DOT cylinders;

(5) Class OE which permits installing or inspecting portable fire extinguishers. Only those acts permitted

(continued)

by the class(es) of certificate can be undertaken by the person holding the operating certificate.

(c) A person who desires to obtain an operating certificate shall first successfully pass an examination given by the state fire marshal for the class(es) of acts desired.

(1) Every person who obtains an operating certificate and operates within the scope of his or her employer's registration certificate shall pass a written examination given at the direction of the state fire marshal. These examinations may be supplemented by practical tests or demonstrations deemed necessary to determine the applicants knowledge and ability to service portable fire extinguishers or fixed extinguishing systems or hydrostatically test these cylinders, or any combination of them.

(2) Examinations shall be held at the time and place determined by the state fire marshal. At least two (2) examinations shall be offered during each calendar year. Notice of the time and place of examinations shall be given at least thirty (30) days before the examination date.

(3) A grade of eighty (80) percent or more is required to pass any section of the examination and the applicant shall pass the general requirements section to obtain an operation certificate.

(4) If an applicant fails the examination, or any part of it, the applicant may retake the examination until he or she passes the test provided that, a new application is submitted each time.

(5) A person desiring to take the examination for an operating certificate shall make a written application to the state fire marshal at least fifteen (15) days before the examination date. Application forms shall be available from the state fire marshal. The following items shall accompany an application for examination:

(A) Written proof of employment by a firm holding a valid registration certificate which includes the same class(es) of acts requested;

(B) For a Class OA operating certificate, a copy of each valid certificate issued by a manufacturer of fixed extinguishing systems to the applicant that indicates the applicant has successfully completed a training program on the manufacturers fixed extinguishing system; or that the applicant is sufficiently knowledgeable to install and service the manufacturers fixed extinguishing system; and

(C) For a Class OD operating certificate, a copy of the valid DOT hydrostatic testing certificate issued by the United States department of transportation to the applicants employer.

(6) Adopted and applicable standards and references shall be used to develop the examinations.

(d) An applicant who successfully passes the examination shall be issued an operating certificate endorsed with the class(es) of acts that the applicant is qualified to perform. The state fire marshal shall assign a number to each operating certificate issued.

(e) An operating certificate issued by the state fire marshal is valid for one (1) calendar year, from date of issue. Renewal applications shall be submitted to the state fire marshal thirty (30) days before the date of its expiration to be considered for renewal. Each person holding an operating certificate shall retake the examination every five (5) years.

(f) A person holding a valid operating certificate of

one (1) class may add additional class(es) to the certificate by successfully completing that portion of the examination pertaining to the new class(es) requested. Failure to pass the examination for the new class(es) shall not invalidate the valid certificate. When additional class(es) are added the expiration date remains the same as for the original certificate.

(g) A person holding a valid operating certificate shall have the certificate on his or her person at all times while carrying out the class(es) of acts permitted. The permit shall be shown on request to the state fire marshal or an authorized deputy or to the person for whom the service is being done.

(h) Evidence of alteration of an operating certificate shall render the certificate invalid, and the altered certificate shall be surrendered to the state fire marshal.

(i) A change of employment to another certified firm shall be reported to the state fire marshal in writing within fourteen (14) days before the change. Failure to notify the state fire marshal shall render the certificate invalid. The state fire marshal shall issue a new operating certificate to the person holding the certificate. The expiration date of the new certificate remains the same as for the original certificate.

(j) A duplicate operating certificate may be issued by the state fire marshal to replace a previously issued certificate that has been lost or destroyed. The person requesting the duplicate certificate shall submit in writing a statement attesting to the fact that the certificate has been lost or destroyed.

(k) An operating certificate shall not constitute authorization for a person holding the certificate to enter any property or building. An operation certificate shall not constitute authorization for a person holding the certificate to enforce any provision of these regulations.

(l) The person holding an operating certificate shall cease to perform those class(es) of acts permitted by the certificate after its expiration.

(m) A person holding a valid operating certificate shall perform the class(es) of acts permitted by the certificate in accordance with these regulations and the applicable adopted standards pertaining to those acts.

(n) The operating certificate shall become invalid on its expiration date if an application for renewal has not been received in the office of the state fire marshal by thirty (30) days before its date of expiration. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-5.** (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective E-82-3, Jan. 21, 1981; effective May 1, 1981; revoked May 1, 1982.)

**22-10-6. Requirements.** The requirements for the servicing, charging, recharging, installing or inspecting or hydrostatic testing of portable fire extinguishers or fixed extinguishing systems shall be performed in accordance with these regulations and the manufacturers recommended procedures. All persons installing and servicing fixed systems shall be approved or certified by the manufacturer. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

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**22-10-7. Sale or lease of portable fire extinguishers.** A portable fire extinguisher or fixed extinguishing system shall not be sold, leased, or installed in the state of Kansas unless it carries a label of approval from a recognized testing laboratory. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-8. Prohibited extinguishers.** The sale, lease, servicing, or recharging of carbon tetrachloride fire extinguishers in the state of Kansas shall be prohibited. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-9. Service tags.** (a) A new service tag shall be attached to the portable fire extinguisher or fixed extinguishing system in a position that shall be convenient to inspect, but shall not hamper the operation or removal of the portable fire extinguisher or activation of the fixed extinguishing system.

(b) Each service tag shall contain:

- (1) Servicing firm's name;
- (2) Address of the servicing firm;
- (3) Registration certificate number;
- (4) Type of service performed;
- (5) Date the service is performed;

(6) Operating certificate number of the person who performed or supervised the services;

(7) Label "do not remove by order of the state fire marshal";

(8) Signature of the service person; and

(9) Type of extinguisher.

(c) Service tags shall be printed for two years use. Service tags shall be not more than two and one-half (2½) inches in width and not more than five and one-half (5½) inches in length.

(d) Every tag attached to an extinguisher serviced by a certified firm after January 1, 1982 shall conform to these regulations.

(e) All required information shall appear on one (1) side of the service tag. Other desired printing or information shall be placed on the reverse side of the tag.

(f) A person shall not remove a service tag except when further service is performed. A person shall not deface, modify, or alter a service tag attached to a portable fire extinguisher or fixed extinguishing system. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-10. Denial, refusal, suspension, or revocation.** A registration certificate or operating certificate that has been duly issued by the office of the state fire marshal or has been applied for may be denied, suspended, revoked, or renewal refused, if the office of the state fire marshal finds from available evidence that the individual or firm has violated any provisions of the Kansas fire prevention code or these rules or regulations. A person or firm aggrieved by an order of the office of the state fire marshal may seek an appeal and hearing under the provisions of K.S.A. 31-140, 31-141, and 31-142 by filing a notice of appeal in the office of the state fire marshal within ten (10) days from the date of the service of this order. (Authorized by and implementing K.S.A. 31-133 and 31-133a; ef-

fective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-11. Approval of fixed extinguishing systems.** (a) The state fire marshal, or a deputy state fire marshal, shall have the authority to approve or disapprove any fixed extinguishing system installed in this state. This determination shall be made pursuant to K.A.R. 22-10-13, 22-10-14, and 22-10-9 or to the manufacturers installation instructions.

(b) When a fixed extinguishing system is disapproved, written notification of this disapproval shall be forwarded to the firm making the installation and to the business where the fixed extinguishing system is installed. This written notification shall include the reason(s) why the fixed extinguishing system was disapproved. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-12. Portable fire extinguishers.** National Fire Protection Association pamphlet no. (10), excluding the exception in paragraph 3-3.1, chapter one (1) through five (5), including appendices a,b,c,d, and e, 1978 edition is hereby adopted by reference. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-13. Commercial cooking equipment duct system.** National Fire Protection Association pamphlet no. 96, 1978 edition, chapter one (1) through nine (9) including appendix a is hereby adopted by reference. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

**22-10-14. Dry chemical extinguishing systems.** National Fire Protection Association pamphlet no. 17, chapters one (1), two (2) and four (4), including appendix a, 1978 edition, is hereby adopted by reference. (Authorized by and implementing K.S.A. 31-133 and 31-133a; effective, E-82-3, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1982.)

EDWARD C. REDMON  
State Fire Marshal

Doc. No. 000134

## State of Kansas

**PERMANENT ADMINISTRATIVE REGULATIONS**

## NOTICE

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1. Any such legislative action will be reported in the *Kansas Register*. The May 6, 1982 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

**SECRETARY OF REVENUE****ADMINISTRATIVE REGULATIONS****Article 3.—MOTOR FUEL TAX**

**92-3-5.** (Authorized by K.S.A. 55-508, 55-512; effective Jan. 1, 1966; revoked E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-3-6.** Marking of vehicles transporting liquid fuel. Every vehicle used in transporting liquid fuel, which is subject to the law pertaining to the transportation of liquid fuel, shall be marked or lettered as follows: (a) The word "flammable" shall appear in plain letters not less than two (2) inches in height on a sharply contrasting background on both sides and the rear of the tank vehicle, except, when only one liquid fuel product is being transported, the common name of the product may appear in plain letters not less than two (2) inches in height on a sharply contrasting background on both sides and the rear of the tank vehicle.

(b) The name and address of the carrier shall appear in plain letters not less than two (2) inches in height on a sharply contrasting background on both sides and the rear of the vehicle.

(c) The liquid fuels carrier's license certificate number shall appear in plain letters not less than two (2) inches in height on a sharply contrasting background on each side of the vehicle. (Authorized by K.S.A. 55-512; implementing K.S.A. 55-512; effective Jan. 1, 1966; amended May 1, 1979; amended, E-82-26, Dec. 16, 1981; amended May 1, 1982.)

**92-3-16.** Books and records; preservation. (a) Persons claiming refunds of motor fuel tax because the fuel was used for nonhighway purposes shall be able to substantiate their claims by maintaining an adequate record keeping system. Refund claimants shall verify on the refund application form that an adequate record keeping system is maintained.

(b) An adequate record keeping system shall:

(1) Account for all purchases of motor fuel from all sources, whether for exempt or taxable use;

(2) Account for all exempt use either by a standard or an actual use record;

(3) Account for any loss of exempt fuel due to pilferage, spillage, or diversion to nonexempt use; and

(4) Include a perpetual inventory which utilizes a system of metered withdrawals or a physical inventory

which includes a physical taking of inventory not less than once in each month, and at the close of each period for which a claim is filed. (Authorized by K.S.A. 79-3430; implementing K.S.A. 79-3420; effective May 1, 1979; amended May 1, 1982.)

**Article 8.—CEREAL MALT BEVERAGE TAX**

**92-8-14.** Filing of agreements; cancellations. (a) All written contractual agreements between manufacturers and wholesalers or distributors shall be filed with the director of alcoholic beverage control at the time of filing application for a distributor's license. A manufacturer shall not enter an agreement for the distribution of a brand of cereal malt beverage with more than one wholesaler or distributor for all or part of any designated territory. An agreement filed pursuant to this regulation shall not be cancelled or transferred except upon notice to the director of alcoholic beverage control and reasonable opportunity by the director to determine that the terminating licensee has complied with all the provisions of the cereal malt beverage law.

(b) Every wholesaler or distributor shall submit a sketch or marked state highway map showing the geographic territory within which the wholesaler or distributor will distribute cereal malt beverages to retailers.

(c) Any wholesaler or distributor who shall refuse to sell any cereal malt beverage or provide service in connection with that sale to any retailer within the geographic territory shall immediately and forthwith give written sale refusal notice to the director. This written notice shall set forth the specific reason(s) why the wholesaler or distributor will not sell the cereal malt beverage brand(s) to the named retailer.

(d) Upon receipt of the sale refusal notice the director shall immediately notify all applicable Kansas licensed wholesalers or distributors that it shall be lawful to sell the named cereal malt beverage brand(s) to the named retailer. (Authorized by K.S.A. 1981 Supp. 79-3835; implementing K.S.A. 1981 Supp. 41-2705, 41-2713; effective Jan. 1, 1966; amended, E-74-37, July 2, 1974; amended May 1, 1975; amended May 1, 1982.)

**Article 11.—WITHHOLDING AND ESTIMATED TAX**

**92-11-17.** (Authorized by K.S.A. 79-3236, 79-32,101; effective Jan. 1, 1966; amended Jan. 1, 1970; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-11-18.** (Authorized by K.S.A. 79-3236, 79-3294; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-11-19.** (Authorized by K.S.A. 79-3236, 79-32,103; effective Jan. 1, 1966; amended Jan. 1, 1970; amended, E-71-8, Jan. 1, 1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-11-20.** Declaration of estimated tax forms. (a) *Individuals.* Individuals shall file the declaration of estimated tax on form 40ES. All information requested on that form shall be supplied.

(b) *Corporations.* Corporations shall file the declaration of estimated tax on form 120ES. All information requested on that form shall be supplied.

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(c) *Amendments.* In the case of an individual, the amendment is contained on the back of form 40ES, which is the notice of installment due received by the taxpayer from the department of revenue. In the case of a corporation, the amended declaration is contained on the back of form 120ES, which is the notice of installment due of estimated corporate tax. (Authorized by K.S.A. 79-3236, implementing K.S.A. 1981 Supp. 79-32,101, 79-32,102; effective Jan. 1, 1966; amended, E-82-26, Dec. 16, 1981; amended May 1, 1982.)

**92-11-23.** (Authorized by K.S.A. 79-3236, 79-3294; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-11-24.** Short taxable years. Any estimated tax, payable in installments, which is not paid before the 15th day of the last month of a short taxable year shall be paid on the 15th day of the last month of the short taxable year. If the short taxable year is less than three and one-half (3½) months, a declaration shall not be required to be filed and estimated tax shall not be required to be paid for that year. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,103; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

#### Article 12.—INCOME TAX

**92-12-1.** (Authorized by K.S.A. 79-3236; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-2.** (Authorized by K.S.A. 79-3236, 79-32,109; effective Jan. 1, 1968; amended Jan. 1, 1970; amended, E-71-8, Jan. 1, 1971; amended Jan. 1, 1972; revoked May 1, 1982.)

**92-12-3.** (Authorized by K.S.A. 79-3236, 79-32,109; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-4.** Domicile. Domicile shall be a fixed place of habitation where one lives and maintains a principal establishment, including a residence which, in the intention of the taxpayer, is permanent rather than transitory. A domicile once obtained continues until a new one is acquired. To constitute a change in domicile, there shall be intent to change, actual removal, and the acquisition of a new domicile. The domicile shall not be changed by removal for a definite period or for particular purposes nor by abandonment of the old domicile until the acquisition of a new one is effected. A voting residence is prima facie evidence of domicile. A citizen of a foreign country may acquire a taxable domicile in Kansas without surrendering his rights as a citizen of that country. Prima facie the wife's domicile follows that of the husband. If a family domicile has been established in which the wife and family reside, then the husband's domicile shall be presumed to be that of the family. An infant's domicile follows that of its father, and after death, that of its mother. The domicile of a ward is not necessarily determined by that of the guardian, but by the facts of the particular case. A person may have a taxable domicile in more than one state during any one taxable year. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,109; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-7.** (Authorized by K.S.A. 79-3236; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-9, 92-12-10.** (Authorized by K.S.A. 79-3236, 79-32,109; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-11.** Credits for income taxes paid to other states. The credit allowed by K.S.A. 79-32,111 shall be limited to income taxes and shall neither be taken on account of interest or penalties to another state nor be applied against interest or penalties due to the state of Kansas.

The credit may be taken either at the time of filing returns under the act or subsequently and may be applied against the entire tax until the credit is exhausted. Receipts showing the payment of these taxes, and a copy of the return or returns upon the basis of which the taxes are assessed shall be filed with the director of taxation, at, or before, the time credit is claimed. Credit for income taxes paid to another state on income for any year may be applied only against taxes due under the act on income for the same year. The term "state" includes states, the District of Columbia, and territories of the United States. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-32,111; effective Jan. 1, 1968; amended Jan. 1, 1974; amended May 1, 1982.)

**92-12-14.** Persons and organizations exempt from Kansas income tax. A person or organization claiming an exemption from Kansas income taxation under the provisions of subsection (a) of K.S.A. 1980 Supp. 79-32,113 shall submit evidence to the director of the person's or organization's exemption from federal income taxation, when so called upon by the director. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,113; effective Jan. 1, 1968; amended Jan. 1, 1974; amended May 1, 1982.)

**92-12-15.** (Authorized by K.S.A. 79-3236; 79-32,114; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-16.** Change of accounting period. Permission for change of a taxpayer's Kansas taxable year shall not be required from the director. In all cases a short period return shall be filed to accomplish this change. The Kansas taxable income for this short period shall be computed in the same manner as is the federal taxable income for this short period. For the purpose of the tax computation on a short period individual income tax return, only the taxable income for the short period shall be reported, but the tax exemptions and the Kansas standard deduction shall be apportioned by the same ratio as the number of months in the short period bears to twelve (12) months. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-32,114; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-17, 92-12-18.** (Authorized by K.S.A. 79-3236, 79-32,114; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-19.** Limitation of tax-spreadback rule. When an accounting method is changed in compliance with K.S.A. 79-32,114(c) or (d) (i), other than from an accrual to an installment method, any additional tax which results from the adjustments determined to be necessary solely by reason of the change shall not be greater than if these adjustments were divided equally between the year of change and the two (2) preceding

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taxable years during which the taxpayer used the method of accounting from which the change is made. But, if the taxpayer has only one (1) preceding taxable year, the allocation may be made equally between the year of change-over and the one (1) preceding year. For the purpose of redetermining the tax liabilities under the two-year carry-back rule all computations shall be made as though the returns for the three (3) years were being amended to include the income thus apportioned, and all income, deductions, and limitations shall be adjusted accordingly. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-32,114; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-21.** (Authorized by K.S.A. 79-3236, 79-32,115; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-22.** (Authorized by K.S.A. 79-3236, 79-32,117; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-23.** (Authorized by K.S.A. 79-3236, 79-32,117; effective Jan. 1, 1968; amended May 1, 1976; revoked May 1, 1982.)

**92-12-24.** (Authorized by K.S.A. 79-3236, 79-32,117; effective Jan. 1, 1968; amended E-71-8, Jan. 1, 1971; amended Jan. 1, 1972; amended Jan. 1, 1974; amended May 1, 1975; revoked May 1, 1982.)

**92-12-25, 92-12-26.** (Authorized by K.S.A. 79-3236, 79-32,117; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-27. Kansas deduction of an individual.** A taxpayer entitled to elect to either itemize deductions or to take the Kansas standard deduction shall be bound by an election unless an amended return is filed. In the absence of an election, the taxpayer shall be deemed to have elected to take the Kansas standard deduction. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,118, 79-32,119, 79-32,120; effective Jan. 1, 1968; amended, E-71-8, Jan. 1, 1971; amended Jan. 1, 1972; amended May 1, 1982.)

**92-12-28.** (Authorized by K.S.A. 79-3236, 79-32,120; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-29. Deduction of medical expenses.** In the case of an individual taxpayer, expenses for medical or dental care, as provided in K.S.A. 1980 Supp. 79-32,120, shall be deductible for the year when paid, regardless of when the illness occurred. This regulation applies also to taxpayers using the accrual method of accounting. Items deductible as medical or dental expenses for federal purposes shall be deductible for purposes of the Kansas act. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,120; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-30.** (Authorized by K.S.A. 79-3236, 79-32,121; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-31.** (Authorized by K.S.A. 79-3236, 79-32,123; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-32.** (Authorized by K.S.A. 79-3236, 79-32,124; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-33.** (Authorized by K.S.A. 79-3236, 79-32,123; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-34.** (Authorized by K.S.A. 79-3236, 79-32,126; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-35.** (Authorized by K.S.A. 79-3236, 79-32,127; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-36.** (Authorized by K.S.A. 79-3236, 79-32,128; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-37.** (Authorized by K.S.A. 79-3236, 79-32,129; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-38.** (Authorized by K.S.A. 79-3236, 79-32,130; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-39.** (Authorized by K.S.A. 79-3236, 79-32,131; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-40.** (Authorized by K.S.A. 79-3236, 79-32,132; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-41.** (Authorized by K.S.A. 79-3236, 79-32,133; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-42.** (Authorized by K.S.A. 79-3236, 79-32,134; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-43.** (Authorized by K.S.A. 79-3236, 79-32,135; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-44.** (Authorized by K.S.A. 79-3236, 79-32,136; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-45, 92-12-46.** (Authorized by K.S.A. 79-3236, 79-32,137; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-48.** (Authorized by K.S.A. 79-3236, 79-32,138; effective Jan. 1, 1968; amended Jan. 1, 1970; amended Jan. 1, 1972; amended Jan. 1, 1974; revoked May 1, 1982.)

**92-12-49.** (Authorized by K.S.A. 79-3236, 79-32,139; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-50.** (Authorized by K.S.A. 79-3236, 79-32,140; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-51.** (Authorized by K.S.A. 79-3236, 79-32,141; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-52. Consolidated returns.** Corporations which are members of an affiliated group not deriving their entire income from sources within Kansas and have filed a federal consolidated return for federal income tax purposes may file a consolidated return for purposes of determining their Kansas income tax liability. The director may require this group of affiliated corporations to file consolidated returns provided they are permitted to file a federal consolidated return and when in the director's opinion this consolidated return is necessary to clearly reflect the Kansas taxable income of the affiliated group. Once a consolidated return is filed for a taxable year, consolidated returns shall be filed for all future years unless the group is not permitted, for any reason, to file a consolidated federal return. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-32,142; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-53. Methods of determining income allocable to Kansas business.** Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in the "uniform division of

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income for tax purposes act" (K.S.A. 79-3271 *et seq.*). Non-business income shall be allocated according to the provisions of K.S.A. 79-3274 through 79-3278 and all business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three (3). The three (3) factors are determined by the provisions of K.S.A. 79-3279 through 79-3287, and amendments thereto. This shall be the general rule to be followed in computing Kansas taxable income of taxpayers. The law also provides that if the allocation and apportionment provisions of this act do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the secretary of revenue may require, in respect to all, or any part of the taxpayer's business activities, if reasonable, any of the methods set forth in K.S.A. 1980 Supp. 79-3288. These methods are the exceptions to the prescribed method and shall be allowed or used only in rare and exceptional cases and the burden of proving the exception which would warrant the use of any of the alternate methods rests upon the party who would invoke the exception. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3289, K.S.A. Supp. 79-3272, 79-3288; effective Jan. 1, 1968; amended May 1, 1975; amended May 1, 1982.)

**92-12-54.** (Authorized by K.S.A. 79-3236, 79-32,143; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-55. Returns; who shall file.** (a) Copies of the prescribed return forms shall, so far as possible, be furnished to taxpayers. A taxpayer shall not be excused from making a return solely because a return form was not furnished. Each taxpayer shall carefully prepare the return so as to fully and clearly set forth the data called for. Imperfect or incorrect returns shall not be accepted as meeting the requirements of the act. The joint return of a husband and wife shall be signed by both spouses.

(b) Every corporation not expressly exempt from tax shall make a return of income regardless of the amount of its net income. In the case of ordinary corporations, the returns shall be made on form 120. A corporation having an existence during any portion of a taxable year shall be required to make a return. A corporation which has received a charter, but has never perfected its organization, which has transacted no business and had no income from any source, may upon presentation of the facts to the director, be relieved from the necessity of making a return as long as it remains in an unorganized condition. In the absence of a proper showing to the director the corporation will be required to make a return. When called upon by the director, an exempt corporation shall render proof of its exemption.

(c) A receiver who stands in the stead of an individual or corporation shall render a return of income and pay the tax for the receiver's trust, but a receiver of only part of the property of an individual or corporation need not. If the receiver acts for an individual, the return shall be made on the same form the individual would be required to file. When acting for a corporation, a receiver is not treated as a fiduciary, and in this case the return shall be made as if by the corporation itself. A receiver in charge of the business of a part-

nership shall render a return on the same form the partnership would be required to file. A receiver of the rents and profits appointed to hold and operate a mortgaged parcel of real estate, but not in control of all the property or business of the mortgagor, and a receiver in partition proceedings, shall not be required to render returns of income. In general, statutory receivers and common receivers of all the property or business of an individual or corporation shall make returns.

(d) A fiduciary acting as a guardian of a minor or an incompetent subject to Kansas income tax shall make a return for the person and pay the tax, unless in the case of a minor, the minor makes the return or causes it to be made. For the purpose of determining the liability of a fiduciary to render a return under the provisions of the preceding sentence where the minor or incompetent is married and was living with husband or wife at the close of the taxable year, it shall be the aggregate gross income of both husband and wife which is controlling.

(e) Every partnership shall make a return for each taxable year stating specifically the items of its gross income and the deductions allowed by the act. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3220; effective Jan. 1, 1968; amended Jan. 1, 1970; amended Jan. 1, 1972; amended May 1, 1982.)

**92-12-56.** Where returns are available. Forms shall be mailed to any address upon request to the Kansas department of revenue, division of taxation, income and inheritance tax bureau, box 12001, Topeka, Kansas 66612. They shall be made available at the office of county clerks, city clerks, banks and other places for the convenience of taxpayers. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3220; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-57. Records and income tax forms.** Every person subject to the tax, except persons whose gross income consists solely of salary, wages, or similar compensation for personal services rendered, shall, for the purpose of enabling the director to determine the correct amount of income subject to tax, keep permanent books of account or records, including inventories, that are sufficient to establish the amount of the gross income and the deductions, credits, and other matters required to be shown in any return. These books or records shall be kept available at all times for inspection by agents or representatives of the director, and shall be retained so long as the contents may become material in the administration of this act. Income tax forms shall be prescribed by the director and shall be signed and filed in accordance with these regulations and the instructions on or issued with the form. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3223; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-58. Payment of tax; receipt; insufficient fund checks.** Upon request, the director shall give a receipt for each tax payment. In the case of payments made by check or money order, a cancelled check or the money order receipt is usually a sufficient receipt. For payments in cash, the director shall furnish a receipt if the taxpayer requests one. Where payment is made by check and the check is returned for want of funds or for any other reason, the taxpayer's account

(continued)

shall be treated as though a payment had not been made. If the check is not made good, or the tax is not paid before the due date of the return, the return shall be considered as delinquent and penalties shall be added in accordance with K.S.A. 1980 Supp. 79-3228. (Authorized by K.S.A. 79-3236, implementing K.S.A. 1981 Supp. 79-3225; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-59.** (Authorized by K.S.A. 79-3226, 79-3236; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-61.** (Authorized by K.S.A. 79-3236; effective Jan. 1, 1968; amended Feb. 15, 1977; revoked May 1, 1982.)

**92-12-62.** (Authorized by K.S.A. 79-3228, 79-3236; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-63.** (Authorized by K.S.A. 79-3229, 79-3236; effective Jan. 1, 1968; revoked May 1, 1982.)

**92-12-64. Claims for refund by taxpayers.** Claims by the taxpayer for the refunding of taxes, interest, penalties, and additions to tax erroneously or illegally collected shall set forth in detail and under oath the grounds upon which a refund is claimed and the facts which are sufficient to apprise the director of the exact basis of these grounds. Refund or credits shall not be allowed after the expiration of the statutory period of limitation applicable to the filing of the claim, except upon one or more grounds set forth in a claim filed before the expiration of this period. A claim which does not comply with this regulation shall not be considered for any purpose as a claim for refund.

If a return is filed by an individual and a refund claim is then filed by a legal representative of the deceased, certified copies of the letters testamentary, letters of administration, or similar evidence shall be annexed to the claim to show the authority of the executor, administrator, or other fiduciary, by whom the claim is filed. If an executor, administrator, guardian, trustee, receiver, or other fiduciary files a return and then a refund claim is filed by the same fiduciary, documentary evidence to establish the legal authority of the fiduciary need not accompany the claim, provided a statement is made in the claim showing that the return was filed by the fiduciary and that the latter is still acting. In these cases, if a refund or interest is to be paid, letters testamentary, letters of administration, or other evidence may be required, but shall be submitted only upon receipt of a specific request. If a claim is filed by a fiduciary other than the one by whom the return was filed, the necessary documentary evidence shall accompany the claim. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3230; effective Jan. 1, 1968; amended May 1, 1982.)

