

KANSAS REGISTER



State of Kansas

JACK H. BRIER
Secretary of State

Vol. 3, No. 10

March 8, 1984

Pages 321-368

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State of Kansas

KANSAS WATER AUTHORITY**OPEN MEETING NOTICE**

The March meeting of the Kansas Water Authority will be held March 21, 1984 at the Student Union on the campus of Kansas State University, Manhattan, Kansas. The meeting starting time will be 10:00 a.m. The majority of the day will be spent in committee meetings. A detailed agenda may be obtained by writing or calling Bruce W. Janssen, 702 Broadway, Box D, Larned, Kansas 67550.

H. PHILIP MARTIN
Chairman

Doc. No. 001916

(Published in the KANSAS REGISTER, March 8, 1984.)

State of Kansas

DEPARTMENT OF TRANSPORTATION**NOTICE TO CONTRACTORS**

It is the intent that sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, Kansas, until 10:00 a.m., March 29, 1984 and then publicly opened:

DISTRICT ONE

Wyandotte—435-105 K 0989-01—2.809 miles Grading and four bridges, beginning approximately 0.513 mile north of I-435 and Leavenworth Road, then north on I-435 on new alignment (Federal Funds).

Proposals will be issued upon request to all prospective bidders who have been prequalified by the Kansas Department of Transportation on the basis of financial condition, available construction equipment, and experience. Also, a statement of unearned contracts (Form No. 284) must be filed. There will be no discrimination against anyone regardless of race, religion, color, sex, physical handicap, national origin or ancestry in the award of contracts.

Plans and specifications for the project(s) may be examined at the offices of the respective County Clerks or at the Kansas Department of Transportation district offices responsible for the work.

JOHN B. KEMP
Secretary

Doc. No. 001931

State of Kansas

LEGISLATIVE DIVISION OF POST AUDIT**INVITATION FOR BIDS**

Sealed bid proposals on a Legislative Division of Post Audit Invitation for Bids on financial-compliance audit work will be received until 3:00 p.m., Monday, April 2, 1984. This invitation covers the following audit work:

1. Federal Emergency Management Agency Disaster Assistance Grant to the Adjutant General's Department for Jackson County, Kansas.

Copies of the Invitation for Bids may be obtained from the Legislative Division of Post Audit, 109 W. 9th Street, Suite 301, Topeka, Kansas 66612, (913) 296-3792.

MEREDITH WILLIAMS
Acting Legislative Post Auditor

Doc. No. 001919

The *Kansas Register* is an official publication of the State of Kansas, published by authority of K.S.A. 1983 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

(Published in the KANSAS REGISTER, March 8, 1984.)

State of Kansas**DEPARTMENT OF TRANSPORTATION****PUBLIC NOTICE**

The Kansas Department of Transportation (KDOT) is seeking to engage a qualified consultant engineering firm for projects in the following counties:

Johnson County—7-46 K 2038-01/BRF 081-1(60)—Grading, Bridge and Surfacing of a bridge over US-56 at the west junction of K-7 and US-56 in Olathe.

Cherokee County—160-11 K 2044-01/BRF 018-6(17)—Bridge design only to replace the following bridges: (1) Bridge over Mulberry Creek, approximately 5.0 miles east of the Cherokee-Labette County line; (2) Bridge over Lightning Creek, approximately 5.70 miles east of the Cherokee-Labette County lines; (3) Bridge over Lightning Creek Drainage, approximately 6.07 miles east of the Cherokee-Labette County line; (4) Bridge over Limestone Creek Drainage, approximately 6.29 miles east of the Cherokee-Labette County line.

Butler County—54-8 K 2477-01/BRF 038-4(48)—Bridge design only of the bridges over the Walnut River Drainage and over Bird Creek, approximately 1.16 miles and 5.59 miles east of the north junction of US-54 and US-77 respectively.

Kiowa County—54-49 K 2030-01/BRF 038-1(49)—Bridge design only to replace the bridge on the south branch of Rattlesnake Creek Drainage, approximately 5.5 miles east of the junction of US-54 and K-154.

Rice County—56-80 K 2034-01/BRF 062-2(73)—Bridge design only to replace Spring Creek Bridge and Spring Creek Drainage Bridge, approximately 9.6 and 9.8 miles east of the Barton-Rice County line respectively.

Sumner County—160-96 K 2023-01/BHF 018-4(31)—Grading, Surfacing and Bridge design replacement for the Arkansas River Bridge at Oxford, approximately 0.67 mile west of the Sumner-Cowley County line.

Firms expressing interest in these projects must respond in writing and complete the Consulting Engineers Qualification Questionnaire (if not already pre-qualified) by March 26, 1984.

It is the policy of the KDOT to use the following criteria as the basis for selection of engineering consulting firms:

1. Size and professional qualifications of firm.
2. Experience of staff.
3. Location of firm with respect to proposed project.
4. Work load of firm.
5. Firm's performance record.

JOHN B. KEMP
Secretary

Doc. No. 001932

State of Kansas**WICHITA STATE UNIVERSITY
CAMPUS CREDIT UNION****NOTICE TO BIDDERS**

Sealed bids for the Campus Credit Union Remodeling will be received by the President/General Manager, Campus Credit Union, Wichita State University, Wichita, Kansas 67208, until 2:00 p.m. CST, Thursday, March 22, 1984, then will be publicly opened.

ARMIN L. BRANDHORST
Director, Physical Plant

Doc. No. 001900

State of Kansas**SOCIAL AND REHABILITATION SERVICES
CHILDREN AND YOUTH ADVISORY
COMMITTEE****NOTICE OF MEETING**

Notice is hereby given to all interested parties that the statutorily created Children and Youth Advisory Committee will hold its regular meeting on March 12, 1984, at 1:30 p.m., in the Judicial Administrator's Conference Room (337), Judicial Center, 301 W. 10th Street, Topeka, Kansas.

GEORGENE WADE, Chairperson
Children and Youth Advisory Committee

Doc. No. 001918

State of Kansas**DEPARTMENT OF ADMINISTRATION
STATE EMPLOYEES
HEALTH CARE COMMISSION****NOTICE OF PUBLIC HEARINGS**

The State Employees Health Care Commission will hold a public hearing on March 15, 1984, from 1:30 to 4:30 p.m., and March 16, 1984, from 8:30 a.m. to 11:00 a.m., in Room 220-S, State Capitol, Topeka, Kansas.

The hearings are being held to investigate medical programs being provided to state employees, and to make people more aware of cost containment programs and other innovative ideas.

Please write or call Barbara Duncan, Office of the Secretary of Administration, Room 263-E, State Capitol, Topeka, Kansas 66612, 913-296-3011, and reserve a time for a presentation if you would like to appear before the Commission.

MARVIN A. HARDER
Secretary of Administration

Doc. No. 001930

State of Kansas

**SOCIAL AND REHABILITATION SERVICES
MEDICAL CARE
ADVISORY COMMITTEE****NOTICE OF MEETING**

Notice is hereby given of the regular meeting of the Medical Care Advisory Committee Meeting on Thursday, March 15, 1984, at 1:30 p.m., in the Department of Social and Rehabilitation Services Conference Room, 6th Floor, State Office Building, Topeka, Kansas.

KATHRYN KLASSEN
Director of Medical Programs

Doc. No. 001933

State of Kansas

SECRETARY OF STATE**NOTICE**

TO ALL TO WHOM THESE PRESENTS SHALL
COME, GREETING:

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that pursuant to the provisions of K.S.A. 1983 Supp. 16-207, the maximum effective rate of interest per annum for notes secured by all real estate mortgages and contracts for deed for real estate executed during the period of March 1, 1984 through March 31, 1984 shall be 14.82%.

In testimony whereof: I hereto set my hand and cause to be affixed my official seal. Done at the City of Topeka, this 29th day of February, A.D. 1984.

JACK H. BRIER
Secretary of State

Doc. No. 001926

State of Kansas

SECRETARY OF STATE**NOTICE OF FORFEITURE**

In accordance with K.S.A. 17-7510, the articles of incorporation of the following corporations organized under the laws of the State of Kansas and the authority of the following foreign corporations to do business in the State of Kansas were forfeited on February 15, 1984, for failure to file an annual report and pay the annual franchise tax, as required by the Kansas General Corporation Code.

Cancelled 2/15/84 for failure to file the 7/31/83 annual report:

- Domestic for Profit

AAA, Inc., Hutchinson, KS.
Adriance International, Inc., Lawrence, KS.
Amador-Nortex, Inc., Overland Park, KS.
Andromeda Systems, Inc., Wichita, KS.
Arrowhead Corporation, Kansas City, KS.

Art Lamb Casing Pulling, Incorporated, Hutchinson, KS.

Ashcox Investments, Inc., Overland Park, KS.

B and N Electric, Inc., Independence, KS.

Big Time Supply Co., Inc., Wichita, KS.

Blasi Pre-School & Day Care Center, Inc., Pratt, KS.

The Bluestem Corporation, Bronson, KS.

Broadway Buffet, Inc., Pittsburg, KS.

Broken Wheel Land and Cattle Company, Inc., Iuka, KS.

Central Resources, Ltd., Paola, KS.

C & N Service Agency, Inc., Shawnee Mission, KS.

Computit, Inc., Wichita, KS.

Constable Farms, Inc., Delphos, KS.

Doctor Scratch Co., Inc., Smith Center, KS.

Dyson Electric Service Inc., Hutchinson, KS.

Eldon's Shoes, Inc., Wichita, KS.

Ellis Enterprises of Topeka, Incorporated, Topeka, KS.

ESI Computer Systems, Inc., Lenexa, KS.

Everhart Farms, Inc., Paola, KS.

Executive Hills Shops, Inc., Overland Park, KS.

Fabric Mart, Inc., Arkansas City, KS.

Fairfax Specialties, Inc., Kansas City, KS.

Fireworks World, Inc., of Kansas City, Kansas, Wilmington, NC.

Forbes Aircraft Inc., Topeka, KS.

Geoson Oil Co., Inc., Wichita, KS.

Goertzen Seed Research, Inc., Scott City, KS.

Hi-Tech Investment Association, Sabetha, KS.

HLE Resources Corp., Independence, KS.

Iceberg Service Co., Inc., Wichita, KS.

Insul-All, Inc., Tonganoxie, KS.

J Drilling Corporation, Wichita, KS.

J Production Corporation, Wichita, KS.

Kilgore Painting and Sandblasting, Inc., Great Bend, KS.

Kiowa Theater Inc., Kiowa, KS.

L & D Enterprises, Inc., Wichita, KS.

L.E.J.I. Corporation, Inc., Fort Scott, KS.

Loma Linda Energy Resources, Inc., Chanute, KS.

Mega 2000, Inc., Overland Park, KS.

Nautilus International Fitness Centers of Lawrence, Inc., Lawrence, KS.

New Era, Inc., Overland Park, KS.

Pizza Operators, Inc., Wichita, KS.

Proforma Systems Corporation, Overland Park, KS.

Ray-Ja Enterprises, Inc., Eureka, KS.

Re-Electronics, Inc., Prairie Village, KS.

Sedan, Inc., Iola, KS.

Shasta, Inc., Iola, KS.

Shooting Supply, Inc., Hutchinson, KS.

Smoky Valley Bean, Inc., Sharon Springs, KS.

Sports & Amusements Catering Kansas, Inc., Overland Park, KS.

Stein Travel, Inc., Wichita, KS.

TJK Inc., Kansas City, KS.

Tower Apartments, Inc., Tulsa, OK.

Twentieth Century, Incorporated, Belleville, KS.

Well-Air Aviation, Inc., Wellington, KS.

(continued)

Foreign for Profit

Aquarius II Incorporated, Denver, CO.
 Boehning & Larson Contractors, Inc., Casper, WY.
 Colonial Fixture Company, Kansas City, MO.
 F C D, Ltd., Enid, OK.
 General Coatings, Inc., St. Paul, MN.
 HNG Fossil Fuels Company, Houston, TX.
 Indiana Gunite & Construction Company, Inc.,
 Florence, AL.
 Layton Oil Company, Independence, KS.
 Mid-Continent Disposal Service, Inc., Kansas City,
 MO.
 Mid-West Corrugated Company, Inc., Kansas City,
 MO.
 Oakleaf Corporation, Panorama City, CA.
 Quadel Hospitality Management Corporation,
 Rockville, MD.
 Redwin Corporation, Denver, CO.
 Summit Petroleum Corporation, Denver, CO.

Professional Association

Animal Health Center, P.A., Hiawatha, KS.
 Digestive Diseases, Chartered, Overland Park, KS.
 Fernando M. Egea, M.D., Chartered, Kansas City, KS.
 Larry L. Calkins, M.D., P.A., Prairie Village, KS.

**Cancelled 2/15/84 for failure to file the 1/31/83
 annual report:**

Cooperative Marketing Act

Farmers Cooperative Association, Moran, KS.

**Cancelled 2/15/84 for failure to file the annual report
 due after 7/15/83 extension:**

Domestic for Profit

Allen Plumbing and Heating, Inc., Wichita, KS.
 American Auto Centers Corporation, Wichita, KS.
 American Delivery Systems, Inc., Overland Park, KS.
 American Tire & Auto Service, Inc., Junction City, KS.
 Audio Visual Products, Inc., Wichita, KS.
 Aztec Oil, Inc., Olathe, KS.
 Bill Masters Basements, Inc., Wichita, KS.
 Burge Enterprises, Inc., Colby, KS.
 Business Equipment Leasing, Inc., Lenexa, KS.
 Cambridge South Company, Kansas City, KS.
 Centka, Inc., Overland Park, KS.
 Central Kansas Cablevision Corporation, Topeka, KS.
 Central Midland Development Corporation, Inc.,
 Council Grove, KS.
 Central Midwest Petroleum, Inc., Kansas City, KS.
 Charter Credit Corporation, Kansas City, MO.
 Cheep Chicken, Inc., Junction City, KS.
 Commerce Trade Corporation, Topeka, KS.
 Consolidated Builders, Inc., Hutchinson, KS.
 Continental Dryers, Inc., Salina, KS.
 C.R.V. Transportation, Incorporated, Overland Park,
 KS.
 Cummins Design Corporation, Lawrence, KS.
 D&D Petroleum Development Corporation, Lenexa,
 KS.
 Decker Electric, Inc., Wichita, KS.
 Decoursey Business Systems, Inc., Lenexa, KS.
 Dek Oil Company, Yates Center, KS.
 Depot Oilfield Supply & Service, Inc., Eureka, KS.
 Dominguez Construction Co., Inc., Kansas City, KS.

El Dorado Lakes Estates, Inc., Wichita, KS.
 F & A Machine, Inc., Wellington, KS.
 F & P Builders, Inc., Hutchinson, KS.
 Frontier Motors, Inc., Topeka, KS.
 Grain States Contracting, Inc., Topeka, KS.
 Grime-O-Way, Inc., Chanute, KS.
 G & S Rental, Inc., Meade, KS.
 Haley Chevrolet-Buick, Inc., Chanute, KS.
 Heavy Hauling, Inc., Salina, KS.
 Hidden Rock Arabians, Inc., Overland Park, KS.
 Huckleberry Homes, Inc., Olathe, KS.
 Intermedia, Ltd., Shawnee Mission, KS.
 Jerry Holloway Realtors, Inc., Lenexa, KS.
 Johnson Company, Inc., Atchison, KS.
 Kansas Flexible Pavements, Inc., Topeka, KS.
 Kansas-Gulf, Inc., Shawnee Mission, KS.
 Kansas Micrographic Systems, Inc., Wichita, KS.
 Kaw Valley Warehousing Company, Inc.,
 Leavenworth, KS.
 Larry K. Wilson Naturopath & Medical Technologist,
 Ltd., Wichita, KS.
 Lawrence Toyota, Inc., Lawrence, KS.
 Leonard Kay, Inc., Overland Park, KS.
 Linwood Energy Group, Inc., Paola, KS.
 Maple Heights, Inc., Leavenworth, KS.
 Maple Leaf Kids, Inc., Paola, KS.
 McNaghten Investment Corporation, Hutchinson, KS.
 Merl Markley Motor, Inc., Luray, KS.
 Mid-Continent Corporation, Salina, KS.
 Millan, Inc., Lawrence, KS.
 Morris Industries, Inc., Wichita, KS.
 Muza Wholesale, Inc., Topeka, KS.
 The National Oil Company, Wichita, KS.
 Nelson-Bowyer Co., Inc., Humboldt, KS.
 Osage Gas Corp., Wichita, KS.
 Paratech, Inc., Wichita, KS.
 Pearson & Taylor Construction, Inc., Junction City,
 KS.
 Peppermill, Inc., Lawrence, KS.
 Petroco, Inc., Wichita, KS.
 Prairie Windsurfing, Inc., Wichita, KS.
 Pri-Mo Rentals, Inc., Topeka, KS.
 Quad Tool and Machine, Inc., Americus, KS.
 Quality Excavating, Inc., Topeka, KS.
 Randall Sheet Metal, Inc., Colby, KS.
 The Rick Co. of Wichita, Wichita, KS.
 Sac Auto Supply, Inc., Salina, KS.
 Sail Art, Inc., Wichita, KS.
 Saunders Oil, Inc., Shawnee, KS.
 SCS Enterprises Inc., Wichita, KS.
 Security Cash Systems, Inc., Paola, KS.
 Security Protection, Inc., Overland Park, KS.
 Sedgwick Lumber Company, Inc., Wichita, KS.
 Seven Stars Oil Co., Inc., Chanute, KS.
 Shanghai Gardens, Inc., Overland Park, KS.
 Shaw Production, Limited, Topeka, KS.
 Sidman's Restaurants, Inc., Wichita, KS.
 Steven Bernard Trucks, Inc., Hutchinson, KS.
 Stuvan, Inc., Topeka, KS.
 Suburban Motors, Inc., Derby, KS.
 Swinson and Associates, Inc., Wichita, KS.
 Technolics, Inc., Manhattan, KS.

(continued)

Thayer Petroleum, Inc., Thayer, KS.
 3+1 Farm Enterprises, Inc., Atchison, KS.
 Topeka Caravan Club Inc., Topeka, KS.
 Townsend Window and Door Co., Inc., Topeka, KS.
 Tri-H, Inc., Topeka, KS.
 United Warehouse Company, Wichita, KS.
 Valentino's of Manhattan, Inc., Manhattan, KS.
 Voyageur's Pack & Portage Shop, Inc., Lenexa, KS.
 Warehouse Sales Company, Inc., Atchison, KS.
 Westport Petroleum Corporation, Topeka, KS.
 Wilson Lake Estates, Incorporated, Hays, KS.
 W. W. Gavitt Medical Company, Topeka, KS.

Foreign for Profit

The Air Preheater Company, Inc., Stamford, CT.
 Dearborn Chemical Company, Lake Zurich, IL.
 Dewey Oilfield Supply, Inc., Dewey, OK.
 Esperanza Pipeline Corporation, Dallas, TX.
 James S. Kemper & Company, Wilmington, DE.
 Joseph Oil Corporation, Austin, TX.
 LTD Corporation, Kansas City, MO.
 McGraw-Edison Company, Elgin, IL.
 Metromedia, Inc., Secaucus, NJ.
 Midwest Restaurants, Inc., Kansas City, MO.
 Oakwood Resources, Inc., Dallas, TX.
 Oil & Gas International Corporation, Houston, TX.
 Petroleum Capital Company N.V., Curacao,
 Netherlands.
 Sumatra Energy Company, Inc., Denver, CO.
 Texas American Oil Corporation, Midland, TX.
 Truck Center of America, New York, NY.
 Zapex Corporation, McLean, VA.
 Zimmer Homes Corporation, Pompano Beach, FL.

Domestic not for Profit

Renewal, Inc., Overland Park, KS.
 Westwood Village Townhome Owners' Association,
 Wichita, KS.
 Wildlife Estates Homeowners Association, Inc.,
 Wichita, KS.

Domestic Limited Partnership

Future Energy, Ltd., Great Bend, KS.

Domestic not for Profit with Solicitation Certificates

Young Men's Christian Association of Pittsburg,
 Kansas, Pittsburg, KS.

Cancelled for failure to correct and return an annual
 report:

Domestic for Profit

Five Star Services, Inc., Baldwin City, KS.
 International Office Products, Inc., Ulysses, KS.
 McKee Oil Company, Inc., Olathe, KS.
 Neighbors Construction Co., Inc., Edwardsville, KS.

Foreign for Profit

American Road Equity Corporation, Dearborn, MI.
 Fuel Exploration, Inc., Denver, CO.
 Texacal Drilling Company, Houston, TX.

Domestic not for Profit

Garnett Area Chamber of Commerce, Garnett, KS.
 Garnett Area Improvement Association, Garnett, KS.

Professional Association

Dearborn Animal Clinic, P.A., Mission, KS.

Cancelled 2/15/84 for failure to submit a certificate of
 good standing with the annual report:

Foreign for Profit

Air Cooling and Energy, Inc., Kansas City, MO.
 Alliance Resources Corp., Chicago, IL.
 JMA House International, Inc., Dover, DE.
 Natomas North America, Inc., Houston, TX.
 R. D. Norris, Inc., Country Club, MO.
 Vision Optical Co., Sioux City, IA.

Cancelled 2/15/84 for failure to designate a new resi-
 dent agent within 60 days of resignation of previous
 resident agent:

Domestic for Profit

Concert Consultants of Kansas, Inc., Overland Park,
 KS.

Stagecoach Petroleums, Inc., Topeka, KS,
 Tractor 1163, Inc., Fort Scott, KS.
 Tractor 8040, Inc., Fort Scott, KS.
 Tractor 8211, Inc., Fort Scott, KS.
 Tractor 8257, Inc., Fort Scott, KS.
 Tractor 8263, Inc., Fort Scott, KS.
 Tractor 8283, Inc., Fort Scott, KS.
 Tractor 8296, Inc., Fort Scott, KS.
 Tractor 8322, Inc., Fort Scott, KS.
 Tractor 8345, Inc., Fort Scott, KS.
 Tractor 8354, Inc., Fort Scott, KS.
 Tractor 8362, Inc., Fort Scott, KS.
 Tractor 8370, Inc., Fort Scott, KS.
 Tractor 8395, Inc., Fort Scott, KS.
 Tractor 8424, Inc., Fort Scott, KS.
 Tractor 8452, Inc., Fort Scott, KS.
 Tractor 8459, Inc., Fort Scott, KS.
 Tractor 8473, Inc., Fort Scott, KS.
 Tractor 8484, Inc., Fort Scott, KS.
 Tractor 8493, Inc., Baldwin City, KS.
 Tractor 8505, Inc., Fort Scott, KS.
 Tractor 8556, Inc., Fort Scott, KS.
 Tractor 8560, Inc., Fort Scott, KS.
 Tractor 8581, Inc., Fort Scott, KS.
 Tractor 8592, Inc., Fort Scott, KS.
 Tractor 8628, Inc., Fort Scott, KS.
 Tractor 8636, Inc., Fort Scott, KS.

Foreign for Profit

Diamond Dixie Exploration, Inc., Ponca City, OK.

JACK H. BRIER

Secretary of State

By: JOHN R. WINE, JR.