**92-12-65. Powers of the director of taxation.** The director or his or her delegate shall be permitted to examine any books, papers, records, or memoranda of a taxpayer for the purpose of determining the correctness of information contained in, or the existence of additional information that should be contained in, the taxpayer's returns. The director or his or her delegate may examine all the taxpayer's books, papers, records, or memoranda to determine which of these items are relevant to a determination of the taxpayer's tax liability. The determination of relevance shall not be made

by the keeper of the books, papers, records, or memoranda. Books, papers, records, or memoranda which may be examined shall include, but not be limited to, the following: general ledgers and subordinate ledgers; general journals, and subordinate journals; computer printouts of any accounting or financial data; audit workpapers of company, internal auditor and independent auditor; annual reports with all supporting workpapers, schedules, and exhibits; SEC 10-K with all supporting workpapers, schedules, and exhibits; cancelled checks; sales invoices; vendors invoices; time cards; deposit slips; bank statements; cash register tapes; inventory sheets; board of directors minutes and reports; audit committee minutes and reports; executive committee minutes and reports; internal company financial reports, statements and memoranda, with schedules and attachments; trial balances; employee lists; list of accounts receivable; capital asset ledgers and subordinate ledgers; depreciation ledgers and schedules; route schedules; bills of lading; shipping and receiving reports; weight tickets; work orders; job tickets; production reports; rents paid schedules; procedure manuals, operations manuals, employee manuals; table of organization; appraisal reports; property tax reports and receipts; federal income tax returns, and all schedules and attachments (pro forma and consolidated); all state tax returns, and all schedules and attachments; federal and state revenue agent adjustments reports; sales tax returns and all supporting workpapers; ad valorem tax returns and all supporting workpapers; intangible tax returns and all supporting workpapers; local occupation licenses; corporate charter; permits to do business as a foreign corporation; motor vehicle license returns to all appropriate states; special fuel licenses; cigarette licenses; liquor licenses; franchise agreements with supporting details; stock certificates ledger; security agreements; insurance policies; blueprints of plant facilities; patent agreements; royalty agreements; aging of accounts receivable; payroll journals and ledgers, W-2 forms; unemployment compensation ledgers; sales journals and subordinate details; accounts receivable ledger; bad debts workpapers; accounts payable ledger; computer cards; computer program guides; all lease agreements; lease-purchase agreements; apportionment workpapers—property, payroll, and sales workpapers by state and total company; management and personnel directory; director, officer and employee directory; list of articles and publications concerning company, its predecessors and subsidiary and affiliated corporations, which describes their development, operations and activities; travel vouchers and authorization; and internal memorandums. The director shall have the authority to issue interrogatories, subpoenas, and requests for production relating to disclosure of any of the information or items listed here. This authority may be exercised anytime before or after an assessment has been made. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3233; effective Jan. 1, 1968; amended May 1, 1979; amended May 1, 1982.)

**92-12-66. Compromise of income taxes.** The sworn petition of the taxpayer or taxpayer's representative for compromise of delinquent income taxes shall contain an offer of compromise. Assets include total

(continued)

income of the taxpayer, including that of the spouse in case of joint returns, real property owned or in which an interest is held, all personal property and any other interests of value. Liabilities include all debts and obligations owed, normal living expenses, and other necessary expenses.

The submission of an offer in compromise as set out above shall not automatically operate to stay the collection of any tax liability. However, enforcement of collection may be deferred if the interests of the state of Kansas are not jeopardized.

An offer in compromise shall be considered as accepted only after the director has subscribed a finding, issued an order, and the proponent is notified in writing. Frivolous offers or offers submitted for the purpose of delaying the collection of tax liabilities shall be immediately rejected.

(Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3233a, 79-3233b; effective Jan. 1, 1968; amended May 1, 1975; amended May 1, 1982.)

**92-12-67. Extension of time for filing returns.** Application for extensions of time for filing income tax returns may be filed on form E-1 in duplicate and addressed to the extension desk, income and inheritance tax bureau, box 12001, Topeka, Kansas 66612. This application shall contain a full recital of the causes for the delay. The department of revenue shall recognize and accept as a properly approved extension of time a copy of the federal form 4868, automatic extension of time; an approved copy of form 2688, federal extension of time for filing individual income tax returns; form 7004, application for automatic extension of time; or an approved copy of form 7005, application for additional extension of time to file corporation income tax returns, when a copy of the appropriate extension is submitted with the Kansas return. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3221; effective Jan. 1, 1968; amended Jan. 1, 1970; amended May 1, 1982.)

**92-12-68. Information returns.** (a) Returns showing payments or payables for a calendar year as required under the provisions of K.S.A. 79-3222 shall be made on forms 99 and 96. In case of payments made by the United States to persons in its service (civil, military, or naval) of wages, salaries, or compensation in any form, the returns of information shall be made by the heads of the executive departments and other United States government establishments.

(b) Returns shall be filed with the director for a year on or before March 1 of the following year. A return shall be made in each case on form 99, accompanied by transmittal form 96 showing the number of returns filed, except that the return with respect to distributions to beneficiaries of a trust or of an estate shall be made on form 41 in lieu of forms 99 and 96.

(c) The marital status, where appropriate, and the street and number address of the recipient of the payment shall be stated. If no present address is available, the last known post-office address shall be given. A copy of the form 99 shall also be furnished the recipient of the payment on or before March 1 of the following year.

(d) Fees for professional services paid to attorneys, physicians, and members of other professions come within the meaning of the term "fixed or determinable

income" and shall be reported in returns of information.

(e) The names of all employees to whom payments of six hundred dollars (\$600) or more if single, or one thousand two hundred dollars (\$1,200) or more if married, whether the total sum is made up of wages, salaries, commissions, or compensation in any other form, shall be reported. Heads of branch offices and subcontractors employing labor, who keep the only complete record of payments shall file returns of information in regard to the payments directly with the director. When both main office and branch office have adequate records, the returns shall be filed by the main office. If the marital status of the payee is unknown to the payor, or if the marital status of the payee changes during the year, the payee shall be considered a single person for the purpose of filing a return of information on form 99 with respect to payments of salaries or other compensation for personal services.

(f) When the person receiving a payment falling within the provisions of the article dealing with information returns at the source is not the actual owner of the income received, the name and address of the actual owner shall be furnished by the person upon request made by the director, and in default of a compliance with the request the person becomes liable for the penalties provided. Dividends of stock are prima facie the income of the record owner of the stock. Upon receipt of dividends by a record owner, the owner shall inform the director of the name and address of the actual owner. Unless disclosure is made, the record owner shall be held liable for any tax based upon such dividends.

(g) Where an annual statement of wages and salaries paid and amount withheld is filed as required under the provisions of the Kansas withholding and declaration of estimated tax act, no form 99 or 96 shall be filed. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3222; effective Jan. 1, 1968; amended Jan. 1, 1974; amended May 1, 1982.)

**92-12-70.** (Authorized by K.S.A. 79-32,117a, 79-32,117b; effective Jan. 1, 1974; revoked May 1, 1982.)

**92-12-104.** (Authorized by K.S.A. 79-3236, 79-3291; effective May 1, 1979; revoked May 1, 1982.)

**92-12-105. Contribution to income; debtor setoff.** (a) As used in K.S.A. 1981 Supp. 75-6202, "contribution to income" means that portion of the income of a spouse filing a joint return which is subject to withholding, or which can be otherwise determined, from information filed with the return, to have been received by that spouse individually. Income which cannot be determined, from information filed with the Kansas income tax return, to have been received by either spouse individually shall be considered attributable to each spouse in the same proportion that income which can be determined to have been received individually by each spouse bears to the total of determinable income for both spouses. If none of the amount reported as Kansas adjusted income includes income subject to Kansas received by either spouse individually, this amount shall be considered to have been contributed equally by each spouse.

(b) The amount of the refund shall be adjusted to properly reflect the debtor's contribution to income if the debtor proves that:

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(1) Any of the income attributed to the debtor was received by the debtor's spouse individually and should not have been attributed to the debtor for the purpose of determining contribution to income; or

(2) Any of the income attributed wholly or partly to the debtor's spouse should have been attributed to the debtor.

(c) Income shall not be attributed to either spouse individually unless the debtor proves that only one spouse had an ownership interest in the source of the income at the time it was received or, in the case of earned income not subject to Kansas withholding, that the income was earned solely by one spouse. If the debtor proves that his or her proportionate ownership interest in an income source is not the same as that proportion determined under subsection (a), the amount of refund shall be adjusted accordingly.

(d) Questions regarding the proper computation of contribution to income as provided in this regulation may be raised at the hearing provided for in K.S.A. 1981 Supp. 75-6207. (Authorized by K.S.A. 1981 Supp. 75-6203; implementing K.S.A. 1981 Supp. 75-6202; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-12-109. Report of income adjusted by internal revenue service.** The revenue agent's report detailing adjustments made by the internal revenue service and the amended return reporting these adjustments to the director shall be sent separate from any other document except those required by this regulation. If federal taxable income, in the case of a corporation, or federal adjusted gross income, in the case of an individual, on the Kansas income tax return as originally filed is not the same as reported on the revenue agent's report, a reconciliation and explanation as to the difference shall also be submitted. (Authorized by K.S.A. 79-3236; implementing K.S.A. 1981 Supp. 79-3230; effective E-82-26, Dec. 16, 1981; effective May 1, 1982.)

#### Article 14.—LIQUIFIED PETROLEUM FUEL TAX

**92-14-9. Taxation of compressed natural gas; conversion formula.** For purposes of applying to compressed natural gas the LP-gas motor fuel tax rate imposed by K.S.A. 79-3492 on a per gallon basis, one hundred (100) cubic feet of compressed natural gas shall equal one (1) gallon. (Authorized by K.S.A. 79-34,102; implementing K.S.A. 79-3490, 79-3492; effective May 1, 1982.)

#### Article 19.—RETAILERS' SALES TAX

**92-19-31. Installation or application of tangible personal property.** (a) A retailer of the service of installing or applying tangible personal property is the person who performs this service.

(b) A tax shall not be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility.

(c) The addition of a room or floor inside an existing building shall not be considered to be original construction. The addition of an entire room or floor to the exterior of an existing building or facility shall be considered to be original construction. Any replace-

ment, remodeling, restoration, renovation, or reconstruction done within the existing building or facility pursuant to the construction of an entire room or floor being added to the exterior of the existing building or facility shall be considered to be original construction if:

(1) Except for the addition of the new room or floor being added, the work being done in the existing building or facility would not have been necessary;

(2) The work being done in the existing building or facility is necessary to support the additional room or floor, or machinery housed there; or

(3) The support to the entire room or floor which is being added to the exterior of an existing building or facility is the causal factor of the remodeling being done to the existing building or facility rather than remodeling being the principle purpose of the construction.

(d) If any replacement, remodeling, restoration, renovation, or reconstruction which occurs within the existing building or facility does not meet one (1) of the above three (3) qualifications, the cost of services rendered in connection with the whole project shall be allocated between the new room or floor and the existing building or facility, and sales tax shall be collected and remitted for the portion allocated to the existing building or facility.

(e) The erection of a building or facility on a site previously occupied by a building or facility which has been demolished shall be considered to be original construction if the building or facility erected is totally new, regardless of whether the old foundation also was demolished.

(f) The restoration, reconstruction, or replacement of a building or facility damaged or destroyed by fire, flood, windstorm, hailstorm, rainstorm, snowstorm, lightning, explosion, or earthquake shall be considered to be original construction. Damage from windstorm, hailstorm, rainstorm, or snowstorm shall not include normal deterioration resulting from the continuous action of these elements. The contractor performing this reconstruction or replacement shall secure an affidavit from the owner of the building or facility stating that the building or facility was damaged or destroyed by one (1) or more of the above-mentioned causes. Affidavits shall be maintained in the retailer's files for a period of three (3) years or until the director of taxation authorizes their disposal. The affidavit shall be in substantially the following form:

State of Kansas, County of \_\_\_\_\_,  
ss. \_\_\_\_\_, of lawful  
age, being first duly sworn, deposes, and states:

Subscribed in my presence and duly sworn to before me, this  
\_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

\_\_\_\_\_  
Signature of Notary Public

(4) Contractors who render services in connection with original construction shall not be exempt from paying sales or compensating use tax on materials purchased for use in original construction. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1981 Supp. 79-3603, 79-3606; modified, L. 1979, ch. 349, May 1, 1979; amended E-82-26, Dec. 16, 1981; amended May 1, 1982.)

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**92-19-37.** Natural gas, electricity, heat and water; sales to residential premises. (a) Where sales of natural gas, electricity, heat and water delivered through mains, lines or pipes are made to multi-family dwellings or other buildings in which residential premises are not individually metered and billed, only the pro rata portion of these sales equal to the percentage of the building actually occupied as residential premises shall be subject to exemption. As used in this regulation, "residential premises" shall have the meaning ascribed to it in K.A.R. 92-19-38.

(b) Where utility services are not metered individually between residential and commercial use in combination purpose buildings, the occupant owner or lessee shall file an exemption certificate with each retailer providing sales of exempted commodities. The exemption in this case shall be prorated based on the portion of the commodities used in portions of the premises actually occupied as a residence and used for noncommercial purposes. Formulas and computations used in establishing the percentage of exempt use shall be available for inspection by the department of revenue at any time. Sales of otherwise taxable materials or services shall not be exempted by virtue of being sold in connection with commodities exempt from sales tax hereunder. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1981 Supp. 79-3606; effective, E-80-26, Dec. 12, 1979; effective May 1, 1980; amended, E-82-26, Dec. 16, 1981; amended May 1, 1982.)

#### Article 50.—MOTOR VEHICLES

**92-50-1.** (Authorized by K.S.A. 8-190, 8-2303, 8-2314; effective, E-74-57, Sept. 30, 1974; effective May 1, 1975; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-2 to 92-50-21.** (Authorized by K.S.A. 8-2303, 8-2314; effective, E-74-57, Sept. 30, 1974; effective May 1, 1975; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-22 to 92-50-27.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-28.** (Authorized by K.S.A. 8-143i, 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-29.** (Authorized by K.S.A. 8-2303, 8-2304; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-30.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-31.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-32.** (Authorized by K.S.A. 8-191; 8-2303; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-33.** (Authorized by K.S.A. 8-2303; 8-2308; effective, E-77-49, Sept. 30, 1976; effective Feb. 15, 1977; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-34.** (Authorized by K.S.A. 8-2301; 8-2303, 8-2304; effective, E-77-49, Sept. 30, 1976; effective Feb. 15, 1977; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-35.** (Authorized by K.S.A. 8-135; 8-2303, 8-2308; effective, E-77-49, Sept. 30, 1976; effective Feb. 15, 1977; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-36, 92-50-37.** (Authorized by K.S.A. 8-2314; effective, E-80-2, Jan. 18, 1979; effective May 1, 1979; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-38.** (Authorized by K.S.A. 8-2303, 8-2304; effective, E-77-49, Sept. 30, 1976; effective Feb. 15, 1977; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-39, 92-50-40.** (Authorized by K.S.A. 8-2314; effective, E-80-2, Jan. 18, 1979; effective May 1, 1979; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-41.** (Authorized by K.S.A. 8-191, 8-2314; effective, E-80-2, Jan. 18, 1979; effective May 1, 1979; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-50-42.** Sales prima facie evidence of engaging in business; motor vehicle dealer license required. The sale of five (5) or more motor vehicles in any one (1) calendar year shall be prima facie evidence that a person is engaged in the business of selling motor vehicles and, unless rebutted or overcome by other evidence, shall require that person to obtain a motor vehicle dealer's license. A person shall be entitled to a hearing conducted in accordance with K.S.A. 1980 Supp. 8-2411 to rebut this evidence. (Authorized by K.S.A. 1981 Supp. 8-2423; implementing K.S.A. 1981 Supp. 8-2401, 8-2403, 8-2404; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-50-57.** (Authorized by K.S.A. 8-191; effective, E-78-17, July 7, 1977; effective May 1, 1978; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

#### Article 51.—TITLES AND REGISTRATION

**92-51-1.** (Authorized by K.S.A. 8-134; effective, E-77-17, March 19, 1976; effective Feb. 15, 1977; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-2.** (Authorized by K.S.A. 8-191, K.S.A. 8-143 (2) (b), 74-2004; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-3, 92-51-4.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-5.** (Authorized by K.S.A. 8-191, K.S.A. 8-135 (a), 74-2004; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-6 to 92-51-8.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-9.** (Authorized by K.S.A. 8-191, 74-2011, 74-2004; effective Jan. 1, 1966; amended, E-71-9, Jan. 1,

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1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-10.** (Authorized by K.S.A. 8-191, 74-2011, 8-135, 74-2004; effective, E-71-9, Jan. 1, 1971; effective, Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-11.** (Authorized by K.S.A. 8-191, 8-135(a), 74-2004; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-12, 92-51-13.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-14.** (Authorized by K.S.A. 8-191, 8-143; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-15.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-16.** (Authorized by K.S.A. 8-143b, 8-143c, 8-143d, 8-191, 74-2004; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-17.** (Authorized by K.S.A. 8-191; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-18.** (Authorized by K.S.A. 8-191, 8-143, 8-143a; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-19.** (Authorized by K.S.A. 8-129, 8-191, 74-2011, 8-143i; effective, E-70-14, Jan. 19, 1970; effective Jan. 1, 1971; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-20.** (Authorized by K.S.A. 1981 Supp. 8-143; effective Jan. 1, 1971; amended May 1, 1979; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-51-21. Staggered registration system.** (a) All motorized bicycles and motor vehicles, other than proportionally registered vehicles, mobile homes, trailers, antique vehicles, and trucks or truck tractors registered for a gross weight of greater than twelve thousand (12,000) pounds, shall be registered annually under a staggered registration system during one (1) of eleven (11) registration periods. The month of expiration of the registration shall be embossed upon the number plate issued at the time of registration or represented by a decal attached to the number plate in a location designated by the director.

(b) Before January 1, 1982, application for registration renewal shall be made by the owners of a vehicle to be registered as:

- (1) A motorcycle;
- (2) A motorized bicycle;
- (3) A truck or truck tractor for a gross weight of twelve thousand (12,000) pounds or less;
- (4) A personalized motorcycle or truck for a gross weight of twelve thousand (12,000) pounds or less;
- (5) A national guard truck for a gross weight of twelve thousand (12,000) pounds or less;
- (6) A wheelchair truck for a gross weight of twelve thousand (12,000) pounds or less;

(7) An amateur radio operator automobile or truck for a gross weight of twelve thousand (12,000) pounds or less;

(8) A disabled American veteran's automobile or truck for a gross weight of twelve thousand (12,000) pounds or less; or

(9) A special interest motor vehicle or street rod. At the time of registration, the owner shall pay a prorated registration fee equal to one-twelfth ( $\frac{1}{12}$ ) of the annual registration fee multiplied by the number of months beginning with January, 1982, and ending with, but including, the month of expiration. As a condition precedent to registration, the owner also shall pay a prorated motor vehicle tax as assessed and levied under article 51 of chapter 79 of the Kansas Statutes Annotated. Each registration period shall expire on the last day of the month as prescribed for the alpha letter designation on the plate or decal affixed to the plate as determined by the first letter of the owner's surname in accordance with the following table:

ALPHABETICAL DESIGNATION FOR MONTHLY  
STAGGERED REGISTRATION

| Alpha Letter Designation | Month     | First Letter of Surname |
|--------------------------|-----------|-------------------------|
| A                        | February  | A                       |
| B                        | March     | B                       |
| C                        | April     | C,D                     |
| E                        | May       | E,F,G                   |
| H                        | June      | H,I                     |
| J                        | July      | J,K,L                   |
| M                        | August    | M,N,O                   |
| R                        | September | P,Q,R                   |
| S                        | October   | S                       |
| V                        | November  | T,V,W                   |
| X                        | December  | U,X,Y,Z                 |

(Authorized by K.S.A. 1981 Supp. 8-134, 8-134a; implementing K.S.A. 1981 Supp. 8-134, 8-134a; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-22. Registration period beginning date; fee due.** The date of the assignment or reassignment of a manufacturer's certificate of origin or certificate of title shall be the beginning date of a registration period. The registration fee shall be due as of the date, but may be paid at any time during a period of not to exceed fifteen (15) days after the assignment or reassignment. If the registration fee is not paid within the period of time prescribed by this regulation, the penalty for the late payment of the fee shall be computed from the date of the assignment or reassignment. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-127, 8-143; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-23. Transfer of number plates.** Number plates may be transferred only to a vehicle of the same type as the vehicle for which the plate was originally issued. Rebates or refunds shall not be made when number plates are transferred to a vehicle of a lesser weight or a lesser carrying capacity. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-135; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-24. Mailing of titles.** All titles processed by the division of vehicles shall be mailed directly to the new owner unless the division is instructed otherwise by a signed statement from the owner. (Authorized by

(continued)

K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-135; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-25. Prerequisites to applications for title on used foreign vehicles.** (a) In securing a certificate of title on a used foreign vehicle, the applicant shall surrender to the county treasurer:

(1) The foreign title in the applicant's name and an affidavit of date of entry;

(2) A foreign title which has been properly assigned to the applicant; or

(3) A foreign title which has been properly assigned to a registered dealer of the state in which the title was issued and which has been properly reassigned by the dealer of that state to the Kansas resident.

(b) If the foreign state does not have a title law, the applicant shall present a notarized bill of sale from the person from whom the vehicle was purchased and a foreign registration receipt:

(1) In the applicant's name;

(2) Properly assigned to the applicant; or

(3) Reassigned by a registered dealer of the issuing state. The foreign registration receipt and the notarized bill of sale shall be surrendered to the county treasurer. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-135; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-26. Corrections of titles and registration receipts.** In the case of a clerical error on the title or registration receipt, including the transposition of engine or serial numbers, misspelling of the name of owner, or a mistake in the year, model or make of car, or the omission of some necessary information on the application, correction of the error or submission of the omitted information shall be made through direct communication with the Kansas department of revenue, division of vehicles, state office building, Topeka, Kansas 66626. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-135; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-27. Nonnegotiable titles.** A nonnegotiable title may be issued where one is engaged in operation in more than one (1) state and it is necessary to secure Kansas registration. This provision is only applicable in the case of trucks and trailers. This title cannot be used in the transfer of title to the vehicle. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-127, 8-135; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-30. Application for refund of registration fee.** Any owner of a truck or truck tractor eligible for a refund of the registration fee shall file an application for the refund with the Kansas department of revenue, division of vehicles, state office building, Topeka, Kansas 66626. At the same time, the applicant shall relinquish to the division of vehicles the registration plate and any attachment issued in connection with the registration, unless this plate has been relinquished to the county treasurer pursuant to K.A.R. 92-55-3. Application for refund shall be in the form prescribed by the division. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp.

8-143; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-31. Sale of 30-day license and certain 72-hour temporary registrations.** (a) The motor carrier inspection bureau is hereby designated agent for the secretary of revenue to issue the 30-day licenses authorized by K.S.A. 1980 Supp. 8-143b and the 72-hour temporary registrations authorized by K.S.A. 1980 Supp. 8-143c.

(b) The motor carrier inspection bureau shall keep an accounting of all 30-day licenses and 72-hour temporary registrations issued and shall remit daily to the division of vehicles the amount collected in connection with the issuance of those licenses and registrations. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-143c, 8-134; implementing K.S.A. 1981 Supp. 8-143b, 8-143c, 8-143d; effective, E-82-26, Dec. 16, 1982; effective May 1, 1982.)

**92-51-32. Six thousand (6,000) mile registration requirements.** The speedometer or odometer which records the number of miles traveled by a vehicle having a 6,000-mile registration shall be kept in working condition at all times during the registration period. The highway patrol, motor carrier inspection bureau, or any law enforcement officer shall have authority to inspect the readings of the speedometer or odometer and to inspect the vehicle to ensure that the speedometer or odometer is properly connected and in good working condition. The operator of this vehicle shall keep at all times in the vehicle a log reciting the date, the towns traveled in, and the distance operated on each trip. Anyone securing a 6,000-mile registration and not having the speedometer or odometer connected and in good working condition or not having the log in the vehicle shall have the vehicle registration suspended and the registration shall not be reinstated until the difference between the 6,000-mile and the regular registration fee on the vehicle is paid. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-134; implementing K.S.A. 1981 Supp. 8-143; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

**92-51-33. Display of mobile home registration plates.** (a) The owner of any mobile home or travel trailer registered for nonhighway purposes shall cause the number plate to be displayed in a conspicuous manner on that portion of the mobile home or travel trailer that faces the public road or street, right of center, on or near the bottom edge of the siding or upper edge of the frame.

(b) The owner or occupant of the mobile home or travel trailer shall keep the number plate conspicuously displayed, upon the mobile home or travel trailer, free and clear of paint, dirt, and other foreign substances. (Authorized by K.S.A. 74-2011, K.S.A. 1981 Supp. 8-143; implementing K.S.A. 1981 Supp. 8-143; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

## Article 52.—MOTOR VEHICLE DRIVERS' LICENSES

**92-52-1. Vision standards for drivers.** The division of vehicles will use the following vision standards for driver's license applicants:

(continued)



(a) Any applicant testing 20/40 or better in each eye separately at the examination station shall meet the vision requirements. Any applicant failing to meet this requirement shall be given a vision form and referred to a vision specialist of their choice.

(b) Any applicant who has received a vision report from a vision specialist shall have 20/60 or better vision with or without corrective lens in at least one eye in order to be eligible to be issued a driver's license.

Applicants failing to meet any of the above standards may request an administrative review by the director of vehicles. (Authorized by K.S.A. 1981 Supp. 8-234b; implementing K.S.A. 1981 Supp. 8-234b; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; amended May 1, 1979; amended, E-82-26, Dec. 16, 1981; amended May 1, 1982.)

**92-52-4.** (Authorized by K.S.A. 74-2011; effective Jan. 1, 1966; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-52-5.** (Authorized by K.S.A. 8-191, 8-245c, K.S.A. 8-255, 74-2004; effective, E-71-9, Jan. 1, 1971; effective Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-52-6.** (Authorized by K.S.A. 8-191, 8-255a, 74-2004; effective, E-71-9, Jan. 1, 1971; effective Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-52-7.** (Authorized by K.S.A. 8-191, K.S.A. 8-255(a), 74-2004; effective, E-71-9, Jan. 1, 1971; effective Jan. 1, 1972; revoked, E-82-26, Dec. 16, 1981; revoked May 1, 1982.)

**92-52-9. Definition of moving violation.** (a) Pursuant to K.S.A. 1980 Supp. 8-249, as amended by L. 1981, Ch. 41, Sec. 1, "moving violation" means the commission or omission of an act by a person operating a motor vehicle that could directly result in injury or property damage and is also a violation of a statute, ordinance, or regulation of this or any other state.

(b) "Operating a motor vehicle" means the process of moving a motor vehicle from one location to another or starting the engine or manipulating the mechanical or electrical equipment of a motor vehicle whether or not the vehicle is in motion.

(c) A conviction for violating any of the following Kansas statutes or any similar statute, ordinance or regulation of a municipality or another state shall constitute a moving violation and be recorded on individual driving records: K.S.A. 8-245; 8-1335; 8-1337; 8-1503; 8-1507; 8-1508; 8-1510; 8-1511; 8-1514; 8-1515; 8-1516; 8-1517; 8-1518; 8-1519; 8-1520; 8-1521; 8-1522; 8-1523; 8-1526; 8-1527; 8-1528; 8-1529; 8-1530; 8-1533; 8-1545; 8-1546; 8-1548; 8-1549; 8-1551; 8-1552; 8-1555; 8-1557; 8-1561; 8-1562; 8-1565; 8-1566; 8-1574; 8-1581; 8-1595; 8-1597; 8-1602; 8-1603; 8-1605; 8-1701; 8-1703; 8-1705; 8-1706; 8-1707; 8-1708; 8-1715; 8-1721; 8-1724; 8-1725; 8-1740; 8-1741; 8-1742; 8-1801; 8-1802; 8-1803; 8-1804; 8-1805; and 40-3104; and K.S.A. 1980 Supp. 8-237; 8-262; 8-1336; 8-1338; 8-1524; 8-1556; 8-1556a; 8-1567; 8-1568; 8-1604; 8-1902 and 8-1904; and any amendments thereto.

(d) Nothing in this provision shall be construed to prevent the division of vehicles from recording on

individual driving records other administrative actions or convictions relating to motor vehicles. (Authorized by K.S.A. 1981 Supp. 8-249; implementing K.S.A. 8-255, K.S.A. 1981 Supp. 8-249; effective, E-82-26, Dec. 16, 1981; effective May 1, 1982.)

MICHAEL LENNEN  
Secretary of Revenue

Doc. No. 000169

## State of Kansas

### PERMANENT ADMINISTRATIVE REGULATIONS

#### NOTICE

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1. Any such legislative action will be reported in the *Kansas Register*. The May 6, 1982 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

## KANSAS PUBLIC DISCLOSURE COMMISSION

### ADMINISTRATIVE REGULATIONS

#### Article 1.—GENERAL PROVISIONS

**19-1-1. Definitions.** (a) "Advisory opinion" means a formal opinion issued by the commission as provided by relevant law.

(b) "Chairperson" means the chairperson of the commission appointed by the governor or, in the event of his or her absence, the vice-chairperson or any other commissioner as may be designated by the remaining members of the commission.

(c) "Commission" means the Kansas public disclosure commission created by relevant law or, as the context indicates, any lesser number of members.

(d) "Commission's attorney" means an attorney employed by the commission to assist the commission in carrying out the provisions of relevant law.

(e) "Executive director" means the executive director appointed by the commission, or if the commission chooses not to appoint an executive director, the administrative assistant to the commission or staff member delegated supervisory authority concerning the issue involved.

(f) "Formal record" means all the filings and submittals in a matter or proceeding and all notices or agency orders initiating the matter or proceeding. If a hearing is held, the designation of the presiding member; transcript of hearing if one is kept; all exhibits received in evidence; all offers of proofs, motions, stipulations, subpoenas, proofs of service, and determinations made by the commission on these certifications to the commission; and anything else upon which action of the presiding member or commission may be

(continued)

based will constitute a formal record. This does not include any proposed testimony or exhibits or the work product of the commission or its staff not offered or received in evidence.

(g) "Hearing commissioners" means the commissioners designated by the chairperson to conduct a pre-hearing, hearing or rehearing, or to proceed with any matter before the commission.

(h) "Party" means the complainant, respondent, and any other person authorized by the commission to intervene in any proceeding.

(i) "Petitioner" means a person seeking relief, including advisory opinion, and not otherwise designated in this section.

(j) "Pleading" means any application, complaint, petition, answer, reply, or other similar document filed with the commission.

(k) "Presiding member" means the chairperson or any member of the commission, duly designated to preside at hearings, conferences, or other proceedings.

(l) "Relevant law" means 1981 Kansas Session Laws, Chapter 171, Sec. 1 *et seq.* and Sec. 42 *et seq.*, including related amendments, supplemental legislation, and rules and regulations. In addition, in the context of requests for advisory opinions and related matters, "relevant law" shall include K.S.A. 75-4301 *et seq.*, including related amendments, supplemental legislation, and rules and regulations.

(m) "Respondent" means any person against whom a complaint has been filed alleging an unlawful practice within the meaning of relevant law.

(n) "Treasurer" means an acting treasurer duly appointed under relevant law, and the treasurer of record at any particular point in time irrespective of whether the individual still serves as the treasurer. Only individuals, as opposed to non-natural persons, may serve as treasurers. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4143 and 46-215 *et seq.*; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-1-8. Service.** (a) Service of an original complaint, a notice of hearing, five (5) and thirty (30) day notices pursuant to 1981 Kansas Session Laws, Chapter 171, Sec. 1 *et seq.*, and Sec. 42 *et seq.*, a civil penalty assessment order, and a finding of fact and report shall be by certified mail, return receipt requested. The notice will be mailed to the person's principal residence, principal place of business or any other address as appears on any document filed pursuant to relevant law. Except as otherwise provided by relevant law, the commission shall serve other required orders, notices and documents by first-class mail with postage prepaid. Service may be in person.

(b) All pleadings or other documents shall be served upon all petitioners or parties in the proceeding by the one filing the same on the date when filed or tendered for filing with the commission. This service shall be made by delivering in person or by mailing first class, properly addressed with postage prepaid, copies to each petitioner or party. An original complaint shall be served on the respondent by the commission.

(c) When any petitioner or party is represented by an attorney who has entered a general entry of appearance, subsequent service shall be upon this attorney.

(d) The date of service shall be the day when the pleading or other document served is deposited in the United States mail or is delivered in person, except as provided in K.A.R. 19-1-9(a). When service is by certified mail, return receipt requested, the date of service shall be the date of delivery shown on the return receipt. A certificate of service shall be attached to the original of each pleading or other document filed, except those originating with the commission. (Authorized by and implementing K.S.A. 25-4119a and 46-253, effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-1-11. Commission decisions.** Except as otherwise provided by relevant law, all orders, opinions, or findings of fact issued by the commission shall be signed by the chairperson. The decision of any committee of hearing commissioners shall be by majority vote. A concurring vote of three (3) members of the commission shall be required for any decision of the commission as a whole. (Authorized by and implementing K.S.A. 25-4119a and 46-253; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

## Article 2.—ADVISORY OPINION REQUESTS

**19-2-2. Advisory opinion.** (a) An advisory opinion request shall be in writing on any suitable paper and shall contain the full name and address of the petitioner, a statement of how petitioner may be subject to relevant law and description of the opinion requested in sufficient detail to allow an opinion to be expressed on it. Advisory opinions shall be rendered at the next regularly scheduled meeting following receipt of the written request, unless the commission finds that a longer period is necessary.

(b) Advisory opinion requests may be amended and the advisory opinion petitioner may withdraw an advisory opinion request. If the commission finds that it lacks jurisdiction, the advisory opinion request shall be denied. If denied, the commission shall issue and cause to be served upon the petitioner a copy of the order denying issuance of an advisory opinion and stating the grounds for that denial. (Authorized by K.S.A. 25-4119a, 46-253 and K.S.A. 1981 Supp. 75-4303a; implementing K.S.A. 25-4159 and 46-254 and K.S.A. 1981 Supp. 75-4303a; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-2-3.** (Authorized by K.S.A. 25-4119a and 46-253 and K.S.A. 1981 Supp. 75-4303a; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; revoked May 1, 1982.)

## Article 3.—INVESTIGATIONS

**19-3-1. Investigation.** The commission may authorize the executive director to investigate any matter required to be reported by any person under the relevant law, or any matter to which the relevant law applies irrespective of whether a civil penalty has been

(continued)

assessed or a complaint has been filed in relation to it. Whenever an investigation does not disclose facts sufficient to warrant further action, the commission may, for good cause, issue to the person or persons investigated a report concerning the findings of the commission. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4158 and 46-260; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-3-3. Preliminary inquiry.** Whenever any matter is brought to the attention of a member of the commission or the executive director which appears to raise an issue of a violation of the relevant law, the executive director is authorized to conduct a preliminary inquiry on the issue of whether there are facts sufficient to support the appearance of a violation. At the conclusion of a preliminary inquiry, the executive director shall report to the commission. The commission shall thereafter determine whether further investigation is required. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4158 and 46-260; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 4.—NONCOMPLIANCE WITH FILING PROVISIONS

**19-4-1. Campaign finance notice of failure to file and notice of errors or omissions.** (a) The executive director shall, as soon as practicable, serve notice as provided in K.A.R. 19-1-8 on any treasurer who has failed to file a receipts and expenditures report on the due date. A copy of the notice shall be promptly transferred to the office of the secretary of state for inclusion in the public record of the person or committee the treasurer represents and shall also be sent to the appropriate candidate or chairperson by first class mail. Any treasurer shall, within five (5) days of the date of service, file the required report with the office of the secretary of state.

(b) The executive director shall, as soon as practicable, serve notice on any treasurer whose receipts and expenditures report contains material errors or omissions. A copy of the notice shall be promptly transferred to the office of the secretary of state for inclusion in the public record of the person or committee the treasurer represents and shall also be sent to the appropriate candidate or chairperson by first class mail. Any treasurer shall, within thirty (30) days of the date of service, file an amended report correcting the material errors or omissions with the office of the secretary of state. The executive director may serve additional notices on any treasurer concerning these reports or amendments. The procedures for original notices shall control the process in regard to additional notices.

(c) Upon service of this notice, the treasurer may contact the executive director for guidance or clarification concerning the material error or omission. If substantial issues remain unresolved after that conference, the treasurer may, within ten (10) days, request a hearing before the commission concerning the material errors or omissions. This hearing shall be conducted pursuant to K.A.R. 19-7-1 through 19-7-16, to the extent

that the section is applicable, at the next regularly scheduled commission meeting unless a continuance is granted by the chairperson. Notice of the date of hearing shall be served on the treasurer. The determination of the hearing commissioners shall be final. Failure to request the hearing or failure to attend the hearing without just cause shall constitute an admission of the validity of the determination of the material errors or omissions.

(d) The executive director may, upon the filing by a treasurer of a report as required by this section, notify the office of the secretary of state that the treasurer has complied with the requirements of any notice served upon the treasurer. This notice shall be included in the public record of the person or committee the treasurer represents. This notice shall not be construed as affecting any matter other than the matter to which it is addressed.

(e) In any case where a complaint may be filed, notice provided for by this section is not a prerequisite for pursuing a complaint. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4148; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1981; amended May 1, 1982.)

**19-4-2. Notice on other statements, reports, or documents.** The executive director may, as soon as practicable, serve notice as provided in K.A.R. 19-1-8 on any person who has failed to file on the appropriate date any other statement, report or document required by relevant law. The executive director may also serve notice, or notices on any person whose statement, report, or other document or amendments contains material errors or omissions. This notice may include a statement of the right or duty of the person served to amend the statement, report, or other document. In addition, this person may request a hearing under the same circumstances as those set forth in K.A.R. 19-4-1(c)(2). (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4152 and 46-280; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 4a.—CIVIL PENALTY ASSESSMENT

**19-4a-1. Civil penalty.** (a) In any civil penalty assessment case under relevant law, the filing will be considered timely if deposited in the mail addressed to the office of secretary of state by certified or registered mail on or before the day it is due.

(b) Any person who is assessed a civil penalty for failing to comply with the registration, filing, and reporting provisions within five (5) days of notice may make written application for a waiver of the penalty within thirty (30) days after receipt of a civil penalty assessment order. Upon receipt of a written application for waiver, the commission shall schedule a public hearing within thirty (30) days in order to receive an explanation from the person as to why the document was not filed in a timely manner. Upon a finding of good cause, the commission may waive at any time any imposed civil penalty.

(continued)

(c) If a person fails to pay a civil penalty within thirty (30) days of the final date on which a request for a waiver can be made, the commission shall forward this information to the attorney general or appropriate county or district attorney for collection.

(d) Civil penalties provided for in this section shall not be deemed the exclusive remedies for violations of relevant law. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4152 and 46-280; effective May 1, 1980; amended May 1, 1981; amended May 1, 1982.)

#### Article 5.—COMPLAINTS

**19-5-1. Filing of complaint.** (a) Any complainant shall sign and file with the commission a verified complaint in writing. Assistance in drafting and filing complaints shall be available through the commission and its staff.

(b) If a commissioner files a complaint, that commissioner shall be disqualified from the commission's consideration of the complaint. The commissioner shall have the rights, duties, and liabilities of a party to a proceeding thus initiated.

(c) The executive director shall file a complaint following the completion of an investigation conducted pursuant to K.A.R. 19-3, if in the executive director's judgment there is probable cause to believe that a provision of relevant law has been violated.

(d) The executive director shall file a complaint when any person has failed to file any report at the time and in the manner required by relevant law, unless the executive director finds that for good cause a complaint should not be filed. In either case, the executive director shall report to the commission at its next meeting. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4160 and 46-255; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-5-2. Forms and content of complaint.** The complaint shall be in writing on a form obtained at the commission office. The original complaint shall be signed and verified before a notary public or other person duly authorized by law to take acknowledgements. A complaint shall contain the full name and address of the complainant and the full name and address of the respondent. The complaint shall also contain simple and concise statements of the facts or information and belief upon which the allegation of a violation is based. It shall include, where known, the dates and places of occurrences that are described and the names of the participants and the section or sections of law which are alleged to have been violated. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4160 and 46-255; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-5-5. Respondent's review of evidence.** After a verified complaint has been filed with the commission, the respondent shall be entitled to examine and make copies of all evidence in the possession of the commission relating to the complaint; provided that those matters which do not constitute evidence, including

the work product of the commission or its staff, need not be provided to the respondent. The materials shall be provided in a timely manner by the executive director, after approval by the commission's attorney. (Authorized by K.S.A. 25-4119a and 46-253; implementing K.S.A. 25-4163 and 46-257; effective, E-76-52, Oct. 24, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 20.—CAMPAIGN FINANCE

**19-20-2. Definitions.** The term "act", unless the context requires otherwise, means 1981 Kansas Session Laws, Chapter 171, Sec. 1 *et seq.*, including related amendments, and supplemental legislation, and rules and regulations. (Authorized by K.S.A. 25-4119a; implementing 1981 Kansas Session Laws, Chapter 171, Sec. 1 *et seq.*; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 21.—CANDIDATES AND COMMITTEES

**19-21-1. Candidate appointment of treasurer or committee.** (a) Whenever any of the tests set forth in 1981 Kansas Session Laws, Chapter 171, Sec. 2(a) are met, an individual becomes a candidate on the date that test is met.

(1) For the purpose of this section, an appointment does not take place until an agency relationship is completed and the individual to be appointed takes significant action based on that relationship which is intended to influence the nomination or election to state office of the individual considering seeking that office.

(2) An announcement is not a public announcement unless it is intended to inform the general public that the individual is seeking nomination or election to state office.

(3) An individual makes a public announcement, or makes an expenditure or accepts a contribution if the individual does so directly, or directly or indirectly authorizes another to do so on the individual's behalf or directly or indirectly ratifies the action of another.

(b) A candidate may serve as his or her own treasurer. Only one treasurer or one candidate committee may exist at the same time. A prior treasurer or committee and a new treasurer or committee for a different candidacy may exist at the same time so long as the prior treasurer or committee does not serve in any capacity of an ongoing nature to advance the later candidacy and only to the extent necessary to close its affairs. (See K.A.R. 19-21-2 for the requirements if a candidate committee is appointed.) (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4143(a) and 25-4144; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-21-4. Party committees.** (a) Party committees do not include committees authorized and regulated by K.S.A. 25-3803 or 25-3806. These committees may, however, in appropriate circumstances constitute political committees (see K.A.R. 19-21-3).

(continued)

(b) A party committee is subject to the same requirements as a political committee as set out in K.A.R. 19-21-3 (b) and (d), provided however, that county central committees shall not be deemed, for the purpose of this section, to be affiliated or connected organizations of their respective state committees. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4143 and 25-4145; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-21-5. Other reporting persons.** Every person, other than a candidate or a candidate committee, party committee, or political committee, who makes independent contributions or expenditures other than by contribution to a candidate or a candidate committee, party committee, or political committee, in an aggregate amount of one hundred dollars (\$100) or more within a calendar year shall make verified statements containing the information required by K.A.R. 19-29-2 on forms prescribed and provided by the commission, and file them in the office of the secretary of state so that each statement is in that office on the day specified in 1981 Kansas Session Laws, Chapter 171, Sec. 7. Reports made under this section need not be cumulative. For the purposes of this section, "independent contributions and expenditures" means contributions or expenditures made without cooperation or consent of the candidate or committee intended to be benefited and which expressly advocate the election or defeat of a clearly identified candidate. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4150; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-21-6. Out-of-state committees, businesses and organizations.** Any combination of three (3) or more individuals or a person other than an individual, not domiciled in this state, which makes or intends to make a contribution or contributions to a candidate, candidate committee, party committee or political committee in this state shall either: (a) Consider itself a political committee as defined by K.A.R. 19-21-3 and;

(1) File a statement of organization as provided by 1981 Kansas Session Laws, Chapter 171, Sec. 4;

(2) Establish a separate fund for the purpose of receiving contributions and making expenditures relating to any election for state office in this state; and

(3) File statements and reports involving this fund in the manner provided by 1981 Kansas Session Laws, Chapter 171, Sec. 7. Any transfer from another fund to the separate fund herein provided for here shall be subject to the requirement of section (b); or

(b) Prepare a verified statement containing:

(1) The names and addresses of the responsible individuals;

(2) The name and address of each person who has made one or more contributions, including in-kind contributions, to an out-of-state combination of individuals or person other than an individual in an aggregate amount in excess of fifty dollars (\$50) within the preceding twelve (12) months, together with the amount and date of these contributions; and

(3) The aggregate amount of all other contributions to the out-of-state combination of individuals or per-

son other than an individual within the preceding twelve (12) months. These statements shall be submitted to each treasurer receiving any contribution from the out-of-state combination of individuals or persons other than an individual and shall be current as of the date of the contribution. This statement shall be a part of and attached to the report required of the treasurer by 1981 Kansas Session Laws, Chapter 171, Sec. 7. In meeting requirement (2), these combinations or persons shall include the names and addresses of contributors who are residents of Kansas, non-residents with jobs in Kansas, and those making contributions earmarked for use in Kansas. Other contributions may be disclosed in the aggregate. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4172; effective, E-77-29, June 3, 1976; effective, Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 24.—IN-KIND CONTRIBUTIONS

**19-24-1. In-kind contributions; definitions.** (a) An "in-kind contribution" means a contribution of goods, services, or anything of value to a candidate, candidate committee, party committee, political committee, or any representative of them without charge or at a charge of less than the fair market value to the recipient. "In-kind contribution" also includes the use of any goods, services, or anything of value or the spending of any money for the benefit of any candidate, candidate committee, party committee, or political committee when the use or expenditure is made in cooperation with or with the consent of the candidate, committee, or any representative of them.

(b) "Valuation" means the value of an in-kind contribution at the fair market value of the item or service as if it had been purchased, sold, or leased in the ordinary course of business. When a charge is made for an item or service which is less than the fair market value, then the excess of the fair market value over the charge is the value of the in-kind contribution. The donor of the item or service places the value on the in-kind contribution in the first instance. The treasurer questions the value thus derived if it appears unreasonable and revalues the in-kind contribution accordingly to a reasonable value. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4143; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 25.—TESTIMONIAL EVENTS

**19-25-1. Testimonial events.** (a) A testimonial event is a dinner, luncheon, rally, barbeque, picnic, or similar event which is held for the benefit of an individual who is a candidate to raise funds for the candidate's campaign. An event is held to raise funds if it is intended to do so, or if not intended to do so, if the effect is nonetheless attained.

(b) The purchase of tickets or admission to, or advertisement in journals or programs for, testimonial events constitutes a contribution.

(c) The value of goods donated to a testimonial event constitutes an in-kind contribution, provided however, that the first fifty dollars (\$50) in value of this

(continued)



donation to any one event shall not constitute an in-kind contribution.

(d) Where a testimonial event is held for the benefit of more than one (1) candidate, except when an individual contributor dedicates a contribution to a particular candidate, the value of each contribution or in-kind contribution shall be attributed to each candidate in the same ratio as that by which the candidates share the profits from the event, or where there are no profits in the same ratio by which the candidates share the expenses of the event. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4143; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 26.—CONTRIBUTIONS AND EXPENDITURES

**19-26-2. Solicitation of contributions.** Solicitors of contributions on behalf of a particular candidate or committee shall be deemed a part of the candidate or committee and therefore will not be required to report the contributions on their own behalf so long as the following tests are met:

(a) Prior approval both to permit solicitation and the procedure to be used has been received by the candidate's or committee's treasurer;

(b) The treasurer has final discretion over the activities of the solicitors;

(c) Contributions are made payable to the candidate or committee and are turned over to the treasurer pursuant to 1981 Kansas Session Laws, Chapter 171, Sec. 6;

(d) All expenditures incurred in soliciting the contributions are reported to the treasurer in the same manner as provided for contributions by 1981 Kansas Session Laws, Chapter 171, Sec. 6; and

(e) The treasurer keeps and preserves all records of these contributions and expenditures as a part of the treasurer's accounts and records and reports when required by the act. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4147 and 25-4150; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 27.—ACCOUNTS AND RECORDS

##### 19-27-2. Contributions and other receipts.

(a) Each treasurer shall maintain a complete record of all contributions as follows:

(1) A detailed account of all contributions including tickets or admissions to testimonials or other political events which include:

(A) The full name and mailing address of the person making the contribution;

(B) A description of the contribution as cash, check, in-kind, loan (including rate of interest, term, guarantor, and endorser);

(C) The date received;

(D) The amount; and

(E) The cumulative amount given by the contributor which is allocable to the primary or general election period.

(2) The date, amount, and a description of each contribution of ten dollars (\$10) or less for which the

name and address of the contributor is not known subject to the limitations of 1981 Kansas Session Laws, Chapter 171, Sec. 13;

(3) The aggregate total of all contributions received as the proceeds from the sale of political materials and the date of each sale and a description of the materials sold;

(b) Each treasurer shall keep an account of all other receipts, including:

(1) The full name and mailing address of a person making the payment;

(2) A description of the receipt reflecting whether it is a rebate, refund, or other miscellaneous receipt;

(3) The date received; and

(4) The amount of the receipt.

(c) Each treasurer shall either:

(1) Photocopy each contribution (or "other receipt") in the form of a check, money order, or similar instrument in an amount of fifty dollars (\$50) or more and shall keep all deposit slips with the photocopies of the checks to which they relate; or

(2) In the alternative, each treasurer shall, at the request of the commission, arrange with a depository or other person to provide the commission with these photocopies at the treasurer's expense. In addition, when necessary, each treasurer shall arrange with his or her depository to permit the commission access to the depository's records of any contribution (or "other receipt") in the form of a check, money order or similar instrument at the treasurer's expense.

(d) Cash and in-kind contributions and other cash and in-kind receipts in an amount of ten dollars (\$10) or more shall be accounted for by written receipt, the original of which shall be kept by the treasurer. These receipts shall include the full name and address of the person making the contribution or payment, the date and the amount. Each receipt shall be signed by the treasurer or the treasurer's agent. If the contribution is an in-kind contribution, a complete description shall be attached to the receipt.

(e) All treasurers of committees that maintain a payroll deduction, dues checkoff or comparable system for political contributions shall keep sufficient supporting documentation to fully substantiate each contribution or transfer to the committee. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4147 and 25-4148; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; amended, E-77-29, June 3, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended, E-79-24, Sep. 21, 1978; amended May 1, 1979; amended May 1, 1980; amended May 1, 1981; amended May 1, 1982.)

##### 19-27-3. Expenditures and other disbursements.

(a) Each treasurer shall keep a detailed account of all expenditures, including:

(1) The full name and address of a person to whom the expenditure is made;

(2) The purpose of the expenditure;

(3) The date of the expenditure; and

(4) The amount of the expenditure.

(b) Each treasurer shall keep a detailed account of all other disbursements, including:

(1) The full name and address of the person to whom the disbursement is made;

(2) The purpose of the disbursement;

(continued)

(3) The date of the disbursement; and

(4) The amount of the disbursement.

(c) Each treasurer shall obtain and keep a receipted bill from the person to whom an expenditure or other disbursement is made, which bill shall contain the information required in subsections (a) and (b) of this section. In lieu of a receipted bill the treasurer may keep the cancelled check(s) showing payment(s) and the bill, invoice, contract or other documentation of the transaction containing the information required in subsections (a) and (b) of this section.

(d) Each treasurer shall keep all cancelled checks, void checks, cancelled deposit slips, and bank statements in the order in which they are received.

(e) When expenditures are made by payments to advertising agencies, public relations firms, and political consultants for disbursement to vendors, each treasurer shall obtain and keep the documentation required by subsection (c) of this section. The documentation shall in turn contain the information required in subsection (a) of this section for each vendor to which disbursements are made by the advertising agency, public relations firm, or political consultant. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4147; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 28.—REPORTING AND ELECTIONS PERIODS

**19-28-2. Allocation of contributions and expenditures.** (a) All contributions and other receipts received and expenditures and other disbursements made shall be allocated within each election period to the reporting period in which received or made. Contributions to or expenditures by a candidate seeking nomination by convention or caucus or by the candidate committee shall be allocated in the same manner as above except that the date of the convention or caucus shall be considered the primary election date.

(b) A contribution or other receipt made in cash, check, or similar instrument is received on the date it is physically in the hands of the candidate, treasurer, or the treasurer's agent, whichever occurs first.

(c) An expenditure or other disbursement is made on the date the actual payment is made or the expenditure contracted for, whichever occurs first.

(d) An in-kind contribution is received on the date the services or goods inure to the recipient's benefit. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4149; effective, E-76-56, Nov. 26, 1975; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 29.—RECEIPTS AND EXPENDITURES REPORT

**19-29-2. Contents of receipts and expenditures report.** (a) *General.* Each report shall contain: the full name and address of the candidate, party committee, or political committee; in the case of candidates the office sought, and in the case of committees a designation as to type; the period covered by the report; a designation, when applicable, that the report is an amended or a

termination report; and a signed declaration as to completeness and accuracy by the treasurer.

(b) *Summary section.* Each report shall contain a summary section for the reporting period which shall contain cash on hand at the beginning of the period; total contributions and receipts except in-kind; total cash available during the period; total expenditures and other disbursements; cash on hand at the close of the period; total in-kind contributions; and total other obligations.

(c) *Supporting schedules.*

(1) *General.* Each report shall contain the supporting schedules as required by this subsection. For the purpose of the supporting schedules: the term "date" shall include the month, day, and year; the term "name" shall mean the full name of the person, and when the name is used more than once by any one treasurer, the same name shall appear throughout; and the term "address" includes the street address (or rural route), city, state, and zip code. Each accompanying schedule shall include the name of the candidate or committee on whose behalf the report is filed. Whenever additional sheets are necessary to list the information required by any supporting schedule, each page of that schedule shall contain a space completed by the treasurer of the subtotal for that page.

(2) A money contributions and receipts schedule.

(A) *General.* All money contributions and receipts shall be listed on this accompanying schedule. This schedule shall include:

(i) A date column which shall state the date when the contribution was received by the treasurer or the treasurer's authorized agent, whichever occurs first;

(ii) A name and address column which shall state the full name and mailing address for contributors;

(iii) A description column which shall state whether the contribution or receipt is:

a loan and the interest rate and name and address of any guarantors or endorsers; a cash payment; or a check or similar instrument. The description column shall also show: the name of the candidate or committee to whom funds are dedicated whenever a treasurer receives a contribution which is dedicated in whole or in part to be used for or transferred to another candidate or committee; and the name of the person initially dedicating funds with a notation of the name of the intervening source in those instances where a treasurer has transferred to him or her a contribution made up in whole or in part of dedicated funds. The fact that a contribution or receipt is received in contravention of the act, e.g., anonymous and over ten dollars (\$10), in excess of the statutory dollar limit, shall be noted in this column;

(iv) An amount of cash or check column.

(B) *Total amount.* This schedule shall include a space for the total amount of money contributions and other receipts by cash or check during the reporting period. It shall be carried forward to the summary page.