Legal Counsel

Deputy Assistant Secretary of State

Doc. No. 001917

State of Kansas

DEPARTMENT OF ADMINISTRATION
DIVISION OF PURCHASES

NOTICE TO BIDDERS

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

MONDAY, MARCH 19, 1984

#56895
Parsons State Hospital and Training Center, Parsons—
METAL DOORS AND FRAMES

#56896
Pittsburg State University, Pittsburg—TRUCK
#56897

Kansas State University, Manhattan—RIDING
MOWER, Experiment Station, Hays
#56898

Department of Transportation—TANDEM AXLE,
Topeka and Garden City
#56899

Department of Social and Rehabilitation Services,
Topeka—MICROCOMPUTER
#56910

Kansas State University, Manhattan—PHOTOMETER
#56911

Kansas Fish and Game Commission, Pratt—READY
MIX CONCRETE (5½ SACK CEMENT), Nemaha State
Fishing Lake

#56912
Kansas Fish and Game Commission, Pratt—COVER
STOCK PAPER—90 POUND

#56913
Kansas State University, Manhattan—WHOLE MILO
#56914

Kansas State University, Manhattan—VAN
#56915

Topeka State Hospital, Topeka—LAUNDRY EQUIP-
MENT

#56916
Kansas State University, Manhattan—MISCELLA-
NEOUS MEATS

TUESDAY, MARCH 20, 1984

#A-4602(a)
Pittsburg State University, Pittsburg—PROVIDE
SURFACE TREATMENT FOR ASPHALT TRAFFIC
AREA, Weed Physical Education Complex

#A-4727
Norton State Hospital, Norton—PAINT FILTER
TANKS AND PIPING, Water Treatment Plant
#25947

University of Kansas, Lawrence—PRINTING INK
#56918

Emporia State University, Emporia—EARTHWORK
#56919

Kansas State University, Manhattan—PORTABLE
DISPLAY UNIT

#56920
Department of Transportation, Chanute—HOT AP-
PLIED CRACK SEALANT, Ottawa

#56921
Parsons State Hospital and Training Center, Parsons—
TOILET PARTITIONS AND COUNTER TOPS

#56922
Parsons State Hospital and Training Center, Parsons—
WOOD WARDROBES

#56923
University of Kansas, Lawrence—UPGRADING
SEISMIC APPARATUS

#56929
Wichita State University, Wichita—FURNISH AND
LINE OR COAT INTERIOR OF ONE HOT WATER
RECEIVER, ABOVE GROUND TANK

#56934
Department of Transportation, Topeka—PLANT MIX,
BITUMINOUS MIXTURE, COMMERCIAL GRADE,
US 36, Fairview Junction

#56935
Department of Transportation, Topeka—TRACTOR
#56936

Pittsburg State University, Pittsburg—PRE-COOL-
ERS FOR CONDENSING UNITS
#56944

University of Kansas, Lawrence—MEMORY
#56961

Pittsburg State University, Pittsburg—REPLACE EX-
TERIOR QUARRY TILE, SOUTH ENTRANCE AREA,
Grubbs Hall

WEDNESDAY, MARCH 21, 1984

#A-4728
Norton State Hospital, Norton—REPLACE AIR CON-
DITIONING EQUIPMENT, Administration Building
#A-4732

Osawatomi State Hospital, Osawatomi—RAZE
SEWAGE DISPOSAL PLANT
#56939

Wichita State University, Wichita—DISPLAY CON-
TROL UNIT

#56940
Emporia State University, Emporia—REMOVE AND
REPLACE WOOD FLOOR IN HANDBALL COURT B
#56941

Department of Transportation, Hutchinson and Uni-
versity of Kansas, Lawrence—PAVEMENT MARKING
TAPE

#56945
Emporia State University, Emporia—OVERHAUL
REFRIGERANT COMPRESSORS

#56946
Department of Corrections, Topeka—EXHAUST
FANS, Kansas State Penitentiary, Lansing

#56951
Kansas State University, Manhattan and Department of
Transportation, Garden City—FLOOR SCRUBBER,
PADS AND DEODORANT

#56952
Department of Corrections, Topeka—PLUMBING
MATERIALS, Kansas State Penitentiary, Lansing

#56953
Department of Corrections, Topeka—BUILDING
MATERIALS, Kansas State Penitentiary, Lansing

THURSDAY, MARCH 22, 1984

#A-4709
Osawatomi State Hospital, Osawatomi—PROVIDE
NEW 8" WATER MAIN IN FRONT OF MAIN BUILD-
ING

#25949
Department of Social and Rehabilitation Services, To-
peka—WIRE INNERSPRING UNITS, Kansas Industries
for the Blind, Kansas City

(continued)

#56680-A

Wichita State University, Wichita—CARPET AND
INSTALLATION

#56955

Kansas State University, Manhattan—PLAIN PAPER
COPIER RENTAL

#56956

Kansas State University, Manhattan—PLAIN PAPER
COPIER

#56957

Kansas State University, Manhattan—ROOF COAT-
ING

#56958

Kansas State University, Manhattan—USED TRASH
COMPACTOR TRUCK

#56959

University of Kansas, Lawrence—VEHICLES

#56960

Winfield State Hospital and Training Center, Win-
field—TRUCK AND VAN BODY

FRIDAY, MARCH 23, 1984

#25950

Osawatomie State Hospital, Osawatomie—REFUSE
REMOVAL SERVICE

#25953

Statewide—CONTINUOUS MARGINAL PUNCHED
"STOCK" COMPUTER PAPER

MONDAY, MARCH 26, 1984

#25878-A

Statewide—AUTOMOBILE LIABILITY INSUR-
ANCE

WEDNESDAY, MARCH 28, 1984

#25952

University of Kansas, Lawrence—CLEANING
CHEMICALS AND SUPPLIES

THURSDAY, MARCH 29, 1984

#A-4836

Department of Administration, Topeka—RENOVATE
HVAC SYSTEMS—PHASE IV, 4th through 9th Floors,
State Office Building

MONDAY, APRIL 2, 1984

#25944

Kansas Turnpike Authority, Topeka—USE AND OC-
CUPANCY INSURANCE—BRIDGE PROPERTY
DAMAGE INSURANCE

FRIDAY, APRIL 20, 1984

#56924

Pittsburg State University, Pittsburg—TELECOM-
MUNICATIONS SYSTEM

THURSDAY, MAY 3, 1984

#25946

Kansas Highway Patrol, Topeka—AIRCRAFT INSUR-
ANCENICHOLAS B. ROACH
Director of Purchases

Doc. No. 001929

State of Kansas

LEGISLATURE

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

Bills Introduced February 23-29:

SB 812, by Committee on Ways and Means: An act concerning the mined-land conservation and reclamation act; relating to the mined-land conservation and reclamation fee fund and mined-land reclamation fund; amending K.S.A. 49-420 and repealing the existing section.

SB 813, by Committee on Ways and Means: An act relating to the taxation of property; concerning the valuation of land devoted to agricultural use; and prescribing the method of determining the valuation of such property.

SB 814, by Committee on Ways and Means: An act relating to the legislature; concerning organizational, orientation and educational meetings of members and members-elect; concerning the organization and order of business of the houses of the legislature on the day of convening of certain regular sessions; amending K.S.A. 46-142, 46-143, 46-144, 46-145, 46-146a and 46-157 and repealing the existing sections.

SB 815, by Committee on Ways and Means: An act relating to the fish and game commission; concerning land under lease between United States army corps of engineers and agricultural leaseholders; providing for the making of payments to counties in which such land is located.

SB 816, by Committee on Ways and Means: An act concerning the mined-land conservation and reclamation act; relating to fees for permit operators; amending K.S.A. 49-406 and repealing the existing section.

SB 817, by Committee on Federal and State Affairs: An act concerning taxation; relating to personal property.

SB 818, by Committee on Federal and State Affairs: An act concerning utilities; relating to the powers of the state corporation commission; amending K.S.A. 66-104 and repealing the existing section.

SB 819, by Committee on Ways and Means: An act concerning the licensing of social workers; relating to fees; amending K.S.A. 1983.Supp. 75-5359 and repealing the existing section.

SB 820, by Committee on Ways and Means: An act concerning the state park and resources authority; relating to the sale of state park permits; amending K.S.A. 1983 Supp. 74-4509b and repealing the existing section.

SB 821, by Committee on Ways and Means: An act concerning the Kansas fish and game commission; relating to the appointment of persons to issue certain licenses; amending K.S.A. 1983 Supp. 19-328 and repealing the existing section.

SB 822, by Committee on Federal and State Affairs: An act concerning the board of accountancy; concerning certain records thereof; amending K.S.A. 1-202 and repealing the existing section.

SB 823, by Committee on Federal and State Affairs: An act concerning electricity; licensing when in electrical occupation; enacting the Kansas electrical licensing act.

SB 824, by Committee on Federal and State Affairs: An act relating to veterans' preference; concerning retired veterans; amending K.S.A. 1983 Supp. 72-2955 and repealing the existing section.

SB 825, by Committee on Federal and State Affairs: An act amending the Kansas consumer protection act; buying clubs; requirements and prohibitions; amending K.S.A. 50-624 and repealing the existing section.

SB 826, by Committee on Federal and State Affairs: An act amending the Kansas consumer protection act; defining health spas; requirements and prohibitions; amending K.S.A. 50-624 and repealing the existing sections.

HB 3068, by Committee on Ways and Means: An act concerning state participation in national law enforcement information systems; transferring certain powers, duties, functions and property between the Kansas bureau of investigation and the Kansas highway patrol.

HCR 5084, by Representative L. Johnson: A concurrent resolution requesting the secretary of transportation to conduct certain tests on multi-lane divided highways and report the results thereof.

HCR 5085, by Representative Shelor: A concurrent resolution relating to the joint rules of the Senate and House of Representatives for the 1983-84 biennium.

SR 1861, by Senator Winter: A resolution congratulating and commending the University of Kansas School of Law students who won the Philip C. Jessup International Law Moot Court Competition in April, 1983, and the National Moot Court Competition in February, 1984.

SR 1862, by Senators Burke, Bogina, Gaar and Meyers: A resolution in memory of Cynthia O'Connell.

SCR 1863, by Senators Parrish, Hein and Pomeroy: A resolution congratulating the First Presbyterian Church of Topeka, Kansas, on the celebration of its 125th anniversary.

HR 6121, by Representative Flottman: A resolution commemorating the celebration of the Winfield Oratorio Society's 50th performance of Felix Mendelssohn's oratorio "Elijah" and their upcoming musical tour of Israel and the Holy Lands.

HR 6122, by Representative Justice: A resolution honoring Loretta Eugene Scott as she approaches her 102nd birthday.

HR 6123, by Representatives Leach, Campbell, Charlton, Cloud, Cribbs, Dempsey, Farrar, Fox, Francisco, L. Fry, B. Fuller, Grotewiel, Guldner, Harper, Jarchow, L. Johnson, Moomaw, Polson, Rezac, Rogers, Solbach, Turnquist and Darrel Webb: A resolution establishing April 13 through April 29, 1984, as "Motorcycle Safety-Education-Awareness Days."

HR 6124, by Representative Goossen: A resolution congratulating and commending the Summerville family of Marion County, Kansas, on being named American Royal Kansas Farm Family for 1983.

HR 6125, by Representatives Branson, Charlton, D. Miller and Solbach: A resolution honoring Dr. Carl Knox for his twenty-two years of service as superintendent of Lawrence Unified School District 497.

HR 6126, by Representative Sughue (by request): A resolution requesting that the secretary of health and environment develop a statewide policy in regard to the presence of pets in adult care homes.

HR 6127, by Representative Heinemann: A resolution in memory of Lester McCoy.

(Published in the KANSAS REGISTER, March 8, 1984.)

**NOTICE OF BOND SALE
\$800,000
WATER AND SEWAGE SYSTEM
REVENUE BONDS
SERIES 1984
OF THE
CITY OF LAWRENCE, KANSAS**

Sealed Bids. Sealed bids will be received by the undersigned, City Clerk of the City of Lawrence, Kansas (the "City"), on behalf of the Commission at the City Hall, 6 East 6th Street, Lawrence, Kansas, until 10:00 o'clock a.m., Central Standard Time, on Tuesday, March 20, 1984

for the purchase of \$800,000 principal amount of Water and Sewage System Revenue Bonds, Series 1984 (the "Bonds"), of the City hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter.

Bond Details. The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, dated March 1, 1984, and becoming due serially on March 1, in the years as follows:

YEAR	PRINCIPAL AMOUNT
1985	80,000
1986	90,000
1987	90,000
1988	120,000
1989	135,000
1990	140,000
1991	145,000

The Bonds will bear interest from date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 1984.

Place of Payment and Bond Registration. The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"), to the registered owners thereof whose names are on the registration books of the Bond Registrar as of the 15th day of the month preceding each interest payment date. The Bonds will be registered pursuant to a plan of registration approved by the City and the Attorney General of the State of Kansas as fully registered certificated bonds and/or uncertificated bonds.

The City will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the bondholders.

The type and denominations of the Bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the

City and Bond Registrar at least two weeks prior to the delivery of the Bonds.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. No interest rate shall exceed a rate equal to the "20 Bond Index" of tax exempt municipal bonds published by *Credit Markets* in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 2%. The difference between the highest rate specified and the lowest rate specified shall not exceed 2%. No bid of less than the par value of the Bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the City during the life of the Bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the City on the basis of such bid. Each bid shall also specify the average annual net interest rate to the City on the basis of such bid.

Basis of Award. The award of the Bonds will be made on the basis of the lowest net interest cost to the City, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the City. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted, and its determination shall be final. The City reserves the right to reject all bids and to waive any irregularities in a submitted bid.

Authority, Purpose and Security. The Bonds are being issued pursuant to K.S.A. 12-856 to 12-869, inclusive, for the purpose of paying the cost of extending, enlarging and improving the combined water and sewage system owned and operated by the City, consisting of the construction of the Haskell Avenue Relief Sewer Project, Phase I of the Wakarusa Interceptor Sewer Improvements (the "Improvements"). The Bonds and the interest thereon will be payable solely by the City from the operation of its water and sewage system, including revenues from improvements and extensions of the water and sewage system hereafter constructed or acquired the City. The Bonds will not be nor constitute a general obligation of the City, and the City will not have the right or authority to levy taxes to pay any of the principal of or interest on the Bonds. The Bonds will stand on a parity with respect to the payment of principal and interest and all other respects with the Water and Sewage System Refunding Revenue Bonds, Series 1977, (the "Series 1977 Bonds"). The Series 1977 Bonds were issued to refund several series of Water and Sewage System Revenue Bonds of the City (the "Prior Lien Bonds"),

(continued)

described in the Preliminary Official Statement. The Series 1977 Bonds and the Bonds will be junior and subordinate with respect to the payment of principal and interest out of the revenues of the water and sewage system of the City and in all other respects to the Prior Lien Bonds.

Legal Opinion. The Bonds will be sold subject to the legal opinion of GAAR & BELL, Overland Park, Kansas, Bond Counsel, whose approving legal opinion as to the validity of the Bonds will be furnished and paid for by the City, printed on the Bonds and delivered to the successful bidder as and when the Bonds are delivered. Said opinion will also state that in the opinion of Bond Counsel, under existing laws and regulations, the interest on the Bonds is exempt from federal income taxation and from Kansas intangible personal property taxes.

Delivery and Payment. The City will pay for printing and registering the Bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder within 45 days after the date of sale at such bank or trust company in Kansas or Kansas City or St. Louis, Missouri as may be specified by the successful bidder. If the successful bidder designates another place for the delivery, the expense will be paid by said bidder. The successful bidder will also be furnished with a certified transcript of the 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. Payment for the Bonds shall be made in federal reserve funds, immediately subject to use by the City.

Good Faith Deposit. Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$16,000, payable to the order of the City, to secure the City from any loss resulting from the failure of the successful bidder to comply with the terms of the bid. No interest will be paid upon the successful bidder's good faith check. Said check shall be returned to the bidder if the bid is not accepted. If a bid is accepted, said check will be held by the City until the bidder shall have complied with all of the terms and conditions of this Notice, at which time the check will be returned to the successful bidder or paid to its order at the option of the City. If a bid is accepted but the City shall fail to deliver the Bonds to the bidder in accordance with the terms and conditions of this Notice, said check will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such check will be retained by the City as and for liquidated damages.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on certificated Bonds or assigned to uncertificated Bonds, but neither the failure to print such number on or to assign such number to any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase

contract. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the City.

Bid Forms. All bids must be made on forms which may be procured from the City Clerk. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid. The City reserves the right to waive irregularities and to reject any or all bids.

Submission of Bids. Bids must be submitted in sealed envelopes addressed to the undersigned City Clerk, and marked "Proposal for the Purchase of Water and Sewage System Revenue Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 10:00 o'clock a.m., Central Standard Time, on March 20, 1984.

Official Statement. The City has prepared a Preliminary Official Statement dated February 28, 1984, copies of which may be obtained from the City Clerk. Upon the sale of the Bonds, the City will adopt the final Official Statement and will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at its expense.

Additional Information. Additional information regarding the Bonds may be obtained from the undersigned, City Clerk of the City of Lawrence, Kansas.

DATED this 28th day of March, 1984.

CITY OF LAWRENCE, KANSAS
By Vera Mercer, City Clerk
City Hall
6th East Sixth Street
Lawrence, Kansas 66044
(913/841-7722)

Doc. No. 001927

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. 1983 Supp. 77-415 *et seq.* *These regulations are scheduled to become effective May 1, 1984, 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 3, 1984 issue of the *Register* will contain a complete index to regulations effective May 1, and any legislative actions on them.

**CORPORATION COMMISSION
ADMINISTRATIVE REGULATIONS**

**Article 3.—PRODUCTION AND CONSERVATION
OF OIL AND GAS**

82-3-100. General rules and regulations. General
(continued)

rules, regulations and orders shall be statewide in application unless otherwise specifically stated.

Orders shall be issued when required, and shall prevail over general rules, regulations and orders if a conflict occurs. The commission may waive the requirements of any regulation upon a showing of good cause. Waivers shall only be granted after notice and hearing. (Authorized by and implementing K.S.A. 55-604; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-101. Definitions. (a) As used in these regulations: (1) "Acreage factor" means the quotient obtained by dividing the acreage attributable to a well by the basic acreage unit. The basic acreage unit shall be defined by the commission and promulgated in the basic proration order for the common source of supply in which the well is located.

(2) "Allowable" means the amount of oil or gas authorized to be produced by order of the commission.

(3) "Allowable period" means the time in which the allowable may be produced.

(4) "Alternative cementing materials" means rotary mud or heavy laden mud that will effectively seal the formations and prevent the vertical migration of fluids.

(5) "Assessment" means any charge against the parties involved in any hearing, application, investigation, or the enforcement of an order, and the assessment on natural gas and oil produced to pay the costs associated with the administration of the oil or gas conservation act.

(6) "Attributable acreage" means the acreage assigned to a well in accordance with the well spacing program adopted for each of the prorated fields.

(7) "Casing" means tubular goods used to line a well bore.

(8) "Casing-head gas" means gas produced that was in solution with oil in its original state in the reservoir.

(9) "Cement" means Portland cement or a blend of Portland cement used in the oil and gas industry to support and protect casing and to prevent the migration of subsurface fluids by the formation of an impermeable barrier.

(10) "Combination well" means a well productive of both oil and gas, excluding casing-head gas, from the same common source of supply.

(11) "Commingling" means the mixing of production from more than one common source of supply.

(12) "Commission" means the state corporation commission.

(13) "Common source of supply" means each geographic area or horizon definitely separated from any other area or horizon which contains, or appears to contain, a common accumulation of oil or gas or both.

(14) "Conservation division" means the division of the commission in charge of the administration of the oil and gas conservation acts, well plugging, salt water disposal, and enhanced recovery.

(15) "Correlative rights" means that each owner or producer in a common source of supply is privileged to produce from that supply only in a manner or amount that will not injure the reservoir to the detriment of others, take an undue proportion of the ob-

tainable oil or gas, or cause undue drainage between developed leases.

(16) "Day" means a period of 24 consecutive hours.

(17) "Deliverability" means the amount of natural gas, expressed in mcf per day, which a well is capable of producing into a pipeline, while maintaining a back-pressure against the well head. The amount of back-pressure to be maintained and the test procedure shall be specified by the commission in the basic proration order for the common source of supply in which the well is located.

(18) "Department" means the Kansas department of health and environment.

(19) "Discovery well" means the first well completed in a common source of supply which is not in communication with any other common source of supply.

(20) "Disposal well" means a well which injects, for purposes other than enhanced recovery, those fluids brought to the surface in connection with oil and natural gas production.

(21) "Division order" means a dated, written statement, duly signed by the owners and delivered to the purchasers, certifying and guaranteeing the interests of ownership of production, and directing payment according to those interests.

(22) "Drilling time logs" are the chronological tabulation or plotting of the rate of penetration of subsurface rocks by the rotary bit.

(23) "Enhanced recovery" means any process involving the injection of fluids into a pool to increase the recovery of oil or gas.

(24) "Enhanced recovery injection well" means a well which injects fluids to increase the recovery of hydrocarbons.

(25) "Field" means a geographic area containing one or more pools.

(26) "First purchaser" means the person holding the division order and issuing checks to pay any working or royalty interest.

(27) "Fluid" means a material or substance which flows or moves in a semi-solid, liquid, sludge, or gas state.

(28) "Gas" means the gas obtained from gas or combination wells regardless of its chemical analysis.

(29) "Gas" (cubic foot) means the volume of gas contained in one cubic foot of space at a standard pressure base and at a standard temperature base. The standard pressure base shall be 14.65 pounds per square inch absolute, and the standard temperature base shall be 60 degrees Fahrenheit. Whenever the conditions of pressure and temperature differ from the above standard, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the ideal gas laws as corrected for deviation.

(30) "Gas-oil ratio" means the ratio of gas produced, in cubic feet, to one barrel of oil produced during the concurrent period.

(31) "Gas" (sour) means any natural gas containing more than 1½ grains of hydrogen sulphide per 100 cubic feet or more than 30 grains of total sulphur per

(continued)

100 cubic feet, or gas which, in its natural state, is found by the commission to be unfit for use in generating electricity or fuel for domestic purposes.

(32) "Illegal production" means any production in violation of the statutes, rules, regulations or orders of the commission.

(33) "Minimum well" means any oil well which has a productivity of 25 barrels or less per day.

(34) "Mousehole" means a service hole drilled at a slight angle and normally about 30 feet deep on those wells drilled by rotary tools.

(35) "Mud-laden fluid," as the term is commonly used in the industry, means any commission-approved mixture of water and clay or other material, which will effectively seal a formation to which it is applied.

(36) "Oil" means crude oil or petroleum and shall include all waste oil which is removed from the lease.

(37) "Oil, (pipeline)" means oil free from water and basic sediment to the degree that it is acceptable for pipeline transportation and refinery use.

(38) "Oil well" means any well producing oil.

(39) "Open flow" means the volume of gas which a gas well is capable of producing at the wellhead during a period of 24 hours against atmospheric pressure, computed according to the standard procedure approved by the commission.

(40) "Operator" means any person who is in charge of the development of a lease, or the operation of a producing well.

(41) "Overage" or "overproduction" means the oil or gas produced in excess of the allowable.

(42) "Person" means any natural person, corporation, association, partnership, governmental or political subdivision, receiver, trustee, guardian, executor, administrator, fiduciary, or any other legal entity.