(C) *Itemized money contributions and receipts.* Each money contribution or receipt of over fifty dollars (\$50) received during the reporting period shall be itemized on this schedule and disclose the required information in the columns as noted in subsection(c)(2)(A). In addition, each contribution or receipt

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of more than ten dollars (\$10) received during the reporting period for which the name and address is unknown shall be disclosed on this schedule.

(D) *Unitemized money contributions and receipts.* The aggregate total of all contributions and receipts of fifty dollars (\$50) or less received during the reporting period for which the name and address is known; received during the reporting period from the sale of political materials; received during the period as proceeds from the sale of tickets or admissions to testimonial events; and of ten dollars (\$10) or less received during the election period for which the name and address is unknown shall be disclosed on this schedule.

(3) An in-kind contributions schedule.

(A) *General.* All in-kind contributions shall be listed on this accompanying schedule. This schedule shall include:

(i) A date column which shall state the date when the in-kind contribution was received by the treasurer or the treasurer's authorized agent, whichever occurs first;

(ii) A name and address column which shall state the full name and mailing address for in-kind contributors;

(iii) A description column which shall briefly describe the goods or services provided; the name of the candidate or committee to whom services are dedicated whenever a treasurer receives a contribution which is dedicated in whole or in part to be used for or transferred to another candidate or committee; and

(iv) A value of in-kind contribution column which shall state the fair market value of the contribution.

(B) *Total amount.* This schedule shall include a space for the total value of itemized and unitemized in-kind contributions. It shall be carried forward to the summary page.

(C) *Itemized in-kind contributions.* Each in-kind contribution of over fifty dollars (\$50) in value received during the reporting period shall be itemized on this schedule and disclose the required information in the columns as noted in subsection (c)(3)(A).

(D) *Unitemized in-kind contributions.* The aggregate total of in-kind contributions in value of fifty dollars (\$50) or less received during the reporting period shall be disclosed on this schedule.

(4) An expenditures and disbursements schedule.

(A) All expenditures and disbursements to any person shall be listed on this accompanying schedule. This schedule shall include:

(i) A date column that shall state the date or dates the payee was actually paid during the reporting period.

(ii) A name column that shall state the name of the person to whom payment was made.

(iii) A purpose of expenditure column that shall reflect the nature of the expenditure. When an expenditure is made by payment to an advertising agency, public relations firm, or political consultants for disbursement to vendors, the report shall show in detail the name of each vendor and the information required on this schedule with regard to each expenditure. Whenever a treasurer makes a disbursement which constitutes a contribution to another candidate or committee and it is made up in whole or in part of dedicated funds, the treasurer shall disclose the names and addresses of those persons who dedicated the

funds and shall in transferring any of these contributions report to the recipient the same information.

(iv) An amount column that shall reflect the aggregate amount of payment to the payee on the date of the entry.

(B) *Total amount.* A space shall be shown for the total amount of itemized and unitemized expenditures and disbursements during the reporting period. It shall be carried forward to the summary page.

(C) *Itemized expenditures and disbursements.* Each expenditure or disbursement of over fifty dollars (\$50) made during the reporting period shall be itemized on this schedule and disclose the required information in the columns as noted in subsection (c)(4)(A).

(D) *Unitemized expenditures and disbursements.* The aggregate total of all expenditures and disbursements of fifty dollars (\$50) or less made during the reporting period shall be disclosed on this schedule.

(5) An other transactions schedule.

(A) *General.* All other reportable financial transactions made during the reporting period shall be disclosed on this accompanying schedule with reasonable specificity.

(B) *Accounts and loans payable.* All accounts and loans outstanding at the close of a reporting period shall be disclosed on this schedule. For each account or loan outstanding, the following shall be disclosed:

(i) The date the debts or loans were contracted;

(ii) The person to whom the debt or loan is owed;

(iii) A description of the goods or services subject to debt or a description of the principal amount and terms of the loan; and

(iv) The amount outstanding at the close of the reporting period.

(C) *Loans receivable.* All loans receivable outstanding at the close of the reporting period shall be disclosed on this schedule. For each loan receivable, the following shall be disclosed: the date the loan agreement was completed; the person to whom the funds were loaned; the principal amount and terms of the loan; and the amount outstanding at the close of the reporting period. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4148; effective, E-76-56, Nov. 26, 1975; effective, E-77-29, June 3, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-29-4. Termination reports and reports of debts and obligations.** (a) Before any committee may be dissolved or the position of any treasurer terminated, a termination report shall be filed with the secretary of state. A termination report may not be filed until the disbursement of all residual funds and the discharge of all remaining debts and obligations. These and all other transactions from the date of the last report shall be disclosed on the termination report. Any report required by 1981 Kansas Session Laws, Chapter 171, Sec. 7 may serve as a termination report if the above described tests are met.

(b) The position of treasurer may not be terminated until a termination report is filed. In addition, the position of treasurer shall not be deemed terminated to the extent any report provided for by 1981 Kansas Session Laws, Chapter 171, Sec. 7 (d) or (e) is required or to the extent necessary for the maintenance and preservation of records.

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(c) A treasurer shall continue to file all reports required by 1981 Kansas Session Laws, Chapter 171, Sec. 7 so long as any residual funds or outstanding debts or obligations remain. In any election year when the treasurer's candidate is not seeking election, the treasurer need only file a report on December 10. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4155 and 25-4157; effective, E-79-24, Sep. 21, 1978; effective May 1, 1979; amended May 1, 1980; amended May 1, 1981; amended May 1, 1982.)

#### Article 30.—CONTRIBUTION LIMITATIONS

**19-30-4. Change in office sought.** When during an election period a candidate decides to seek state office other than that originally anticipated or sought in the preceding election, all contributions received during the election period shall be attributed to the individual's contribution limits for the office finally sought. In the situation where an individual is a candidate with a deficit from a prior election year and during the primary election period decides to seek state office with a lower contribution limitation, the candidate may accept contributions up to the higher contribution limitation until the earlier debts are paid off, but shall not accept any further contributions from any person who exceeds the lower contribution limitation for the office finally sought. (Authorized by K.S.A. 25-4119a; implementing K.S.A. 25-4153; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 41.—STATEMENT OF SUBSTANTIAL INTEREST

**19-41-2. Who shall file and when.** Individuals subject to the following provisions shall file a statement of substantial interests pursuant to K.S.A. 1980 Supp. 46-247 and 46-248 with the secretary of state:

(a) Candidates for nomination or election to statewide office, the legislature, the state board of education, and district attorney, shall file statements on the date of filing their declaration to become candidates or if they become candidates by other means, then within ten (10) days of becoming candidates, unless within this period the candidacy is officially declined or rejected. Individuals seeking nomination or election to fill a vacancy in an office pursuant to K.S.A. 1980 Supp. 25-3901 *et seq.* need not file until the time of appointment to office.

(b) Legislators and individuals holding elected offices in the executive branch, including members of the state board of education and district attorneys, shall file statements on January 31.

(c) State officers and employees receiving compensation from the state at a rate of twenty thousand dollars (\$20,000) or more per year shall file statements on the date of appointment to state office or accepting employment and annually thereafter on January 31. For the purposes of this subsection, "state officer and employee" means those individuals defined as this under K.S.A. 1980 Supp. 46-221, but does not include unclassified "state officers and employees" of institutions under the state board of regents whose principal duties are teaching. An individual's duties are princi-

pally teaching if greater than fifty percent (50%) of the individual's time is devoted to teaching and directly related matters such as preparation for class, conferences with students, and grading examinations but not including administrative duties or research. This exception shall apply only to those persons meeting the above tests and who appear on an exceptions list submitted to the commission annually on January 31 by the chief officer of the appropriate institution. When a state officer or employee begins earning compensation at a rate of twenty thousand dollars (\$20,000) during a year while serving in the same position as that of January 31 of that year, he or she need not file the statement until the next January 31. If, however, the state officer or employee receives a promotion or transfer with the state and due to this change commences earning at a rate of twenty thousand dollars (\$20,000), he or she shall file on the date the promotion or transfer becomes effective and annually thereafter on January 31.

(d) Individuals whose appointment to office is subject to confirmation by the senate shall file statements on the date of the appointment and annually thereafter on January 31. This provision shall apply regardless of whether or not an individual meets the definition of "state officer or employee" contained in the relevant law.

(e) All members of state councils, commissions, and boards who by statute are authorized to receive compensation from the state shall file the statement on the date of appointment and on the next succeeding January 31 so long as the relevant law applies to them. Excluded from this filing requirement are board members appointed by the judiciary, and appointees who serve without compensation other than amounts for expense allowances or reimbursement of expenses as provided for in subsection (e) of K.S.A. 75-3223.

(f) Individuals serving as general counsels for state agencies, irrespective of how compensated, shall file statements on the date of appointment and annually thereafter on January 31. (Authorized by K.S.A. 46-253; implementing K.S.A. 46-221 and 46-247; effective, E-77-7, March 19, 1976; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

**19-41-3. Interests disclosed.** Each statement which shall be filed pursuant to K.A.R. 19-41-2 shall disclose the following: (a) The statement shall include the name, complete address, and telephone number of the individual filing. In addition, each statement shall disclose the elective office held, office for which a candidate, position of employment, position to which the individual was appointed subject to senate confirmation, or state council, commission or board of which a member.

(b) The ownership by an individual or spouse, either individually or collectively, of a legal or equitable interest exceeding five thousand dollars (\$5,000) or five percent (5%) of any business, whichever is less. Only the name of the business and its address, not the number of shares or their value in the case of a corporation nor the net worth in the case of a proprietorship or partnership need be disclosed. The value or percentage of a business interest is to be determined as of the time of the required filing. The value assigned to a

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holding is the fair market value. For the purposes of this provision, certificates of deposit, bank savings or checking accounts, passbook accounts in a savings and loan, shares in a credit union, life insurance policies, annuities, notes, bonds, debentures and mortgages do not constitute "legal or equitable interests" and therefore need not be disclosed under this provision. The disclosure under this provision shall include the type of business, description of the interest, and a description of how the interest is held as between the individual and his or her spouse.

(c) The receipt in the preceding calendar year by an individual or spouse individually or collectively of compensation which is or will be required to be included as taxable income on Kansas income tax returns of this individual and spouse in an aggregate amount of one thousand dollars (\$1,000) from any business or combination of businesses. The receipt of interest, dividends, and mineral royalties does not constitute "compensation" as the term is defined and those matters need not be reported under this provision. The disclosure under this subsection shall include the name and address of the business or combination of businesses, the type of business and a description of who received the compensation as between the individual and his or her spouse.

(d) The receipt in the preceding calendar year by the individual of gifts or honoraria having an aggregate value of five hundred dollars (\$500) or more from any person other than a relative of this individual. For the purposes of this provision, the term "gift" includes the provision of hospitality in the form of food and beverage. The disclosure under this subsection shall include the name and address of the donor.

(e) If the individual's compensation is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual shall disclose any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual received an aggregate of one thousand dollars (\$1,000) or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses and the amount of any fee need not be listed. In the case of a partnership, it is the partner's proportionate share of the business (and hence of the fee) which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. The disclosure under this subsection shall include the name of the client or customer and the address.

(f) The holding at the time of filing of the position of officer or director of any business, irrespective of the amount of compensation received by the individual holding this position. Holding the position of administrator or executor of an estate is not reportable under this provision. The disclosure under this subsection shall include the name and address of the business and the position held.

(g) Each statement shall disclose any corporation, professional organization or individual professional practice in which the individual was an officer, director, associate, partner, or proprietor at the time of filing. The phrase "professional organization" refers to

entities that engage in actual professional practice and not to professional associations such as the national education association or the American bar association. In addition, churches and fraternal organizations are not generally included within the definition of "corporation". However, in cases where a church or fraternal organization engages in a business, those officers who oversee the functions of this business are required to list that information. The disclosure under this subsection shall include the name and address of the entity in which the position is held, and a description of the type of business or practice.

(h) Each statement shall contain a declaration substantially in the nature of that required by K.S.A. 1980 Supp. 46-249 and shall be signed and dated thereafter by the person filing the statement. (Authorized by K.S.A. 46-253; implementing K.S.A. 46-248; effective, E-77-7, March 19, 1976; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 50.—LOCAL CONFLICTS OF INTEREST

**19-50-3. Definitions.** For the purpose of K.A.R. 19-50 to K.A.R. 19-51, inclusive, the following words and phrases mean: (a) "Business" means any corporation, association, partnership, proprietorship, trust, joint venture, and every other business interest including ownership or use of land for income. The definition of business does not contemplate the state and its political subdivisions, nor are strictly charitable and non-profit organizations included within this definition. Nonetheless, the fact that a corporation is entitled a "not for profit corporation" does not control as to whether it meets the definition of business. In those situations where a major purpose of a not for profit corporation is to engage in business pursuits, that corporation meets the definition of business regardless of its technical legal title.

(b) "Combination of businesses" means any two (2) or more businesses owned or controlled directly or indirectly by the same interests.

(c) "Description of interest" means the type of ownership interest held, such as common stock, preferred stock, or limited partnership.

(d) "Municipal corporation" means any city incorporated under the laws of the state of Kansas.

(e) "Person" means an individual, proprietorship, partnership, limited partnership, association, trust, estate, business trust, group, or corporation, whether or not operated for profit, or a governmental agency unit, or subdivision.

(f) "Public office" means a position of public trust or agency created by the Kansas constitution, by statute, by executive decree or by an ordinance or resolution of a municipal or quasi-municipal corporation passed in pursuance of legislative authority. It does include those public offices whose occupants are subject to the filing requirements of 1981 Kansas Session Laws, Chapter 171, Sec. 42 *et seq.*

(g) "Public officer" means any person who holds public office in the state of Kansas, except that an attorney-at-law, acting only in his professional capacity, who holds no other public office shall not be construed to be a public officer for the purposes of

(continued)

these rules and regulations, nor shall this term include any notary public or any person who holds an office in any political party and who holds no other public office.

(h) "Public employee" means any employee of any municipal or quasi-municipal corporation, except that an attorney-at-law, acting only in his or professional capacity, who holds no other public employment shall not be construed to be a public employee for the purposes of these rules and regulations.

(i) "Type of business" means the nature of the business activity in which the entity engages such as construction, retailing, and manufacturing.

(j) "Quasi-municipal corporation" means any county, township, school district, drainage district, or any other governmental subdivision in the state of Kansas having authority to receive or hold public moneys or funds, except those defined as "state agencies" by K.S.A. 1980 Supp. 46-224 or the judicial department of state government. (Authorized by K.S.A. 1981 Supp. 75-4303a; implementing K.S.A. 75-4301; effective, E-77-7, March 19, 1976; effective, E-77-20, May 1, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### Article 51.—DISCLOSURE OF SUBSTANTIAL INTEREST

**19-51-1. Who shall file, when and where.** (a) Except as provided in subsection (b), individuals subject to the following provisions shall file a disclosure of substantial interests statement:

(1) Every candidate for elective public office, except candidates for state office as defined by K.S.A. 1980 Supp. 25-2505, shall file this statement at the time and place of filing his or her declaration of candidacy or at the time of his or her appointment as a candidate.

(2) Every individual appointed to fill a vacancy in any elected public office as described above shall file this statement within thirty (30) days after taking office in the office where his or her predecessor filed his or her declaration of candidacy.

(3) Every public officer or employee who has not filed this statement and who, while acting in this capacity, shall pass upon any matter which will affect any business in which he or she holds a substantial interest, shall file this statement or one of a similar nature before acting upon this matter. The statement shall be filed with the county clerk of the county in which all or the largest geographical part of the municipal or quasi-municipal entity on which he or she serves is located. Any person filing under this requirement need only disclose the nature of the particular substantial interest held in the business which will be affected by the contemplated official act and the manner in which it will or might be affected, but need not disclose unrelated substantial interests. An individual may not participate in his or her official capacity in the making of contracts with any business in which he or she holds a substantial interest or by which he or she is employed regardless of whether or not this statement is filed.

(4) Whenever any change shall occur in the substantial interest of any person required to file this statement, a supplemental report disclosing this change shall be filed within ten (10) days of the change in the same office as the initial filing.

(b) The following individuals are not required to file the disclosure of substantial interests statement required by this section:

(1) Any justice or commissioner of the supreme court or judge of the judicial branch or employee or officer of the judicial branch; and

(2) Any member of a board, council or commission who is appointed by the supreme court or who is elected or appointed to exercise duties pertaining to functions of the judicial branch, when this person is engaged in performing a function or duty for the judicial branch. (Authorized by K.S.A. 1981 Supp. 75-4303a; implementing K.S.A. 1981 Supp. 75-4302; effective, E-77-7, March 19, 1976; effective, E-77-20, May 1, 1976; amended, E-77-47, Sep. 30, 1976; effective Feb. 15, 1977; amended May 1, 1980; amended May 1, 1982.)

#### KANSAS PUBLIC DISCLOSURE COMMISSION

Doc. No. 000133

#### State of Kansas

### PERMANENT ADMINISTRATIVE REGULATIONS

#### NOTICE

The following are permanent administrative regulations which were adopted by a state agency pursuant to K.S.A. 1981 Supp. 77-415 *et seq.* *These regulations are scheduled to become effective May 1, 1982, but are subject to legislative review and may be modified or revoked by the Kansas Legislature prior to May 1.* Any such legislative action will be reported in the *Kansas Register*. The May 6, 1982 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

### STATE BOARD OF COSMETOLOGY

#### ADMINISTRATIVE REGULATIONS

#### Article 1.—LICENSING

**69-1-1. Requirements for licensing as cosmetologist.** Each person desiring to become a licensed cosmetologist for the practice of the profession of cosmetology in the state of Kansas, shall submit to the state board of cosmetology a written application for permission to take the demonstration and oral examination as provided by law upon a form approved and furnished by the board of cosmetology and providing the following: (a) A statement from the licensed school that the applicant has completed the required training period in a licensed school of cosmetology or completed an apprenticeship in a shop, giving the name of the school or shop, and the date of completion of the training.

(b) The application to take the examination shall be accompanied by the fee as required by K.A.R. 69-11-1. (Authorized by and implementing K.S.A. 1981 Supp. 65-1905; effective Jan. 1, 1966; amended, E-70-24, July 1, 1970; amended Jan. 1, 1971; amended May 1, 1981; amended May 1, 1982.)

(continued)

**Article 2.—OUT-OF-STATE COSMETOLOGISTS AND MANICURISTS**

**69-2-1. Requirements for licensing.** Any person desiring to become licensed as a cosmetologist, cosmetology technician or manicurist in this state who has been practicing under the laws of another state shall make application on a form to be provided by the board, and take an examination if he or she has had less than one thousand, five hundred (1,500) hours and has been licensed less than one (1) year. If the out-of-state applicant has one thousand, five hundred (1,500) or more hours or has been licensed for over a one (1) year period, he or she is not required to take the examination. (Authorized by and implementing K.S.A. 1981 Supp. 65-1904b; effective Jan. 1, 1966; amended, E-70-24, July 1, 1970; amended Jan. 1, 1971; amended Jan. 1, 1973; amended May 1, 1981; amended May 1, 1982.)

**Article 3.—SCHOOLS**

**69-3-8. School curriculum.** Each school shall provide a course of training for the profession of cosmetologist, cosmetology technician and manicurist. The course of training will consist of not more than eight (8) hours per day nor more than five (5) days per week. The course of study shall include as a minimum the following:

| Cosmetology training:   | Minimum<br>Practice Services | Hours |
|---|------------------------------|-------|
| Shampooing  | 100                          | ...   |
| Facial massage  | 25                           | ...   |
| Eye-brow arch   | 25                           | ...   |
| Scalp treatments  | 40                           | ...   |
| Manicuring  | 40                           | ...   |
| Hand and arm massage  | 5                            | ...   |
| Permanent waving (croquignoles)   | 25                           | ...   |
| Hair straightening (chemical or thermal)  | 10                           | ...   |
| Hair shaping:   |                              |       |
| Razor   | 40                           | ...   |
| Scissors  | 25                           | ...   |
| Wet waving and hairdressing:  |                              |       |
| Wet waving  | 75                           | ...   |
| Comb-outs   | 75                           | ...   |
| Hair tinting  | 30                           | ...   |
| Hair bleaching  | 10                           | ...   |
| Eye-brow and eyelash dye  | 10                           | ...   |
| Color rinses:   |                              |       |
| Temporary   | 15                           | ...   |
| Semi-permanent  | 25                           | ...   |
| Lectures and instruction on sanitation, sterilization, care and treatment of skin, scalp and equipment            | ...                          | 150   |
| Written and oral tests  | ...                          | 75    |
| Theory and demonstration  | ...                          | 300   |
| Salesmanship, business training and laws relating to cosmetology  | ...                          | 150   |
| <b>Cosmetology Technician Training:</b>   |                              |       |
| Manicuring  | 75                           | ...   |
| Pedicuring  | 10                           | ...   |
| Hand and arm massage  | 25                           | ...   |
| Shampooing  | 100                          | ...   |
| Temporary Color Rinse   | 15                           | ...   |
| Scalp treatments  | 40                           | ...   |
| Facial massage  | 25                           | ...   |
| Eye-brow and eyelash services   | 10                           | ...   |
| Sanitation, sterilization and care of equipment, salesmanship, business training and laws relating to cosmetology | ...                          | 100   |
| Written and oral tests  | ...                          | 75    |

| Manicurist training:  | Minimum<br>Practice Services | Hours |
|---|------------------------------|-------|
| Manicuring  | 100                          | ...   |
| Hand and arm massage  | 25                           | ...   |
| Sanitation, sterilization and care of equipment, salesmanship, business training and laws relating to cosmetology | ...                          | 75    |
| Written and oral tests  | ...                          | 15    |

(Authorized by and implementing K.S.A. 1981 Supp. 65-1903; effective Jan. 1, 1966; amended, E-67-9, June 16, 1967; amended, E-69-19, Aug. 26, 1969; amended, E-70-12, Jan. 1, 1970; amended Jan. 1, 1971; amended May 1, 1981; amended May 1, 1982.)

**69-3-18.** (Authorized by K.S.A. 65-1903; effective Jan. 1, 1966; revoked May 1, 1982.)

**Article 4.—STUDENTS**

**69-4-5.** (Authorized by K.S.A. 65-1903; effective Jan. 1, 1966; revoked May 1, 1982.)

**69-4-8.** (Authorized by K.S.A. 65-1903; effective Jan. 1, 1966; amended, E-70-12, Jan. 1, 1970; amended Jan. 1, 1971; revoked May 1, 1982.)

**Article 11.—FEES**

**69-11-1. Fees.** The board of cosmetology shall charge within the limits of the statutes the following fees:

|   |        |
|---|--------|
| Cosmetology license renewal                 | \$7.00 |
| Delinquent cosmetology fee                  | 4.00   |
| Cosmetology technician license              | 7.00   |
| Three (3) year senior cosmetologist license | 24.00  |
| Manicurist license renewal                  | 6.00   |
| Delinquent manicurist fee                   | 4.00   |
| Apprentice license                          | 10.00  |
| Additional training license                 | 6.00   |
| Brush-up license                            | 6.00   |
| Examination application                     | 25.00  |
| Out of state exam application               | 35.00  |
| New school license                          | 100.00 |
| School license renewal                      | 25.00  |
| New beauty shop license                     | 20.00  |
| Beauty shop license renewal                 | 15.00  |
| Delinquent beauty shop license fee          | 6.00   |
| Transfer of beauty shop license             | 10.00  |
| Reinstatement of beauty shop license        | 20.00  |
| Out of state affidavit                      | 2.00   |
| Any duplicate license                       | 2.00   |

(Authorized by and implementing K.S.A. 1981 Supp. 65-1904; effective, E-76-44, Sep. 5, 1975; effective Feb. 15, 1977; amended May 1, 1978; amended May 1, 1981; amended May 1, 1982.)

**KANSAS STATE BOARD OF COSMETOLOGY**

Doc. No. 000161



(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 851

AN ACT authorizing the issuance of revenue bonds for improvement and maintenance of streets and highways and providing for the payment thereof; amending K.S.A. 1981 Supp. 79-3425c and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 79-3425c is hereby amended to read as follows: 79-3425c. (a) On January 15, April 15, July 15 and October 15 of each year, the state treasurer shall apportion and pay to the several counties of the state ~~fifty-seven percent (57%)~~ 57% of the moneys in the special city and county highway fund, created by K.S.A. 1980 1981 Supp. 79-3425, and shall apportion and pay to the several cities of the state the remaining ~~forty-three percent (43%)~~ 43% of such moneys.

(b) The allocation and payment to each county under the provisions of this section shall be made in the following manner:

First, Each county of the state shall receive a payment of ~~five thousand dollars (\$5,000)~~ \$5,000;

Second, Of the balance remaining, ~~fifty percent (50%)~~ 50% thereof shall be apportioned and paid to each county on January 15 and April 15 of each year in the proportion that the total amount of money collected in such county from motor vehicle registration fees for the second preceding calendar year bears to the total amount of money collected in all counties from motor vehicle registration fees for the second preceding calendar year, and on July 15 and October 15 of each year in the proportion that the total amount of money collected in such county from motor vehicle registration fees for the preceding calendar year bears to the total amount of money collected in all counties from motor vehicle registration fees for the preceding calendar year;

Third, The remaining ~~fifty percent (50%)~~ 50% of such balance shall be apportioned and paid to each county on January 15 and April 15 of each year in the proportion that the average daily vehicle miles traveled in such county for the second preceding calendar year bears to the average daily vehicle miles traveled in all counties of the state for the second preceding calendar year, and on July 15 and October 15 of each year in the proportion that the average daily vehicle miles traveled in such county for the preceding calendar year bears to the average daily vehicle miles traveled in all counties of the state for the preceding calendar year.

In the event that If the total amount of money received by any county pursuant to the foregoing distribution formula and by all cities located within such county pursuant to subsection (c) of this section during the period from July 15 of any year to April 15 of the next succeeding year is less than the total amount received by such county and all cities located within such county from the county road and city street fund, the special city and county highway fund, the county and township road fund and the special motor carrier fee county road fund during the period from July 1, 1969, to June 30, 1970, plus the total amount such county and all cities located within such county would have received on July 15, 1970, from the special city and county highway fund based on the formula for distributing ~~said such~~ fund in effect on June 30, 1970, then on April 15 of each year, the state treasurer shall apportion and pay to each such county from the county equalization and adjustment fund an amount which together with the amount received pursuant to the foregoing distribution formula will equal the total amount received from the four (4) aforementioned funds during ~~said such~~ period of time plus the total amount such county and all cities located within such county would have received on July 15, 1970, from the special city and county highway fund based on the formula for distributing ~~said such~~ fund in effect on June 30, 1970. In the event that there is insufficient funds in the county equalization and adjustment fund to pay each such county the amount to which it is entitled, each such county shall receive a payment in the proportion that the amount to which such county is entitled bears to the amount to which all such counties are entitled. In the event that If there is money remaining in ~~said such~~ fund after such distribution, the state treasurer shall distribute the balance to the several counties in the manner provided in the second and third clauses of the foregoing formula for distributing moneys to counties from the special city and county highway fund.

All such payments shall be made to the county treasurers of the respective counties, and upon receipt of the same:

(1) The county treasurer ~~treasurers~~ of each county having a population of more than one hundred fifty thousand (150,000); except counties designated as urban areas and counties whose total unincorporated areas comprise no more than fifteen percent (15%) of the total area of such county; Sedgwick and Shawnee counties shall credit ~~fifty percent (50%)~~ 50% of the moneys so received to the road and bridge fund of such county counties and apportion and pay the remainder of such moneys to the several cities located in such county counties;

(2) The county treasurer of each Wyandotte county having a population of more than one hundred fifty thousand (150,000) and whose total unincorporated areas comprise no more than fifteen percent (15%) of the total area of such county shall credit ~~ten percent (10%)~~ 10% of the moneys received to the road and bridge fund of such county and apportion and pay the remainder of such moneys to the several cities located in such county;

(3) The county treasurer of each county having a population of more than thirty-four thousand (34,000) and not more than one hundred fifty thousand (150,000) ~~treasurers of Lyon, Cowley, Crawford, Montgomery, Butler, Saline, Leavenworth, Riley, Reno and Douglas counties~~ shall credit ~~ninety percent (90%)~~ 90% of the moneys so received to the road and bridge fund of such county counties and apportion and pay the remainder of such moneys to the several cities located in such county counties; and

(4) The county treasurer ~~treasurers~~ of each Johnson county having a population of not more than thirty-four thousand (34,000) and of each county designated as an urban area and all other counties not listed in paragraphs (1), (2) or (3) shall credit all of the moneys so received to the road and bridge fund of such county counties.

Not less than ~~twenty-five percent (25%)~~ 25% of the amount received by each county and credited to the county road and bridge fund under the provisions of this section shall be expended by the county on mail and school bus routes on county roads as defined in K.S.A. 68-101. Payments to the cities under the provisions of this subsection (b) shall be in the proportion that the population of each city bears to the total population of all cities located in the same county as such city.

In counties which have not adopted the county-unit road system, the amount of money retained by such counties after distribution to the cities within such county pursuant to this subsection (b) shall be distributed to each township within such county in not less than the proportion that the amount of money received by each such township from the county and township road fund during the period from July 1, 1969, to June 30, 1970, bears to the total amount of money received by such county from the county and township road fund, the county road and city street funds, the special motor carrier fee county road fund and the special city and county highway fund during the period from July 1, 1969, to June 30, 1970, plus the amount such county would have received on July 15, 1970, from the special city and county highway fund based on the formula for distributing ~~said such~~ fund in effect on June 30, 1970. All payments to townships hereunder shall be made to the treasurers thereof, and all moneys so received shall be deposited in the general road fund of such township.

(c) The allocation and payment of moneys to the several cities of the state from the special city and county highway fund shall be in the proportion that the population of each such city bears to the total population of all cities in the state. All such payments shall be made to the city treasurers of the respective cities, and upon receipt of same the city treasurer of each city shall credit the same to a separate fund to be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways of such city; except that any city located in a county designated as an urban area by K.S.A. 10-2654; and for the payment of bonds, and interest thereon, issued pursuant to section 2. In order to reduce vehicular traffic and congestion on the its streets and highways within such any city; located within Johnson county may use not to exceed ~~ten percent (10%)~~ 10% of the moneys credited to ~~said such~~ fund for the purpose of constructing, repairing and maintaining footpaths and bicycle trails within such city.

(continued)

(d) For the purposes of this section, the average daily vehicle miles traveled in each county shall be as determined by the secretary of transportation, but it shall not include miles traveled on interstate highways, and the population of each city shall be as reported in the annual enumeration by the state board of agriculture for the preceding calendar year.

New Sec. 2. The governing body of any city is hereby authorized to issue revenue bonds to finance the cost of construction, reconstruction, alteration, repair and maintenance of the streets and highways of such city. Such bonds shall be payable solely from the revenue allocated to the city from the special city and county highway fund pursuant to K.S.A. 1981 Supp. 79-3425c and amendments thereto. Such bonds shall not constitute a general obligation of the city and shall not be subject to any debt limitations of the city. Such bonds shall be negotiable instruments and shall be registered, executed and subject to all other terms as provided by ordinance of the city and shall bear interest at a rate not to exceed the maximum rate prescribed by K.S.A. 1981 Supp. 10-1009. The provisions of K.S.A. 10-113 shall not apply to any bonds issued pursuant to this section.

All bonds issued pursuant to this section and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes.

Sec. 3. K.S.A. 1981 Supp. 79-3425c is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 9, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

Passed the HOUSE April 5, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

APPROVED April 14, 1982.

JOHN CARLIN  
*Governor.*

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
*Secretary of State.*

(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 525

AN ACT concerning county hospitals; relating to bonds for enlargements or additions to existing medical clinics or long-term care facilities operated in connection with a county hospital; amending K.S.A. 19-1815e and repealing the existing section.

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

Section 1. K.S.A. 19-1815e is hereby amended to read as follows: 19-1815e. The board of county commissioners of any county establishing and maintaining a hospital under the provisions of K.S.A. 19-1801 to 19-1815, and amendments thereto, is empowered by resolution and order of the board to submit to the qualified electors of the county at a general or special election, the question of the issuance of the bonds of the county for the purpose of paying the cost of constructing enlargements and additions to the hospital or to an existing medical clinic or long-term care facility operated in connection with the hospital or for the purpose of paying the cost of the construction of related long-term care facilities and medical clinics, including the ac-

quiring of necessary land therefor and for the furnishing and equipping of such additions, facilities or clinics. Action by the board of county commissioners as authorized by this section may be compelled by the presentation to the board of a petition signed by not less than 15% of the qualified electors of the county, 1/3 of whom shall not be residents of the city or town in which the hospital is located, asking that bonds be issued for such purposes.

The board of county commissioners shall submit the question to the qualified electors of the county at the next general election to be held in the county, or if no general election shall be held within six months from the time the petition is presented, then at a special election which shall be called for that purpose, if requested in the petition. All elections upon the question of issuing bonds under the provisions of this act shall be called and held in the manner prescribed by K.S.A. 1981 Supp. 10-120. If upon submitting any such proposition to the electors of the county at a general or special election a majority of the votes cast at such election shall be in favor of the issuance of bonds for the purpose of paying the cost of constructing enlargements and additions to any such hospital or to an existing medical clinic or long-term care facility operated in connection with the hospital and furnishing and equipping the same, or for construction and operation of related long-term care facilities or medical clinics operated in connection with such hospital and the purchase of such land as may be necessary and the furnishing and equipping of the same, it shall be the duty of the board of county commissioners to take action forthwith for the issuance of the bonds and the making of such improvements. Bonds may be issued under this section more than once by any county if the issuance is authorized by the electors of the county at an election called and held in accordance with the procedure prescribed, except that such question shall not be submitted to the electors of any county at any election more than once in any one year.

Sec. 2. K.S.A. 19-1815e is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body January 26, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

Passed the HOUSE April 5, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

APPROVED April 15, 1982.

JOHN CARLIN  
*Governor.*

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
*Secretary of State.*

(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

**SENATE BILL No. 526**

AN ACT relating to the issuance of bonds for constructing, furnishing and equipping jails and law enforcement centers in certain counties.

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

Section 1. Bonds issued under the authority of K.S.A. 19-15,116 by the board of county commissioners of Geary county for the purpose of constructing, furnishing and equipping a county jail and law enforcement center or for the purpose of constructing, furnishing and equipping enlargements and additions thereto shall be exempt from any statutory limitation on bonded indebtedness and shall not be included in computing the total bonded indebtedness of such county.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body January 26, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

Passed the HOUSE April 5, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

APPROVED April 15, 1982.

JOHN CARLIN  
*Governor.*

**STATE OF KANSAS**

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
*Secretary of State.*

(Published in the KANSAS REGISTER April 22, 1982.)

**HOUSE BILL No. 2798**

AN ACT amending the Kansas inheritance tax act; concerning property held in joint tenancy or tenancy by entirety; amending K.S.A. 1981 Supp. 79-1554 and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 79-1554 is hereby amended to read as follows: 79-1554. (a) The value of the gross estate shall include the value of all property to the extent of the interest therein held as joint tenants *with right of survivorship* by the decedent and any other person, or as tenants by the entirety by the decedent and spouse or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than an adequate and full consideration in money or money's worth. Where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than an adequate and full consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person. Where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, to the extent of one-half  $\frac{1}{2}$  of the value thereof, or, where so acquired by the decedent and any other person as joint tenants *with right of survivorship* and their interests are not otherwise specified or fixed by law, the

value of decedent's interest herein shall be determined by dividing the value of the property by the number of joint tenants *with right of survivorship*.

(b) Notwithstanding subsection (a), in the case of any qualified joint interest, the value included in the gross estate with respect to such interest by reason of this section is one-half  $\frac{1}{2}$  of the value of such qualified joint interest. For the purposes of this subsection, the term "qualified joint interest" shall have the meaning ascribed to it in 26 U.S.C. 2040(b) as said section existed on December 31, 1970 means any interest in property held by the decedent and the decedent's spouse as (1) tenants by the entirety, or (2) joint tenants with right of survivorship, but only if the decedent and the spouse of the decedent are the only joint tenants.

(c) Notwithstanding subsection (a) or (b), in the case of any eligible joint interest in section 2040(c) property, as defined by 26 U.S.C. 2040(c)(4) as existing on December 31, 1970, the value included in the gross estate with respect to such interest by reason of this section shall be the value of such interest included in the federal adjusted gross estate under 26 U.S.C. 2040(e) as existing on December 31, 1970.

(d) In the case of any joint interest for which the election is made under 26 U.S.C. 2040(d), as existing on December 31, 1970, to have 26 U.S.C. 2040(b)(1), as existing on December 31, 1970, apply, the value included in the gross estate with respect to such interest shall be one-half of the value of such joint interest.

New Sec. 2. The provisions of this act shall be applicable to the estates of all decedents dying after December 31, 1981.

Sec. 3. K.S.A. 1981 Supp. 79-1554 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 19, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

Passed the SENATE April 2, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

APPROVED April 14, 1982.

JOHN CARLIN  
*Governor.*

**STATE OF KANSAS**

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
*Secretary of State.*

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 2799

AN ACT amending the Kansas inheritance tax act; amending K.S.A. 1981 Supp. 79-1539 and 79-1540 and repealing the existing sections.

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

Section 1. K.S.A. 1981 Supp. 79-1539 is hereby amended to read as follows: 79-1539. In the event that the total of the inheritance taxes imposed upon the several interests and property comprising the estate of the deceased by any other sections of this act and any amendments thereof, shall not equal ~~eighty percent (80%)~~ of the amount of the tax imposed upon the value of the net estate of said decedent under title 3 of the act of congress approved February 26, 1926, entitled "An act to reduce and equalize taxation; to provide revenue; and for other purposes," and cited as the revenue act of 1926, the amount of the maximum credit allowed by section 2011 of the 1954 internal revenue code, as such code existed on December 31, 1981, and as further amended by the economic recovery tax act of 1981 (P.L. 97-34), against the tax imposed on the transfer of the taxable estate of the decedent by section 2001 of the 1954 internal revenue code, as such code existed on December 31, 1981, and as further amended by the economic recovery tax act of 1981 (P.L. 97-34), whenever the federal estate tax is determined an additional tax is hereby imposed upon the value of the net taxable estate of said decedent as of the date of such determination equal to the difference between the total of the tax imposed under any other sections of this act and any amendments thereof, and ~~eighty percent (80%)~~ of the tax imposed by title 3 of the said act of congress the amount of such maximum credit.

Sec. 2. K.S.A. 1981 Supp. 79-1540 is hereby amended to read as follows: 79-1540. In the event that no tax is imposed upon the several interests and property comprising the estate of the deceased by any other sections in this act or any amendments thereto, whenever the amount of the tax imposed upon the value of the net estate of said decedent under title 3 of the act of congress approved February 26, 1926, entitled "An act to reduce and equalize taxation; to provide revenue; and for other purposes," and cited as the revenue act of 1926, transfer of the taxable estate of the decedent by section 2001 of the 1954 internal revenue code, as such code existed on December 31, 1981, and as further amended by the economic recovery tax act of 1981 (P.L. 97-34), is determined, a tax, equal to ~~eighty percent (80%)~~ of the amount imposed upon the value of the net estate under title 3 of said act of congress, the amount of the maximum credit allowed against such tax on the transfer of the taxable estate of the decedent by section 2011 of the 1954 internal revenue code, as such code existed on December 31, 1981, and as further amended by the economic recovery tax act of 1981 (P.L. 97-34), is hereby imposed upon the net taxable estate of said decedent as of the date of such determination.

Sec. 3. K.S.A. 1981 Supp. 79-1539 and 79-1540 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 19, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 2, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 14, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL) JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 3051

AN ACT concerning the state board of embalming; relating to embalmers and funeral directors; amending K.S.A. 65-1701a, 65-1714, 65-1721 and K.S.A. 1981 Supp. 65-1727 and repealing the existing sections.

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

Section 1. K.S.A. 65-1701a is hereby amended to read as follows: 65-1701a. (a) Except as otherwise provided by K.S.A. 65-1701b, each applicant for a license to practice embalming in this state, in order to be eligible for examination, shall be required to show to the satisfaction of the state board of embalming that (1) he or she the applicant has successfully completed courses in an accredited academic junior community college or accredited academic colleges or universities accumulating at least ~~sixty (60)~~ 60 semester hours before entering a school of mortuary science offering a ~~twelve (12) month~~ twelve-month course in mortuary science and graduating therefrom accumulating during this training at least 30 semester hours in mortuary science or (2) he or she the applicant has graduated from a junior community college, college or university with an AA degree in mortuary science accumulating during this training at least 30 semester hours in mortuary science.

(b) Except as otherwise provided in K.S.A. 65-1701b, each applicant for a license to practice embalming in this state, in order to be eligible for apprenticeship, shall be required to submit to an examination administered by the state board of embalming. Each applicant shall be required to register with the secretary of the board in the manner and at the time required by the board before submitting to examination and shall receive a grade of at least ~~seventy-five percent (75%)~~ 75% in each subject before successfully passing the examination. The examination fee and registration fee shall be in the amounts fixed by the board in accordance with K.S.A. 1981 Supp. 65-1727 and amendments thereto.

(c) Except as otherwise provided by K.S.A. 65-1701b, each applicant for a license to practice embalming in this state, in order to be eligible for licensure, shall serve an apprenticeship of one ~~(1)~~ year under the supervision of a Kansas licensed embalmer.

Sec. 2. K.S.A. 65-1714 is hereby amended to read as follows: 65-1714. It shall hereafter be unlawful for any person to engage in, or attempt to engage in, the business of a funeral director, conduct a funeral, or make an interment in this state, except as provided in K.S.A. 65-1713b, without a funeral director's license issued by the state board of embalming.

Every person desiring to hereafter enter the practice of funeral directing as herein defined shall make written application therefor to said the board on such forms and in such manner as shall be prescribed by said the board. The application shall show that the applicant is a legal citizen and resident of the state of Kansas, is of legal age, has successfully completed courses in an accredited academic community college or accredited academic college or university accumulating at least 60 semester hours with 20 semester hours earned in subjects designated by the state board of embalming and has had practical experience in funeral directing for at least one year prior to the date of said the application as a duly licensed Kansas assistant funeral director under a Kansas licensed funeral director. The application shall also show that the applicant has assisted in conducting at least ~~twenty-five~~ 25 funeral services before applying for a funeral director's license, which showing shall be supported by a verified written statement giving the list of the cases with which the applicant assisted, the dates thereof, and the places where the services were conducted. Funeral directors' licenses shall be issued to individuals only,

(continued)

and not to organizations, institutions, corporations or establishments.

The applicant shall be present himself or herself before said the board for examination at a time and place fixed by said the board.

All licenses shall be signed by the president and secretary of the board and attested by its seal. Every funeral director shall at all times prominently display his or her the funeral director's license in his or her the funeral director's place of employment.

Sec. 3. K.S.A. 65-1721 is hereby amended to read as follows: 65-1721. (a) Said The board may, in its discretion, upon payment of the fees herein provided for, and upon examination, issue licenses to funeral directors residing in other states who are funeral directors in good standing in their own states, and whose methods of transacting business do not, in the opinion of said the board, violate any of the laws of Kansas; or the rules and regulations of said the board.

(b) If a funeral director from another state desires to locate and engage in that business in this state, he the funeral director shall not be required to serve one year as a licensed assistant funeral director in this state if he the funeral director is favorably recommended in writing by the license board of the state of his the funeral director's previous residence, and if the funeral director has had at least one full year of actual experience as a funeral director in that state. Provided, however, That he shall be required to successfully pass the examination for a funeral director's license and, and if the state of the funeral director's previous residence has educational requirements for funeral directors at least equal to those in Kansas. Such person shall pay the same fees as required of other applicants in this state.

Sec. 4. K.S.A. 1981 Supp. 65-1727 is hereby amended to read as follows: 65-1727. (a) On or before October 15 of each year, the state board of embalming shall determine the amount of funds that will be required during the next ensuing two years to properly administer the laws which the board is directed to enforce and administer under the provisions of article 17 of chapter 65 of the Kansas Statutes Annotated, and acts amendatory of the provisions thereof and supplemental thereto, and by rule and regulation shall fix fees in such reasonable sums as may be necessary for such purposes within the following limitations:

|  |             |
|--|-------------|
| Embalmers examination fee, not more than . . . . .                           | \$100       |
| Embalmers reciprocity application fee, not more than . . . . .               | \$200       |
| Funeral directors examination fee, not more than . . . . .                   | \$100       |
| Funeral directors reciprocity application fee, not more than . . . . .       | \$200       |
| Assistant funeral directors application fee, not more than . . . . .         | \$75        |
| Embalmers license and renewal fee, not more than . . . . .                   | \$50        |
| Funeral directors license and renewal fee, not more than . . . . .           | \$175       |
| Assistant funeral directors license and renewal fee, not more than . . . . . | \$100       |
| Apprentice embalmers registration fee, not more than . . . . .               | \$50        |
| Funeral establishment license fee, not more than . . . . .                   | \$100 \$200 |

At least 30 days prior to the expiration date of any license issued by the board, the board shall notify the licensee of the applicable renewal fee therefor.

(b) The fees established by the board under this section immediately prior to the effective date of this act shall continue in effect until such fees are fixed by the board by rules and regulations as provided in this section.

Sec. 5. K.S.A. 65-1701a, 65-1714, 65-1721 and K.S.A. 1981 Supp. 65-1727 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 10, 1982.

HOUSE concurred in SENATE amendments April 2, 1982. WENDELL LADY Speaker of the House. GENEVA SEWARD Chief Clerk of the House.

Passed the SENATE as amended March 30, 1982. ROSS O. DOYEN President of the Senate. LU KENNEY Secretary of the Senate.

APPROVED April 14, 1982. JOHN CARLIN Governor.

STATE OF KANSAS Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

HOUSE BILL No. 2732

AN ACT amending the Kansas inheritance tax act; exempting certain bequests and devises from the tax imposed thereunder; providing for elections by an executor regarding instruments containing marital deduction formula clauses for federal estate tax purposes; amending K.S.A. 1981 Supp. 79-1537 and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 79-1537 is hereby amended to read as follows: 79-1537. A tax is hereby imposed on the privilege of succeeding to the ownership of any property, corporeal or incorporeal, and any interest therein within the jurisdiction of this state.

Distributees of estates shall be classified as follows:

Class A shall consist of the surviving husband or wife, the lineal ancestors, lineal descendants, step-parents, step-children, adopted children, lineal descendants of any adopted child or step-child, the spouse or surviving spouse of a son or daughter, or the spouse or surviving spouse of an adopted child or step-child of the decedent. In the case of an adopted child or step-child, a spouse or surviving spouse of an adopted child or step-child or the lineal descendant of an adopted child or step-child of the decedent, such person shall file with the department of revenue an affidavit setting forth the relationship of such person to the decedent. Such affidavit shall be sufficient proof of the adoptive or step-child relationship in question, and the department, or any officer or employee thereof, shall not require any additional proof of such relationship. As used in this paragraph, "step-child" means a child of a spouse or former spouse of the decedent.

Class B shall consist of the brothers and sisters of the decedent.

Class C shall consist of relatives of all degrees of consanguinity, except those included in classes A and B, and shall include also strangers in the blood of the decedent.

Class D shall consist of entities receiving bequests, legacies, devises or transfers for public, religious, charitable, scientific, literary, educational or such other uses for which deductions from federal gross estate are allowed pursuant to 26 U.S.C. 2055 as in effect on December 31, 1979.

From the value of the shares of the Kansas taxable estate, as ascertained under the provisions of this act and succeeded to by the several distributees, deductions shall be allowed as follows: To the surviving spouse, two hundred fifty thousand dollars (\$250,000); to each other member of class A, thirty thousand dollars (\$30,000); to each member of class B, five thou-

(continued)



and dollars (\$5,000) \$5,000; and the tax herein provided for shall be charged upon the value of the shares after deduction of the amounts herein provided, except that when one or more of the shares of the estate shall consist of property within and property without the state, only such percentage of the deductions above named shall be allowed in the percentage that the Kansas share bears to the total shares of the distributee. Any gift, legacy, inheritance, transfer, appointment or interest which shall be valued, for the purposes of this act, after deductions are allowed pursuant to this section, at a sum less than two hundred dollars (\$200) \$200, shall not be subject to the tax herein imposed. All property transferred by a decedent to any person described in class A, providing the same was transferred to such decedent not more than five (5) years prior to such decedent's death by another decedent described in class A shall be valued as of the date of death of the second decedent and shall be exempt to the extent said such value was taxed and the tax paid thereon in the estate of the first decedent, except that the provisions of this sentence shall not apply to a tax paid under the provisions of K.S.A. 1980 1981 Supp. 79-1539 or 79-1540.

The tax herein imposed shall be an amount equal to a percentage of the value of the shares of the Kansas taxable estate of the decedent succeeded to by the distributees thereof, reduced by any deductions authorized pursuant to this section. Upon the value of shares succeeded to by members of class A reduced by said such deductions, the following rates of tax are hereby imposed: On the first twenty-five thousand dollars (\$25,000) \$25,000, or fraction thereof, one percent (1%) 1%; on the second twenty-five thousand dollars (\$25,000) \$25,000, or fraction thereof, two percent (2%) 2%; on the next fifty thousand dollars (\$50,000) \$50,000, or fraction thereof, three percent (3%) 3%; on the next four hundred thousand dollars (\$400,000) \$400,000, or fraction thereof, four percent (4%) 4%; on all over five hundred thousand dollars (\$500,000) \$500,000, five percent (5%) 5%; except that upon the share of the estate passing to the spouse, only one-half of the foregoing rates shall be charged. Upon the value of shares succeeded to by members of class B reduced by said deductions, the following rates of tax are hereby imposed: On the first twenty-five thousand dollars (\$25,000) \$25,000, or fraction thereof, three percent (3%) 3%; on the second twenty-five thousand dollars (\$25,000) \$25,000, or fraction thereof, five percent (5%) 5%; on the next fifty thousand dollars (\$50,000) \$50,000, or fraction thereof, seven and one-half percent (7 1/2%) 7 1/2%; on the next four hundred thousand dollars (\$400,000) \$400,000, or fraction thereof, ten percent (10%) 10%; on all over five hundred thousand dollars (\$500,000) \$500,000, twelve and one-half percent (12 1/2%) 12 1/2%. Upon the value of shares succeeded to by members of class C, the following rates of taxes are hereby imposed: Ten percent (10%) On any amount up to one hundred thousand dollars (\$100,000) \$100,000, 10%; twelve percent (12%) on any amount in excess of one hundred thousand dollars (\$100,000) \$100,000 and up to two hundred thousand dollars (\$200,000) \$200,000, 12%; fifteen percent (15%) on all sums in excess of two hundred thousand dollars (\$200,000) \$200,000, 15%. Shares succeeded to by members of class D shall be and are hereby exempt from taxation under the provisions of this act and the act of which this act is amendatory.

New Sec. 2. All bequests, legacies, devises or gifts, including a transfer of "qualified terminable interest property" as defined by 26 U.S.C. 2056(b)(7)(B), as in effect on January 1, 1982, to or for the benefit of the surviving spouse of a decedent, shall be exempt from the tax imposed under the Kansas inheritance tax act.

New Sec. 3. All bequests, legacies, devises or gifts to or for the use of any charitable organization, whether an absolute gift, or a gift of a remainder interest, from estates of decedents dying after December 31, 1979, are hereby declared to be exempt from tax under the provisions of the Kansas inheritance tax act. For purposes of this section, charitable organizations shall mean those corporations, organizations, associations, societies, institutions, foundations, governmental units or agencies described in 26 U.S.C. 170(c), as in effect on January 1, 1982. Where the bequest, legacy, devise or gift is of a remainder interest, the present value of such interest shall be determined under rules and

regulations to be promulgated by the director of revenue, and the holder of the other beneficial interest in the property (unless otherwise exempt) shall be taxable upon the value of the property reduced by the present value of the remainder interest.

New Sec. 4. (a) As used in this section:

(1) The word "instrument" shall mean a will or a trust, whether revocable or irrevocable, of a testator, grantor or donor now or hereafter subject to the jurisdiction of this state.

(2) The words "marital deduction formula clause" shall mean any provision of an instrument which makes a bequest, devise or gift to any person, the size or amount of which is determined or which could have been determined in whole or in part with reference to the amount allowable to a decedent's federal gross estate as a marital deduction, including but not limited to provisions referring to the "maximum marital deduction," "the greater of \$250,000 or one-half of the decedent's adjusted gross estate," or "one-half of the decedent's adjusted gross estate."

(3) The words "qualified terminable interest property election" shall mean an election under 26 U.S.C. 2056(b)(7), as in effect on January 1, 1982, to treat certain property in which the spouse has a qualifying interest for life as passing to the surviving spouse.

(b) The executor of any decedent's estate subject to the jurisdiction of this state is hereby authorized to file a qualified terminable interest property election with respect to any property in which the surviving spouse has a "qualifying income interest for life" as defined in 26 U.S.C. 2056(b)(7), as in effect on January 1, 1982, without liability to any holder of a beneficial interest under the instrument governing the disposition of property in the decedent's estate, whether said instrument was executed before or after the effective date of Public Law 97-34. In the event the instrument governing the disposition of property in the decedent's estate contains a marital deduction formula clause defining an amount or fraction of the estate to be left as a marital bequest or devise to the surviving spouse, or in a marital trust for the benefit of the surviving spouse, and the executor elects to treat other property in which the spouse has an interest as qualifying terminable interest property, the amount or fraction of the estate left as a bequest or devise to the surviving spouse, or in a marital trust, shall not be increased or decreased by reason of such election unless the instrument is amended after December 31, 1981, and the amendment provides that the testator, grantor or donor intends that such an election reduce the size of the marital bequest or marital trust.

Sec. 5. K.S.A. 1981 Supp. 79-1537 is hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 19, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 2, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 14, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 3018

AN ACT concerning Finney county; relating to sewer districts and bonds issued by such districts.

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

Section 1. (a) As used in this section, county means Finney county, Kansas.

(b) As a complete alternative to all other methods provided by law, the board of county commissioners of a county which has created or has received a petition seeking to create main sewer districts, lateral sewer districts, or joint sewer districts pursuant to the provisions of article 27 of chapter 19 of the Kansas Statutes Annotated, may by resolution determine that all or a portion of the cost of acquiring, constructing, reconstructing, enlarging or extending the storm or sewage systems and related disposal works, pumping stations, pumps or other apparatus for handling and disposing of sewage be borne by the county-at-large and paid out of the general revenue fund or by the issuance of general obligation improvement bonds of the county as the board of county commissioners may determine, in the manner provided by law. The proportionate share of the costs of such sewer improvements not borne by the county-at-large shall be assessed against the property within the sewer district in accordance with the provisions of article 27 of chapter 19 of the Kansas Statutes Annotated. Where the county shall issue bonds to pay the costs of sewer improvements in accordance with this act, and all or a portion of such costs shall be borne by the county-at-large, such bonds shall be general obligations of the county, shall be issued in accordance with the general bond law, and shall be in addition to and may exceed the limits of bonded indebtedness of such county.

(c) The board of county commissioners shall have the power to establish a schedule of charges for the use of such sewer improvements financed in accordance with this act. Such charges may be based on the use required and shall include consideration of, but not limited to the quantity, quality and rate of sewage or waste water contributed to the system. Any such service charge shall become a lien on the property against which the service charge is made from the date such charge becomes due. Funds generated by such service charges shall be used for the purpose of paying all or any portions of the costs of constructing or reconstructing the sewer improvements, for the costs of operation and maintenance thereof, or for the payment of principal and interest on general obligation bonds issued in accordance with this act.