(43) "Pipeline" means any pipes above or below the ground used or to be used for the transportation of oil, gas, liquids, or gases.

(44) "Pool" means a common source of supply as officially named.

(45) "Producer" means any person who owns, in whole or in part, a well capable of producing oil or gas or both.

(46) "Production" means produced oil, gas, condensate, or casing-head gas.

(47) "Productivity of a well" means the daily capacity of a well to produce oil or gas.

(48) "Productivity of a pool" means the sum of the productivities of the wells completed in the pool.

(49) "Proration" means the regulation of the amount of allowed production to prevent waste, undue drainage between developed leases, unratable taking, or unreasonable discrimination between operators, producers and royalty owners who are within a common source of supply, that would favor any one pool as compared to any other pool in this state.

(50) "Purchaser" means any person who purchases production from a well, lease or common source of supply.

(51) "Rathole" means the service hole drilled at a slight angle and normally about 40 feet deep on those wells drilled by rotary tools.

(52) "Reasonable market demand" means the amount of crude petroleum or natural gas which must be produced to satisfy current rates of consumption.

(53) "Service well" means a well drilled for:

(A) The injection of fluids in enhanced recovery projects;

(B) The supply of fluids for enhanced recovery projects; or

(C) The disposal of salt water.

(54) "Shortage" means the amount by which the oil or gas legally produced and sold or removed from the premise is less than the allowable.

(55) "Storage oil" means produced oil confined in tanks, reservoirs, or containers.

(56) "Storage oil-lease" means produced oil in tanks, reservoirs, or containers on the lease where it was produced.

(57) "Storage well" means a well used to inject or extract natural gas for storage purposes.

(58) "Stratigraphic hole" means a hole, normally of small diameter, drilled through subsurface strata for exploratory purposes, with no intent to produce hydrocarbons through the hole being drilled.

(59) "Undue drainage" means the uncompensated migration of either oil or gas between developed leases within the same common source of supply caused by the unratable production of some well or wells located there.

(60) "Waste oil" means any tank bottom, basic sediment, cut oil, reclaimed oil from pits, ponds or streams, dead oil, emulsions, or other types of oil not defined as pipeline oil.

(61) "Well completion, (oil)" occurs when the first new oil is produced through permanent wellhead equipment into lease tanks from the producing interval after the production casing has been run.

(62) "Well completion, (gas)" occurs when the well is capable of producing gas through permanent wellhead equipment from the producing zone after the production casing has been run.

(63) "Well completion, (dry hole)" occurs when all provisions of plugging are complied with as set out in these regulations.

(64) "Wellhead working pressure" means the static pressure in the annulus while flowing through the tubing, or static pressure in the tubing while flowing through the annulus, except in cases where the casinghead is not in open communication with the producing formation because of the presence of a packer or other obstruction in the annular space between casing and tubing. In these cases, the wellhead working pressure shall be determined by adjusting the observed tubing pressure for the effect of friction caused by flow through the tubing, or by using a bottom-hole pressure bomb and correcting back to wellhead conditions.

(65) "Well log" means the written record progressively describing the well's down-hole development.

(66) "Well history" means the chronological record of the development and completion of a well.

(b) All terms not defined in this definitional section shall be interpreted to be consistent with their com-

(continued)

mon use in the industry. (Authorized by and implementing K.S.A. 55-152, 55-602, 55-604, 55-704, 55-901; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended, T-84-19, July 26, 1983; amended May 1, 1984.)

82-3-106. Cementing-in surface pipe. (a) Surface pipe or casing. The depth of the required surface pipe or casing shall be determined in the following manner:

(1) The surface pipe or casing shall be set to a depth not less than 20 feet below the bottom of all fresh water strata. In setting cement the surface hole diameter shall be sufficiently larger than the surface casing size to permit circulation of the cement.

(2) At all drill sites where tertiary and younger deposits are present, surface pipe shall be set to a depth of not less than 20 feet below the base of these deposits.

(3) The operator shall set not less than 50 feet of surface pipe in any well unless the operator is otherwise excluded from this requirement or the commission grants an exception after a hearing and after receiving a favorable recommendation from the advisory committee. Drilling shall not commence until the operator has received, from the conservation division, notice of the amount of surface pipe or casing that must be set. Required depths shall be those designated by the commission and the department.

(4) If no additional information, including well logs, formation tests, water quality data, or water well data, is made available by the operator, table I, dated March 1, 1967, shall be utilized by the commission and the department in determining the required depths of the surface pipe.

(b) Protection of usable water.

(1) Alternate 1. Surface pipe may be set and cemented according to the requirements of the commission and the department.

(2) Alternate 2. If the depths of usable water, as specified by the commission and the department, are greater than the amount of surface pipe set, alternate 2 shall be used. When a well is drilled which becomes a producer of oil or gas, additional pipe or the production string shall be cemented in from the base of the usable water at a depth specified by the commission and the department to the surface of the ground. The cement shall be maintained at surface level. Cementing shall be completed within 120 days of the spud date of the well. Extensions may be granted with the approval of the commission and the department.

(3) When fresh water and usable water can mix because of an existing artesian head, additional pipe of the production string shall be cemented-in from a point 50 feet below the usable water formation to the surface of the ground.

(4) When a well is drilled which becomes a producer of oil or gas, additional pipe or the production string may be cemented-in with cement to effectively prevent migration of oil, gas, or water from or into strata that would be damaged by this migration. However, compliance with alternate 2 may also be accomplished during the producing life of a well by placing

an alternative cementing material that is acceptable to the commission behind that pipe or production string in a manner prescribed by the commission or its authorized representatives.

At the time a producing well is abandoned, it shall be plugged in a manner prescribed by the commission so as to effectively prevent subsequent migration of oil, gas, or water from or into strata that would be damaged by this migration.

(c) Allowing cement to set around surface pipe. Unless otherwise provided by specific order of the commission, the cemented casing string shall stand under pressure until the cement has reached a compressive strength of 300 pounds per square inch. Further operations shall not be commenced until the cement has been in place for at least eight hours.

(d) Affidavit. Operators shall file an affidavit with the conservation division setting out the method of cementing used on a well on the provided form. Depths which have usable and fresh water shall be protected by recommended methods, which are on file with the state corporation commission. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-151, 55-152, 55-156, 55-157, 55-159; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-107. Preservation of well samples and logs.

(a) Every person, firm, association, or corporation drilling or responsible for drilling holes for the purpose of discovery or production of oil or gas, excluding seismic "shotholes" and "coreholes," shall preserve samples and all other information as required under subsection (c). These samples shall be delivered, at the prepaid expense of that person, to the Kansas geological survey, sample library, Wichita, Kansas. All other information shall be delivered to the conservation division.

(b) Formation samples (drill cuttings) normally saved in drilling operations shall be retained by the operator. Upon request of the Kansas geological survey, these samples shall be washed, and cut into splits (sets). One set shall be placed in sample envelopes and delivered to the sample library. Notification that samples are required shall be made either by notice appended to or on a copy of the notice of intention to drill returned to the operator by the conservation division or the Kansas geological survey. Delivery of the processed samples shall be made within 90 days of the completion of drilling operations. The survey may request shallow samples from portions of the hole that may not normally be saved in drilling operations. The sample library shall accept all washed and cut samples whether or not they were requested.

(c) A copy of well histories, electric logs, radioactivity logs, drilling time logs and similar wireline logs or surveys run by operators on all boreholes, excluding seismic "shotholes" and "coreholes," and logs run to obtain geo-physical data, shall be delivered to the conservation division, within 90 days following the completion of the well. The conservation division shall deposit the information with the Kansas geological survey.

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(d) Information or samples filed as required in subsection (a), (b) and (c) shall be held in confidential custody by the survey for an initial period of one year from the required filing date, if a written request for confidentiality is made to the conservation division at the time of filing. All rights to confidentiality shall be lost if the filings are not timely, as provided in subsection (a), (b), and (c). Samples or information may be released prior to the expiration of the one year period only upon written approval of the operator. The period of confidentiality may be extended for one additional year if a request for an extension is made at least 30 days before the expiration of the initial one year period.

(e) Exceptions to the provisions of this rule may be granted whenever the commission finds that the granting of an exception is justified because:

(1) Compliance with this order will create an economic hardship; or

(2) The length of the period of confidential custody is not sufficient to satisfy the needs of the developing operator.

Exceptions shall be requested by an affidavit setting forth supporting facts. If the requested exception is not fully supported, the commission shall set the matter for hearing after giving notice.

(f) It shall be the duty of companies performing all wire line services within the state of Kansas to furnish to the conservation division a list of all holes serviced each month. (Authorized by and implementing K.S.A. 55-152, 55-604, 55-704; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-108. Well location. (a) A well shall not be drilled nearer than 330 feet to any lease or unit boundary line. However, the commission may, after notice and hearing, grant exceptions to permit drilling within shorter distances, and to the attributable acreage and assigned allowables when it determines such exceptions are necessary either to prevent waste or to protect correlative rights.

(b) When an exception to this rule is desired, application shall be made to the conservation division. The application shall be accompanied by a plat that is drawn to the scale of one inch equalling 1,320 feet and that accurately shows the property on which the well is sought to be drilled, all other completed, drilling, or permitted wells on the property, and all adjoining surrounding properties and wells.

(c) A well location exception for drilling, deepening, or additional completion, recompletion, or re-entry may be issued by an administrative order under the following conditions:

(1) After 30 days notice has been given by the applicant to all offset operators and unleased mineral owners and if a protest has not been made to the application; or

(2) When an application is accompanied by waivers of objection signed by all offsetting operators and unleased mineral owners.

(d) All well location exceptions issued by the commission shall expire six months from the granting of the exception, unless drilling operations are begun or

an application for a six-month extension of the permit is approved by the commission. Application for a six-month extension shall be accompanied by a statement setting out the reasons the extension is necessary. Only one six-month extension shall be granted by the commission. If a well location exception permit expires, a renewal shall not be granted unless a new application is filed, notice given, a hearing held and proof made as in an original well location exception application.

(e) Wells drilled nearer than 330 feet to any lease or unit boundary line without obtaining an exception from the commission shall be prohibited from producing either oil or gas until an appropriate allowable is determined.

(f) Whenever authority is granted to drill a well at a location other than specified by this rule, the allowable shall be adjusted by the commission for the protection of the correlative rights of all persons entitled to share in the common source of supply in accordance with K.A.R. 82-3-207(b) and (c).

(g) This rule shall not apply to any counties or specific areas that are exempted by the commission after notice and hearing. (Authorized by K.S.A. 55-152, 55-604, 55-704; implementing K.S.A. 55-152, 55-603, 55-703a; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-111. Temporarily abandoned wells. Whenever operations cease for a period of 90 days or more on any well drilled for the purpose of exploration, discovery or production of oil, gas or other minerals, the owner or operator of that well shall give notice of the temporary abandonment to the conservation division, on forms prescribed by the commission. If it is deemed necessary to prevent the pollution of any fresh water strata or supply, the conservation division shall cause the well to be plugged or repaired according to its direction and in accordance with the rules and regulations of the commission. If the operations on any such temporarily abandoned well or other inactive well are not resumed within a period of one year after the notice has been given, the well shall be deemed a permanently abandoned well, and the owner or operator of the well shall comply with rules and regulations of the commission relating to the abandonment of wells. However, upon application to the conservation division prior to the expiration of the one year period, and for good cause shown, the conservation division may extend the period for one year. An additional one year extension may be granted by the conservation division in the same manner. (Authorized by and implementing K.S.A. 55-152; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-112. Shut-off test; when required. Whenever it appears to the conservation division that any water from any well is migrating or infiltrating into oil-bearing or gas-bearing strata or that any detrimental substances are infiltrating any fresh and usable water, it may direct a shut-off test, to be made at the expense of the operator or owner of that well. The conservation

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division shall fix the time for the taking of the test. Reasonable notice of the test shall be given to the owner or operator.

The person legally responsible for the proper care and control of any abandoned oil or gas well from which water is migrating or infiltrating into any oil-bearing or gas-bearing strata, or from which any detrimental substances are infiltrating any fresh and usable water, shall immediately plug or repair the well in accordance with the regulations of this commission and shall prevent the infiltration of oil, gas, salt water or other detrimental substances into underground fresh and usable water strata. (Authorized by K.S.A. 55-602; implementing K.S.A. 55-157; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-113. Notice of intention to abandon well; supervision. (a) Before any work is commenced to abandon any well drilled for the discovery of oil or gas, or disposal of salt water, or to abandon injection wells for enhanced recovery, including any well drilled below the fresh and usable water level, the owner or operator shall give written notice to the conservation division of the intention to abandon that well. The notice shall be upon forms prescribed and furnished by the commission and shall contain all of the information requested thereon.

(b) Upon receipt of the notice, the conservation division shall acknowledge the notice by letter to the operator. The letter shall provide instructions to the operator, including the name of the district office which is to be notified, and a requirement that the operator submit a proposed plugging plan. The operator shall notify the appropriate district office no later than 5 days prior to the plugging.

(c) Exceptions from the notice requirement may be granted at the discretion of the district office on the plugging of wells when:

(1) a workover, service rig or drilling rig, already at work on location is ready to commence plugging operations; or

(2) an emergency situation exists. In such a case the operator shall verbally present the plugging proposal to the district office. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-159; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-114. Plugging methods and procedure. The methods and procedure for plugging a well drilled for discovery of oil or gas, disposal of salt water, or to plug injection wells for enhanced recovery, shall be as follows.

(a) For productive or past productive oil or gas formations a cement plug not less than 50 feet in length or a bridge capped with cement shall be placed above each such formation.

(b) Cement plugs of 50 feet or more in length shall be placed both above and below any fresh or usable water horizons. The lower plug shall extend at least 50 feet below the base of the water zones and the upper plug shall extend at least 50 feet above the top of the water zones. Ratholes and mouseholes shall be

plugged by displacing any mud or water with cement from the bottom of the hole near to the surface in a manner not to interfere with soil cultivation.

(c) In each well plugged a cement plug shall be placed near the surface of the ground in a manner so as not to interfere with soil cultivation.

(d) When the wellbore has penetrated both a highly permeable formation and an overlying major salt formation, a cement plug of 50 feet or more in length shall be set above the highly permeable formation. Additionally, cement plugs 50 feet or more in length shall be set in the first formation compatible to cement above and below the salt formation.

(e) When a well to be plugged is located at or less than the minimum distance from the lease or unit boundary, all zones producing on the lease adjacent to that boundary shall be plugged, if the zones are perforated or open in that well. This requirement shall be waived for all zones which are not producing within 1/2 mile of the well to be plugged.

(f) The interval between all plugs shall be filled with an approved heavy mud-laden fluid of not less than 36 viscosity (A.P.I. full funnel method) and a weight of not less than nine pounds per gallon, or a bridge shall be set at all plugging intervals.

(g) If the above procedures cannot be followed due to conditions in the casing or wellbore, a representative of the commission may authorize alternative plug placement while assuring the protection of fresh and usable water.

(h) The operator, with the approval of the representative of the commission, shall have the option as to the method of placing cement in the well by dump bailer, pumping through tubing, pump and plugs, or other method approved by the commission. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-156, 55-157, 55-159; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-115. Plugging methods and procedure for seismic, core, and other stratigraphic holes. The methods and procedure for plugging seismic, core, or other exploratory holes shall be as follows: (a) The owner or operator shall notify the commission prior to the plugging of any hole. The required notice shall be received, by either the area district office or the conservation division, at least twenty-four hours prior to plugging. The notice shall include the date the plugging activities are expected to commence, the location by section, township and range of holes to be plugged, and the name and telephone number of the person in charge of the plugging activities. A representative of the commission may conduct an on-site inspection of the plugging operation.

(b) Any hole that penetrates a regionally confined salt water aquifer shall be plugged so as to prevent the migration of salt waters into fresh or usable water as follows:

(1) As used in this regulation, a "regionally confined salt water aquifer" means a salt water bearing zone overlain by an aquitard (zone of low permeabil-

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ity) which, in area, is coextensive with the salt water zone and restricts the movement of the salt water.

(2) The hole shall be filled with a cement plug from a point 20 feet below the base of the regionally confined salt water aquifer, if the hole is drilled through the aquifer, or if not, then from the bottom of the hole, to a point not less than 100 feet above the aquifer or to a point within 10 feet from the surface of the ground, whichever is the lesser length.

(3) A bridge and cement plug shall be placed at the depth set forth as the base of the deepest fresh and usable water. The bridge and the cement plug shall be not less than 50 feet in length or shall be placed to a point within 10 feet of the surface, whichever is the lesser length. The remaining hole shall be filled to the surface with formation cuttings that have been removed during the drilling operation.

(4) The interval or intervals between the bottom of any hole and the plug or plugs set in any hole shall be filled with an approved heavy mud-laden fluid of not less than 36 viscosity (A.P.I. full funnel method).

(c) Any hole that penetrates multiple usable or fresh water aquifers regionally confined by consolidated rock or strata (as distinguished from usable or fresh water zones in an unconsolidated stratum) shall be filled with cement from the bottom of the hole to the base of the highest aquifer, if identifiable, or if not, then to a point within 10 feet from the surface of the ground. The remaining hole shall be filled to the surface with formation cuttings that have been removed during the drilling operation.

(d) Any hole that penetrates a usable or fresh water zone resulting in an artesian flow to the surface shall have a cement plug placed immediately above the top of the artesian water zone. The plug shall not be less than 25 feet in length or shall be placed to a point within 10 feet of the surface, whichever is the lesser length.

(e) If circulation is lost in the drilling of any hole and circulation cannot be regained, a cement plug shall be placed immediately above the zone of lost circulation. The plug shall not be less than 25 feet in length or shall be placed to a point within 10 feet of surface, whichever is the lesser length.

(f) The plugging of all holes shall include a minimum procedure of placing a spring-loaded or other approved near-surface plug at a depth of at least 10 feet below the surface of the ground to prevent downward migration of surface water. The hole, from the plug to the surface, shall be filled with formation cuttings that have been removed during the drilling operation. However, an additional surface plug shall not be required on holes having a cement plug running to within 10 feet of the surface under any of the requirements contained in subsections (b) through (e).

(g) All seismic, core and other stratigraphic holes shall be plugged as soon after being used as is reasonably practicable. However, such holes shall not remain unplugged for a period of more than 10 days after the drilling of the hole.

(h) A minimum fee of \$3 shall be assessed for plugging of seismic, core, and other stratigraphic holes.

The minimum fee for any hole which penetrates a regionally confined salt water aquifer shall be assessed pursuant to K.A.R. 82-3-118. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-156, 55-157; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-118. Costs. The owner or operator of each plugged well shall pay a fee to the commission, as assessed, at a cost of \$.0325 per foot of well depth plugged. The minimum amount of any fee paid under this regulation shall be \$35.00. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-131; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-119. Wells used for fresh water. When a well or hole to be plugged may safely be used as a fresh water well, and this utilization is desired by the landowner, filling the well above any required sealing plug set below fresh water shall not be required. Written authority for such a use shall be secured from the landowner. A water well record shall be filed with the department and chief engineer of the division of water resources of the state board of agriculture. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-156, 55-157; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-122. Licensees; complaints; hearing. The commission shall conduct a hearing if it finds that there is reasonable cause to believe, or upon a written complaint charging, that any licensee has willfully violated any of the rules and regulations adopted by the commission pursuant to K.S.A. chapter 55. (Authorized by K.S.A. 55-152; implementing K.S.A. 55-152, 55-162; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-134. Well densities in a field with spacing or proration. (a) No well shall be drilled on less acreage than that required for a standard unit, as established in the applicable rules, for any oil, gas or combination pool, except as herein provided.

(b) In order to prevent waste or to protect correlative rights, the commission may grant exceptions to the density provisions, after notice and hearing, to:

- (1) allow drilling on a tract with less acreage; or
- (2) allow drilling of more than one well on a standard unit established in the special spacing or proration order. The commission shall establish appropriate allowables, after notice and hearing, for each such case. (Authorized by and implementing K.S.A. 55-152, 55-604, 55-704; effective May 1, 1984.)

82-3-203. State and pool allowable and proration. (a) Oil market demand. The commission may hold a monthly hearing to determine the amount of crude petroleum that can be produced daily throughout the state during the next succeeding proration period without causing waste. The commission shall then fix the total state allowed production and shall allocate it among the prorated pools, leases, and wells. Any crude oil which is removed from a lease shall be

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charged against the allowable established for that lease, except in cases where permission is granted to use waste oil for oiling roads leading to the lease.

(b) Statewide allowable. The allowables for non-prorated pools shall be set by the following range depth schedule:

<i>Pool Depth Range</i>	<i>Maximum allowable bbls/well/day</i>
0-4,000	25
4,000-4,500	31
4,500-5,000	37
5,000-5,500	43
5,500-6,000	48
6,000-6,500	52
6,500-7,000	56
7,000-plus	60

Allowables shall be assigned on an individual well basis and the maximum lease allowable shall be the sum of the individual well productivities or allowables, whichever is less.

(c) Discovery oil allowable. An oil discovery allowable, equal to 1½ times the current daily allowable assigned to a similar well, may be granted. The current daily allowable assigned to a similar well shall be determined by using statewide allowables set by these rules or the regular allowable as established by a special pool basic proration order. These discovery allowables shall be effective the date of the initial test and shall continue for wells in the pool for a period of 18 months from the date the first discovery allowable was assigned to a well in that pool, or until development has connected the pool with another known common source of supply producing from the same geological formation (reservoir), whichever first occurs. The following additional provisions shall apply to discovery oil allowable amounts.

(1) Recognition of a newly discovered pool shall require the filing of an application and notice, a hearing before the commission, and approval by the commission. Information in support of the application shall include that required under subsection (d) of this regulation. Additional wells may be granted a discovery allowable, effective the date of the physical test, upon the filing of a request with the conservation division. A hearing before the commission shall be set and proper notice given if:

(A) the request for subsequently developed wells entitled to the discovery oil allowable does not clearly show to the satisfaction of the conservation division that the subject well is producing from the same common source of supply (reservoir) as the discovery well; or

(B) a protest is filed with the commission by an interested party within 10 days from the date the affidavit is mailed.

(2) Over and under production of the discovery oil allowable shall be subject to the same restrictions and procedures as followed for standard oil allowables.

(3) Each discovery allowable shall be subject to adjustment for the gas-oil ratio provisions in any combination pool.

(4) Discovery allowables shall be subject to tempo-

rary reduction consistent with the market demand determination. If reduction is required, the commission may extend the time for production of the discovery allowable.

(5) Discovery allowables may be obtained for each newly discovered pool in the same well bore, if the well is completed, as authorized by the commission, so that production from a newly discovered pool is not commingled with production from any other pool in the well bore.

For the purpose of this rule, the discovery date for the pool shall be the date that the initial test is taken on the discovery well.