Sec. 2. All notices or publications for the establishing or financing of sewer districts required by the provisions of article 27 of chapter 19 of the Kansas Statutes Annotated shall state the proportionate share of the project costs borne by the county-at-large.

Sec. 3. Notwithstanding any provision of article 27 of chapter 19 of Kansas Statutes Annotated, any property located in a sewer district created in the county, which in the discretion of the board of county commissioners, is not benefited by the sewer improvements financed by this act shall not be apportioned and assessed pursuant to the provisions of this act until the property is so benefited. At such time, the governing body shall reapportion and reassess all property in the district.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 10, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 2, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 14, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL) JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 2610

AN ACT concerning agriculture; relating to the wheat and grain commissions; increasing the mill levy per bushel upon wheat, corn, grain sorghum and soybeans; concerning the use and purpose of certain credits to the state general fund; amending K.S.A. 1981 Supp. 2-2608, 2-3007 and 75-3170a and repealing the existing sections.

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

Section 1. K.S.A. 1981 Supp. 2-2608 is hereby amended to read as follows: 2-2608. Commencing June 1, ~~1979~~ 1982, there is hereby levied an excise tax of ~~three~~ (3) four mills per bushel upon wheat marketed through commercial channels in the state of Kansas on and after ~~said~~ such date. ~~Such~~ The tax shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. The administrator shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon payment of such excise tax. The form shall indicate thereon the procedure by which the grower may obtain a refund of any such tax. Within one (1) year after any and all sales during such period the grower may upon submission of a request therefor to the administrator, obtain a refund in the amount of the tax or taxes deducted by ~~said~~ the first purchaser. Such request shall be accompanied by evidence of the payment of ~~said~~ the tax or taxes which need not be verified. The commission shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed two (2) years after the refund is made. All funds expended in the administration of this act and for the payment of all claims whatsoever growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such act. In the case of a lien holder who is a first purchaser as defined herein, the tax shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the wheat is pledged or mortgaged. ~~Said~~ The tax shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such wheat. The tax shall be deducted and paid as herein provided whether such wheat is stored in this or any other state.

Sec. 2. K.S.A. 1981 Supp. 2-3007 is hereby amended to read as follows: 2-3007. Commencing September 1, ~~1977~~ 1982, there is hereby levied an assessment of ~~two~~ (2) three mills per bushel upon corn and grain sorghum marketed through commercial channels in the state of Kansas on and after ~~said~~ such date. Commencing September 1, ~~1977~~ 1982, there is hereby levied an assessment of ~~five~~ (5) 10 mills per bushel upon soybeans marketed through commercial channels in the state of Kansas on and after ~~said~~ such date. Such assessment shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. The division shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon the payment of such assessment. The form shall indicate thereon the procedure by which the grower may obtain a refund of any such assessment. Within one (1) year after any and all sales during such period the grower may upon submission of a request therefor to the division, obtain a refund in the amount of the assessments deducted by ~~said~~ the first purchaser. Such re-

(continued)

quest shall be accompanied by evidence of the payment of said the assessments which need not be verified. The division shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed two (2) years after the refund is made. All funds expended in the administration of this act and for the payment of all claims whatsoever growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such assessment. In the case of a lien holder who is a first purchaser as defined herein, the assessment shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the corn, grain sorghum or soybeans are pledged or mortgaged. Said The assessment shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such corn, grain sorghum or soybeans. The assessment shall be deducted and paid as herein provided whether such corn, grain sorghum or soybeans are stored in this or any other state.

Sec. 3. K.S.A. 1981 Supp. 75-3170a is hereby amended to read as follows: 75-3170a. (a) The ~~twenty percent (20%)~~ 20% credit to the state general fund required by K.S.A. 1980 1981 Supp. 2-2609, 2-3008, ~~16a-2-302, 17-2236, 17-5612, 23-110, 34-102b, 36-512, 44-926, 9-1703, 49-420, 55-128a, 55-131, 55-135, 55-141, 55-609, 55-711, 55-901 and 58-3074~~ and K.S.A. 1-204, ~~9-1703, 16-609, 16a-2-302, 17-1271, 17-2236, 17-5609, 17-5610, 17-5612, 17-5701, 20-1a02, 20-1a03, 23-110, 34-102b, 36-512, 44-926, 47-820, 49-420, 65-6b10, 65-1718, 65-1817a, 65-2011, 65-2418, 65-2855, 65-2911, 65-3023, 65-4514, 65-4610, 66-1,155, 66-1503, 74-715, 74-1108, 74-1405, 74-1503, 74-1609, 74-2704, 74-2902a, 74-3903, 74-5805, 74-7009, 74-7506, 75-1119b, 75-1308 and 75-1509~~ and acts amendatory of any of the foregoing including amendments by other sections of this act is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) Nothing in this act or in the sections amended by this act or referred to in subsection (a) of this section, shall be deemed to authorize remittances to be made less frequently than is authorized under K.S.A. 75-4215.

(c) Notwithstanding any provision of any section referred to in or amended by this act or referred to in subsection (a) of this section, whenever in any fiscal year such ~~twenty percent (20%)~~ 20% credit to the state general fund in relation to any particular fee fund is ~~two hundred thousand dollars (\$200,000)~~ \$200,000, in that fiscal year the ~~twenty percent (20%)~~ 20% credit no longer shall apply to moneys received from sources applicable to such fee fund and for the remainder of such year the full ~~one hundred percent (100%)~~ 100% so received shall be credited to such fee fund, *except as otherwise provided in subsection (d) of this section.*

(d) *Notwithstanding any provision of K.S.A. 1981 Supp. 2-2609 and 2-3008, and amendments thereto, or any provision of any section referred to in subsection (a) of this section, the 20% credit to the state general fund no longer shall apply to moneys received from sources applicable to the wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund, as specified for each such fund by this subsection, and for the remainder of a fiscal year the full 100% of the moneys so received shall be credited to the appropriate fund of such funds, whenever in any fiscal year:*

(1) *With respect to the wheat commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$200,000 that bears the same proportion to \$200,000 as the amount credited to the wheat commission fund during the preceding fiscal year bears to the total of the amounts credited to the wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year;*

(2) *with respect to the Kansas corn commission fund, such 20% credit to the state general fund in relation to such fund in that*

*fiscal year is equal to that portion of \$200,000 that bears the same proportion to \$200,000 as the amount credited to the Kansas corn commission fund during the preceding fiscal year bears to the total of the amounts credited to the wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding year;*

(3) *with respect to the Kansas grain sorghum commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$200,000 that bears the same proportion to \$200,000 as the amount credited to the Kansas grain sorghum commission fund during the preceding fiscal year bears to the total of the amounts credited to the wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year; and*

(4) *with respect to the Kansas soybean commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$200,000 that bears the same proportion to \$200,000 as the amount credited to the Kansas soybean commission fund during the preceding fiscal year bears to the total of the amounts credited to the wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year.*

Sec. 4. K.S.A. 1981 Supp. 2-2608, 2-3007 and 75-3170a are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL, originated in the HOUSE, and passed that body March 10, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE March 31, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 16, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 16th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## SENATE BILL No. 606

AN ACT amending the Kansas securities act; relating to exempt transactions and securities; amending K.S.A. 17-1261 and 17-1262 and repealing the existing sections.

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

Section 1. K.S.A. 17-1261 is hereby amended to read as follows: 17-1261. K.S.A. 17-1255 through 17-1260, inclusive, or any amendments thereto, shall not apply to any of the following securities:

(a) Any security issued or guaranteed by the United States or by any state, territory or insular possession thereof, or by any political subdivision of any such state, territory or insular possession, or by the District of Columbia, or by any public agency or instrumentality of one or more of the foregoing.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution, credit union or trust company organized and supervised under the laws of this state except that the issuer of such security is subject to the supervision of the banking department, savings and loan department or credit union administrator of this state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any savings and loan association organized under the laws of this state and authorized to do business in this state.

(e) Any security issued by and representing an interest in or a debt of, or guaranteed by, any insurance company organized under the laws of any state and authorized to do business in this state when such securities are sold by the issuer.

(f) Any security issued or guaranteed by any railroad, or public utility which is (1) subject to the jurisdiction of the interstate commerce commission; (2) a registered holding company under the public utility holding company act of 1935 or a subsidiary of such a company within the meaning of that act; or (3) regulated by a governmental authority of the United States or any state in respect to the issuance or guarantee of the security.

(g) Any security as to which the commissioner by rule and regulation finds that registration is not necessary or appropriate for the protection of investors.

(h) Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, fire protection, fire fighting or reformatory purposes, or as a chamber of commerce or trade or professional association if no part of the net earnings of such person inures to the benefit of any private stockholder. Before any such security shall be issued, such person shall first file with the commissioner an application for exemption, which application will contain such information and documents, including sales material, as the commissioner shall by rules and regulations prescribe and if the securities to be issued exceed the total amount of \$25,000 the application shall contain a copy of the security to be issued, along with an opinion of an attorney at law, who is admitted to practice in Kansas, to the effect that: (1) Such security is secured by a trust indenture pledging moneys or properties to secure such security, and such securities constitute a lien on the property; (2) the instruments guaranteeing such pledge or trust indenture are the lawful obligations of the issuing person; (3) such security is, in fact, an exempt security under this section. The commissioner shall issue a certificate of exemption to the applicant within 30 days after the filing of the application with the commissioner unless the commissioner, after reasonable notice to the applicant and a hearing on the application, finds that the sale of the securities covered in the application would violate any provision of this act or the act of which this act is amendatory and enters an order denying a certificate of exemption. The commissioner may in the commissioner's discretion exempt any person from the licensing provisions of the Kansas securities act as regards broker-dealers and agents, if the commissioner finds that any such person is a

stockholder or member of such nonprofit organization or corporation and is offering such securities only to stockholders or members of the nonprofit organization or corporation, or in the case of religious nonprofit organization or corporation to members of the same denomination or religious faith domiciled within the state of Kansas, and such person will receive no compensation therefor. Every person filing an application for exemption of such securities shall pay a filing fee of \$50.

(i) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal.

(j) Any investment contract issued in connection with an employee's stock purchase, savings, pension, profit-sharing or similar benefit plan, or a self-employed person's retirement plan, if the commissioner is notified in writing 30 days before the inception of the plan or, with respect to plans which are in effect on the effective date of this act, within 60 days thereafter.

(k) Any security evidencing membership in, or issued as a patronage dividend by, a cooperative association organized under the laws of this state exclusively for the purpose of conducting an agricultural, dairy, livestock or produce business, or selling, processing, storing, marketing or otherwise handling any agricultural, dairy, livestock or produce, and any activities incidental to these purposes.

(l) Any security issued by and representing an interest in or debt of, or evidencing membership in, or issued as a patronage dividend to residents or landowners of not to exceed five contiguous counties in Kansas by a cooperative association organized under the laws of this state exclusively for the purpose of conducting an agricultural, dairy, livestock or produce business, or selling, processing, storing, marketing, retailing, or otherwise handling any agricultural, dairy, livestock or produce, or farm supplies, and any activities incidental to these purposes.

(m) Securities constituting part of an issue, which, in whole or in part has been lawfully sold and distributed to the public in this or any other state, when offered for resale in good faith and not directly or indirectly for the benefit of the issuer or for the direct or indirect purpose of promoting any scheme or enterprise having the effect of violating or evading any provisions of this act, except that this exemption shall not apply (1) where the authority to sell such securities has been prohibited or denied under the provisions of this act, or (2) where the sale of such securities in this state has been enjoined as provided in this act or (3) until there shall have been filed with the state corporation commission by any registered broker-dealer a prospectus in such form as may be prescribed by the commissioner containing (A) latest available financial statement of the issuer; (B) management personnel; and (C) such other available information as the commissioner may require. The filing of the prospectus and its approval by the commissioner shall constitute the exemption herein provided. Any prospectus may be disapproved at any time, if after a reasonable notice and a hearing, the commissioner shall find that the further exemption of the securities would be fraudulent or tend to work imposition or fraud upon the purchaser thereof.

(n) Any annuity, gift annuity, charitable remainder unitrust, charitable remainder annuity trust, endowment contract, life income contract, or investment contract issued by the governing body of any four-year liberal arts college situated in the state of Kansas, and the provisions of K.S.A. 17-1254 and amendments thereto shall not apply to any person in the issuance of such securities governed by this subsection.

(o) Any annuity, gift annuity, charitable remainder unitrust, charitable remainder annuity trust, endowment contract, life income contract or investment contract issued by the governing body of any nonprofit corporation or foundation organized under the laws of this state, for religious, charitable or educational purposes, or for the treatment and rehabilitation of children and adolescents, and which corporation or foundation is licensed by the secretary of social and rehabilitation services or secretary of health and environment, if such corporation or foundation has been in existence for more than five years and has fund balances

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in its endowment fund and unrestricted funds totaling together \$1,000,000 or more, and the provisions of K.S.A. 17-1254 and amendments thereto shall not apply to any person in the issuance of securities governed by this subsection.

(p) Any security issued by a bank holding company, as defined in K.S.A. 9-504, for the purpose of acquiring less than 100% of the securities of a bank provided that the bank holding company is regulated by the board of governors of the federal reserve board or the United States comptroller of the currency.

(p) Any security issued by a bank holding company wholly or partially in exchange for the capital stock of a bank that is, or will become upon consummation of such exchange, a subsidiary of such bank holding company; or any security issued by a savings and loan holding company wholly or partially in exchange for the capital stock of an insured institution that is, or will become upon consummation of such exchange, a subsidiary of such savings and loan holding company. As used in this subsection, "bank," "bank holding company" and "subsidiary" shall have the same meanings as are set forth in the federal bank holding company act of 1956, as amended and "savings and loan holding company" and "insured institution" shall have the same meanings as are set forth in section 408 of the national housing act, as amended.

Sec. 2. K.S.A. 17-1262 is hereby amended to read as follows: 17-1262. Except as hereinafter in this section expressly provided, K.S.A. 17-1254, 17-1255, 17-1256, 17-1257, 17-1258, 17-1259 and 17-1260, and any amendments to said such sections, shall not apply to any of the following transactions:

(a) Any isolated transaction, whether effected through a broker-dealer or not.

(b) Any nonissuer distribution by or through a registered broker-dealer of outstanding securities at a price reasonably related to the current market price of such securities, if Moody's manual, Standard & Poor's manual, or any recognized securities manual approved by the commissioner, contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date within 18 months, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations. If the commissioner finds that the sale of certain securities in this state under this exemption would work or tend to work a fraud on purchasers thereof, the commissioner may revoke the exemption provided by this subsection (b) with respect to such securities by issuing an order to that effect and sending copies of such order to all registered broker-dealers.

(c) Any nonissuer transaction by a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the commissioner may by rule require: (1) That the customer acknowledge upon a specified form that the sale was unsolicited; and (2) that a signed copy of each such form be preserved by the broker-dealer for a specified period.

(d) Any transactions in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit.

(e) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator; or any transaction executed by a bona fide pledgee without any purpose of evading this act.

(f) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the investment company act of 1940, pension or profit-sharing trust, or other financial institution, or institutional buyer, or to a broker-dealer or underwriter.

(g) Any offer or sale of a preorganization certificate or subscription if: (1) No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber and no advertising has been published in connection with any such sale; and (2) no payment is made by any subscriber; and (3) such certificate or subscription is expressly voidable by the subscriber until, such subscriber has been notified of final acceptance or completion of the organization and until the securities subscribed for have been registered; but the commissioner may by rule or order require reports of sales under this exemption.

(h) The issue of stock of a domestic corporation to not exceed more than 15 incorporators or the sale of units in a limited partnership, where the number of limited partners does not exceed 15. Subsequent transfers of such stock or units by the owners thereof shall be subject to the provisions of the securities act, except to such extent that the same may be exempt under the terms of subsection (a) of this section.

(i) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within 90 days of their issuance, and if: (1) No commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; or (2) the issuer first files a notice specifying the terms of the offer and the commissioner does not by order disallow the exemption within the next five full business days.

(j) Any offer (but not a sale) of a security for which registration statements have been filed under both this act and the securities act of 1933 if no stop order or refusal order is in effect, and no public proceeding or examination looking toward such an order is pending under either act.

(k) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock.

(l) Any act incident to a class vote by stockholders, pursuant to the articles of incorporation, bylaws or applicable statute, on a merger, consolidation, reclassification of securities or sale of corporate assets in consideration of the issuance of securities of another corporation; or any act incident to a plan of reorganization, approved by a majority of the stockholders of every corporation involved in said such reorganization, in which a security is issued in exchange for one or more outstanding securities, claims or property interests, or partly in such exchange and partly for cash. The issuer of such securities must first file a notice specifying the term of the offer and such other information as the commissioner may require, and if the commissioner does not by order disallow the exemption within 30 days.

(m) Any offer or sale by a Kansas corporation of any of its securities within any period of 12 consecutive months to not more than 15 individuals, a husband and wife shall be considered one individual for this subsection, if: (1) The offeror believes that all of the purchasers are purchasing for investment; and (2) no commission or other remuneration is paid or given, directly or indirectly, for soliciting any purchaser. The commissioner may withdraw this exemption or impose conditions upon its use. The exemption provided by this section shall not be cumulative to nor used in conjunction with any other exemption provided under this section. Any offer or sale by a Kansas corporation of any of its securities within any period of 12 consecutive months to not more than 15 persons, if (1) the offeror believes that all of the purchasers are purchasing for investment and (2) no commission or other remuneration is paid or given, directly or indirectly, for soliciting any purchaser. The commissioner may withdraw this exemption or impose conditions upon its use.

(n) Any transaction pursuant to a rule and regulation adopted by the commissioner for limited offerings which was adopted for the purpose of furthering the objectives of compatibility with federal exemptions and uniformity among the states.

(o) Any offer or sale by an investment company, as defined by K.S.A. 16-630, and amendments thereto, of its investment certificates.

(p) The sale of units in a limited partnership where the number of limited partners does not exceed 15 and each individual and individual in a partnership which is a limited partner in such partnership shall be counted toward the limit of 15, and a husband and wife shall be considered one individual for purposes of this subsection, and if: (1) The offeror believes that all of the purchasers are purchasing for investment; and (2) no commission or other remuneration is paid or given, directly or indirectly, for soliciting any purchaser; and (3) no advertising has been pub-

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lished in connection with any such sale. Subsequent transfers of such units by the owners thereof shall be subject to the provisions of the securities act, except to such extent that the same may be exempt under the terms of subsection (a) of this section.

Sec. 3. K.S.A. 17-1261 and 17-1262 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 9, 1982.

SENATE concurred in HOUSE amendments April 2, 1982.  
ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE as amended April 1, 1982.  
WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 608

AN ACT concerning temporary notes issued by municipalities; amending K.S.A. 1981 Supp. 10-123 and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 10-123 is hereby amended to read as follows: 10-123. If a municipality shall have theretofore duly authorized the making of ~~has approved~~ an improvement which is to be paid for in whole or in part by the issuance of bonds, ~~then~~ the governing body of ~~such the~~ municipality may issue temporary notes, bearing interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 1981 Supp. 10-1009, payable ~~semiannually in accordance with the terms of the notes~~, maturing not later than the due date of the first installment of such bonds; or four (4) years from the date of said the notes ~~whichever is sooner~~, and not exceeding in the aggregate the amount of bonds which are to be issued and are then unissued, as shown by the approved estimates on file ~~(except in the case of~~. If road bonds ~~when are to be issued~~, the amount of said the notes shall not exceed the total amount of the unissued bonds and the state and federal aid granted to said the project; but Any municipality may issue renewal temporary notes to pay for the cost of taking up any previously issued temporary notes as they mature when all aspects of the improvement will not be completed at the maturity date of such the notes or when the municipality has completed the improvements and the issuance of bonds is prevented, hindered or delayed by reason of any court order or litigation.

Said The temporary notes shall be in the a form usual for such bonds, except that coupons evidencing the interest need not be attached and determined by ordinance or resolution, acceptable for registration by the state treasurer. The entire temporary note shall be contained on one sheet of paper. Such The notes shall be executed and registered as are such in the same manner as the bonds, and shall be redeemed and canceled before or at the time permanent bonds are issued in lieu thereof; so that. The amount of temporary notes and bonds issued and outstanding shall not at

any time exceed the estimated cost and expense of said the improvement. Said The temporary notes may be issued from time to time, as required during the progress of said the work, shall be negotiable in accordance with their terms and shall constitute a general obligation of the municipality issuing the same. Said The temporary notes shall not be negotiable in accordance with their terms until countersigned, following registration, by the clerk of the issuing municipality, and a statement to that effect shall appear on the face of all such temporary notes. Such The temporary notes may be sold in the manner provided for the sale of bonds or may be sold at private sale at not less than par and accrued interest determined by the municipality.

Sec. 2. K.S.A. 1981 Supp. 10-123 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body February 18, 1982.

SENATE concurred in HOUSE amendments April 5, 1982.  
ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE as amended April 2, 1982.  
WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 609

AN ACT concerning the bonded indebtedness limit of cities; exempting bonds issued for a municipal utility; amending K.S.A. 1981 Supp. 10-308 and 10-309 and repealing the existing sections.

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

Section 1. K.S.A. 1981 Supp. 10-308 is hereby amended to read as follows: 10-308. Except as provided in K.S.A. 1978 1981 Supp. 10-309 and amendments thereto and in any other statute which specifically exempts bonds from the statutory limitations on bonded indebtedness, the limitation on bonded indebtedness of cities shall be governed by the following provisions: (a) The authorized and outstanding bonded indebtedness of the cities of the first class having a population of sixty thousand (60,000) or more Kansas City, Overland Park, Topeka and Wichita shall not exceed seventeen percent (17%) 17% of the assessed value of all tangible taxable property within such city; as certified to the county clerk on the preceding August 25th valuation of the city.

(b) The authorized and outstanding bonded indebtedness of cities any city of the second or third class shall not exceed twenty-five percent (25%) 25% of the assessed value of all tangible taxable property within the city; as certified to the county clerk on the preceding August 25th valuation of the city.

(c) For the purpose of this section, assessed valuation means the value of all taxable tangible property as certified to the county clerk on the preceding August 25 which includes (1) the taxable value of motor vehicles taxed under the provisions of K.S.A. 1981

(continued)

Supp. 79-5113 and (2) the assessed valuation of motor vehicle inventories as provided by K.S.A. 1981 Supp. 79-1022.

Sec. 2. K.S.A. 1981 Supp. 10-309 is hereby amended to read as follows: 10-309. Notwithstanding the provisions of K.S.A. 1978 1981 Supp. 10-308 and amendments thereto: (a) Bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system; or (b) bonds issued by any city of the first class for the purpose of acquiring, enlarging, extending or improving any municipal utility; or (c) bonds issued by any city of the second or third class to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city property, shall not be included in computing the total bonded indebtedness of such the city for the purposes of determining the limitations on bonded indebtedness provided in K.S.A. 1978 1981 Supp. 10-308 and amendments thereto.

Sec. 3. K.S.A. 1981 Supp. 10-308 and 10-309 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body February 18, 1982.

SENATE concurred in HOUSE amendments April 5, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE as amended April 2, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 524

AN ACT concerning certain counties; relating to limitations on bonded indebtedness; amending K.S.A. 1981 Supp. 10-306 and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 10-306 is hereby amended to read as follows: 10-306. Except as provided in K.S.A. 1980 1981 Supp. 10-307 and in any other statute which specifically exempts bonds from the statutory limitations on bonded indebtedness, the limitation on bonded indebtedness of counties shall be governed by the following provisions: (a) The authorized and outstanding bonded indebtedness of any county to which the provisions of subsections (b) and (c) do not apply shall not exceed one percent (~~1%~~) 1% of the assessed value of all tangible taxable property within such county, as certified to the county clerk on the preceding August 25th 25.

(b) The authorized and outstanding bonded indebtedness of any county having a population of less than two thousand seven hundred (2,700) and an assessed valuation of more than twenty-nine million dollars (\$29,000,000) and any county having a population of more than four thousand two hundred (4,200) and less than four thousand seven hundred (4,700) and an assessed valuation of more than twenty-seven million dollars (\$27,000,000) and less than thirty-one million dollars (\$31,000,000), Clark, Comanche, Greeley, Hamilton, Hodgeman, Lane and Stanton counties shall not exceed two and one-half percent (2½%) 2.5% of the assessed value of all tangible taxable property within such county, as certified to the county clerk on the preceding August 25th 25.

(c) The authorized and outstanding bonded indebtedness of any county having a population of more than nine thousand four hundred (9,400) and less than eleven thousand two hundred (11,200) and an assessed valuation of more than sixty-five million dollars (\$65,000,000) and less than seventy-five million dollars (\$75,000,000), Geary county shall not exceed two and three-quarters percent (2¾%) 2.75% of the assessed value of all tangible taxable property within such county, as certified to the county clerk on the preceding August 25th 25.

Sec. 2. K.S.A. 1981 Supp. 10-306 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body January 26, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE April 5, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## SENATE BILL No. 678

AN ACT relating to property taxation; concerning the taxation of cattle held in feed lots; amending K.S.A. 79-307b and 79-307c and repealing the existing sections.

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

Section 1. K.S.A. 79-307b is hereby amended to read as follows: 79-307b. On the first day of each month, the owner or operator of any commercial or private feed lot wherein cattle of others are held for final feeding shall compile a report setting forth the number, sex and approximate weight of all cattle being fed for others as of the first day of the month and shall identify the owners of said such cattle by name and address, and shall set forth the date or dates said such cattle were received in said such feed lot. This report shall be filed with the county assessor appraiser of the county wherein such feed lot is located not later than the fifteenth 15th day of each month, commencing in January, 1975, and the filing of this report shall constitute compliance with the provisions of K.S.A. 79-304.

*The owner or operator of the feed lot is hereby authorized to remit with such report the tax on such cattle attributable to the period the same are held in such feed lot during the next preceding month. Such tax shall be computed on a daily, per head basis at an amount determined for the applicable county in accordance with schedules prescribed by the director of property valuation. Payment of the tax in the manner authorized herein shall relieve the owner of the cattle from any further tax liability on such cattle for the period for which the taxes have been remitted.*

For the purposes of this act, the term "feed lot" shall have the meaning ascribed to such term under the provisions of K.S.A. 47-1501, and the term "final feeding" shall mean the feeding or finishing of cattle immediately prior to the market for slaughter thereof.

Sec. 2. K.S.A. 79-307c is hereby amended to read as follows: 79-307c. The county assessor appraiser may notify the owner or owners of any cattle reported pursuant to K.S.A. 79-307b, and amendments thereto, the tax on which has not been remitted by the owner or operator of the feed lot prior to the sale or removal of said such cattle from the said feed lot, that the personal property taxes on said such cattle are due or will become due and payable.

Sec. 3. K.S.A. 79-307b and 79-307c are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body February 25, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE April 5, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 16, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 16th day of April, 1982.

(SEAL) JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 3106

AN ACT relating to hospital districts; concerning the authorization of tax levies for the purpose of creating a special building fund for hospitals and homes for the aged; amending K.S.A. 1981 Supp. 80-2127 and repealing the existing section.

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

Section 1. K.S.A. 1981 Supp. 80-2127 is hereby amended to read as follows: 80-2127. The board of directors of such hospital district is hereby authorized to may levy an annual tax, for not more than five years, for the purpose of creating a special building fund to be used to reconstruct, build an addition to or improve or equip the existing hospital or home for the aged, or for the purpose of acquiring a site and the construction and equipping of a new or additional hospital building or home for the aged building, or for the purpose of acquiring a site for an addition to the existing hospital or home for the aged, or for the purpose of acquiring and equipping an existing privately owned hospital or home for the aged. No such levy shall be made unless and until the question of making such levies has been submitted to a vote of the qualified voters at an annual meeting of such hospital district and a majority of those voting on said the question shall have voted in favor thereof. The board of directors shall determine the amount necessary to be raised by such levy. Whenever a sufficient fund has been created by the annual tax levy herein provided, or any time after the second levy has been made if there be sufficient funds created, the board of directors may proceed to use the same for the purpose for which the fund was created. The tax levy herein authorized shall be in addition to the tax levy authorized by K.S.A. 1978 1981 Supp. 80-2125.