(d) Affidavit for discovery allowable. Each operator seeking to obtain a discovery allowable shall file an affidavit and supporting information with the conservation division, after the completion of the well. The affidavit shall show:

- (1) the exact location of the well (legal description);
- (2) the lease name;
- (3) the geological name of the producing formation;
- (4) the top and bottom depths of the producing formation;

(5) the results of a state supervised production test, showing volumes of oil, gas, and water;

(6) any other pertinent data, such as bottom hole pressures and core data, which may help determine the validity of the request;

(7) the date of the first production;

(8) the date of first oil sales and the purchaser to whom delivered;

(9) the names and addresses of each operator or lessee of record within one-half mile of the lease upon which the subject well is located, and a statement indicating the date a copy of the affidavit was mailed to each;

(10) an electric log or logs of the well in question, if taken;

(11) a geological log or report of the well in question giving full details of the formations penetrated, drill stem tests, casing and cementing, perforations if any, and well stimulation procedures;

(12) a map of the area surrounding the subject well. The map shall show the location of all wells, whether producing or dry holes, the total depth of these wells, the name of the producing formation, and the top and bottom of the formation. The map shall cover an area sufficient to show that the producing formation in the subject well is not in communication with any other known common source of supply. The map shall cover an area with a radius of no less than 1½ miles with the subject well as the center of that area; and

(13) a geological contour map on a geological marker that will reflect the expected altitude of the formation from which the well is producing.

The affidavit shall include the following statement: "It is the opinion of the operator that this well will not cause waste if it is granted a discovery allowable." (Authorized by and implementing K.S.A. 55-604; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

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82-3-205. Overage. No producer shall produce more than 15 percent in excess of the net allowable established for any well or lease operated by that producer within any given proration period.

All overproduction from wells or leases which have produced in excess of their allowable for any allowable period shall be equalized by deductions from future allowables established for the wells or the leases. Whenever a well or lease accumulates overproduction in excess of two times its monthly allowable, such a well or lease shall have its production restricted to 25 percent of its monthly allowable until the overproduction is equalized or the commission may, after notice and hearing, order such a well or lease to be shut-in. Upon protest duly made within 15 days, notice shall be given and a hearing held. (Authorized by and implementing K.S.A. 55-604; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-207. Oil drilling unit. In the absence of special orders issued by the commission, the following provisions shall apply to all oil wells.

(a) Standard drilling unit. A standard drilling unit shall be 10 acres. The well for that unit shall be located at least 330 feet from any lease or unit boundary unless an exception is granted, by the commission, to the 330 feet requirement and to the acreage attribution standard.

(b) Acreage-attribution unit. Any oil well drilled nearer than 330 feet to any lease or unit boundary line shall have its attributable acreage determined by the establishment of an acreage-attribution unit. This unit's width shall be defined as being twice the distance from the well to the nearest lease or unit boundary line, whichever is closer to the well. The length of the unit shall be the same as the width.

(c) Acreage attributable. When the acreage attributable to any well is less than 10 acres, the statewide allowable shall be reduced in the same proportion that the acreage attributable to the well bears to 10 acres. A bonus allowable shall not be granted except on order of the commission. (Authorized by and implementing K.S.A. 55-604; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-208. Flaring of gas. (a) The commission may permit flaring of natural gas, other than sour gas, produced in connection with the production of oil, without hearing. The operator shall file an affidavit, with the conservation division, stating that:

(1) The lease or unit has 25 mcf/d or less of natural gas available for sale as established by a state supervised test; and

(2) The natural gas volume is uneconomic to market because a pipeline connection is not feasible or the price received would not allow reasonable recovery of the investment required to market such gas and the direct expense attributable thereto.

The affidavit shall include the following statement: "The operator has made a diligent effort to obtain a market for the gas and the volume of natural gas produced from this lease or unit will not economically justify a pipeline connection."

(b) If the total volume produced and available for sale from a lease or unit is in excess of that in subsection (a), the commission may, upon application and after notice and hearing, permit the flaring of a specified amount of natural gas produced in connection with the production of oil. In making such a determination, the commission shall consider:

(1) the availability of a market or of pipeline facilities;

(2) probable recoverable gas reserves;

(3) the necessity for maintenance of gas pressure in the formation to protect the non-wasteful production of oil;

(4) the feasibility of re-injection of such gas;

(5) a reasonable testing period;

(6) any anticipated change in the gas/oil ratio; and

(7) any other fact or circumstance having bearing on the reasonableness of the request.

(c) All natural gas flared under this rule shall be metered and the charts or records retained for a period of two years. Such information shall be reported to the commission semi-annually or as otherwise designated by the commission. The commission shall have continuing jurisdiction with authority to terminate the flaring of natural gas when deemed necessary. (Authorized by K.S.A. 55-604, 55-704; and implementing K.S.A. 55-102, 55-604, 55-702, 55-704; effective May 1, 1984.)

82-3-400. Application, approval, place of injection or disposal, and records. (a) Only upon application to and approval by the commission and the department of health and environment shall enhanced recovery fluid injection or disposal operations be permitted. Before any formations are approved for use, it shall be ascertained that they are separated from fresh and usable water formations by impervious beds to give adequate protection to the fresh and usable water formations.

(b) The commission, in passing upon applications for injection or disposal wells, shall give consideration to the protection of hydrocarbons and water-resources and to the determinations of the advisory committee in establishing safe depths for injection or disposal for all producing areas in the state.

(c) All injection and disposal well applications filed on and after the effective date of this rule that require wellhead pressure to inject fluids shall be required to inject the fluids through tubing under a packer set immediately above the uppermost perforation or open-hole zone, except as provided in 82-3-404. The packer shall be set opposite an interval of casing protected by cement.

(d) The owner or operator of an injection or disposal well that is injecting fluid into a subsurface formation shall:

(1) keep a current and accurate record of the amount and kind of fluid injected into the well. That record shall be preserved for a period of five years; and

(2) at the end of each calendar year, submit a report to the commission showing the amount and kind of

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fluid injected or disposed of into each well and any other information that may be required.

(e) Emergency authority to inject or dispose of fluids at an alternate location, in the event a facility is shut-in for maintenance, testing, repairs or by order of the commission, may be granted by the commission. (Authorized by K.S.A. 55-152, 55-901, 65-171d; implementing, K.S.A. 55-151, 55-153, 55-901, 55-1003, 65-171d; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-401. Injection or disposal well; application, content, notice, objection, hearing and approval. (a) Fluid shall not be injected into a well for enhanced recovery or disposal purposes until approved by the commission, following the required application and notice. The commission may grant an exception to the above for good cause.

(b) The application shall be verified and filed in triplicate, with the commission, showing:

(1) The name, location, surface elevation, total depth, and plug back depth of each injection or disposal well;

(2) the location of all oil and gas wells, including abandoned wells, drilling wells and dry holes within ½ mile of the injection or disposal well;

(3) the name and address of each operator of a producing or drilling well within ½ mile of the injection or disposal well;

(4) the name, description, and depth of each injection interval. The application shall indicate whether the interval is through any perforations or an open-hole or both;

(5) the depths of the tops and bottoms of all casing and cement used or to be used in the injection or disposal well;

(6) a plat, with all producing wells within a ½ mile radius, indicating producing formation and the subsea top of the producing formations;

(7) the size of the casing and tubing and the depth of the tubing packer;

(8) any information that is available in the log of the injection or disposal well, including an elevation reference;

(9) a description of the fluid to be injected, the source of injected fluid, and the estimated maximum and average daily rate of injection, in barrels per day;

(10) the names and addresses of the operators, shown in (b)(2) above, who were notified of the application, and evidence that the notice was given;

(11) information showing that injection or disposal into the proposed zone will be contained within the zone and will not initiate fractures through the overlying strata which could enable the fluid or formation fluid to enter fresh and usable water strata. Fracture gradients shall be computed and furnished to the commission by the applicant, if requested by the commission;

(12) the applicant's license number; and

(13) any other information that the commission requires.

(c) The commission, when issuing an order approving injection or disposal, shall consider the following:

(1) maximum injection or disposal rate;

(2) maximum surface pressure;

(3) the type of injection or disposal fluid and the lithology and rock characteristics of the injection or disposal zone and the overlying strata; and

(4) the adequacy and thickness of the confining zone or zones between the injection or interval and the base of the lowest fresh or usable water.

(d) Applications may be filed to include the use of more than one injection or disposal well on the same lease or on more than one lease. The information requested of the applicant shall be provided for each well that is included in the application.

(e) Applications shall be executed by the operator of the proposed injection plan or disposal well.

(f) The applicant shall give notice of the application by mailing or delivering a copy of the application to the landowner on whose land the well is located, each operator of a producing or drilling well and each unleased mineral owner within a ½ mile radius of the proposed injection or disposal well. Notice shall be mailed or delivered on or before the date the application is mailed to or filed with the commission. Notice of the application shall be published in at least one issue of a newspaper with general circulation in the county or counties in which the lands involved are located.

(g) Objections or complaints shall be filed within 15 days after the notice is published. The complaint or objection shall state the reasons why the proposed plan, as contained in the application, may cause damage to oil, gas, or fresh and usable water resources.

(h) If the application is for disposal into a formation producing within ½ mile of the applicant's well, the disposal zone shall be below the water-oil contact or 50 feet below the top of the producing formation.

(i) In the event any objection or complaint is filed, or if the commission, on its own motion, deems that there should be a hearing on the application, a hearing shall be held after reasonable notice of the time, place and subject matter of the hearing has been given to the interested parties. (Authorized by K.S.A. 55-152, 55-901; implementing, K.S.A. 55-152, 55-1003; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-403. Notice of commencement and discontinuance of injection or disposal operations. (a) Immediately upon the commencement of injection or disposal operations, the applicant shall notify the commission of the date of commencement.

(b) Within 90 days after permanent discontinuance of injection or disposal operations, the operator of the project shall notify the commission of the date of the discontinuance and the reasons for it.

(c) Before any injection or disposal well is abandoned, the commission shall be notified, and the procedure for the plugging of the well shall be followed. (Authorized by K.S.A. 55-152, 55-901; implementing K.S.A. 55-152, 55-156, 55-157, 55-901, 55-1003; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

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82-3-404. Injection or disposal well tubing and packer requirements. (a) After the effective date of this rule, wells shall be equipped to inject through tubing below a packer. A packer run on the tubing shall be set in casing opposite a cemented interval at a point immediately above the uppermost perforation or open hole interval. The annulus between the tubing and the casing shall be filled with a corrosion-inhibiting fluid or hydrocarbon liquid. With the approval of the commission and the department of health and environment, packerless or tubingless completions may be authorized under the provisions of paragraph (b) or (c) of this rule.

(b) The commission may authorize injection or disposal through tubing without a packer if the following requirements are met:

(1) Surface wellhead injection pressure shall not exceed zero psig.

(2) The tubing shall be run to a depth equal to or below the uppermost perforation or open-hole of the injection interval.

(3) The annular space between the tubing and the casing shall be filled with a corrosion inhibiting fluid or hydrocarbon liquid that has a specific gravity less than 1.00, and that is displaced and maintained at a point within 50 feet of the bottom of the tubing.

(4) A positive annulus pressure shall be maintained and monitored, or an annulus fluid level shall be monitored monthly during the life of the well.

(5) Wellhead annulus and injection surface pressure shall be recorded monthly and kept by the operator for five years.

(6) All pressure readings recorded shall be taken during actual injection or disposal operations.

(c) The commission may authorize injection or disposal without tubing if all six of the following criteria are continuously met during the life of the well.

(1) The casing shall be cemented continuously from setting depth to surface.

(2) Surface wellhead injection pressure shall be recorded monthly and kept by the operator for five years.

(3) All pressure readings recorded shall be taken during actual injection or disposal operations.

(4) Mechanical integrity tests shall be performed every five years by running a retrievable plug to a depth no more than 50 feet above the uppermost perforation or open-hole of the injection or disposal zone or by another method acceptable to the commission.

(5) It shall be the sole responsibility of the operator of the tubingless completion to maintain the well so that the mechanical integrity tests can be performed as specified, or the well shall be immediately plugged and abandoned by displacing cement from the bottom of the well to the surface. (Authorized by K.S.A. 55-152, 55-901, 65-171d; implementing, K.S.A. 55-152, 55-901, 55-1003, 65-171d; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-405. Operating requirements. (a) Initial requirements.

(1) Each injection or disposal well shall be com-

pleted, equipped, operated, and maintained in a manner that will prevent pollution of fresh and usable water or damage to sources of oil or gas and that will confine fluids to the interval or intervals approved for injection or disposal.

(2) Before operating a well newly drilled for injection or disposal, or a well newly converted for injection or disposal, the casing outside the tubing and above the packer shall be tested under the supervision of a representative of the applicant. The test results shall be verified by that authorized representative, and may be witnessed by a representative of the commission or the department of health and environment. Wells equipped with a packer shall be tested with the packer in place. For wells not equipped with a packer, a retrievable plug shall be required to be set in place of a packer. This test shall be conducted by setting the packer or the retrievable plug inside the injection casing immediately above the uppermost perforation or open hole zone, and applying fluid pressure to 100 psi or the maximum allowable injection pressure, whichever is greater. In lieu of the above, the casing may be tested prior to perforating, upon approval of the commission. The well shall be shut in for at least 30 minutes. Maintenance of the shut-in pressure during the test shall provide assurance of the integrity of the injection casing.

(b) Mechanical integrity requirements. An injection or disposal well shall be considered to have mechanical integrity if there are no significant leaks in the tubing, casing or packer. Mechanical integrity shall be established periodically, on each well, by one of the following methods:

(1) Pressure test. The annulus above the packer, or the injection casing in wells not equipped with a packer, shall be tested at least once every five years under the supervision of a representative of the operator. Test results shall be verified by the same authorized representative. A minimum of 25 percent of the tests conducted each year shall be witnessed by a representative of the commission or the department of health and environment. The test shall be conducted in accordance with paragraph (a)(2) of this rule except the maximum pressure may be limited to 100 PSI. Injection or disposal wells without tubing shall be tested in accordance with K.A.R. 82-3-404.

(2) Alternative test. Alternative test methods which are approved by the commission, such as radioactive tracer or temperature surveys, may be used to establish mechanical integrity when conditions are appropriate. The surveys shall be run every five years under the supervision of a representative of the operator. The survey results shall be verified by the same authorized representative, and shall be interpreted as specified in commission-approved procedures. A minimum of twenty-five percent of the tests conducted each year shall be witnessed by a representative of the commission or the department of health and environment.

(3) Monitoring. Once a month, the operator shall monitor and record, during actual injection, the pressure in the annulus under conditions approved by the

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commission. An annual report of pressures logged shall be made to the commission. (Authorized by K.S.A. 55-152, 55-901, 65-171d; implementing K.S.A. 55-152, 55-901, 55-1003, 65-171d; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-406. Duration of injection or disposal well orders. (a) Commission orders authorizing injection or disposal into wells shall remain valid for the life of the well, unless revoked by the commission for just cause.

(b) Any order granting injection or disposal may be modified, vacated, amended, or terminated by the commission during its term. Modifications or amendments of the order may be made at the request of any interested person, subject to commission approval, or on the commission's initiative. The party requesting an amendment shall give notice of the application to amend by mailing or delivering a copy of the application to the landowner on whose land the well is located, each operator of each producing and drilling well and each unleased mineral owner within a ½ mile radius of the injection or disposal well. All orders shall be approved by the commission and the department of health and environment.

(c) When an operator elects only to amend an authorized enhanced recovery, fluid injection, or disposal order, the operator may be exempted from the notification requirements, as set forth in 82-3-401 and this rule, by submitting to the commission an application to amend the existing authorization for one or more of the following purposes:

- (1) the operator seeks to lower the maximum injection pressure;
- (2) the operator seeks to lower the maximum injection rate;
- (3) the operator seeks to add an additional injection well to the authorized lease, provided:
 - (i) the well location is greater than 330 feet from the lease boundary;
 - (ii) the injection zone, rate, pressure, fluid and well configuration is consistent with the original application which was authorized; and
 - (iii) all the requirements in 82-3-401 for the notification within ½ mile radius of the new well were accomplished when the original application was authorized; or

(4) the operator seeks to add or delete wells disposing into permitted disposal wells on the application as long as the maximum authorized injection rate is not exceeded.

(d) Mechanical failures or other conditions which indicate a well is not, or may not be, directing the injected fluid into the permitted or authorized zone may be cause to shut-in the well. If the condition may endanger any fresh or usable water source or oil or gas resources, the operator shall orally notify the commission within 24 hours. Written notice of a well failure shall be submitted to the commission and to the department of health and environment within five days of the occurrence together with a plan for testing and repairing the well. Results of the testing and well repair shall be reported to the commission and the

department of health and environment, and all information shall be included in the annual monitoring report to the commission. Any mechanical downhole well repair performed on the well that was not previously reported shall also be included in the annual report. (Authorized by K.S.A. 55-152, 55-901, 65-171d; implementing, K.S.A. 55-152, 55-901, 55-1003, 65-171d; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

82-3-409. Authorization for existing injection or disposal wells. Each injection or disposal well authorized by order of the commission on the effective date of this rule shall be an existing injection or disposal well. Injection or disposal shall be prohibited in any existing well unless the operator has filed, within one year of May 1, 1982, an inventory of existing injection wells on a form prescribed by the commission. This form shall include each well name, location, authorizing commission order number, date of the order (including all orders authorizing exceptions), maximum authorized injection rate, and maximum authorized surface injection pressure. (Authorized by K.S.A. 55-152, 55-901; implementing, K.S.A. 55-152, 55-901, 55-1003; effective T-83-44, Dec. 8, 1982; effective May 1, 1983; amended May 1, 1984.)

Article 4.—MOTOR CARRIERS OF PERSONS AND PROPERTY

82-4-1. Definitions. The following terms used in connection with the regulations of the state corporation commission governing motor carriers shall be considered and defined as follows:

(a) The term "motor carrier" means any corporation, partnership or individual subject to the provisions of the motor carrier law of Kansas and under the jurisdiction of the state corporation commission of the state of Kansas.

(b) The term "certificate" refers to a document evidencing a certificate of convenience and necessity issued to intrastate common carriers to operate motor vehicles as common carriers.

(c) The term "permit" refers to the document evidencing authority of a motor carrier to operate motor vehicles as a contract or private carrier.

(d) The term "license" refers to the document evidencing the registration of an interstate or intrastate exempt motor carrier to operate motor vehicles in the state of Kansas as an interstate common or contract motor carrier.

(e) The term "tariff publication" means the rates, charges, classification, ratings, or rules and regulations published by, for or on behalf of common or contract motor carriers of property or passengers.

(f) For the purpose of this rule, the term "entire direct case" shall include, but not be limited to, all testimony, exhibits and other documentation offered in support of the proposed rates.

(g) The term "distance" means air line distances. Distances shall be computed from the corporate limits of incorporated communities and from the post office

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of unincorporated communities. If there is no post office in the unincorporated community, the distance shall be computed from the center of the business district.

(h) The term "express carrier" means a public motor carrier of property who carries shipments the maximum weight of which does not exceed 350 pounds for one package or parcel.

(i) The term "KCC" means the state corporation commission of Kansas.

(j) The term "driveaway operation" or "towaway operation" means an operation in which any vehicle or vehicles, operated singly or in lawful combinations, new or used, not owned by the transporting motor carrier, constitute the commodity being transported.

(k) The term "driver" means a motor vehicle operator.

(l) The term "organization" means a legal entity which administers an agreement approved under K.A.R. 82-4-69.

(m) The term "single line rate" means a rate, charge, or allowance established by a single common or contract motor carrier of property or passengers that is applicable only over its line and for which the transportation can be provided by that carrier.

(n) The term "joint line rate" means a rate, charge, or allowance established by two or more common motor carriers of property or passengers that is applicable over their lines and for which the transportation can be provided by these carriers.

(o) The term "docketing" means entering the proposal in the organization files and then giving notice of the proposal to other carrier members of the organization and shipper subscribers.

(p) The terms "general increase or decrease" means a common or contract motor carrier rate increase or decrease proposed as a general adjustment of substantially all the rates published in a tariff.

(q) The term "notice" means advance notification to shipper subscribers through the organization's docket service.

(r) The term "affiliate" means a person or company controlling, controlled by, or under common control or ownership with, another person or company.

(s) The term "ownership" means an equity holding in a business entity of at least 5%.

(t) The term "industry average carrier cost information" means the average intrastate cost of the carriers who participate in an organization tariff and who have authority from the commission to transport the commodities indicated in the organization tariff. (Authorized by and implementing K.S.A. 66-1,112a, K.S.A. 1983 Supp. 66-1,112, 66-1,112g; effective Jan. 1, 1971; modified, L. 1981, ch. 424, May 1, 1981; amended, T-83-45, Dec. 8, 1982; amended May 1, 1983; amended May 1, 1984.)

82-4-2. General duty of carrier. Every motor carrier and its officers, agents, employees and representatives shall comply with the rules and regulations of this commission and with any reasonable requests of the commission or its duly authorized agents for inspection or examination of any or all operating cre-

dentials of motor carrier equipment or required parts and accessories. (Authorized by K.S.A. 66-1,112a and K.S.A. 1983 Supp. 66-1,112, 66-1,112g; implementing K.S.A. 66-1,111; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

82-4-3. Motor carrier safety regulations. The following parts of the federal rules and regulations promulgated by the U.S. department of transportation, federal highway administration, and bureau of motor carrier safety, are hereby incorporated by reference as the rules and regulations of the state corporation commission of the state of Kansas. The incorporation by reference shall cover the parts as they exist on September 15, 1983: (a) Federal Motor Carrier Safety Regulations: General, 49 CFR Part 390.

(b) Qualifications of Drivers: 49 CFR Part 391; deleting sections 49 CFR 391.41, 391.43, 391.45, 391.47 and 391.49.

(c) Driving of Motor Vehicles: 49 CFR Part 392.

(d) Parts and Accessories Necessary for Safe Operation: 49 CFR Part 393; deleting section 49 CFR 393.95 (a) and (b).

(e) Hours of Service of Drivers: 49 CFR Part 395.

(f) Inspection, Repair and Maintenance: 49 CFR Part 396.

(g) Transportation of Hazardous Materials; Driving and Parking Rules: 49 CFR Part 397.

Copies of the motor carrier safety regulations promulgated by the U.S. department of transportation may be obtained from the superintendent of documents, United States government printing office, Washington, D.C. 20402. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; modified, L. 1981, ch. 424, May 1, 1981; amended May 1, 1984.)

82-4-4 and 82-4-5. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-6c. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; revoked May 1, 1984.)

82-4-7a. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; revoked May 1, 1984.)

82-4-7b. (Authorized by and implementing K.S.A. 66-1,129; modified, L. 1981, ch. 424, May 1, 1981; modified, L. 1983, ch. 357, May 1, 1983; revoked May 1, 1984.)

82-4-7c to 82-4-7f. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; revoked May 1, 1984.)

82-4-7g. (Authorized by and implementing K.S.A. 66-1,112, 66-1,112a, 66-1,112g; effective May 1, 1981; revoked May 1, 1984.)

82-4-7h to 82-4-7i. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; revoked May 1, 1984.)

82-4-8a. Accessories and equipment. Every motor carrier shall carry on each of its motor vehicles the

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following accessories and equipment. (a) Fire extinguisher.

(1) Every motor vehicle shall be equipped with a fire extinguisher that is properly filled and readily accessible.

(2) The fire extinguisher shall be securely mounted on the vehicle.

(3) The fire extinguisher shall be designed, constructed and maintained to permit visual determination of whether it is fully charged.

(4) The extinguisher shall have an extinguishing agent that does not need protection from freezing.

(5) The classification and rating of fire extinguishers in this subsection shall conform to the laboratory standards recognized by the national fire protection association.

(6) The fire extinguisher shall not use a vaporizing liquid that gives off vapors more toxic than those produced by these substances shown as having a toxicity rating of five or six in the classification of comparative life hazard of gases and vapors.

(7) Motor vehicles that are not used to transport hazardous materials shall be equipped with either a fire extinguisher having a rating of five B:C or two fire extinguishers, each of which has a rating of four B:C.

(8) Motor vehicles that are used to transport hazardous materials shall be equipped with a fire extinguisher having a rating of not less than 10 B:C.

(9) Tank vehicles transporting gasoline, tractor gas, kerosene, fuel oils, casing-head, natural or drip gasoline, or any other liquid that gives off flammable vapor shall be provided with at least one approved hand fire extinguisher, whether a dry chemical or carbon dioxide type, having a net content of not less than 20 B:C. Two approved hand fire extinguishers, either a dry chemical or carbon dioxide type, having a net content of not less than 10 B:C for each extinguisher, may be used in lieu of one 20 B:C extinguisher. Fire extinguishers shall be kept in good operating condition, shall be located in an accessible place on each motor vehicle or tank vehicle and shall be housed in a weather-tight enclosure.

(10) The requirements of subsection (a) shall not apply to any bus having a seating capacity of eight or less persons or to a driveway or towaway operation.

(11) Each fire extinguisher required by subsection (a) shall be labeled or marked with its rating. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; amended May 1, 1984.)

82-4-8b to 82-4-8g. (Authorized by and implementing K.S.A. 66-1,129; effective May 1, 1981; revoked May 1, 1984.)

82-4-9 to 82-4-11. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-12. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; modified, L. 1981, ch. 424, May 1, 1981; revoked May 1, 1984.)

82-4-13. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-14. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; modified, L. 1981, ch. 424, May 1, 1981; revoked May 1, 1984.)

82-4-15 to 82-4-16. (Authorized by and implementing K.S.A. 66-1,129; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-20. Transportation of hazardous materials by motor vehicles. The federal regulations entitled "Hazardous Materials Tables and Hazardous Materials Communications Safety Regulations," Title 49 CFR, Part 172, as in effect on September 15, 1983, are adopted by reference. (Authorized by K.S.A. 66-1,112a, 66-1,129, K.S.A. 1983 Supp. 66-1,112, 66-1,112g; implementing K.S.A. 66-1,129; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

82-4-24a. Standard insurance forms. Except as specified in 82-4-22, the uniform standard insurance forms established under the provisions of the interstate commerce act 49 U.S.C., Sec. 11506, as in effect on September 15, 1983, are adopted by reference. The same insurance forms shall be used by all motor carriers.

The uniform motor carrier bodily injury and property damage liability certificate of insurance shall be form E.

The uniform motor carrier cargo certificate of insurance shall be form H.

The uniform notice of cancellation of motor carrier insurance policies shall be form K. (Authorized by K.S.A. 66-1,112a and K.S.A. 1983 Supp. 66-1,112, 66-1,112g; implementing K.S.A. 1983 Supp. 66-1,128; effective May 1, 1981; amended May 1, 1984.)

82-4-27. Applications for certificates of convenience and necessity. All applications for a certificate of convenience and necessity shall be typewritten, in duplicate, on forms furnished by the commission and shall contain: (a) The address of the principal office or place of business and the address of the residence of the applicant;

(b) A list of the motor vehicles, by make, year and vehicle identification number (VIN) of each vehicle, to be used by the applicant. If buses are to be used, the seating capacity shall be included;

(c) The commodity or commodities which the applicant intends to transport;

(d) The balance sheet and income statement of the applicant;

(e) A description of the complete territory proposed to be served. The territory proposed to be served shall be indicated by stating:

The city, township or county where the shipment will originate and all points of destination.

If the territory proposed to be served cannot be stated in the manner outlined above, the commission, upon a motion by the applicant, may allow the proposed territorial description to be stated as bound by described highways. The territorial description shall not be filed using a mileage radius from a fixed point. (Authorized by K.S.A. 1983 Supp. 66-1,112 and K.S.A.

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66-1,117; implementing K.S.A. 66-1,117 and K.S.A. 1983 Supp. 66-1,139; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

82-4-27b. Application for temporary operating authority. (a) An application for temporary authority to operate as a common or contract motor carrier shall be considered by the commission when:

(1) Formal application for permanent authority has been filed with the commission; and

(2) written application for temporary authority has been filed with the commission. The application for temporary authority shall include:

(A) The name and address of the principal office or place of business, and the address of the residence of the applicant;

(B) a complete balance sheet and income statement;

(C) a description of the commodities which the applicant intends to transport;

(D) a description of the territory proposed to be served;

(E) a tariff schedule;

(F) proof of sufficient liability and cargo insurance, as required by K.A.R. 84-4-21 through 84-4-25a;

(G) the name and mailing address of a resident agent, if the applicant is a non-resident; and

(H) a copy of the articles of incorporation or partnership agreement, if applicable to applicant's business.

(b) Upon receipt of the application for temporary authority, the commission shall set the date, time and place of hearing on the application.

(c) The rules of procedure at the hearing shall be those which govern all proceedings before the commission, as stated in rules of practice and procedures of the commission.

(d) In order to be granted temporary authority, the applicant shall make a satisfactory showing that an immediate and urgent transportation need constituting an emergency exists and that there is no carrier within the territory requested capable of meeting that immediate need. The showing shall be demonstrated by sworn testimony of a person or persons other than the applicant.

(e) A written order either granting or denying temporary authority shall be issued and served upon the applicant as soon as practicable after the hearing. At the request of the applicant, the commission may issue a letter or telegraphic wire authorizing the commencement of the operation approved. No application for temporary authority shall be granted until after a hearing and until the applicant has filed with the commission all of the information required under paragraph (a)(2) of this regulation.

(f) The order granting temporary authority shall specify the length of time for which the authority is valid, subject to any extension or renewal which the commission may authorize. Temporary authority shall not exceed the date on which an order granting or denying permanent authority becomes final. (Authorized by K.S.A. 1983 Supp. 66-1,112; implementing

K.S.A. 66-1,117, K.S.A. 1983 Supp. 66-1,112, 66-1,114; effective May 1, 1983; amended May 1, 1984.)

82-4-31. Issuance of identification stamps to and use of cab cards by interstate common and contract carriers and interstate exempt carriers. (a) Identification stamps shall not be issued to interstate motor carriers until motor carriers are in full compliance with all of the provisions of this regulation.

(b) Before an interstate motor carrier operates a vehicle within the borders of the state of Kansas, each motor carrier shall place one of the identification stamps on the back of the uniform cab card (form D) that is established under the provisions of the interstate commerce act 49 U.S.C., Sec. 11506 as in effect September 15, 1983. The Kansas stamp shall be placed in the square bearing the name of this state in a manner so that the stamp cannot be removed without defacing it. The motor carrier shall complete the front of the uniform cab card (form D) so as to identify the motor carrier and the vehicle.

(c) The cab card shall be maintained in the cab of the vehicle for which prepared whenever the vehicle is operated under the authority of the carrier identified on the cab card.

(d) A cab card shall, upon demand, be exhibited by the driver to any authorized agent or representative of the state corporation commission, or the Kansas highway patrol, or to any other law enforcement officer in the state.

(e) Each motor carrier shall void the cab card at the time the motor vehicle for which the cab card was prepared is permanently removed from the vehicle registration files of the commission. The cab card shall become void on March 1 in the calendar year succeeding the year for which issued.

(f) If a cab card is lost, destroyed, mutilated, or becomes illegible during the course of the year for which registered, a replacement card may be prepared and a new identification stamp issued upon payment of \$1.00. (Authorized by K.S.A. 1983 Supp. 66-1,112 and K.S.A. 66-1,112a; implementing K.S.A. 1983 Supp. 66-1,112, K.S.A. 66-1,112a, 66-1a01; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

82-4-35. Preserving certificates or permits. (a) All motor carriers and drivers of vehicles registered under certificates or permits shall, at all times, carry on every vehicle operated under the certificate or permit an authority card, issued by the commission, that defines the operating authority granted by the commission under the certificate or permit.

(b) Copies of orders of the commission which grant certificates or permits shall be carefully preserved by the holders.

(c) Authority cards and orders shall be held available for inspection by duly authorized representatives of the commission, or the state highway patrol, or by law enforcement or inspecting officers. (Authorized by K.S.A. 66-1,112a, K.S.A. 1982 Supp. 66-1,112, 66-1,112g; implementing K.S.A. 66-1,112a, K.S.A. 1983 Supp. 66-1,112, 66-1,112g, 66-1,139; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

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82-4-36. (Authorized by K.S.A. 66-1,112, 66-112a, 66-1,112f, 66-1,112g; implementing K.S.A. 66-123, 66-1,112g; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-43. (Authorized by and implementing K.S.A. 66-1,112; effective Jan. 1, 1971; amended May 1, 1981; revoked May 1, 1984.)

82-4-49a. C.O.D. shipments handled by common motor carriers. The full amount due the consignor, as shown by notations on a bill of lading or by papers attached, shall be collected at the time the shipment is delivered, unless the consignor gives written authorization for the collection of a lesser amount. The amount collected shall be directly remitted by the delivering carrier to the consignor as soon as good and efficient handling and bookkeeping methods will permit. In no case shall the remittance be delayed longer than 10 days after delivery. If the delivering carrier is unable to make collection when the shipment is tendered for delivery, or if for some reason the shipment cannot be delivered, the delivering carrier shall immediately notify the consignor. If the consignor does not, within 10 days, give the carrier holding the shipment instructions regarding disposition of the shipment, the carrier shall immediately return the shipment to the consignor and notify any other carriers involved. (Authorized by and implementing K.S.A. 1983 Supp. 66-1,112; effective May 1, 1981; amended May 1, 1984.)

82-4-57. Powers of attorney and concurrences. (a) A common or contract carrier desiring to give the power of attorney to an agent to issue and file tariffs and supplements for the carrier shall file with the commission the same form prescribed by the interstate commerce commission in Title 49 CFR Subsection 1300.18, as in effect on September 15, 1983, which is adopted by reference.

(b) If a common or contract carrier desires to concur in tariffs issued and filed by another carrier, or by its agent, a concurrence, in substantially the same form as that prescribed by the interstate commerce commission for use in similar instances, with reference to the interstate tariffs, shall be issued in favor of the other carrier.

(c) The original of all powers of attorney and concurrences shall be filed with the commission and a duplicate of the original shall be sent to the agent, or carrier, on whose behalf the document is issued.

(d) If a common or contract carrier wishes to revoke a power of attorney or concurrence, a notice shall be filed with the commission, the carrier's agent or agents and any other carrier affected by the revocation. The notice shall be filed not less than 30 days prior to the effective date. The revocation notice shall be in substantially the same form as prescribed by the interstate commerce commission in Title 49 CFR Subsection 1300.26, as in effect on September 15, 1983, which is adopted by reference. (Authorized by K.S.A. 66-108, K.S.A. 1983 Supp. 66-1,112 and 66-1,112a; implementing K.S.A. 66-108, 66-1,112e, 66-1,112f; effective Jan. 1, 1971; amended May 1, 1981; amended May 1, 1984.)

82-4-58a. Motor carrier of passengers filing requirement, general. (a) This regulation shall apply to all motor carriers of passengers rendering service between points in the state of Kansas that are located on the carrier's existing interstate routes which have been granted by the Interstate Commerce Commission.

(b) No application, petition, complaint or tariff proposing an increase in rates or charges for the transportation covered by this regulation shall be filed with the commission unless the carrier has notified the commission, in writing, of the intent to file such an application, petition, complaint or tariff not less than 30 days prior to its being filed with the commission.

(c) No application, petition, complaint or tariff covered by this regulation shall be accepted for filing unless accompanied by the carrier's entire direct case which it proposes to offer to sustain its burden of proof that the proposed rates and charges are just and reasonable. The carrier's "entire direct case" shall include the following information and documents:

(1) A letter of transmittal. This section shall contain a copy of a letter transmitting the proposed tariff changes to the executive secretary of the state corporation commission of Kansas; and

(2) the documents and information required under:

(A) KAR 82-4-58b, if the carrier has an annual gross operating revenue of more than \$10,000,000, including any carrier in a corporate group; and

(B) KAR 82-4-58c, if the carrier has an annual gross operating revenue of \$10,000,000 or less.

(d) Immediately upon the filing of a proper application, petition, complaint or tariff, as described in this regulation, the commission shall issue its order and notice of hearing which shall prescribe the time for filing evidence by the commission staff and other parties. The order and notice of hearing shall direct the parties to file, at the commencement of the hearing, prehearing briefs which shall set forth the respective positions of the parties and the facts to be established by the evidentiary presentation. (Authorized by K.S.A. 1983 Supp. 66-1,112; implementing K.S.A. 66-117, effective May 1, 1984.)

82-4-58b. Motor carrier of passenger filing requirements; carriers with revenues over \$10,000,000. Each carrier with gross operating revenues of more than \$10,000,000 annually, including individual carriers in a corporate group with consolidated annual earnings of more than \$10,000,000, that files an application, petition, complaint or tariff under KAR 82-4-58a shall furnish, as part of the carrier's entire direct case, the following:

(a) Summary information. This section shall contain the following information with the test year specified:

(1) Total test year revenues at existing rates;

(2) Total test year revenues at proposed rates;

(3) The percentage change in revenues;

(4) The test year rate base;

(5) The rate base on which existing rates were set;

(6) The return on the rate base during the test year under existing rates;

(continued)

(7) The return on rate base under proposed rates;
 (8) The return on equity during the test year under existing rates;

(9) The return on equity under proposed rates;

(10) Total operating expenses on which existing rates were set; and

(11) Total operating expenses under proposed rates;

(b) Rate base. This section shall contain, under proposed rates and in one schedule, the elements of the original cost rate base for the total company;

(c) Carrier operating property. This section shall contain, for the total company, the items of carrier operating property by primary I.C.C. accounts for the test year and for the 12 month historical period preceding the test year. Each company shall file schedules showing, by primary accounts, budgeted future expansions of operating property, or scheduled improvement programs covering the next operating period beyond the test year. Each company shall file a statement delineating assumptions used in the preparation of this exhibit;

(d) Accumulated provision for depreciation, amortization and depletion. This section shall contain schedules which will show the balance in the reserve accounts in which the credits representing provisions for depreciation, amortization and depletion are accumulated. If the reserve for depreciation is not maintained according to I.C.C. primary accounting classifications, functional balances shall be shown;

(e) Working capital. This section shall contain all calculations of working capital items which the company proposes to submit as factors in the composition of the test year rate base;

(f) Financial information. This section shall contain:

(1) Each line of bank credit at the beginning and end of the company's test year, the name of the bank and the amount;

(2) For each preferred or preference stock issue, or both, that is included in the company's capital structure:

(A) The title of the series or another designation;
 (B) The principal amount issued;
 (C) The percentage annual dividend requirement;
 (D) The total net discount or premium and issuance expense; and

(E) The amount outstanding at the beginning and the end of the company's test year;

(3) For each debt issue included in the company's capital structure:

(A) The title of the series or another designation;
 (B) The unamortized net discount or premium and issuance expense at the end of the company's test year; and

(C) The amount outstanding at the beginning and the end of the company's test year; and

(4) A schedule detailing the capital components and the cost of each form of capital used to develop the rate of return requested by the company;

(g) Comparative Financial and Operating Data. This section shall contain the following information:

(1) Comparative balance sheets for the beginning and end of the test year for total company operations;

(2) Comparative company operating income statements, by interstate commerce commission (ICC) operating revenue and expense account classification, for the test year and the preceding 12 month period for total company operations;

(3) A comparative statement of retained earnings for total company operations for the test year and 12 months preceding the test year; and

(4) For total company operations, a comparative statement of changes in financial position for the test year and the 12 preceding months;

(h) Test year company operating income statements and adjustments. This section shall contain a schedule setting forth the company operating income statement, as actually experienced for the total company and as allocated to Kansas jurisdictional operations. Adjustments by I.C.C. operating revenue and expense account classification applicable to the test year shall be shown separately and extended to show the company's pro forma operating income statement for the test year. All adjustments applicable to the test year shall be fully explained. If there has been any change or modification made in any accounting procedure or method, these changes or modifications shall be footnoted and explained showing the pro forma effect of these changes on test year operations and the effect on the preceding 12 months of historical operations;

(i) Depreciation and amortization. This section shall include the schedules showing depreciation rates for each depreciable primary account and depreciation accruals for the test year, and schedules showing amounts to be charged to operations and clearing accounts. Schedules showing the basis for such items shall be included in this section;

(j) Gain on sale of carrier operating property. This section shall include a schedule showing the gain on sale of carrier operating property by individual asset sold during the test year and the preceding 12 historical months;

(k) Taxes. This section shall contain the following information:

(1) A schedule of all the various federal, state and local taxes charged to company operations during the test year;

(2) Calculation of current income taxes payable for the test year;

(3) On a separate schedule:

(A) All tax timing differences, by primary account classification, for the test year;

(B) the cost of removal, to be segregated between amounts applicable to asset depreciation range and other accelerated depreciation; and

(C) depreciation being normalized or flowed through on the books and records of the company, segregated and identified; and

(4) On a separate schedule, an analysis of the annual investment tax credit placed or established in the tax reserve accounts for the test year;

(l) Allocation or separations basis. This section shall contain schedules exhibiting, for the test year, the

(continued)

basis of allocations or separations of property, expenses or both and of other allocable items among jurisdictions, areas of operation, company departments, or classes of service. When these allocations have been employed in other exhibits, percentage amounts shall be used in the above allocation of separations and derivation. If allocation or separations procedures are based upon estimates of percentages or other variables developed through sampling, a measure of error due to sampling variation shall be submitted for each estimate so employed. Derivation of the estimates and associated measures of sampling error shall be explained;

(m) Accumulated deferred income taxes. This section shall include a schedule showing, on a cumulative basis, all tax timing differences by primary I.C.C. account classification. This schedule shall show separately the cumulative amounts of tax timing differences due to employing accelerated depreciation and amounts arising for other reasons;

(n) Proposed rate schedules. This section shall contain rate schedules consisting of the proposed tariff sheets and a rate comparison of the tariff with the present tariff. The comparison shall show the dollar difference in each rate and the percentage increase or decrease in the rate. The company shall submit a detailed summary of the revenue effect of the proposed changes applicable to the test year.

(o) Estimation of Kansas intrastate operating revenues. This section shall contain schedules exhibiting, for the test year, the basis of allocations or separations of Kansas intrastate operating revenues by class of service. If allocation or separations procedures are based upon estimates for other variables developed through sampling, a measure of sampling error variation shall be submitted for each estimate. Derivation of the estimates and associated measures of sampling error shall be explained;

(p) Management and administrative fees. If the applicant is a subsidiary of a parent company, this section shall include a schedule showing operating or non-operating expenses charged to the regulated subsidiary by the parent company. The basis of the charge shall be explained, and the amounts which the parent charges all other regulated or unregulated subsidiaries, divisions or departments shall be shown;

(q) Variable costs. This section shall include a schedule showing the variable costs arising from the provision of Kansas intrastate passenger service. The basis for defining and allocating variable costs shall be explained;

(r) Comparison of interstate and Kansas intrastate passenger fares. This section shall contain a schedule showing a comparison of interstate and intrastate Kansas passenger fares for a like and contemporaneous service under substantially similar circumstances. This section shall contain also a comparison of revenue per passenger-mile earned in intrastate commerce and another jurisdiction; and

(s) Additional evidence. This section shall include all other schedules, exhibits and data deemed pertinent to the filing which may not properly be included under the preceding section. Such additional evi-

dence may be submitted at the option of the company. (Authorized by K.S.A. 1983 Supp. 66-1,112; implementing K.S.A. 66-117, effective May 1, 1984.)

82-4-58c. Motor carrier of passengers filing requirements, carrier with revenues of \$10,000,000 or less. Each carrier with gross operating revenues of \$10,000,000 or less annually, including individual carriers in a corporate group with consolidated annual earnings of \$10,000,000 or less, that files an application, petition, supplement or tariff under K.A.R. 82-4-58a, shall furnish, as part of the carrier's entire direct case, the following:

(a) Comparative balance sheets for total company operations (conforming to the commission's annual report format) for the beginning and end of the test year;

(b) Comparative income statements for total company operations (conforming to the commission's annual report format) for the test year and the preceding 12 month period;

(c) Schedules of depreciation for all carrier operating property as of the end of the test year, including the following information:

- (1) A description of property;
- (2) The date property was acquired;
- (3) The cost or other basis;
- (4) The prior year's depreciation;
- (5) The depreciation method used;
- (6) The useful life; and
- (7) The depreciation expense for test year;

(d) Schedules of equipment and other long-term obligations as of the end of the test year (including capitalized lease obligations) which depict the following:

- (1) A description of the note and name of lender;
- (2) The date of issue;
- (3) The original amount of loan;
- (4) The date of maturity;
- (5) The interest rate; and
- (6) Principal outstanding;

(e) The following operating statistics for the test year:

- (1) The number of regular route bus miles for the entire system and for Kansas only;
- (2) The number of bus charter miles for the entire system and for Kansas only;
- (3) The number of bus charters for the entire system and for Kansas only; and
- (4) The bus charter revenues for the entire system and for Kansas only;

(f) A statement of retained earnings for the test year;

(g) Variable Costs. This section shall include a schedule showing the variable costs arising from the provision of Kansas intrastate passenger service. The basis for defining and allocating variable costs shall be explained; and

(h) A comparison of interstate and Kansas intrastate passenger fares. This section shall contain a schedule showing a comparison of interstate and intrastate Kansas passenger fares for a like and contemporaneous service under substantially similar circumstances.

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This section shall contain also a comparison of revenue per passenger-mile earned in intrastate commerce and other jurisdictions. (Authorized by K.S.A. 1983 Supp. 66-1,112; implementing K.S.A. 66-117, effective May 1, 1984.)

Article 5.—RAILROAD SAFETY

82-5-1. (Authorized by K.S.A. 66-141, K.S.A. 1971 Supp. 66-101; effective, E-71-15, March 5, 1971; effective Jan. 1, 1972; revoked May 1, 1984.)

82-5-2. (Authorized by K.S.A. 66-141; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; amended, E-82-2, Jan. 21, 1981; amended May 1, 1981; revoked May 1, 1984.)

82-5-3. General duty of carriers. The officers, officials and agents of every carrier shall comply with the rules and regulations of this commission and with reasonable requests of the commission or its duly authorized agents for inspection of the carrier's right-of-way. (Authorized by K.S.A. 66-231b; and implementing K.S.A. 66-156; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; amended May 1, 1984.)

82-5-4. Regulations relating to inspection of bridges and other structures. Every railroad operating in the state of Kansas shall inspect its bridges, trestles and culverts at least once a year and certify to the commission that the bridges, trestles and culverts are safe for the loads imposed upon them. (Authorized by and implementing K.S.A. 66-231b; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; amended May 1, 1984.)

82-5-5. (Authorized by K.S.A. 66-141, 66-156; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; revoked May 1, 1984.)