Sec. 2. K.S.A. 1981 Supp. 80-2127 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 9, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 2, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL) JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## SENATE BILL No. 767

AN ACT enacting a local residential housing finance law; authorizing cities and counties in the state of Kansas to undertake programs to provide decent, safe and sanitary housing for persons of low and moderate income and to issue bonds and other obligations and provide security therefor; authorizing such cities and counties to acquire mortgages or to make loans to carry out the purposes of this act and to establish appropriate rules and regulations in connection therewith; exempting securities issued pursuant to this act from taxation; authorizing cities and counties to cooperate in the implementation and financing of residential housing finance plans and to enter into agreements with respect thereto.

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

Section 1. This act may be referred to as the "local residential housing finance law".

Sec. 2. It is hereby found and declared that there exists within the state of Kansas a serious shortage of decent, safe and sanitary housing which persons and families of low and moderate income can afford. It is hereby further declared that:

(a) Such shortage is injurious to the safety, health and welfare of the citizens and residents of this state;

(b) the cost of financing such additional housing is a major and substantial factor affecting the supply and availability of decent, safe and sanitary housing within the financial means of persons and families of low and moderate income;

(c) the shortage of such housing is not transitory and self-curing and the resources of private enterprise are not adequate to provide necessary additional decent, safe and sanitary housing which will be within the financial resources of persons and families of low and moderate income;

(d) the construction of additional residential housing is closely correlated with general economic activity and the availability of residential housing which persons of low and moderate income can afford will assist materially in promoting and maintaining full employment and promoting the economic development of the state of Kansas and of cities and counties within the state;

(e) it is necessary and in the best interests of the state and of the cities and counties in the state: (1) To provide for and promote the public health, safety and welfare; (2) to encourage the expansion of industrial and commercial activities and the economic development of the state's cities and counties; and (3) to assist persons and families of low and moderate income in acquiring, owning and occupying decent, safe and sanitary housing which they can afford;

(f) an adequate supply of decent, safe and sanitary residential housing is essential to the promotion of increased productivity of the residents of the cities and counties of the state, for retaining existing industry and commercial activities near or within the cities and counties in the state, and for attracting additional industry and commercial activities to the cities and counties in the state, thereby enhancing the economic development of the state;

(g) in order to remedy the existing shortage of residential housing within the financial means of persons and families of low and moderate income and to realize the social, economic and other benefits which will result therefrom, it is necessary and desirable to provide for the implementation of public programs designed to reduce the costs of financing the acquisition, rehabilitation, improvement and purchase of safe, decent and sanitary housing by persons and families of low and moderate income;

(h) it is necessary and desirable that the state's cities and counties be authorized to issue revenue bonds to provide funds necessary, in whole or in part, to reduce the costs of financing the acquisition, rehabilitation, improvement and purchase of safe, decent and sanitary housing by persons and families of low and moderate income;

(i) the implementation of such programs and the issuance of revenue bonds pursuant to this act are in the public interest and constitute essential governmental functions of cities and counties of the state.

Sec. 3. Whenever used in this act, the following words and terms shall have the following respective meanings unless different meanings clearly appear from the context:

(a) "Bonds" means any revenue bonds authorized under this act and payable as provided hereunder.

(b) "City" means any city organized and existing under the laws of the state of Kansas.

(c) "Condominium" means any condominium as defined in K.S.A. 58-3102.

(d) "County" means any county in the state of Kansas and shall include such county together with any city or cities located within such county or any two or more counties which have entered into an agreement in accordance with section 13 to implement and carry out a residential housing finance program.

(e) "Solar energy system" means any solar energy system as defined in subsection (a) of K.S.A. 1981 Supp. 79-32,169.

(f) "Governing body" means the city council or city commission of a city or the board of county commissioners of a county.

(g) "Home" (1) means (A) a one to four family residence;

(B) a condominium;

(C) manufactured housing which meets the building codes of the city or county; or

(D) a mobile home, as defined by subsection (v) of K.S.A. 1981 Supp. 8-126, having a permanent foundation which may not be removed intact from the land; and

(2) consists of the land and improvements thereon, located within a city or county and which is either owned and occupied or is owned and is to be occupied by the mortgagor, and in the case of a two to four family residence, one unit of the residence shall be either owned and occupied or is owned and is to be occupied by the mortgagor.

(h) "Home mortgage loan" means an interest bearing loan to a mortgagor evidenced by a promissory note and secured by a first mortgage, purchased or originated in accordance with this act (1) made for the purpose of acquiring a home; or (2) made for the purpose of acquiring and rehabilitating a home; or (3) made for the purpose of paying the costs of rehabilitating or improving a home. No city or county shall fix or establish any minimum home value for the purpose of limiting loan eligibility for a home mortgage loan under the provisions of this act.

(i) "Lender" means any lending institution participating in a residential housing finance plan as the originator of home mortgage loans or as a servicing agent for home mortgage loans.

(j) "Lending institution" means any bank, bank holding company, credit union, trust company, savings bank, national banking association, savings and loan association, building and loan association, mortgage banker or other financial institution which customarily provides service or otherwise aids in the financing of home mortgages, or any holding company for any of the foregoing.

(k) "Mortgagor" means any person of low and moderate income who has received or qualifies to receive a home mortgage loan on a home.

(l) "Ordinance" means an ordinance adopted and approved by the governing body of a city or a resolution adopted and approved by the board of county commissioners of a county.

(m) "Purchase price" means the actual consideration paid to the seller of a home.

(n) "Person" means a natural person or a trust for the benefit of a natural person.

(o) "Participation commitment" means any undertaking or agreement by a lending institution to participate in the implementation of a residential housing finance plan.

(p) "Persons of low and moderate income" means a person or family, consisting of one or more persons all of whom occupy or will occupy the home, whose aggregate gross income including the gross income of any cosigner or guarantor of the promissory note made in connection with the making of a home mortgage loan shall not exceed a maximum amount to be established by the city or county subject to the limitations provided herein, and determined in accordance with appropriate criteria, rules and regulations, approved by the governing body of a city or county in connection with the implementation of a residential housing finance plan.

(q) "Residential housing finance plan" means a program implemented under this act by a city or county to assist persons of low and moderate income in acquiring safe, decent and sanitary housing which they can afford, which plan must include provi-

(continued)

sions allowing each lending institution with an office located within the limits of the issuing city or county an equal opportunity to participate in accordance with the standards and requirements established by such city or county.

Sec. 4. In addition to powers which a city or county may now have, cities and counties shall have all powers necessary to accomplish the purposes of this act including, but not limited to, the following:

(a) To acquire, and to contract and enter into advance commitments to acquire, home mortgage loans owned by lending institutions at such prices and upon such other terms and conditions determined by such city or county or such other person as it may designate as its agent;

(b) to make and execute contracts with lending institutions for the origination and servicing of home mortgage loans on behalf of a city or county and to pay the reasonable value of services rendered in accordance with such contracts;

(c) to make loans to lenders to enable such lenders to make home mortgage loans in accordance with this act;

(d) to establish, by rules or regulations, by ordinances relating to any issuance of bonds or in any financing documents relating to such issuance, such standards and requirements applicable to the purchase of home mortgage loans or the origination of home mortgage loans or loans to lenders as such city or county deems necessary or desirable to effectuate the public purposes of this act, including but not limited to: (1) The time within which lending institutions must make participation commitments and make disbursements for home mortgage loans; (2) the terms and conditions of home mortgage loans to be acquired or originated; (3) the standards and criteria to be applied by the city or county in defining persons of low and moderate income; (4) the amounts and types of insurance coverage required on homes, home mortgage loans and bonds; (5) the representations and warranties to be required of persons and lending institutions as evidence of compliance with such standards and requirements; (6) restrictions as to interest rate and other terms of home mortgage loans or the return realized therefrom by lending institutions; (7) the terms and conditions under which mortgage loans may be assumed; (8) the type and amount of collateral security to be provided to assure repayment of any loans to lenders by such cities or counties and to assure repayment of bonds; and (9) any other matters related to the purchase or origination of home mortgage loans for homes to be occupied by mortgagors or the making of loans to lenders as shall be deemed relevant or necessary by the governing body of such city or county.

(e) To require from each lending institution from which home mortgage loans are to be purchased or which will originate home mortgage loans on behalf of the city or county or from lenders to which loans are made, the submission, at the time of making participation commitments, of evidence satisfactory to such city or county of the ability and intention of such lending institution to make home mortgage loans, and the submission, within the time specified by such city or county for making disbursements for home mortgage loans, of evidence satisfactory to such city or county of the making of home mortgage loans and of compliance with any standards and requirements established by such city or county.

(f) To issue its bonds to defray, in whole or in part (1) the costs of acquiring or originating home mortgage loans or making loans to lenders in order to enable them to make home mortgage loans for homes to be occupied by mortgagors; (2) the costs of studies and surveys, insurance premiums, underwriting fees, legal, accounting and marketing services incurred in connection with the issuance and sale of such bonds, including amounts required to establish reasonably necessary bond and interest reserve accounts, and trustee, custodian and rating agency fees; and (3) such other costs as are reasonably related to the foregoing.

(g) To authorize the sale or other disposition of any home mortgage loan, in whole or in part, upon such terms, at such prices and times, and from time to time, as may be necessary to assure that the revenues and receipts to be derived with respect to the home mortgage loans, together with any insurance proceeds, funds held in reserve accounts and earnings thereon, shall produce and provide revenues and receipts at least sufficient to provide for the prompt payment of the principal of, redemption

premiums, if any, and interest at maturity of all bonds issued pursuant to this act.

(h) To pledge any revenues and receipts to be received from or in connection with any home mortgage loans to the punctual payment of bonds authorized under this act, and the interest and redemption premiums, if any, thereon.

(i) To mortgage, pledge or grant security interests in any home mortgage loans, notes or other property in favor of the holder or holders of bonds issued therefor.

(j) To issue its bonds pursuant to K.S.A. 1981 Supp. 10-116a for the purpose of refunding, in whole or in part at any time, bonds theretofore issued by such municipality under authority of this act.

(k) To appoint or designate a bank or trust company either within or without the state to serve as trustee or custodian for the benefit of the bondholders and to delegate and assign thereto, insofar as it may lawfully do so, its rights, duties and responsibilities with respect to carrying out and enforcing the terms and provisions of its residential housing finance plan.

(l) To provide for and authorize the use and disposition of any funds remaining in the possession of the city or county, or trustee or custodian designated by such city or county, following payment and retirement of any bonds issued pursuant to this act.

(m) To make and execute contracts and other instruments necessary or convenient to the exercise of any of the powers granted herein.

Sec. 5. The authority and powers granted to cities and counties under section 4 shall be exercised subject to the following:

(a) With respect to any residential housing finance plan authorizing, in whole or in part, the purchase of home mortgage loans from lenders or the origination of home mortgage loans on behalf of the city or county, the governing body shall require that it be furnished, prior to or concurrently with the delivery of any participation commitment by lenders, a commitment fee in the form of a cash deposit, letter of credit, promissory note, surety bond or other instrument approved by the governing body executed by or on behalf of such lender, in an amount to be determined by the governing body, but in no event to be less than 1½% of the principal amount of home mortgage loans the lender is obligated to originate pursuant to its participation commitment. Such commitment fee shall be retained by the governing body only to the extent that the lender fails to originate home mortgage loans in accordance with its participation commitment.

(b) With respect to any housing finance plan authorizing loans to lenders to enable such lenders to make home mortgage loans, the governing body shall require (1) that the lender use the proceeds of such loans for the purpose of making home mortgage loans in accordance with this act; (2) such lender furnish, prior to or concurrently with the delivery of any participation commitment, a commitment fee in the form of a cash deposit, letter of credit, promissory note, surety bond or other instrument approved by the governing body executed by or on behalf of such lender, in an amount to be determined by the governing body, but in no event to be less than 1½% of the principal amount of home mortgage loans the lender is obligated to originate pursuant to its participation commitment. Such commitment fee shall be retained by the governing body only to the extent that the lender fails to originate home mortgage loans in accordance with its participation commitment; and (3) that in addition to any other provision of this act, the maximum net effective interest cost to the mortgagor of any home mortgage loan originated by such lender be established by the governing body of the city or county.

(c) Except as provided in subsections (d) and (e) of this section, all bonds proposed to be issued pursuant to this act and offered to the general public shall be submitted for review and rated prior to the sale and delivery thereof by Moody's Investors Service, Inc., Standard & Poor's Corp. or other nationally recognized municipal securities analyst. Only bonds rated at least A by Moody's Investors Service, or A by Standard & Poor's Corp. or the equivalent thereof by other nationally recognized municipal securities analysts shall be issued under the authority of this act. Bonds of a series issued and sold to financial or other institutional investors need not be submitted for such review and rating.

(continued)



(d) Bonds issued under this act for the purpose of providing funds to make loans to lenders need not be submitted for review and rating in accordance with subsection (e) of this section, if, in the ordinance or in other financing documents, authorizing or relating to the issuance of such bonds, the governing body requires that each participating lender provide and maintain collateral security for the repayment of the loan to such lender consisting of (1) obligations of the United States government or obligations guaranteed by the United States government or an agency or instrumentality thereof having a value equal to not less than 110% of the principal amount of such loan outstanding at any time; or (2) residential housing mortgages guaranteed by the federal housing administration or the United States veterans administration having a value equal to not less than 125% of the principal amount of such loan outstanding at any time; or (3) conventional residential housing mortgages having a value equal to not less than 150% of the principal amount of such loan outstanding at any time; or (4) any combination thereof. The value of such collateral shall be determined in accordance with generally accepted procedures for the valuation thereof and such valuation shall be reviewed, from time to time, as may be necessary to assure the continued adequacy of such collateral as security for the repayment of such loan to the lender.

(e) Bonds issued under this act for the purpose of purchasing home mortgage loans from lending institutions or the origination of home mortgage loans on behalf of a city or county need not be submitted for review and rating in accordance with subsection (c) of this section if, in the ordinance or in other financing documents, authorizing or relating to the issuance of such bonds, the governing body requires either (1) that each participating lending institution retain an ownership interest equal to at least 10% of the principal amount of each home mortgage loan originated by such lending institution pursuant to the residential housing finance plan; or (2) that home mortgage loans originated pursuant to the residential housing finance plan be insured by one or more policies of insurance, on terms substantially equivalent to those utilized in previously issued tax exempt housing mortgage revenue bonds rated A by Standard & Poor's Corp. or A by Moody's Investors Service, covering loss by reason of default of any home mortgage loan with an aggregate limit of liability in an amount equal to at least 10% of the aggregate initial principal amount of all the mortgage loans to be originated under the plan. Such policies of insurance shall be issued by insurers licensed in the state of Kansas and approved by the federal home loan mortgage corporation.

(f) The governing body of the city or county shall establish the terms and conditions under which home mortgage loans may be assumed provided, however, that not more than one home mortgage loan shall be held at any one time by an individual or members of the same family, consisting of one or more persons all of whom occupy or will occupy the home.

Sec. 6. The exercise of any or all powers granted by this act shall be authorized and the bonds shall be authorized to be issued under this act for the purposes set forth in this act, by an ordinance or resolution adopted by the governing body of a city or county and shall take effect immediately upon adoption and publication once in the official newspaper of such city or county. Any such ordinance or resolution shall set forth a finding and declaration (a) of the public purpose therefor; and (b) that such ordinance or resolution is adopted pursuant to this act, which finding and declaration shall be conclusive evidence of the existence and sufficiency of the public purpose and of the power to carry out and give effect to such public purposes.

The bonds shall bear interest at such rate or rates, may be payable at such times, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may be payable in such medium of payment at such place or places, may carry such registration privileges, may be subject to such terms of redemption at such premiums, may be executed in such manner, may contain such terms, covenants and conditions and may be in such form, either coupon or registered, as the governing body shall provide. The bonds may be sold at public or private sale at not less than 97% of the par value thereof, in such manner and upon such terms as may be authorized by the governing body. Pending

the preparation of definitive bonds, interim receipts or certificates in such form and with such provisions as may be authorized by the governing body, may be issued to the purchaser or purchasers of bonds sold pursuant to this act. The bonds and interim receipts or certificates shall be deemed to be securities and negotiable instruments within the meaning and for all purposes of the uniform commercial code.

Sec. 7. Any ordinance authorizing the issuance of the bonds under this act may contain covenants regarding (a) the use and disposition of the revenues and receipts from any home mortgage loans for which the bonds are to be issued, including the creation and maintenance of such reasonable and adequate reserves as the governing body may determine; (b) the insurance to be carried on any home mortgage loan or bonds and the use and disposition of the proceeds of such insurance; (c) the appointment of one or more state or national banks or trust companies within or without the state, having the necessary trust powers, as trustee or custodian for the benefit of the bondholders, paying agent or bond registrar; (d) the investment of any funds held by such trustee or custodian; (e) the maximum interest rate payable on any home mortgage loan the terms and conditions upon which the holders of the bonds or any portion thereof, or any trustees therefor, are entitled to the appointment of a receiver by a court of competent jurisdiction, and the terms and conditions may provide that the receiver may enter and take possession of the home mortgage loans or any part thereof and maintain, sell or otherwise dispose of such home mortgage loans, prescribe other payments and collect, receive and apply all income and revenues thereafter derived therefrom. An ordinance authorizing the issuance of bonds under this act may provide that payment of the principal of and interest on any bonds issued under this act shall be secured by a mortgage, pledge, security interest, insurance agreement or indenture of trust of or with respect to such home mortgage loans and a lien upon the revenues and receipts derived therefrom or from any notes or other obligations of lending institutions, with respect to which the bonds are issued. Such mortgage, pledge, security interest, insurance agreement or indenture of trust may contain such covenants and agreements as may be necessary or appropriate to safeguard the interests of the holders of the bonds and shall be executed in the manner authorized by the ordinance authorizing the bonds. The provisions of this act and any such ordinance and any such mortgage, pledge, security interest, insurance agreement or indenture of trust shall constitute a contract with the holder or holders of the bonds and continue in effect until the principal of, the interest on, and the redemption premiums, if any, on the bonds have been fully paid or provision made for the payment thereof, and the duties of the city or county and its corporate authorities and officers under this act and any such ordinance and any such mortgage, pledge, security interest, insurance agreement or indenture of trust shall be enforceable as provided therein by any bondholder by mandamus, foreclosure of any such mortgage, pledge, security interest or indenture of trust or other appropriate suit, action or proceeding in any court of competent jurisdiction; provided the ordinance or any mortgage, pledge, security interest, insurance agreement or indenture of trust under which the bonds are issued may provide that all such remedies and rights to enforcement may be vested in a trustee, with full power of appointment, for the benefit of all the bondholders, which trustee shall be subject to the control of such number of holders or owners of any outstanding bonds as provided therein.

Sec. 8. The bonds shall bear the manual or facsimile signatures of such officers of a city or county as may be designated in the ordinance authorizing such bonds and such signatures shall constitute the valid and binding signatures of such officers, notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon have ceased to be officers of such city or county. The validity of the bonds shall not be dependent on nor affected by the validity or regularity of any proceedings relating to the home mortgage loans acquired or made from proceeds of the bonds. The ordinance authorizing the bonds may provide that the bonds shall contain a recital that they are issued pursuant to this act, which

(continued)

recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Sec. 9. Any pledge made to secure bonds shall be valid and binding from the time when the pledge is made. The revenues and receipts or property or interests in property pledged and thereafter received by a city or county, trustee or custodian shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against such city or county, trustee or custodian, irrespective of whether the parties have notice thereof. Neither the ordinance, nor any other instrument by which a pledge is created, need be recorded.

Sec. 10. All bonds issued under and pursuant to this act shall be limited obligations of the city or county issuing the same, payable solely from the revenues and receipts derived from the home mortgage loans or from any notes or other obligations of persons with respect to which such bonds are issued and secured by a mortgage, pledge, security interest, insurance agreement or indenture of trust of or with respect to such home mortgage loans. No city or county shall have any right or authority to levy taxes to pay any of the principal of, redemption premium, if any, or interest on any bonds issued pursuant to this act or any judgment against a city or county on account thereof. No holder of any bonds issued under this act shall have the right to compel any exercise of the taxing power of a city or county to pay the bonds, the interest or redemption premium, if any, thereon, and the bonds shall not constitute an indebtedness of such city or county, or a loan of the faith and credit thereof, within the meaning of any constitutional or statutory provision, nor shall the bonds be construed to create any moral obligation on the part of such city or county to provide for the payment of such bonds. It shall be plainly stated on the face of each bond that it has been issued under the provisions of this act and that it does not constitute an indebtedness of the city or county, or a loan of the faith and credit thereof, within the meaning of any constitutional or statutory provisions. Bonds may be issued pursuant to this act without regard to any statutory limitations of bonded indebtedness and shall not be included in computing the total bonded indebtedness of any city or county within the meaning of other statutes limiting such bonded indebtedness.

Sec. 11. Neither the members of the governing body of a city or county, nor any official or employee thereof, nor any person executing bonds issued under this act shall be liable personally for payment of the bonds or the interest or redemption premium, if any, thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Sec. 12. Any bond issued under the provisions of this act, together with the interest thereon and income therefrom, shall be exempt from all taxes levied by the state of Kansas or any political or taxing subdivision thereof.

Sec. 13. (a) One or more cities or one or more counties or cities and counties may join together or cooperate with one another in the exercise, either jointly or otherwise, of any one or more of the powers conferred upon cities and counties under this act. Such joint or cooperative action shall be taken only in accordance with and pursuant to a written agreement entered into between or among such cooperating cities or counties.

(b) In no event, however, shall any county or counties engage in any act or exercise any of the authority or powers conferred by this act within, or with respect to any property located within, the corporate boundaries of any city in the absence of an agreement with such city.

(c) In the event a city, hereinafter referred to in this subsection (c) as the "issuer", shall have authorized the issuance of bonds pursuant to this act for the purpose of financing home mortgage loans for any one or more of the purposes described in subsection (h) of section 3, no county within which the issuer is located or any other city located within such county or any other county shall have any authority to engage in any act or exercise any of the powers conferred by this act for the same purpose or purposes within, or with respect to property located within, the boundaries of the issuer or with respect to any property outside the boundaries of the issuer with respect to which the issuer has

authorized the issuance of bonds, unless and until not less than 90% of the home mortgage loans to be purchased or originated through the issuance of such bonds have been purchased or originated for such purpose or purposes or binding written commitments with respect thereto have been executed by or on behalf of the issuer in accordance with the provisions of the ordinance authorizing such bonds and the other financing documents pertaining thereto.

(d) Similarly, in the event a county shall have authorized the issuance of bonds pursuant to this act for the purpose of financing home mortgage loans for any one or more of the purposes described in subsection (h) of section 3, no city located within the boundaries of such county, except a city located within the boundaries of such county which has not entered into an agreement with such county to implement a residential housing finance plan in accordance with this section, or any other county, shall have any authority to engage in any act or exercise any of the powers conferred by this act for the same purpose or purposes within or with respect to any property located within said county unless and until not less than 90% of the home mortgage loans to be purchased or originated through the issuance of such bonds have been purchased or originated for such purpose or purposes or binding written commitments with respect thereto have been executed in accordance with the provisions of the ordinance authorizing such bonds and the other financing documents pertaining thereto.

Sec. 14. Notwithstanding any other provision of law, bonds issued pursuant to this act shall be legal investments for all trust funds, insurance companies, savings and loan associations, investment companies and banks, both savings and commercial, and shall be legal investments for executors, administrators, trustees and all other fiduciaries. Such bonds shall be legal investments for state school funds and for any funds which may be invested in county, municipal or school district bonds, and such bonds shall be deemed to be securities which may properly and legally be deposited with, and received by, any state or municipal officer or by any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter, be authorized by law, including deposits to secure public funds.

Sec. 15. The powers conferred by this act are in addition and supplemental to, and the limitations imposed by this act shall not affect, the powers conferred upon municipalities by any other law. Home mortgage loans may be acquired, purchased and financed, and bonds may be issued under this act for such purposes, notwithstanding that any other law may provide for the acquisition, purchase and financing of like home mortgage loans, or the issuance of bonds for like purposes, and such home mortgage loans may be made upon such terms and conditions and contain such provisions as the governing body of the city or county determines consistent with the provisions of this act notwithstanding and without regard to the requirements, restrictions, limitations or other provisions contained in any law or any other resolution. Nothing in this act shall be deemed or construed to prohibit the exercise of the powers conferred upon municipalities in connection with the financing of federally assisted housing for persons of low and moderate income.

Sec. 16. The provisions of this act are severable and if any of its provisions, or any sentence, clause or paragraph, or the application thereof to any person or circumstance shall be held unconstitutional or invalid by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions or the application thereof to persons or circumstances other than those as to which the same is held invalid.

Sec. 17. This act is necessary for the health, welfare and safety of the state, its municipalities and its inhabitants; therefore, it shall be liberally construed to effect its purposes.

Sec. 18. This act shall take effect and be in force from and after its publication in the Kansas register.

(continued)

I hereby certify that the above BILL originated in the SENATE, and passed that body March 9, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE April 5, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

SENATE BILL No. 800

AN ACT concerning the presentation and payment of claims against municipalities; relating to self-insured health plans; amending K.S.A. 13-2108 and K.S.A. 1981 Supp. 12-105b and repealing the existing sections.

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

Section 1. K.S.A. 1981 Supp. 12-105b is hereby amended to read as follows: 12-105b. (a) All claims against a municipality must be presented in writing with a full account of the items, and no claim shall be allowed except in accordance with the provisions of this section. A claim may be the usual statement of account of the vendor or party rendering a service or other written statement showing the required information.

(b) Claims for salaries or wages of officers or employees need not be signed by the officer or employee, if a payroll claim is certified to by the administrative head of a department or group of officers or employees or an authorized representative that the salaries or wages stated therein were contracted or incurred for the municipality under authority of law, that the amounts claimed are correct, due and unpaid and that the amounts are due as salaries and wages for services performed by the person named.

(c) No costs shall be recovered against a municipality in any action brought against it for any claims allowed in part, unless the recovery shall be for a greater sum than the amount allowed, with the interest due. Subject to the terms of applicable insurance contracts, judgments and settlements obtained for claims recoverable pursuant to the Kansas tort claims act shall be presented for payment in accordance with this section or in such manner as the governing body may designate.

(d) Claims submitted by public utilities, as defined in K.S.A. 66-104, may be authorized to be paid in advance of approval thereof by the governing body in accordance with the provisions of this subsection. The governing body may designate and authorize one or more of its officers or employees to pay any claim made against the municipality by a public utility in advance of its presentation to and approval by the governing body if the amount of such claim becomes due and owing before the next scheduled regular meeting of the governing body. Any officer or employee authorized to pay claims under this subsection shall keep an accurate record of all moneys paid and the purpose for which expended, and shall submit the record to the governing body at the next meeting thereof. Payments of claims by an officer or employee of the municipality under authority of this subsection are valid to the same extent as if the claims had been approved and ordered to be paid by the governing body.

(e) Claims submitted by members of a municipality's self-insured health plan may be authorized to be paid in advance of approval thereof by the governing body. Such claims shall be submitted to the administrative officer of such insurance plan.

(f) Except as otherwise provided, before any claim is presented to the governing body or before any claim is paid by any officer or employee of the municipality under subsection (d), it shall be audited by the clerk, secretary, manager, superintendent, finance committee or finance department or other officer or officers charged by law to approve claims affecting his, her or its area of government, and thereby approved in whole or in part as correct, due and unpaid.