82-5-6. Regulation relating to inspection, maintenance and repair of trackage, road bed, right-of-way, bridges and other structures. If, on the inspector's report, the commission has reasonable ground to believe that any track, bridge or other structure of the railroad is in a condition which renders it dangerous, unfit or unsafe, the commission shall immediately give the superintendent or other executive officer of the company operating that railroad notice of the condition thereof and of the repairs or reconstruction necessary to place it in a safe condition. The commission may prescribe the time in which the repairs or reconstruction necessary to place it in a safe condition must be made and the maximum speed that trains may be operated over the dangerous or defective track, bridge or other structure until the repairs or reconstruction required are made. The commission may forbid the running of trains over the defective track, bridge or other structure, if it is of the opinion that such action is necessary and proper. However, the railroad affected by such a prohibition may request a hearing to determine whether or not such action is necessary and proper. Any company operating a railroad in Kansas may designate a representative to

confer with the commission or any member thereof, at the time and place designated by the commission, in order to discuss the condition of the railroad property affected by this section. (Authorized by and implementing K.S.A. 66-231b; effective, E-71-15, March 5, 1971; effective Jan. 1, 1972; amended May 1, 1984.)

82-5-7. (Authorized by K.S.A. 66-141, 66-156; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; revoked May 1, 1984.)

82-5-8. Trackage and grade crossings. (a) "Track Safety Standards," 49 CFR Part 213, as in effect on September 15, 1983 is hereby adopted by reference.

(b) Grade crossing surfaces shall be adequately maintained for rail movement.

(c) The railroad shall keep its right-of-way clear, for a reasonable distance, of weeds and vegetation and other unnecessary obstructions, including railroad cars, when the vegetation and obstructions may interfere with the visibility of approaching motor vehicles. (Authorized by and implementing K.S.A. 66-231b; effective, E-71-15, March 5, 1971; amended, E-71-22, May 28, 1971; effective Jan. 1, 1972; amended May 1, 1984.)

82-5-9. Regulations relating to construction, reconstruction and maintenance of walkways adjacent to the railroad trackage; control of vegetation and removal of debris and trash. (a) In all switching areas within and outside of the yard limits, each railroad shall provide reasonably safe and adequate walkways adjacent to its tracks. All such walkways shall be maintained and kept as reasonably free of vegetation, trash and debris as may be appropriate to prevailing conditions. Each railroad shall provide for the abatement of weeds and brush adjacent to and upon walkways that is necessary to prevent the objectionable vegetation from encroaching upon such walkways.

(b) The commission may order the railroad corporation to eliminate any unsafe walkway condition and may specify a reasonable time for completion of the improvement as may be appropriate under the circumstances.

(c) If any railroad shows good cause and submits an application for a deviation from the provisions of this regulation. The requested deviation may be authorized by the commission. The application shall include a full statement of the conditions which prevail at the time and place involved and the reasons why deviation is deemed necessary. (Authorized by and implementing K.S.A. 66-231b; effective, E-71-15, March 5, 1971; effective Jan. 1, 1972; amended May 1, 1984.)

82-5-13. Overhead clearance. Each railroad shall comply with the following provisions regarding the minimum overhead clearance allowed for railroad safety:

(a) Overhead clearance shall be a minimum of 22 feet six inches, unless excepted in another subsection of this regulation.

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(b) In buildings, clearances may be reduced to 18 feet, for those tracks terminating:

- (1) within the building; or
- (2) in the immediate plant area if the tracks extend through the building. Overhead clearance of doors may be reduced to 17 feet, no inches.

(c) In tunnels, the minimum clearance shall be defined by the half-circumference of a circle having a radius of eight feet and a tangent to a horizontal line 23 feet above the top of the rail at a point directly over the center line of track.

(d) The clearance under bridges shall be a minimum of 22 feet.

(e) All other structures, except as specifically provided, shall have a minimum clearance as defined by starting at the center of the track at the top of the rail and eight feet six inches laterally from the center line of track, then vertically upward to a point 16 feet above the top of the rail, then diagonally upward to a point 22 feet six inches above the top of the rail and four feet horizontally from the center of track, then horizontally to the center of the track. Overhead clearance may be reduced if overhead telltales are maintained for clearance less than 22 feet, six inches. However, any reduction of clearance below 22 feet six inches shall be approved by the commission.

The commission adopts by reference, the minimal vertical clearance requirements under all wires, as published by the Institute of Electrical and Electronics Engineers, Inc.; national electrical safety code as in effect on September 15, 1983. (Authorized by and implementing K.S.A. 66-231b and 66-1201; effective, E-82-2, Jan. 21, 1981; effective May 1, 1981; amended May 1, 1984.)

Article 6.—SUPPRESSION OF DIESEL LOCOMOTIVE ORIGINATED FIRES ON RAILROAD RIGHT-OF-WAY

82-6-2. Spark arresters. (a) No carrier shall use or operate a non-turbo charged diesel locomotive for over-the-road service in the state of Kansas unless it is equipped with a spark arrester. The spark arrester shall be constructed of nonflammable materials that are at least 80 percent efficient in the retention or destruction of all carbon particles .023 inch in diameter and larger for 30 to 100 percent of the locomotive engine's exhaust flow rate. With the addition of the arrester, the total manifold exhaust back leg pressure shall not exceed 3½ inches of mercury.

(d) Any carrier may make application to the commission for an extension of time to meet the standards of subsection (a) on the grounds of nonavailability of parts and material, or on the grounds of financial inability to meet the provisions of subsection (a). (Authorized by and implementing K.S.A. 66-231b; effective, E-72-22, July 28, 1972; effective Jan. 1, 1973; amended May 1, 1984.)

82-6-3. High fire areas. (a) The term "high fire area" means any 10-mile section of a carrier's right-of-way wherein there has been, during the immediate past three-calendar-year period, an average of three or more diesel locomotive originated fires per year.

(b) Every carrier shall treat high fire areas by either plowing, burning, cutting, or chemically spraying all vegetation for a distance of not less than 25 feet from the outside rails and between all rails on its right-of-way. Periodic inspections of the high fire areas shall be made by the commission to assure compliance with this standard.

(c) On or before March 1 of each year, every carrier shall report to the commission all high fire areas on its right-of-way in the state of Kansas.

(d) The report shall state the location of the high fire areas by railroad mile post numbers, county, and nearest town or city. The report shall also include, but not be limited to, the date of each fire, the number of fires and the total acres burned in each of the specific high fire areas.

(e) The report shall state the nature of the treatment of high fire areas, and the date of that treatment for each area in the preceding calendar year. (Authorized by K.S.A. 66-231b; implementing K.S.A. 66-156; effective, E-72-22, July 28, 1972; effective Jan. 1, 1973; amended May 1, 1984.)

Article 7.—RAILROAD GRADE CROSSING— PROTECTION RULES

82-7-1. (Authorized by K.S.A. 66-231b; effective, E-72-26, Sep. 1, 1972; effective Jan. 1, 1973; revoked May 1, 1984.)

82-7-4. Dangerous crossings. (a) After any request for an inspection of any railroad crossing and after an investigation, the commission shall designate by order whether or not the crossing is "dangerous" and, if so, shall specify an appropriate number, type and location of safety devices necessary to remedy the dangerous condition. A public hearing shall not be required in each instance, but every board or railroad may petition for a hearing pursuant to K.A.R. 82-1-232(b) within 15 days after service of the commission's order.

(b) In determining whether or not a "dangerous" crossing exists, the commission shall give consideration to the following:

- (1) The best interest of the public;
- (2) The number, speed and schedule of trains over the crossing;
- (3) The number of tracks at the crossing;
- (4) The average daily and peak highway traffic over the crossing;
- (5) The terrain and other visual aspects;
- (6) Prior accidents at the crossing involving trains and motor vehicles;
- (7) Crossing protection or safety devices on parallel streets or roads; and
- (8) Any other factors contributing to a dangerous crossing and thereby affecting the public safety.

(c) The commission adopts by reference all safety and signal device requirements of the "manual on uniform traffic control devices for streets and highways: U.S. department of transportation, federal highway administration, as in effect on September 15, 1983.

(d) All safety and signal devices ordered to be in-

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stalled by the commission shall meet the requirements of the manual referred to in subsection (c) of this regulation. (Authorized by K.S.A. 66-231b; implementing K.S.A. 66-231a; effective, E-72-26, Sep. 1, 1972; effective Jan. 1, 1973; amended May 1, 1984.)

82-7-5. Apportionment of costs. In determining the percentage of the costs of installing required safety devices at dangerous crossings that will be borne by the railroad, or if more than one railroad is involved, by each railroad, the commission shall consider all relevant factors, including: (a) volume, speed and type of vehicular traffic;

(b) volume, speed and type of train traffic;

(c) savings, if any, which will inure to any party;

(d) potential advantages to the public and to the railroad company or companies; and

(e) the net benefit to that railroad or to each of the railroads. (Authorized by K.S.A. 66-231b; and implementing K.S.A. 66-231a; effective, E-72-26, Sep. 1, 1972; effective Jan. 1, 1973; amended May 1, 1984.)

Article 9.—RAILROAD RATES

82-9-1. Railroad tariff filing requirements. (a) Each railroad tariff for rates or provisions published in connection with a new service, and each railroad tariff change that would result in increased rates, shall be on file with the commission at least 20 days prior to its effective date.

(b) Each railroad tariff which would result in decreased rates or increased value of service shall be on file for at least 10 days prior to its effective date.

(c) Each rate publication filed with the commission shall be on forms prescribed by the commission and shall contain such information as the commission may require, including, but not limited to:

(1) a tariff containing all relevant and material provisions relating to the rate and its application.

(2) a statement as to whether the rate will increase, decrease, or produce no change in the carrier's revenue. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-2. Commencement of proceedings. (a) To determine whether a new individual or joint rate, or an individual or joint classification, rule, or practice related to a rate filed with the commission by a rail carrier, is discriminatory, unreasonable or in any way violates the law, the commission may:

(1) on its own initiative, commence an investigation proceeding; or

(2) upon protest of an interested party, commence an investigation proceeding; or

(3) upon protest of an interested party, commence an investigation and suspension proceeding.

The provisions of subsection (a) shall not apply to general rate increases, inflation-based increases, or fuel adjustment surcharges filed under the provisions of 49 U.S.C. § 11051(b)(6), over which the commission has no jurisdiction.

(b) Rates based on limited carrier liability may be published and filed with the commission, without prior approval. However, those rates shall be subject

to protest on grounds including unreasonableness or nonconformance with the tariff publication requirements found in 49 CFR 1300.4 (i) (11), as in effect on September 23, 1983, which are hereby adopted by reference.

(c) The commission shall give reasonable notice to interested parties before beginning a proceeding. However, the commission may begin the proceeding without allowing an interested party to file an answer. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-3. Grounds for suspension. (a) A proposed rate, classification, rule, or practice shall not be suspended unless it appears, from the specific facts shown by a verified statement of a protestant, that:

(1) there is a substantial probability that the protestant will prevail on the merits;

(2) without suspension, the proposed rate change will cause substantial injury to the protestant or the party represented by the protestant; and

(3) because of the peculiar economic circumstances of the protestant, the provisions of K.A.R. 82-9-11 of these rules do not protect the protestant. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-4. Duration of suspension period. (a) Each proceeding commenced under these procedures shall be completed within five months from the effective date of the proposed rate, classification, rule or practice. However, if the commission reports to the interstate commerce commission that it cannot make a final decision within that time and explains the reason for the delay, an extension of three months may be allowed to complete the proceeding and make a final decision.

(b) If the commission does not render a final decision within the applicable time period, the rate, classification, rule or practice shall become effective immediately or, if already in effect, shall remain in effect. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-5. Market dominance. (a) When any new individual or joint rate is alleged to be unreasonably high, the commission, within 90 days after the start of a proceeding under these rules, shall determine whether or not the railroad proposing the rate has market dominance over the transportation to which the rate applies.

(b) If the commission finds that the railroad proposing the rate has market dominance over the transportation to which the rate applies, it shall determine whether or not the proposed rate exceeds a maximum reasonable level for that transportation.

(c) If the commission finds that the railroad proposing the rate does not have market dominance over the transportation to which the rate applies, it shall not make a determination on the issue of reasonableness.

(d) Any finding by the commission that the proposed rate has a revenue—variable cost percentage which is equal to greater than the percentages found

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in 49 U.S.C. § 10709(d)(2) as in effect on September 23, 1983, which is hereby adopted by reference, shall not establish a presumption that:

- (1) The railroad has or does not have market dominance over such transportation, or
- (2) the proposed rate exceeds or does not exceed a reasonable maximum level. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-6. Reasonableness. (a) Except for nonferrous recyclables, the commission shall evaluate the reasonableness of a rate only after market dominance has been established. In determining whether a rate is reasonable, the commission shall consider, among other factors, evidence of the following:

- (1) the amount of traffic that is transported at revenues which do not contribute to going concern value and the efforts made to minimize that traffic;
- (2) the amount of traffic which contributes only marginally to fixed costs and the extent to which, if any, rates on the traffic can be changed to maximize the revenues from such traffic; and
- (3) the carrier's mix of rail traffic, to determine whether one commodity is paying an unreasonable share of the carrier's overall revenues.

(b) Any rate on nonferrous recyclable material shall be presumed to be unreasonable when it is set at a revenue to variable cost ratio greater than 146%.

(Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-7. Burden of proof. (a) General. The burden shall be on the protestant to prove the matters described in K.A.R. 82-9-3 of these rules.

(b) Jurisdiction. The respondent railroad shall bear the burden of showing that the commission lacks jurisdiction to review the proposed rate because the rate produces a revenue—variable cost percentage that is less than the percentages found in 49 U.S.C. Sec. 10709(d)(2), which is hereby adopted by reference, as in effect on September 23, 1983. The railroad may meet its burden of proof by showing the revenue—variable cost percentage for that transportation to which the rate applies is less than the threshold percentage cited in 49 U.S.C. Sec. 10709(d)(2). The protestant may rebut the railroad's evidence with a showing that the revenue—variable cost percentage is equal to or greater than the threshold percentage in 49 U.S.C. Sec. 10709(d)(2).

(c) Intramodal and intermodal competition. The protestant shall bear the burden of demonstrating that there exists no effective intramodal or intermodal competition for the transportation to which the rate applies. The respondent railroad may rebut the protestant's showing with evidence that effective intramodal or intermodal competition exists.

(d) Product and geographic competition. The railroad shall also introduce evidence of product or geographic competition by identifying such competition. Once the railroad has made this identification, the party opposing the rate has the burden of proving that the product or geographic competition identified by the railroad is not effective.

(e) Reasonableness of rate increases. A party protesting a rate increase shall bear the burden of demonstrating its unreasonableness if the rate:

- (1) is authorized under 49 U.S.C. § 10707a, as in effect on September 23, 1983; and
- (2) results in a revenue—variable cost percentage for the transportation to which the rate applies that is less than the lesser of the percentages described in clauses (i) and (ii) of 49 U.S.C. § 10707a(e)(2)(A), as in effect on September 23, 1983.

(f) Respondents's burden of proof. The respondent railroad shall bear the burden of demonstrating the reasonableness of a rate increase if:

- (1) The rate is greater than that authorized under K.A.R. 82-9-7(3)(1), or
- (2) The rate results in a revenue—variable cost percentage, for the transportation to which the rate applies, that is equal to or greater than the lesser of the percentages described in clauses (i) and (ii) of 49 U.S.C. § 10707a(e)(2)(A), as in effect on September 23, 1983; and

(3) the commission initiates an investigation.

(g) Rate decreases. A party protesting a rate decrease shall bear the burden of demonstrating that the rate does not contribute to the going concern value of the railroad, and is therefore unreasonably low. A party may meet its burden by making a showing that the rate is less than the variable cost for the transportation to which the rate applies. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-8. Zone of rate flexibility. (a) Any rail carrier may raise any rate pursuant to the limitations described in 49 U.S.C. Sec. 10707a as in effect on September 23, 1983. Base rates increased by the quarterly rail cost adjustment factor shall not be investigated or suspended. In addition, any railroad may increase any rate by 6% per annum until October, 1984. Railroads not earning adequate revenues, as defined by the interstate commerce commission, after that period, may raise rates 4% per year. Neither the 6% or 4% increase shall be suspended. If the increase results in a revenue to variable cost ratio that equals or exceeds 190%, the commission may investigate the rate either on its own motion or on complaint of an interested party.

(b) In determining whether or not to investigate the rate, the commission shall consider:

- (1) the amount of traffic which the railroad transports at revenues which do not contribute to going concern value and efforts made to minimize that traffic;
- (2) the amount of traffic which contributes only marginally to fixed costs and the extent to which rates on that traffic can be changed to maximize the revenues from that traffic;
- (3) the impact of the challenged rate on national energy goals;
- (4) state and national transportation policy; and
- (5) the revenue adequacy goals incorporated in the interstate commerce act, as in effect on September 23,

(continued)

1983. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-9. Monetary adjustments for suspension actions. (a) Rate increases with no suspensions. If the commission does not suspend, but investigates, a proposed rate increase under K.A.R. 82-9-3, the rail carrier shall account for all amounts received under the increase until the commission completes its proceedings under K.A.R. 82-9-4. The accounting shall specify by whom and for whom the amounts are paid. When the commission takes final action, the carrier shall refund to the persons for whom the amounts were paid that part of the increased rate found to be unreasonable, plus interest at a rate equal to the average yield, on the date that the "statement of monetary adjustment" is filed, of marketable securities of the United States government having a duration of 90 days.

(b) Rate increases with suspension. If a rate is suspended and any portion of that rate is later found to be reasonable, the carrier shall collect from each person using the transportation to which the rate applies the difference between the original rate and the portion of the suspended rate found to be reasonable for any services performed during the period of suspension. The carrier shall also collect, from such persons, interest at a rate equal to the average yield, on the date that the "statement of monetary adjustment" is filed, of marketable securities of the United States government having a duration of 90 days.

(c) Rate decreases with suspension. If the commission suspends a proposed rate decrease which is later found to be reasonable, the rail carrier may refund any part of the decrease found to be reasonable if the carrier makes the refund available to each shipper who participated in the rate, in accordance with the relative amount of that shipper's traffic which was transported at that rate. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-10. Filing requirements. (a) The protest, reply and any other pleadings relating to the proceeding shall not be considered unless made in writing and filed with the commission.

(b) The protest, reply or other pleadings relating to the proceeding shall be received for filing at the commission's office within the time limits, if any, for that filing. The date of receipt at the commission, and not the date of deposit in the mail, is determinative.

(c) If, after examination, the commission finds that the protest, reply, "statement of monetary adjustment" or other pleadings relating to the proceeding are not insubstantial compliance with the provisions of these regulations, the commission may decline to accept the documents for filing, advise the party submitting the documents of the deficiencies, and require correction of the deficiencies.

(d) The protest, reply, tariff and other pleadings relating to the proceeding shall be signed in ink and the signer's address shall be stated.

(e) The facts alleged in a protest, reply, tariff or other pleading shall be verified by the person on whose behalf it is filed. If a protest or pleading is filed on behalf of a corporation or other organization, it shall

be verified by an officer of that corporation or organization.

(f) Identification. The protested tariff shall be identified by making reference to the name of the railroad or its publishing agent; to the KCC docket number, to the specific items of particular provisions protested and to the effective date of the protested publication. Reference shall also be made to the tariff and specific provisions of the tariff that are proposed to be superseded.

(g) Ground for suspension. The protest shall incorporate:

(1) Sufficient facts to meet the criteria for suspension, as set forth in K.A.R. 82-9-3;

(2) Sufficient facts to sustain the applicable burdens of proof, as set forth in K.A.R. 82-9-7; and

(3) Any additional information that would support suspension of the proposed rate.

(h) Timing. When a proposed change is to become effective upon not less than 20 days notice, each protest and request for suspension of a tariff filed by a railroad shall be received by the commission at least 10 days prior to the effective date. When the proposed change is to become effective upon not less than 10 days notice, such protests and requests shall be received at least five days prior to the effective date.

(i) Reply to protest. The reply shall adequately identify the protested tariff. Further, it shall contain sufficient facts to rebut the allegations made in the protest and to sustain the applicable burdens of proof.

(j) When the proposed change is to become effective upon not less than 20 days notice, a reply to a protest shall be received by the commission not later than the fourth working day prior to the effective date. When the proposed change is to become effective upon not less than 10 days notice, the reply shall be received no later than the second working day prior to the effective date. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-11. Refund or collection of freight charges based upon commission findings. (a) Except as otherwise provided, when the commission finds that a railroad must make refunds on freight charges collected, or that the railroad is entitled to collect additional freight charges, but the amount cannot be ascertained upon the record before it, the party entitled to the refund or the railroad entitled to collect additional monies shall immediately prepare a statement showing details of the shipments involved in the proceeding.

(b) The statement shall not include any shipment not covered by the commission's findings. If the shipments moved over more than one route, a separate statement shall be prepared for each route and separately numbered. However, shipments which, in each instance, have the same collecting carrier may be listed in a single statement if grouped according to routes.

(c) Statements so prepared and certified shall be filed with the commission and it shall then consider entry of an order awarding refunds or authorizing

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collection of additional freight charges. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-12. Zone of rate flexibility. Base rates increased by the quarterly rail cost adjustment factor shall not be found to exceed a reasonable maximum for the transportation involved. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-13. Market dominance. (a) The commission shall determine, within 90 days of the start of a complaint proceeding, whether the carrier has market dominance over the transportation to which the rate applies. If the commission finds that the carrier has market dominance, it may then determine that rate to be unreasonable if it exceeds a reasonable maximum for that transportation.

(b) If the rail carrier establishing the challenged rate proves that the rate charged results in a revenue-variable cost percentage which is less than that allowed in K.A.R. 82-9-5, the rail carrier shall not be considered to have market dominance over the transportation to which the rate applied.

(c) If the commission determines that a rail carrier does not have market dominance over the transportation to which a particular rate applies, the rate established by that carrier for the transportation shall be reasonable. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-14. Reasonable rates. (a) Rail rates shall not be established below a reasonable minimum. Any rate for transportation by a rail carrier that does not contribute to the going concern value for that carrier is presumed to be not reasonable.

(b) Rail rates which equal or exceed the variable cost of providing the transportation shall be conclusively presumed to contribute to the going concern value of that rail carrier, and therefore shall be presumed not to be below a reasonable minimum.

(c) In determining whether a rate is reasonable, the policy that railroads earn adequate revenues, as well as evidence of the following factors, shall be considered:

(1) the amount of traffic which is transported at revenues which do not contribute to going concern value and efforts made to minimize such traffic;

(2) the amount of traffic which contributes only marginally to fixed costs and the extent to which, if any, rates on that traffic can be changed to maximize the revenues from such traffic; and

(3) the carrier's mix of rail traffic to determine whether one commodity is paying an unreasonable share of the carrier's overall revenues. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-15. Burden of proof. (a) Jurisdiction. Each defendant railroad shall bear the burden of showing that the commission lacks jurisdiction to review a rate because the rate produces a revenue-variable cost percentage that is less than the percentages incor-

porated in K.A.R. 82-9-7. The railroad shall meet its burden of proof by showing the revenue-variable cost percentage for the transportation to which the rate applies is less than the threshold percentage incorporated in K.A.R. 82-9-7. Any complainant may rebut the railroad's evidence with a showing that the revenue-variable cost percentage is equal to or greater than the applicable threshold percentage.

(b) Reasonableness of existing rates. Any party complaining that an existing rate is unreasonably high shall bear the burden of proving that the rate is not reasonable. Any party complaining that an existing rate is unreasonably low shall bear the burden of demonstrating that the rate does not contribute to the going concern value of the carrier, and that the rate is, for that reason, unreasonably low.