Sec. 2. K.S.A. 13-2108 is hereby amended to read as follows: 13-2108. It shall be the duty of Except claims submitted by members of the city's self-insured health plan, the auditor to shall examine in detail all bills, accounts, and claims against said the city, and, if found correct, sign his or her name in approval thereof; but the auditor shall verify the same in writing. If found incorrect, the auditor shall refuse to approve or allow the same. It shall be the duty of The board of commissioners to shall install a

complete system of municipal accounting especially adapted to the needs of such city; and. The auditor shall be the general accountant of said the city, and shall keep in books regular accounts of all real, personal and mixed property of said the city, of all receipts and disbursements of money, and, under proper heads, each source of receipt and the cause of reason for each disbursement; and shall also keep an account with each person, including the officers who have money transactions with said the city, crediting the amounts allowed by proper authority and specifying the particular transaction to which such entries apply.

The auditor shall also keep separate accounts of each and every appropriation made by the board of commissioners, showing the date thereof and the purpose for which the same is made. The auditor shall also keep a separate account with each department of the city government and such any other accounts as may be necessary to show a complete financial statement of the city; and. The auditor shall be prepared at every regular meeting of the board of commissioners to give such information concerning the finances of the city as said the board may require.

The auditor shall, at the end of each month, strike a trial balance of all books, showing a complete and accurate statement of the financial affairs of such city. At the close of the fiscal year it shall be the duty of the auditor to shall prepare an annual report, showing in detail the financial condition of all funds, together with statements showing the receipts of the city from all sources and the expenditures of the city for all purposes together with a detailed statement of the debt of said the city and the purposes for which it was incurred, and all the property of said the city and the income derived therefrom, if any. It shall also be the duty of The auditor, at least once each month, to shall examine the books of accounts of all officers of said the city charged with the receipt and disbursement of money, and, if they are found incorrect, to at once the auditor shall make a report immediately in writing of the same to the commissioner of finance and revenue. It shall also be his or her duty to The auditor shall examine all warrants and countersign the same, after appropriation has been duly made by said the board of commissioners; and. The auditor shall render such other services from time to time as said the board may direct.

The auditor shall be an expert accountant, with five years' actual experience in keeping accounts; and, before entering upon the discharge of his or her duties, he or she. Before taking office, the auditor shall give a good and sufficient surety-company bond to the city, to be approved by the mayor and commissioner of finance and revenue, in the sum of five thousand dollars \$5,000, conditioned for the faithful performance of duties and to save the city free from all loss caused by neglect of duty or malfeasance in office, the cost of such bond shall be paid by the city; Provided, That. In the cities with a population of not less than eighty thousand nor more than one hundred twenty thousand city of Topeka, Kansas, the auditor shall have one or more of the following qualifications:

(a) Shall have had at least five years' experience in municipal or governmental accounting.

(continued)

(b) Shall have had at least five years' experience with one or more accredited public accounting firms engaged in municipal practice.

(c) Shall be a certified public accountant.

(d) Shall be a licensed municipal accountant. The auditor shall receive a salary which shall be fixed by ordinance.

Sec. 3. K.S.A. 13-2108 and K.S.A. 1981 Supp. 12-105b are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 10, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

Passed the HOUSE April 5, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

APPROVED April 15, 1982.

JOHN CARLIN  
*Governor.*

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
*Secretary of State.*  
(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

HOUSE BILL No. 2140

AN ACT concerning courts; relating to justices of the supreme court and judges of the court of appeals; providing for each justice's or judge's official station and for furnishing of certain office space.

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

Section 1. (a) The official station of each justice of the supreme court and judge of the court of appeals shall be the county seat of the county where the justice or judge maintains an actual abode in which the justice or judge customarily lives.

(b) The administrative judge of the judicial district in which a justice of the supreme court or judge of the court of appeals has the justice's or judge's official station, shall provide suitable office space upon request by the justice or judge for use by the justice or judge and the justice's or judge's staff personnel. Such office space shall be in or adjacent to the district court courtrooms and offices at the official station of the justice or judge. Notwithstanding the foregoing provisions, no office space shall be provided by the administrative judge of the third judicial district.

(c) Each justice of the supreme court and judge of the court of appeals, upon appointment and from time to time thereafter as changes occur, shall notify the judicial administrator in writing of the justice's or judge's official station, if other than the city of Topeka.

(d) Notwithstanding the other provisions of this section, all mileage and other allowances for official travel for justices of the supreme court and judges of the court of appeals shall be determined from Topeka, Kansas.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 11, 1982.

House adopted Conference Committee report April 2, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

Passed the SENATE as amended March 24, 1982.

Senate adopted Conference Committee report April 1, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

APPROVED April 15, 1982.

JOHN CARLIN  
*Governor.*

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

JACK H. BRIER  
*Secretary of State.*  
(SEAL)

(Published in the KANSAS REGISTER April 22, 1982.)

## SENATE BILL No. 776

AN ACT concerning appropriations for the fiscal years ending June 30, 1982, and June 30, 1983, for certain capital improvement projects for Fort Hays state university, Kansas state university, Kansas state university veterinary medical center, Pittsburg state university and the university of Kansas; lapsing certain amounts and imposing certain restrictions and limitations.

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

## Section 1.

## FORT HAYS STATE UNIVERSITY

(a) On the effective date of this act, of the amount reappropriated for the above agency by section 20 of chapter 32 of the 1981 Session Laws of Kansas from the state general fund in the nurse education building—final planning and construction account, the sum of \$8,653 is hereby lapsed.

(b) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the north campus electric transmission system improvements account, any unencumbered balance is hereby lapsed.

## Sec. 2.

## KANSAS STATE UNIVERSITY

(a) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the classroom and office building account, the sum of \$25,000 is hereby lapsed.

(b) On July 1, 1982, of the \$2,970,623 appropriated for the above agency for the fiscal year ending June 30, 1983, by section 2(b) of chapter 23 of the 1980 Session Laws of Kansas from the Kansas educational building fund in the engineering complex, phase II account, the sum of \$469,829 is hereby lapsed.

(c) On the effective date of this act, of the amount reappropriated for the above agency by section 17 of chapter 22 of the 1981 Session Laws of Kansas from the federal revenue sharing fund in the central chilling plant improvements account, the sum of \$60,000 is hereby lapsed.

## Sec. 3.

KANSAS STATE UNIVERSITY  
VETERINARY MEDICAL CENTER

(a) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the clinical science and pathology building—college of veterinary medicine account, the sum of \$20,165 is hereby lapsed.

## Sec. 4.

## PITTSBURG STATE UNIVERSITY

(a) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the razing of Carney hall and relocation of utility tunnel account, any unencumbered balance is hereby lapsed.

(b) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas education building fund in the replace portion of Weede physical education roof account, any unencumbered balance is hereby lapsed.

(c) On the effective date of this act, of the \$57,000 appropriated for the above agency by section 27(e) of chapter 32 of the 1981 Session Laws of Kansas from the Kansas education building fund in the for purchase of lots 3 and 5 in block 1 in Ball's addition, city of Pittsburg, Kansas, commonly known and numbered as 310 East Lindburg, Pittsburg, Kansas account, any unencumbered balance is hereby lapsed.

## Sec. 5.

## UNIVERSITY OF KANSAS

(a) On the effective date of this act, of the amount reappropriated for the above agency by section 29(a) of chapter 32 of the 1981 Session Laws of Kansas from the state general fund in the renovation and special maintenance of Summerfield hall account, any unencumbered balance is hereby lapsed.

(b) On the effective date of this act, of the amount reappropriated for the above agency by section 29(a) of chapter 32 of the 1981 Session Laws of Kansas from the state general fund in the renovate Lindley hall account, the sum of \$41,557 is hereby lapsed.

(c) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the Robinson gymnasium addition account, the sum of \$26,000 is hereby lapsed.

(d) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the Malott hall addition account, the sum of \$22,000 is hereby lapsed.

(e) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas education building fund in the remodeling and special maintenance of existing Robinson gymnasium account, the sum of \$18,253 is hereby lapsed.

(f) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the renovation of Watson library account, the sum of \$70,000 is hereby lapsed.

(g) On the effective date of this act, of the amount reappropriated for the above agency by section 16 of chapter 22 of the 1981 Session Laws of Kansas from the Kansas educational building fund in the Haworth hall addition—planning account, any unencumbered balance is hereby lapsed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 16, 1982.

ROSS O. DOYEN  
*President of the Senate.*  
LU KENNEY  
*Secretary of the Senate.*

Passed the HOUSE April 5, 1982.

WENDELL LADY  
*Speaker of the House.*  
GENEVA SEWARD  
*Chief Clerk of the House.*

APPROVED April 15, 1982.

JOHN CARLIN  
*Governor.*

## STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
*Secretary of State.*



(Published in the KANSAS REGISTER April 22, 1982.)

Substitute for HOUSE BILL No. 2595

AN ACT concerning the adjutant general; relating to the Kansas army and air national guard; creating the military fees fund; regulation of the rental of armories; disposition of certain revenues; placing certain personnel employed to implement agreements with the federal national guard bureau in the unclassified service under the Kansas civil service act; amending K.S.A. 48-301, 48-309 and 48-324 and K.S.A. 1981 Supp. 75-2935 and repealing the existing sections.

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

New Section 1. There is hereby created in the state treasury the military fees fund which shall be administered by the adjutant general. The adjutant general shall remit all moneys received as reimbursements from the federal government to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury and such amount shall be credited to the military fees fund. The adjutant general may adopt rules and regulations establishing procedures for the administration of the military fees fund.

Sec. 2. K.S.A. 48-301 is hereby amended to read as follows: 48-301. (a) The Kansas military board of the state is hereby empowered and directed to erect or provide, anywhere within the limits of this state, upon such terms and conditions as shall be decided upon by ~~said the Kansas military board as most advantageous to the state, armories for the use of the Kansas army or air national guard of Kansas; which armories. Each such armory shall be used for drill, meeting and rendezvous purposes by the organization unit of the national guard occupying same such armory, and such other public functions which the officers in charge of said such armory may deem advisable and proper; and which. Such armories shall also be opened for meetings and functions of the Grand Army of the Republic, the Spanish-American War Veterans; and their auxiliary organizations.~~

(b) *Subject to the provisions of K.S.A. 48-324 and amendments thereto, the adjutant general, with the advice of the Kansas military board, shall adopt rules and regulations establishing a uniform policy governing rental charges for use of armories for other than national guard purposes in order to recover the costs incurred for such use.*

Sec. 3. K.S.A. 48-309 is hereby amended to read as follows: 48-309. (a) The governing body of any city in this state having a Kansas army or air national guard ~~organization unit or Kansas state guard organization unit~~ within its boundaries, or within twelve 12 miles thereof, and the board of county commissioners of any county in this state having a Kansas army or air national guard ~~organization unit or Kansas state guard organization unit~~ within its boundaries are each hereby authorized and empowered to make an annual expenditure in cash, for furnishing equipment and maintenance to such national guard or state guard ~~organization unit, in an amount not to exceed two thousand dollars (\$2,000) \$2,000~~ for each Kansas army or air national guard unit which is now or hereafter may be organized, if such national guard unit has qualified for federal recognition as a part of the army or air national guard of the United States. For the purpose of providing funds for the purposes herein authorized under this section the board of county commissioners of any such county is hereby authorized to make such expenditures from the general fund of the county or may levy annually a tax upon all the taxable tangible property of the county sufficient to provide funds for the purposes herein authorized under this section and to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 1979 1981 Supp. 12-1774, and amendments thereto, by cities located in the county.

(b) *All funds received by any Kansas army or air national guard unit or Kansas state guard unit from a city or county under this section for furnishing equipment and maintenance to such unit may be expended for such purposes in accordance with rules and regulations adopted by the adjutant general. Each Kansas army or air national guard unit or Kansas state guard unit shall deposit all such funds received under this section in a separate account for such purposes in a bank designated by the pooled money investment board.*

(c) All revenues received by any Kansas army or air national guard unit or Kansas state guard unit from other sources, includ-

ing but not limited to armory rentals, vending proceeds; ~~non-federal annual camp dividends; and gifts and donations; may be expended for operating expenses including maintenance; and equipment or and for morale and welfare purposes in accordance with rules and regulations adopted by the adjutant general; and. Each Kansas army or air national guard unit shall deposit all such funds received under this section in specified banks a separate account in a bank designated by the pooled money investment board and.~~

(d) *Each Kansas army or air national guard unit or Kansas state guard unit receiving funds under this section shall account for the receipt and expenditure of such funds as the adjutant general may direct.*

Sec. 4. K.S.A. 48-324 is hereby amended to read as follows: 48-324. (a) In accordance with this section, portions of Kansas army and air national guard armories located in cities having populations of less than ~~four thousand (4,000) 4,000~~ may be leased for use on a regular basis for pre-schools which are providing educational and other programs for pre-school children and which are licensed by the secretary of health and environment under K.S.A. 1978 Supp. 65-501 *et seq. and amendments thereto.*

(b) *Within sixty (60) days after the effective date of this act, The adjutant general and the Kansas military board shall each adopt necessary rules and regulations prescribing procedures for the leasing and operation of portions of Kansas army and air national guard armories located in cities having populations of less than ~~four thousand (4,000) 4,000~~ by individuals, associations, organizations and corporations for use on a regular basis as pre-schools as described in subsection (a). Such pre-schools in armories shall be operated in a manner which is compatible and which does not interfere with the normal operations of the Kansas army and air national guard units assigned to the armories. The adjutant general and the Kansas military board may prescribe procedures for the evacuation of the property of any such pre-school from an armory in cases of emergency requiring the use of all portions of the armory by Kansas army or air national guard units.*

(c) Rental charges for the use of a portion of an armory for a pre-school under this section shall be imposed only to recover the costs actually incurred as a result of and attributable to such use, including but not limited to utility, janitorial and other maintenance expenses. Such rental charges shall be fixed in accordance with rules and regulations adopted by the adjutant general. Revenues from such charges shall be disposed of in accordance with K.S.A. 48-309 and amendments thereto and rules and regulations adopted thereunder.

Sec. 5. K.S.A. 1981 Supp. 75-2935 is hereby amended to read as follows: 75-2935. The civil service of the state of Kansas is hereby divided into the unclassified and the classified services.

(1) The unclassified service comprises positions held by state officers or employees who are:

(a) Chosen by election or appointment to fill an elective office;

(b) members of boards and commissions, heads of departments required by law to be appointed by the governor or by other elective officers, and the executive or administrative heads of offices, departments, divisions and institutions specifically established by law;

(c) except as herein otherwise enlarged under this section, one personal secretary to each of the elective officers officer of this state, and in addition thereto, ~~ten (10) 10~~ deputies, clerks; or employees designated by such elective officer;

(d) all employees in the office of the governor;

(e) officers and employees of the senate and house of representatives of the legislature and of the legislative coordinating council and all officers and employees of the office of revisor of statutes, of the legislative research department, of the division of legislative administrative services, of the division of post audit and the legislative counsel;

(f) chancellor, president, deans, administrative officers, student health service physicians, teaching and research personnel, and student employees in the institutions under the state board of

(continued)

regents, the executive officer of the board of regents and his or her the executive officer's employees; except other than clerical employees, and, at the discretion of the state board of regents, directors or administrative officers of departments and divisions of the institution; but, except that this subdivision subsection (1)(f) shall not be construed to include the custodial, clerical, or maintenance employees, or any employees performing duties in connection with the business operations of any such institution, except administrative officers and directors;

(g) operations, maintenance and security personnel employed to implement agreements entered into by the adjutant general and the federal national guard bureau, and officers and enlisted persons in the national guard and the naval militia;

(h) persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;

(i) persons temporarily employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination; or installation;

(j) officers and employees in the office of the attorney general and special counsel to state departments appointed by the attorney general, except that officers and employees of the division of the Kansas bureau of investigation shall be in the classified or unclassified service as provided in K.S.A. 1981 Supp. 75-711;

(k) all employees of courts;

(l) patient and inmate help in state charitable, penal and correctional institutions;

(m) all attorneys for boards, commissions and departments;

(n) the secretary of the Kansas state historical society;

(o) physician specialists employed by the director commissioner of mental health and retardation services and assigned by the director commissioner to a position in the division of mental health and retardation services or any institution under the supervision of the state department of social and rehabilitation services;

(p) physician specialists employed at any institution under the supervision of the secretary of corrections;

(q) student employees enrolled in public institutions of higher learning;

(r) administrative officers, directors and teaching personnel of the state board of education and the state department of education and of any institution under the supervision and control of the state board of education; but, except that this paragraph subsection (1)(r) shall not be construed to include the custodial, clerical or maintenance employees, or any employees performing duties in connection with the business operations of any such institution, except administrative officers and directors;

(s) all officers and employees in the office of the secretary of state;

(t) one personal secretary and one special assistant to the following: The secretary of administration, the secretary of aging, the secretary of corrections, the secretary of economic development, the secretary of health and environment, the secretary of human resources, the secretary of revenue, the secretary of social and rehabilitation services and the secretary of transportation;

(u) one personal secretary and one special assistant to the chancellor and presidents of institutions under the state board of regents;

(v) one personal secretary and one special assistant to the executive vice chancellor of the Kansas university of Kansas medical center;

(w) civil service examination monitors;

(x) the secretary of the Kansas state corporation commission;

(y) specifically designated by law as being in the unclassified service.

(2) The classified service comprises all positions now existing or hereafter created which are not included in the unclassified service, or those specifically excluded under K.S.A. 1981 Supp. 75-2934. Appointments in the classified service shall be made according to merit and fitness from eligible lists prepared upon the basis of examination which so far as practicable shall be competitive. No person shall be appointed, promoted, reduced or discharged as an officer, clerk, employee, or laborer in the classified service in any manner or by any means other than those

prescribed in this the Kansas civil service act and the rules adopted in accordance therewith.

(3) For positions involving unskilled, or semiskilled labor, the secretary of administration, as provided by law, shall establish rules concerning certifications, appointments, layoffs and reemployment which may be different from the rules established concerning these processes for other positions in the classified service.

(4) Officers authorized by law to make appointments to positions in the unclassified service, and appointing officers of departments or institutions whose employees are exempt from the provisions of this the Kansas civil service act because of the constitutional status of such departments or institutions shall be permitted to make appointments from appropriate registers of eligibles maintained by the department division of personnel services.

Sec. 6. K.S.A. 48-301, 48-309, 48-324 and K.S.A. 1981 Supp. 75-2935 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 19, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 1, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 15, 1982.

JOHN CARLIN  
Governor.

#### STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 15th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

## HOUSE BILL No. 2999

AN ACT concerning city and school elections; time of primary elections; amending K.S.A. 25-2006, 25-2007, 25-2018, 25-2102, 25-2108a and 25-2109 and repealing the existing sections.

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

Section 1. K.S.A. 25-2006 is hereby amended to read as follows: 25-2006. (a) "General election" means the election held for school officers on the first Tuesday in April in any odd-numbered year, and in the case of special elections of any school officers to fill vacancies, the election at which any such officer is finally elected.

(b) "Primary election" means the election held ~~four~~ (4) ~~five~~ weeks preceding the election on the first Tuesday in April, and any other preliminary election at which part of the candidates for special election to any school office are eliminated by the process of the election but at which no officer is finally elected.

Sec. 2. K.S.A. 25-2007 is hereby amended to read as follows: 25-2007. (a) "Question submitted election" means any election at which a special question is to be voted on by the electors of the state or a part of them.

(b) "County election officer" means

(1) the election commissioner of the home county of the school district if such county has an election commissioner,

(2) the county clerk of the home county of the school district if the county does not have an election commissioner,

(3) the county clerk (or the election commissioner if there is one) of the county in which all or the greater part of the population is located in the case of a nonunified school district. In the event that doubt exists concerning which public officer is the county election officer under this subpart, the secretary of state shall specify such officer and such specification shall be conclusive.

(c) "Filing deadline" means the hour, date or time after which it is provided by law no person may become a candidate for election to public office; for school elections the filing deadline is ~~12~~ 12:00 o'clock noon on the Tuesday which precedes by ~~nine~~ (9) ~~10~~ weeks the first Tuesday in April of any odd-numbered year.

Sec. 3. K.S.A. 25-2018 is hereby amended to read as follows: 25-2018. (a) Notices of board member elections and question submitted elections of a school district shall be made as provided in this section.

(b) On or before January ~~fifteenth~~ 15th, the county election officer shall publish a notice of election one time in a newspaper having general circulation in the school district. The notice for board member elections shall state (1) the name of the school district, (2) the date of the general election, (3) the date of the primary election if one is held, (4) the filing deadline and the place of filing, and (5) the offices or positions to be filled.

(c) All notices provided for by this section shall be given in such form as is prescribed by the secretary of state to the extent that any such notice or part thereof is prescribed by the secretary of state. The provisions of this section shall not be construed to require the secretary of state to prescribe any particular form.

(d) Not less than ~~five~~ (5) ~~six~~ weeks prior to the first Tuesday in April a notice of primary elections shall be published by the county election officer in a newspaper having general circulation in the school district, if a primary election is required to be held. Such publication shall be made one time and shall state (1) the name of the school district, (2) the date of the primary election, (3) the names of the candidates and the office or position for which each is a candidate, (4) the voting place or places and the area each voting place is to serve, (5) the times of opening and closing of the polls. Description of areas shall be in such terms as may be determined by the county election officer.

(e) Not less than three (3) days prior to the first Tuesday in April a notice of the general election shall be published by the county election officer one time in a newspaper having general circulation in the school district. Such notice shall state (1) the name of the school district, (2) the date of the general election, (3) the names of the candidates and the office or position for which each is a candidate, (4) the voting place or places and the area each voting place is to serve, (5) the time of opening and closing

of polls. Description of areas shall be in such terms as may be determined by the county election officer.

(f) Notice of any question submitted election of any school district shall be made by one publication by the county election officer in a newspaper of general circulation in the school district once each week for three (3) consecutive weeks, the first publication to be not less than ~~twenty-one~~ (21) 21 days prior to such election. The notice shall state (1) the name of the school district, (2) the date of the election, (3) the amount of bonds to be issued, if a bond election, (4) the proposition to be voted upon, (5) the hours of opening and closing of the polls, (6) the voting place or places and the area each voting place is to serve, and (7) such other information as is specifically required by law. Description of areas shall be in such terms as may be determined by the county election officer.

Sec. 4. K.S.A. 25-2102 is hereby amended to read as follows: 25-2102. (a) "General election" means the election held on the Tuesday succeeding the first Monday in November of even numbered years, the elections held for officers on the first Tuesday in April, and in the case of special elections of any officers to fill vacancies, the election at which any such officer is finally elected.

(b) "Primary election" means the election held on the first Tuesday in August of even-numbered years, the election held ~~four~~ (4) ~~five~~ weeks preceding the election on the first Tuesday in April, and any other preliminary election at which part of the candidates for special election to any national, state, county, city or school office are eliminated by the process of the election but at which no officer is finally elected.

Sec. 5. K.S.A. 25-2108a is hereby amended to read as follows: 25-2108a. (a) There shall be a primary election of city officers on the Tuesday preceding by ~~four~~ (4) ~~five~~ weeks the first Tuesday in April of every year that such city has a city election, except as otherwise provided in subsection (b) of this section.

(b) No primary election of city officers shall be held unless by holding such primary one (1) or more persons will be eliminated as candidates for office. In the event there are not more than two (2) candidates for any one office, the names of the candidates for such office shall not appear on the primary election ballots, and there shall be no primary election for such office, but the names of such candidates shall be placed on the general city election ballot.

Sec. 6. K.S.A. 25-2109 is hereby amended to read as follows: 25-2109. The filing deadline for all city elections shall be 12:00 o'clock noon of the Tuesday preceding by ~~nine~~ (9) 10 weeks the first Tuesday in April.

Sec. 7. K.S.A. 25-2006, 25-2007, 25-2018, 25-2102, 25-2108a and 25-2109 are hereby repealed.

Sec. 8. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 9, 1982.

WENDELL LADY  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

Passed the SENATE April 5, 1982.

ROSS O. DOYEN  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

APPROVED April 19, 1982.

JOHN CARLIN  
Governor.

STATE OF KANSAS  
Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 19th day of April, 1982.

(SEAL)

JACK H. BRIER  
Secretary of State.

(Published in the KANSAS REGISTER April 22, 1982.)

Substitute for SENATE BILL No. 61

AN ACT placing certain requirements on dealers of used oil and gas field equipment, transporters of oil and gas field equipment and crude oil and persons possessing crude petroleum oil; providing penalties for violations; prohibiting defacing of identification marks of oil or gas field equipment and providing penalties for violations.

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

Section 1. As used in this act:

(a) "Carrier" means a common carrier which is certified under K.S.A. 66-131.

(b) "Dealer" means any person engaged in the business of dealing in used oil or gas field equipment.

(c) "Oil and gas field equipment" means any equipment or material used in extracting oil or gas from the earth or in constructing, operating, maintaining or repairing oil or gas wells or pipelines.

(d) "Person" means any individual, partnership, corporation or association.

Sec. 2. (a) Any dealer who has gross receipts of more than \$100,000 from the sale of used oil or gas field equipment in the calendar year shall record, for each purchase or sale of used oil or gas field equipment by the dealer:

(1) The name and address of the person selling the equipment to or buying the equipment from the dealer;

(2) the date of the transaction;

(3) the general location of the equipment at the time of the transaction; and

(4) the serial number or other identifying number or mark of each piece of the equipment purchased or sold and the kind, make, size, weight, length and quantity of each piece.

This subsection shall not apply to the purchase or sale of equipment which has a fair market value of less than \$50.

(b) The record required by this section shall be maintained by the dealer for not less than one year after the transaction.

(c) Law enforcement officers of the federal government, the state of Kansas and of the city or county where a dealer's business is located shall have access during regular business hours to the dealer's place of business. Access shall be for the purpose of periodically inspecting the dealer's inventory of used oil or gas field equipment and records relating to the purchase and sale of that equipment, to determine if the dealer is complying with the provisions of this act.

(d) Failure to maintain the records required by this section or to allow law enforcement officers access to a dealer's place of business as provided by this section is a class B misdemeanor.

Sec. 3. (a) Any carrier transporting on any street or highway of this state any oil or gas field equipment or any crude petroleum oil or any sediment, water or brine produced in association with the production of oil or gas shall be considered to have consented, as a condition of certification, to inspection of the equipment or material being transported when requested by any federal, state, county or city law enforcement officer.

(b) Failure to permit inspection of equipment or materials being transported when required by this section is a class B misdemeanor.

Sec. 4. (a) Any person who stores, transports, possesses, disposes of or refines any crude petroleum oil shall have in the person's possession any documentation required by rules and regulations adopted by the state corporation commission pursuant to this section.

(b) The state corporation commission shall adopt rules and regulations specifying the documentation necessary to establish a person's right to be in possession of any crude petroleum oil or sediment, water or brine produced in association with the production of oil or gas which the person is storing, transporting, possessing, disposing of or refining.

(c) Failure to produce the documentation required by this section upon request of any federal, state, county or city law enforcement officer is a class B misdemeanor.

Sec. 5. (a) No person shall intentionally change, alter, remove or obliterate the name of the maker, the model, the manufacturer's number, the serial number or any other identifying number or mark of any oil or gas field equipment.

(b) Violation of this section is a class B misdemeanor.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 10, 1982.

SENATE concurred in HOUSE amendments April 5, 1982.

ROSS O. DOYEN

*President of the Senate.*

LU KENNEY

*Secretary of the Senate.*

Passed the HOUSE as amended April 2, 1982.

WENDELL LADY

*Speaker of the House.*

GENEVA SEWARD

*Chief Clerk of the House.*

APPROVED April 19, 1982.

JOHN CARLIN

*Governor.*

STATE OF KANSAS

Office of Secretary of State

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the above and foregoing is a correct copy of the original enrolled bill now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 19th day of April, 1982.

JACK H. BRIER

*Secretary of State.*

(SEAL)

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