(c) Nonapplicability. Complaints shall not be entertained by the commission to the extent that they challenge the reasonableness of the following rate adjustments:

(1) general rate increases;

(2) inflation-based rate increases; or

(3) fuel adjustment surcharges.

(Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-16. Contracts. (a) Definition of the term "contract." A contract, subject to this section, is a written agreement, entered into by one or more rail carriers with one or more purchasers of rail services, to provide specified services under specified rates, charges, and conditions.

(b) Each contract filed under the section shall specify that the contract is made pursuant to K.A.R. 82-9-16, and shall be signed by duly authorized parties.

(c) The term "amendment" means written contract modifications signed by the parties. Each amendment shall be treated as a new contract. Each amendment shall be lawful only if it is filed and approved in the same manner as a contract. To the extent terms affecting the lawfulness of the underlying contract are changed, remedies shall be revived and review shall again be available.

(d) Filing and approval. Each rail carrier providing transportation subject to commission jurisdiction shall file, with the commission, an original and one copy of all contracts entered into with one or more purchasers of rail services. These contracts shall be accompanied by two copies of the contract tariff that contains a summary of the nonconfidential elements of the contract in the form specified in 49 C.F.R. 1300.300-1300.315, as in effect on September 23, 1983, which is hereby adopted by reference.

(e) Grounds for review of contract. Within 30 days of the filing date of a contract, the commission may, on its own motion or on complaint, begin a proceeding to review it. Such a review shall be based only on an allegation of violations as described in K.A.R. 82-9-17. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-17. Grounds for complaints. Any contract
(continued)

may be reviewed by the commission on its motion, or upon complaint. Contracts shall be reviewed only on the following grounds:

(a) In the case of a contract other than a contract for the transportation of agricultural commodities, including forest products and paper, a shipper may file a complaint only on the grounds that the shipper individually will be harmed because the contract unduly impairs the ability of the contracting carrier or carriers to meet their common obligations under 49 U.S.C. Sec. 11101 (a), as in effect on September 23, 1983.

(b) In the case of a contract for the transportation of agricultural commodities, including forest produce and paper, a shipper may file a complaint only on the grounds that:

(1) The shipper individually will be harmed because the contract unduly impairs the ability of the contracting carrier or carriers to meet common carrier obligations;

(2) The rail carrier or carriers unreasonable discriminated against the shipper; or

(3) The contract constitutes a destructive, competitive practice.

(c) "Unreasonable discrimination," as used in these rules and when applied to agricultural shippers, means that the railroad has refused to enter into a contract with the shipper for rates and services for transportation of the same type of commodity under similar conditions to the contract at issue, and that the shipper was ready, willing, and able to enter into a contract at a time essentially contemporaneous with the period during which the contract at issue was offered. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-18. Filing and service of complaints. (a) An original and six copies of a complaint shall be filed with the commission by the 18th day after the filing date of the contract. A copy of the complaint shall also be served on each railroad listed as a railroad participating in the contract, by hand, express mail, or other overnight delivery service.

(b) An original and six copies of a reply shall be filed by the 23rd day after the filing of the contract and a copy shall be served upon the complainants.

(c) Any appeal of the commission's decision shall be made at least two work days prior to the contract approval date. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-19. Commission decision upon review of contract. (a) Within 30 days after the date a proceeding is begun to review a contract upon the grounds specified in 82-9-17(b), the commission shall decide whether the contract violates the provisions of 49 U.S.C. Sec. 10713, as in effect on September 23, 1983. If the commission finds that a violation exists, it shall:

(1) disapprove the contract; or

(2) in the case of agricultural contracts where the commission finds unreasonable discrimination by a carrier, order the carrier to provide rates and services substantially similar to the contract at issue with any differences in terms and conditions that are justified by the evidence.

(b) Approval date of contract. Each contract shall be approved on the 30th day after the filing date of that contract. If the commission does not institute a proceeding to review the contract, the contract shall be considered "expressly approved" by the commission.

(c) If the commission institutes a proceeding to review a contract, that contract shall be approved:

(1) on the date the commission approves the contract, if the date of approval is 30 or more days after the filing date of the contract;

(2) on the 30th day after the filing date of the contract, if the commission approves the contract prior to the 30th day after the filing date of the contract; or

(3) on the 60th day after the filing date of a contract, if the commission fails to disapprove the contract. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-20. Limitation of rights of a rail carrier to enter future contracts. The commission may limit the right of any rail carrier to enter into future contracts if it determines that additional contracts would impair the ability of the rail carrier to fulfill its common carrier obligations. That determination shall be handled on a case-by-case basis. The commission may investigate either on its own initiative or upon the filing of a verified complaint, by a shipper, which demonstrates that the carrier's inability to fulfill its common carrier obligations, as a result of existing contracts, harmed that shipper. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-21. Common carrier responsibility. (a) The terms of each contract approved by the commission shall completely determine the duties and service obligations of the parties to the contract with respect to the services provided under the contract. The contract shall not affect the parties' responsibilities for any services which are not included in the contract.

(b) The exclusive remedy for an alleged breach of a contract approved by the commission shall be an action in an appropriate state court or United States district court, unless the parties otherwise agree in the contract. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-22. Filing a contract and contract tariff. (a) Each railroad entering into a contract for railroad transportation services (or the originating railroad for a contract involving movement over more than one railroad) with one or more purchasers of rail service shall file, with the commission, the original and one copy of the contract and two copies of the contract tariff.

(b) Each contract filed under these rules shall not be available for inspection by persons other than the parties to the contract and authorized commission personnel, except by a petition demonstrating that the petitioner is likely to succeed on the merits of the complaint and that the matter complained of could not be proved without access to the complete contract.

(c) The contract tariff filed under these rules shall

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include the information specified in 49 CFR 1300.300-1300.315, as in effect on September 23, 1983, which are hereby adopted by reference. The contract tariff shall be made available for inspection by the general public.

(d) Copies of contract summaries shall be available from the commission. When requesting a summary, reference shall be made to the contract docket number.

(e) Each contract and contract tariff shall be filed with the commission at least 30 days, and not more than 60 days, before the date on which it is to become effective, except as otherwise authorized by the commission. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-23. Exempt transportation. (a) The commission may exempt a person, class of person, transaction or service from further rail regulation by the commission when it finds that further regulation is not necessary to carry out state and national transportation policy and when either the transaction or service is of limited scope, or further regulation is not needed to protect shippers from the abuse of market power.

(b) The commission may, on its own initiative, or on application by any interested party, begin a proceeding to exempt rail carrier transportation.

(c) The commission may specify the period of time during which the exemption granted is effective.

(d) The commission may revoke, in whole or in part, an exemption if it determines that a revocation is necessary to carry out state and national transportation policy. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-24. Joint rate surcharge and cancellations. (a) Any rail carrier may publish and apply a surcharge, increasing or decreasing the through charge applicable to any movement between points designated by the surcharging carrier, subject to a joint rate. A surcharge may be applied without the consent of other participating carriers.

(b) Any carrier may apply a surcharge so as to allow it to obtain revenues equal to or in excess of 110 percent of its variable cost for providing the service.

(c) The commission may cancel the application of a surcharge to a route if a shipper or connecting carrier demonstrates that:

(1) For the movement of the traffic involved, there is no competitive alternative to the route that is not subject to such a surcharge; and

(2) The surcharging carrier's share of the revenue after application of the surcharge exceeds 110 percent of its variable cost for providing service over that route.

(d) Each rail carrier surcharging or cancelling a joint rate shall publish the proposed rate change at least 45 days before the date on which it is to become effective. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

82-9-25. Rate discrimination. Differences between rates, classifications, rules and practices of rail

carriers that provide transportation which is subject to the jurisdiction of the commission shall not constitute unlawful discrimination if the differences result from different services provided by rail carriers. (Authorized by K.S.A. 66-106; implementing K.S.A. 66-146; effective May 1, 1984.)

C. MICHAEL LENNEN
Chairman

Doc. No. 001831

State of Kansas

**BOARD OF VETERINARY
MEDICAL EXAMINERS**

TEMPORARY ADMINISTRATIVE REGULATIONS

(Approved by the State Rules and Regulations Board
January 13, 1984. Will expire May 1, 1985.)

Article 1.—DEFINITIONS

70-1-3. (Authorized by K.S.A. 47-830(n); effective Jan. 1, 1974; revoked, T-85-4, Feb. 2, 1984.)

EARL E. GATZ, D.V.M.
Secretary-Treasurer

Doc. No. 001924

State of Kansas

LAW ENFORCEMENT TRAINING CENTER

TEMPORARY ADMINISTRATIVE REGULATIONS

(Approved by the State Rules and Regulations Board
February 15, 1984. Will expire May 1, 1985.)

**Article 1.—DEFINITIONS
AND CERTIFICATION**

107-1-1. Definitions. Unless the context otherwise requires, the terms below shall have the following meanings. (a) "Training center" means the law enforcement training center within the division of continuing education of the University of Kansas, created by K.S.A. 74-5603 and amendments thereto.

(b) "Course" means any grouping of classes, or series of lessons or lectures, designed to attain a specific educational or law enforcement training objective.

(c) "Class" means any single meeting or session devoted to a specific law enforcement related subject or topic.

(d) "Mandated course" or "mandated class" means any course or class used to satisfy any of the training requirements of K.S.A. 74-5601 *et seq.*, and amendments thereto, or of these rules.

(e) "Agency head" means the hiring authority, including the chief of police, sheriff or other administrative officer, responsible for the employment and training of police or law enforcement officers.

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(f) "Auxiliary personnel" means members of organized non-salaried groups which operate as an adjunct to a police or sheriff's department, including posses and search and rescue groups. (Authorized by and implementing K.S.A. 1983 Supp. 74-5603 and 74-5604a; effective, T-85-5, Feb. 21, 1984.)

107-1-2. Certification of police or law enforcement officers. (a) Certified status necessary. All police or law enforcement officers shall satisfy the training requirements established by the associate director and approved by the commission and the minimum qualifications as set forth in K.S.A. 1982 Supp. 74-5605 and amendments thereto. Each officer who meets all of the standards concerning qualifications, and all of the training requirements shall be certified by the associate director and shall be issued a certificate by the associate director.

(b) Law enforcement agency participation. When any person is elected or employed as a police or law enforcement officer, the agency head shall submit an acknowledgement that the officer meets the requirements of K.S.A. 1982 Supp. 74-5605 and amendments thereto on the appropriate form provided by the associate director. All agencies shall maintain the necessary records verifying that each officer meets these requirements, and the records shall be made available on request for inspection by members of the commission or staff.

(c) Extensions. The associate director may extend the one year time period for completion of the minimum training requirement until the next available class when it is shown that the failure to comply with the requirements was not due to the intentional avoidance of the law and upon written application by the agency head.

(d) Basic school; full-time enrollment required. No officer attending a basic school shall be allowed to work as a police or law enforcement officer while enrolled in the school. (Authorized by K.S.A. 1983 Supp. 74-5603 and 74-5604a; implementing K.S.A. 74-5608a, K.S.A. 1983 Supp. 74-5604a, 74-5605, 74-5607a; effective, T-85-5, Feb. 21, 1984.)

107-1-3. Certification of law enforcement training schools; general requirements. (a) Certificate necessary. Schools which meet all of the standards approved by the commission concerning curriculum, use of approved instructors and adequacy of facilities shall be issued a certificate by the associate director. Each law enforcement training school shall be certified by the associate director prior to offering courses required for certification of police or law enforcement officers under K.A.R. 107-1-1 and K.A.R. 107-1-2.

(b) Duration. Certificates may be renewed annually upon application to the associate director.

(c) Inspection. Certification of training schools shall be issued and maintained on the basis of on-site inspections of the schools. On-site inspections shall be conducted by the associate director or the designee of the associate director. Inspections shall be conducted as often as the associate director deems necessary. In no event shall inspections be conducted less frequently than once each fiscal year.

(d) Certification and renewal. The associate director, with the approval of the commission, may refuse to renew the certificate of any law enforcement training school for failure to maintain minimum curriculum, instructor or facility requirements as determined by the associate director and approved by the commission.

(e) Use of instructors. All instructors used in mandated training courses shall comply with the requirements for instructors as established by the associate director and approved by the commission.

(f) Approval of school facilities. The certification of a police training school shall be deemed to include approval of that school's facilities.

(1) Each law enforcement training school desiring certification shall supply, when required by the curriculum:

(A) A classroom with adequate heating, cooling, ventilation, lighting and space;

(B) comfortable chairs with tables or arms for writing;

(C) all necessary visual aid devices for proper classroom presentations;

(D) a firing range with an adequate backstop to insure the safety of students and instructors;

(E) an adequate driving range for instruction in emergency vehicle operation and control (or alternate provisions for that instruction);

(F) a facility for physical fitness training; and

(G) any other physical facilities that may be required by the curriculum. (Authorized by K.S.A. 1983 Supp. 74-5603, 74-5604a; implementing K.S.A. 1983 Supp. 74-5604a; effective, T-85-5, Feb. 21, 1984.)

107-1-4. Certification of law enforcement training schools; procedures. The following procedures shall be followed to obtain certification for all mandated courses. However, the requirements of this section shall not apply to the 40 hour annual in-service training specified in K.S.A. 1982, Supp. 74-5607a(b). (a) Each state or local law enforcement agency, or other organization or entity, wishing to receive certification for the purpose of conducting a mandated law enforcement training course shall submit a request for certification on forms provided by the associate director at least 90 days prior to the first class date of the proposed training school.

(b) Each request for certification shall include:

(1) A description of the classroom and other facilities to be utilized by the requesting agency;

(2) a listing of the audiovisual equipment and other instructional devices and aids which are available; and

(3) an estimate of the minimum and maximum number of officers expected to be trained by the agency under the requested certification.

(c) The associate director shall review the request for certification and shall notify the requesting agency within 10 days that tentative approval has been granted or that certification has been denied. If certification has been denied, the associate director shall provide in writing the reason or reasons for the denial of certification.

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(d) If tentative approval is granted, the associate director shall send to the requesting agency a core curriculum which has been approved by the commission. Within 15 days of receipt of the core curriculum, the requesting agency shall return to the associate director a proposed class schedule together with a list of proposed instructors who will provide the mandated courses. The list of proposed instructional personnel shall be submitted on forms provided by the associate director.

(e) Upon review of the proposed class schedule and the qualifications of the proposed instructors, the associate director may issue a course certification. However, if a certificate is not issued, the associate director shall advise the requesting agency of the deficiencies which preclude certification. If these deficiencies are corrected, the proposal may be reviewed again, upon request of the agency head, and notification shall be sent as to the disposition.

(f) Upon certification, the associate director may provide to the certified agency the aid, assistance and guidance deemed necessary to the delivery of an effective training program, including but not limited to:

(1) Course descriptions for each instructor. The course descriptions shall delineate the instructor's duties and responsibilities, including learning objectives for each class section;

(2) training materials;

(3) support by the Kansas law enforcement training center staff to acquaint instructors with the philosophy of training, and with techniques relating to effective public speaking and law enforcement instruction;

(4) forms and other documents to enroll trainees and to document training, class attendance and examination results;

(5) examinations and other testing materials; and

(6) such other support as is deemed by the associate director to be necessary for the effective delivery of training.

(g) Responsibilities of certified training agency. After certification is granted, the certified training agency shall, at a minimum, be responsible for:

(1) Assuring that the qualifications of individual trainees applying for entry into the course meet the requirements of K.S.A. 1982 Supp. 74-5605 and amendments thereto;

(2) providing a comfortable, well-lighted classroom with a seating capacity sufficient to accommodate all attending trainees;

(3) monitoring and certifying classroom attendance of trainees;

(4) providing audiovisual equipment, including overhead slide and 16mm projectors and other auxiliary equipment;

(5) administering all examinations and other tests in compliance with standards as established by the associate director and approved by the commission;

(6) submitting to the associate director, on forms provided by the associate director and within seven working days of completing the course, the names of all persons who have completed the mandated training course satisfactorily; and

(7) assuming all monetary costs related to payment or reimbursement of guest or other instructional personnel, excluding instructional and staff support provided by the Kansas law enforcement training center. (Authorized by K.S.A. 1983 Supp. 74-5603, 74-5604a; implementing K.S.A. 1983 Supp. 74-5604a; effective, T-85-5, Feb. 21, 1984.)

107-1-5. Minimum standards for satisfactory completion of course. (a) To complete mandated training courses satisfactorily, individual trainees shall meet the following minimum standards:

(1) Trainees shall attend a minimum of 90% of the course curriculum approved by the associate director.

(2) Trainees shall attain an average score of 70% on all examinations and tests.

(3) Trainees shall complete the entire firearms portion of the curriculum, if offered.

(b) Absences for scheduled classes in excess of 10% of the total course curriculum shall be made up as required by the associate director. However, no police or law enforcement officer shall be certified without satisfactorily completing the entire firearms portion of the curriculum.

(c) The following procedures shall be followed with respect to firearms training:

(1) Persons attending a basic course for police and law enforcement officers shall complete the firearms portion of the basic course curriculum satisfactorily and shall attain a final qualifying score of not less than 70% on a course of fire approved by the associate director.

(2) Instructors responsible for the delivery of the firearms portion of the basic curriculum shall be approved by the associate director as competent to provide training. At a minimum, these instructors shall have completed satisfactorily a course for police firearms instructors provided by a recognized authority. Recognized authorities shall include, but are not limited to, the Kansas law enforcement training center, the federal bureau of investigation or the national rifle association. (Authorized by K.S.A. 1983 Supp. 74-5603, 74-5604a; implementing K.S.A. 1983 Supp. 74-5603, 74-5604a and 74-5607a; effective, T-85-5, Feb. 21, 1984.)

Article 2.—IN-SERVICE TRAINING

107-2-1. Advanced officer. Beginning the second year after certification, every full-time police officer or law enforcement officer shall complete, between July 1 of each calendar year and June 30 of the succeeding calendar year, 40 hours of law enforcement education or training in subjects relating directly to law enforcement. This training shall be completed in accordance with the procedures established and approved by the commission. (Authorized by and implementing K.S.A. 1983 Supp. 74-5607a; effective, T-85-5, Feb. 21, 1984.)

LAW ENFORCEMENT TRAINING CENTER

Doc. No. 001923

State of Kansas

BOARD OF REGENTS

TEMPORARY ADMINISTRATIVE REGULATIONS

(Approved by the State Rules and Regulations Board
February 15, 1984. Will expire May 1, 1985.)

Article 13.—STUDENT ASSISTANCE PROGRAMS

88-13-1. Definitions. Terms used herein are defined as follows: (a) "Parent" means a guardian or any person who is legally responsible for the maintenance, care, or support of a dependent who is an applicant under this program.

(b) "Parent's contribution" means the amount parents can reasonably be expected to contribute from their income and assets toward a year's college education costs for a dependent. This amount shall be determined based upon criteria approved by the board and established by the financial needs analysis agency selected by the board.

(c) "Independent student" means a student who demonstrates independence from a parent's support to the satisfaction of the board. Documentation that will meet U.S. education department guidelines for an independent student may be required from the applicant, applicant's parent or parents, or guardian to verify emancipation from the parent or parents.

(d) "Student contribution" means the amount a student can contribute from the student's own work and resources toward a year's college education costs. This amount shall be determined based upon criteria approved by the board and established by the financial needs analysis agency selected by the board. The student contribution shall not be less than \$450.

(e) "Student resources" shall include assets, earnings, income or benefits from other sources, work study income, and any grant coming directly to the student from non-college sources. Any fully repayable student loan shall not be considered as a "student resource" except in an amount necessary to raise the "student contribution" to the required \$450.

(f) "Family contribution" means the sum of parents' contribution and student contribution. The family contribution shall be determined annually.

(g) "Tuition" means the amount of money charged a full-time student for the cost of educational services for the academic year, not including any summer session. The amount of the tuition shall be set by the eligible postsecondary institution and shall be the same for grantee and non-grantee students who are in identical circumstances at the institution.

(h) "Required fees" means fees which are not optional for the full-time student and which are considered by the board to be for educational purposes.

(i) "College budget" means the total amount required for a student to attend the postsecondary institution of the student's choice. The costs of tuition and required fees, room and board, supplies, and incidentals shall be included in the college budget. For married students, a family maintenance budget shall be substituted for room and board. All amounts to be used

for maintenance, supplies and incidentals shall be comparable for all eligible institutions.

(j) "Tuition grant offer" means the annual amount offered to a student under this program, rounded to the nearest \$10. Each tuition grant offer shall be the lesser of the following amounts: (1) \$1,200;

(2) the annual tuition and required fees at the college of the student's choice;

(3) the financial need of the student; or

(4) the pro-rata amount determined by the board.

(k) "State scholarship offer" means the annual amount offered to a state scholar under this program, rounded to the nearest \$10. Each state scholarship offer shall be the lesser of the following amounts: (1) \$500;

(2) the financial need of the state scholar; or

(3) the pro-rata amount determined by the board.

(l) "Grantee" means a person possessing a valid tuition grant offer, or state scholarship offer, or both.

(m) "Tuition grant payment or state scholarship payment" means the amount awarded to a student to attend a portion of the academic year. This amount shall be determined by pro-rating the amount of the tuition grant offer, or state scholarship offer, or both.

(n) "Unmet need" means the financial need of a grantee less the amount of the student's tuition grant offer or state scholarship offer, or both. The expiration date of this regulation shall be at the end of April 30, 1984. (Authorized by K.S.A. 72-6111, 72-6814; implementing K.S.A. 72-6107, 72-6109, 72-6110, 72-6111, 72-6810, 72-6812, 72-6814, 72-6815; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

88-13-4. Applicant eligibility. To be eligible for a tuition grant offer, or state scholarship offer, or both, a person shall demonstrate to the executive director of the board that the applicant: (a) is a resident of the state of Kansas according to the residency statutes and administrative regulations applicable to the institutions under the control of the board;

(b) is initially accepted or enrolled at an eligible Kansas postsecondary institution;

(c) is an undergraduate who has never received a baccalaureate degree;

(d) has financial need as determined by the analysis of information submitted on the American College Testing Service Family Financial Statement 1984-85, which is hereby adopted by reference as the board's family financial statement; and

(e) for state scholarship, has attained the academic standard of a cumulative 3.0 grade point average for all postsecondary academic terms or semesters. The average shall be calculated on a 4.0 scale where an A equals four points. (Authorized by K.S.A. 72-6112, 72-6815; implementing K.S.A. 72-6112, 72-6815; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

88-13-6. Hearing procedure. If the executive director determines that an applicant is not eligible for a

(continued)

tuition grant offer or state scholarship offer, the applicant may submit written material concerning the determination of the executive director to the board. The board shall review the material and make a determination of the applicant's eligibility. The expiration date of this regulation shall be at the end of April 30, 1984. (Authorized by K.S.A. 72-6111, 72-6814; implementing K.S.A. 72-6111, 72-6814; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

88-13-9. Rosters. If the amount that would be required to fully fund all eligible tuition grant offers, or state scholarship offers, or both exceeds state and federal appropriations, the board shall establish eligibility rosters of applicants so that the board may offer tuition grants offers, or state scholarships offers, or both until all available funds are exhausted. The rosters to be used shall be determined by the board annually and shall not discriminate on the basis of race, sex, religion, creed, national origin, age, or the eligible postsecondary institution of the student's choice. Rosters for apportionment of funds may be established that will rank applicants by earliest date of application, highest grade point average, lowest expected family contribution, student classification or a combination of these criteria.

If available funds are insufficient to fully fund all eligible applicants, the board may pro-rate awards on a percentage basis to all eligible applicants in addition, or as an alternative, to the rosters. The expiration date of this regulation shall be at the end of April 30, 1984. (Authorized by K.S.A. 72-6111, 72-6814; implementing K.S.A. 72-6111, 72-6814; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

88-13-10. Grant offer. Each grantee shall notify the board before the deadline listed on the grant offer letter as to whether the grantee will accept the grant for the full academic year or a portion thereof. If this information is not received from the applicant by the deadline, the board may withdraw the original grant offer. The expiration date of this regulation shall be at the end of April 30, 1984. (Authorized by K.S.A. 72-6111, 72-6814; implementing K.S.A. 72-6111, 72-6814; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

88-13-11. College certification. Upon the enrollment of grantees, each eligible postsecondary institution shall certify to the board that each grantee attending its institution: (a) is providing a minimum of \$450 from the grantee's own work and resources;

(b) is not receiving more financial aid than the grantee's unmet need;

(c) is a full-time undergraduate student in good standing who is responsible for paying full tuition and required fees; and

(d) has met the academic standard of a cumulative 3.0 grade point average. (Authorized by K.S.A. 72-

6111, 72-6814; implementing K.S.A. 72-6107, 72-6111, 72-6810, 72-6814; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984.)

STANLEY Z. KOPLIK
Executive Director

Doc. No. 001922

State of Kansas

SECRETARY OF STATE

TEMPORARY ADMINISTRATIVE REGULATIONS

(Approved by the State Rules and Regulations Board
February 15, 1984. Will expire May 1, 1985.)

Article 29.—BALLOTS

7-29-1. 1984 official ballot printing rates. The secretary of state authorizes the following maximum prices for the printing of ballots: (a) For the first 100 ballots for the primary and general elections, the maximum price shall be \$82.50 for the national and state offices, \$82.50 for the county and township offices on the ballot, and \$2.50 for each additional 100 ballots. In addition, there shall be allowed for each ballot, \$3.75 per change for the first 100 ballots, then \$2.00 for every change thereafter.

(b) For the first 100 ballots for the city and school primary and general elections, the maximum price shall be \$40.00 and \$1.50 for each additional 100 ballots. In addition, there shall be allowed for each ballot, \$3.75 per change for the first 10 changes, then \$2.00 for every change thereafter.

(c) For the first 100 judicial ballots for a primary or general election, the maximum price shall be \$33.00 and \$1.10 for each additional 100 ballots. In addition, there shall be allowed for each ballot, \$3.75 per change for the first 10 changes, then \$2.00 for every change thereafter.

(d) For the first 100 ballots regarding any special elections, constitutional amendments, or for questions-submitted elections, the maximum price shall be \$20.50 for each separate question or issue and \$1.75 for each additional 100 ballots. In addition, there shall be allowed for each ballot, \$3.75 per change for the first 10 changes, then \$2.00 for every change thereafter. (Authorized by and implementing K.S.A. 25-604; effective, T-85-8, Feb. 15, 1984.)

JACK H. BRIER
Secretary of State

Doc. No. 001920

(Published in the KANSAS REGISTER, March 8, 1984.)

HOUSE BILL No. 2629

AN ACT concerning the employment security law; relating to benefits and contributions; amending K.S.A. 1983 Supp. 44-703, 44-704 and 44-710a and repealing the existing sections.

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

Section 1. K.S.A. 1983 Supp. 44-703 is hereby amended to read as follows: 44-703. As used in this act, unless the context clearly requires otherwise: (a) (1) "Annual payroll" means the total amount of wages paid or payable by an employer during the calendar year.

(2) "Average annual payroll" means the average of the annual payrolls of any employer for the last three calendar years immediately preceding the computation date as hereinafter defined if the employer has been continuously subject to contributions during those three calendar years and has paid some wages for employment during each of such years. In determining contribution rates for the calendar year, if an employer has not been continuously subject to contribution for the three calendar years immediately preceding the computation date but has paid wages subject to contributions during only the two calendar years immediately preceding the computation date, such employer's "average annual payroll" shall be the average of the payrolls for those two calendar years.

(b) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, except that the base period in respect to combined wage claims means the base period as defined in the law of the paying state.

(c) (1) "Benefits" means the money payments payable to an individual, as provided in this act, with respect to such individual's unemployment.

(2) "Regular benefits" means benefits payable to an individual under this act or under any other state law, including benefits payable to federal civilian employees and to exservicemen pursuant to 5 U.S.C. chapter 85, other than extended benefits.

(d) "Benefit year" with respect to any individual, means the period beginning with the first day of the first week for which such individual files a valid claim for benefits, and such benefit year shall continue for one full year. In the case of a combined wage claim, the benefit year shall be the benefit year of the paying state. Following the termination of a benefit year, a subsequent benefit year shall commence on the first day of the first week with respect to which an individual next files a claim for benefits. When such filing occurs with respect to a week which overlaps the preceding benefit year, the subsequent benefit year shall commence on the first day immediately following the expiration date of the preceding benefit year. Any claim for benefits made in accordance with subsection (a) of K.S.A. 44-709 and amendments thereto shall be deemed to be a "valid claim" for the purposes of this subsection if the individual has been paid wages for insured work as required under subsection (e) of K.S.A. 44-705 and amendments thereto. Whenever a week of unemployment overlaps two benefit years, such week shall, for the purpose of granting waiting-period credit or benefit payment with respect thereto, be deemed to be a week of unemployment within that benefit year in which the greater part of such week occurs.

(e) "Commissioner" or "secretary" means the secretary of human resources.

(f) (1) "Contributions" means the money payments to the state employment security fund which are required to be made by employers on account of employment under K.S.A. 44-710 and amendments thereto, and voluntary payments made by employers pursuant to said such statute.

(2) "Payments in lieu of contributions" means the money payments to the state employment security fund from employers which are required to make or which elect to make such payments under subsection (e) of K.S.A. 44-710 and amendments thereto.

(g) "Employing unit" means any individual or type of organization, including any partnership, association, agency or department of the state of Kansas and political subdivisions thereof,

trust, estate, joint-stock company, insurance company or corporation, whether domestic or foreign including nonprofit corporations, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representatives of a deceased person, which has in its employ one or more individuals performing services for it within this state. All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state shall be deemed to be employed by a single employing unit for all the purposes of this act. Each individual employed to perform or to assist in performing the work of any agent or employee of an employing unit shall be deemed to be employed by such employing unit for all the purposes of this act, whether such individual was hired or paid directly by such employing unit or by such agent or employee, provided the employing unit had actual or constructive knowledge of the employment.

(h) "Employer" means:

(1) (A) Any employing unit for which agricultural labor as defined in subsection (w) of this section is performed and which during any calendar quarter in either the current or preceding calendar year paid remuneration in cash of \$20,000 or more to individuals employed in agricultural labor or for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor 10 or more individuals, regardless of whether they were employed at the same moment of time.

(B) For the purpose of this subsection (h)(1), any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of such crew leader if:

(i) Such crew leader holds a valid certificate of registration under the farm labor contractor registration act of 1963 or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment or any other mechanized equipment, which is provided by such crew leader; and

(ii) such individual is not in the employment of such other person within the meaning of subsection (i) of this section.

(C) For the purpose of this subsection (h)(1), in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of such crew leader:

(i) Such other person and not the crew leader shall be treated as the employer of such individual; and

(ii) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader, either on the crew leader's own behalf or on behalf of such other person, for the service in agricultural labor performed for such other person.

(D) For the purposes of this subsection (h)(1) "crew leader" means an individual who:

(i) Furnishes individuals to perform service in agricultural labor for any other person;

(ii) pays, either on such individual's own behalf or on behalf of such other person, the individuals so furnished by such individual's for the service in agricultural labor performed by them; and

(iii) has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person.

(2) (A) Any employing unit which: (i) In any calendar quarter in either the current or preceding calendar year paid for service in employment wages of \$1,500 or more, or (ii) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or preceding calendar year, had in employment at least one individual, whether or not the same individual was in employment in each such day.

(B) Employment of individuals to perform domestic service or agricultural labor and wages paid for such service or labor

(continued)

shall not be considered in determining whether an employing unit meets the criteria of this subsection (h)(2).

(3) Any employing unit for which service in employment as defined in subsection (i)(3)(E) of this section.

(4) Any employing unit, whether or not it is an employing unit under subsection (g) of this section, which acquires or in any manner succeeds to (A) substantially all of the employing enterprises, organization, trade or business, or (B) substantially all the assets, of another employing unit which at the time of such acquisition was an employer subject to this act.

(5) Any employing unit which paid cash remuneration of \$1,000 or more in any calendar quarter in the current or preceding calendar year to individuals employed in domestic service as defined in subsection (aa) of this section.

(6) Any employing unit which having become an employer under this subsection (h) has not, under subsection (b) of K.S.A. 44-711 and amendments thereto, ceased to be an employer subject to this act.

(7) Any employing unit which has elected to become fully subject to this act in accordance with subsection (c) of K.S.A. 44-711 and amendments thereto.

(8) Any employing unit not an employer by reason of any other paragraph of this subsection (h), for which within either the current or preceding calendar year services in employment are or were performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund; or which, as a condition for approval of this act for full tax credit against the tax imposed by the federal unemployment tax act, is required, pursuant to such act, to be an "employer" under this act.

(9) Any employing unit described in section 501(c)(3) of the federal internal revenue code of 1954 which is exempt from income tax under section 501(a) of the code that had four or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(i) "Employee" means:

(1) Subject to the other provisions of this subsection, service, including service in interstate commerce, performed by

(A) Any active officer of a corporation; or

(B) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

(C) any individual other than an individual who is an employee under subsection (i)(1)(A) or subsection (i)(1)(B) above who performs services for remuneration for any person;

(i) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for such individual's principal; or

(ii) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, a principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

For purposes of subsection (i)(1)(C), the term "employment" shall include services described in paragraphs (i) and (ii) above only if:

(a) The contract of service contemplates that substantially all of the services are to be performed personally by such individual;

(b) the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation); and

(c) the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(2) The term "employment" shall include an individual's entire service within the United States, even though performed entirely outside this state if,

(A) The service is not localized in any state, and

(B) the individual is one of a class of employees who are required to travel outside this state in performance of their duties, and

(C) the individual's base of operations is in this state, or if there is no base of operations, then the place from which service is directed or controlled is in this state.

(3) The term "employment" shall also include:

(A) Services performed within this state but not covered by the provisions of subsection (i)(1) or subsection (i)(2) shall be deemed to be employment subject to this act if contributions are not required and paid with respect to such services under an unemployment compensation law of any other state or of the federal government.

(B) Services performed entirely without this state, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other state or of the federal government, shall be deemed to be employment subject to this act only if the individual performing such services is a resident of this state and the secretary approved the election of the employing unit for whom such services are performed that the entire service of such individual shall be deemed to be employment subject to this act.

(C) Services covered by an arrangement pursuant to subsection (I) of K.S.A. 44-714 and amendments thereto between the secretary and the agency charged with the administration of any other state or federal unemployment compensation law, pursuant to which all services performed by an individual for an employing unit are deemed to be performed entirely within this state, shall be deemed to be employment if the secretary has approved an election of the employing unit for whom such services are performed, pursuant to which the entire service of such individual during the period covered by such election is deemed to be insured work.

(D) Services performed by an individual for wages or under any contract of hire shall be deemed to be employment subject to this act unless and until it is shown to the satisfaction of the secretary that: (i) Such individual has been and will continue to be free from control or direction over the performance of such services, both under the individual's contract of hire and in fact; and (ii) such service is either outside the usual course of the business for which such service is performed or that such service is performed outside of all the places of business of the enterprise for which such service is performed.

(E) Service performed by an individual in the employ of this state or any instrumentality thereof, any political subdivision of this state or any instrumentality thereof, any instrumentality of more than one of the foregoing or any instrumentality which is jointly owned by this state or a political subdivision thereof and one or more other states or political subdivisions of this or other states, provided that such service is excluded from "employment" as defined in the federal unemployment tax act by reason of section 3306(c)(7) of that act and is not excluded from "employment" under subsection (i)(4)(A) of this section.

(F) Service performed by an individual in the employ of a religious, charitable, educational or other organization which is excluded from the term "employment" as defined in the federal unemployment tax act solely by reason of section 3306(c)(8) of that act, and is not excluded from employment under paragraphs (I) through (M) of subsection (i)(4).

(G) The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States (except in Canada or, prior to and including December 31 of the year in which the U.S. secretary of labor approves an unemployment compensation law submitted by the Virgin Islands), in the employ of an American employer (other than service which is deemed "employment" under the provisions of subsection (i)(2) or subsection (i)(3) or the parallel provisions of another state's law), if:

(i) The employer's principal place of business in the United States is located in this state; or

(ii) the employer has no place of business in the United States, but

(continued)

(A) The employer is an individual who is a resident of this state; or

(B) the employer is a corporation which is organized under the laws of this state; or

(C) the employer is a partnership or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any other state; or

(iii) None of the criteria of paragraphs (i) and (ii) above of this subsection (i)(3)(G) are met but the employer has elected coverage in this state or, the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under the law of this state.

(H) An "American employer," for purposes of subsection (i)(3)(G), means a person who is:

(i) An individual who is a resident of the United States; or

(ii) a partnership if $\frac{2}{3}$ or more of the partners are residents of the United States; or

(iii) a trust, if all of the trustees are residents of the United States; or

(iv) a corporation organized under the laws of the United States or of any state.

(I) Notwithstanding subsection (i)(2) of this section, all service performed by an officer or member of the crew of an American vessel or American aircraft on or in connection with such vessel or aircraft, if the operating office, from which the operations of such vessel or aircraft operating within, or within and without, the United States are ordinarily and regularly supervised, managed, directed and controlled is within this state.

(J) Notwithstanding any other provisions of this subsection (i), service with respect to which a tax is required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund or which as a condition for full tax credit against the tax imposed by the federal unemployment tax act is required to be covered under this act.

(K) Domestic service in a private home, local college club or local chapter of a college fraternity or sorority performed for a person who paid cash remuneration of \$1,000 or more in any calendar quarter in the current calendar year or the preceding calendar year to individuals employed in such domestic service.

(4) The term "employment" shall not include: (A) Service performed in the employ of an employer specified in subsection (h)(3) of this section if such service is performed by an individual in the exercise of duties:

(i) As an elected official;

(ii) as a member of a legislative body, or a member of the judiciary, of a state or political subdivision;

(iii) as a member of the state national guard or air national guard;

(iv) as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency;

(v) in a position which, under or pursuant to the laws of this state, is designated as a major nontenured policymaking or advisory position or as a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight hours per week;

(B) service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress;

(C) service performed by an individual in the employ of such individual's son, daughter or spouse, and service performed by a child under the age of 18 years in the employ of such individual's father or mother;

(D) service performed in the employ of the United States government or an instrumentality of the United States exempt under the constitution of the United States from the contributions imposed by this act, except that to the extent that the congress of the United States shall permit states to require any instrumentality of the United States to make payments into an unemployment fund under a state unemployment compensation law, all of the provisions of this act shall be applicable to such instrumentalities, and to services performed for such instrumentalities, in the same manner, to the same extent and on the same

terms as to all other employers, employing units, individuals and services. If this state shall not be certified for any year by the federal security agency under section 3304(c) of the federal internal revenue code, the payments required of such instrumentalities with respect to such year shall be refunded by the secretary from the fund in the same manner and within the same period as is provided in subsection (f) of K.S.A. 44-717 and amendments thereto with respect to contributions erroneously collected;

(E) service covered by an arrangement between the secretary and the agency charged with the administration of any other state or federal unemployment compensation law pursuant to which all services performed by an individual for an employing unit during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within the jurisdiction of such other state or federal agency;

(F) service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(G) service performed by an individual for an employing unit as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such employing unit is performed for remuneration solely by way of commission;

(H) service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) of the federal internal revenue code (other than an organization described in section 401(a) or under section 521 of such code) if the remuneration for such service is less than \$50. In construing the application of the term "employment," if services performed during $\frac{1}{2}$ or more of any pay period by an individual for the person employing such individual constitute employment, all the services of such individual for such period shall be deemed to be employment; but if the services performed during more than $\frac{1}{2}$ of any such pay period by an individual for the person employing such individual do not constitute employment, then none of the services of such individual for such period shall be deemed to be employment. As used in this subsection (i)(4)(H) the term "pay period" means a period (of not more than 31 consecutive days) for which a payment of remuneration is ordinarily made to the individual by the person employing such individual. This subsection (i)(4)(H) shall not be applicable with respect to services with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress;

(I) services performed in the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(J) service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of such individual's ministry or by a member of a religious order in the exercise of duties required by such order;

(K) service performed in a facility conducted for the purpose of carrying out a program of:

(i) Rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or

(ii) providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work;

(L) service performed as part of an employment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training;

(M) service performed by an inmate of a custodial or correctional institution, unless such service is performed for a private, for-profit employer;

(N) service performed, in the employ of a school, college, or university, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college or university;

(continued)

(O) service performed by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subsection (i)(4)(O) shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(P) service performed in the employ of a hospital licensed, certified or approved by the secretary of health and environment, if such service is performed by a patient of the hospital.

(j) "Employment office" means any office operated by this state and maintained by the secretary of human resources for the purpose of assisting persons to become employed.

(k) "Fund" means the employment security fund established by this act, to which all contributions and reimbursement payments required and from which all benefits provided under this act shall be paid and including all money received from the federal government as reimbursements pursuant to section 204 of the federal-state extended compensation act of 1970, and amendments thereto.

(l) "State" includes, in addition to the states of the United States of America, any dependency of the United States, the Commonwealth of Puerto Rico, the District of Columbia and the Virgin Islands.

(m) "Unemployment." An individual shall be deemed "unemployed" with respect to any week during which such individual performs no services and with respect to which no wages are payable to such individual, or with respect to any week of less than full-time work if the wages payable to such individual with respect to such week are less than such individual's weekly benefit amount.

(n) "Employment security administration fund" means the fund established by this act, from which administrative expenses under this act shall be paid.

(o) "Wages" means all compensation for services, including commissions and bonuses and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash, shall be estimated and determined in accordance with rules and regulations prescribed by the secretary. The term "wages" shall not include:

(1) That part of the remuneration which has been paid in a calendar year to an individual by an employer or such employer's predecessor in excess of \$3,000 for all calendar years prior to 1972, \$4,200 for the calendar years 1972 to 1977, inclusive, \$6,000 for calendar years 1978 to 1982, inclusive, and \$7,000 for the calendar year 1983, and \$8,000 with respect to employment during any calendar year following 1982 1983, except that if the definition of the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of \$7,000 \$8,000 paid to an individual by an employer under the federal act during any calendar year, wages shall include remuneration paid in a calendar year to an individual by an employer subject to this act or such employer's predecessor with respect to employment during any calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this subsection (o)(1), the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) the amount of any payment to, or on behalf of, an individual in its employ under a plan or system established by an employing unit which makes provisions for individuals in its employ generally or for a class or classes of such individuals (including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment) on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability or (D) death. If the individual in its employ: (i) Has not the option to receive, instead of provisions

for such death benefit any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by such individual's employing unit; and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive cash consideration in lieu of such benefit either upon such individual's withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of such individual's services with such employment unit;

(3) the payment by an employing unit (without deduction from the remuneration of the employee) of the tax imposed upon an employee under section 3101 of the internal revenue code with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor. This paragraph (3) of subsection (o) will apply to all remuneration paid after December 31, 1980, except that this paragraph (3) of subsection (o) shall not apply to any payment made before January 1, 1984, by any governmental unit for positions of a kind for which all or a substantial portion of the social security employee taxes were paid by such governmental unit (without deduction from the remuneration of the employee) under the practices of such governmental unit in effect on October 1, 1980;

(4) notwithstanding the foregoing provisions of this subsection (o), "total wages" mean the gross amount paid by an employer to such employer's employees with respect to a week, month, year or other period as required by subsection (e)(2) of K.S.A. 44-710, and amendments thereto.

(p) "Week" means such period or periods of seven consecutive calendar days, as the secretary may by rules and regulations prescribe.

(q) "Calendar quarter" means the period of three consecutive calendar months ending March 31, June 30, September 30, or December 31, or the equivalent thereof as the secretary may by rules and regulations prescribe.

(r) "Insured work" means employment for employers.

(s) "Approved training" means any vocational training course or course in basic education skills approved by the secretary or a person or persons designated by the secretary.

(t) "American vessel" or "American aircraft" means any vessel or aircraft documented or numbered or otherwise registered under the laws of the United States; and any vessel or aircraft which is neither documented or numbered or otherwise registered under the laws of the United States nor documented under the laws of any foreign country, if its crew performs service solely for one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any state.

(u) "Institution of higher education," for the purposes of this section, means an educational institution which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized in this state to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(4) is a public or other nonprofit institution;

(5) Notwithstanding any of the foregoing provisions of this subsection (u), all colleges and universities in this state are institutions of higher education for purposes of this section.

(v) "Educational institution" means any institution of higher education, as defined in subsection (u) of this section, or any institution in which participants, trainees or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities from, by or under the guidance of an instructor or teacher and which is approved, licensed or issued a permit to operate as

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a school by the state department of education or other government agency that is authorized within the state to approve, license or issue a permit for the operation of a school. The courses of study or training which an educational institution offers may be academic, technical, trade or preparation for gainful employment in a recognized occupation.

(w) (1) "Agricultural labor" means any remunerated service:

(A) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(B) In the employ of the owner or tenant or other operator of a farm, in connection with the operating, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(C) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section (15)(g) of the agricultural marketing act, as amended (46 Stat. 1500, sec. 3; 12 U.S.C. 1141j) or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(D) (i) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than 1/2 of the commodity with respect to which such service is performed;

(ii) in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in paragraph (i) above of this subsection (w)(1)(D), but only if such operators produced more than 1/2 of the commodity with respect to which such service is performed;

(iii) the provisions of paragraphs (i) and (ii) above of this subsection (w)(1)(D) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(E) On a farm operated for profit if such service is not in the course of the employer's trade or business.

(2) "Agricultural labor" does not include service performed prior to January 1, 1980, by an individual who is an alien admitted to the United States to perform service in agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the immigration and nationality act.

(3) As used in this subsection (w), the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(x) "Reimbursing employer" means any employer who makes payments in lieu of contributions to the employment security fund as provided in subsection (e) of K.S.A. 44-710 and amendments thereto.

(y) "Contributing employer" means any employer other than a reimbursing employer or rated governmental employer.

(z) "Wage combining plan" means a uniform national arrangement approved by the United States secretary of labor in consultation with the state unemployment compensation agencies and in which this state shall participate, whereby wages earned in one or more states are transferred to another state, called the "paying state," and combined with wages in the paying state, if any, for the payment of benefits under the laws of the paying state and as provided by an arrangement so approved by the United States secretary of labor.

(aa) "Domestic service" means any service for a person in the

operation and maintenance of a private household, local college club or local chapter of a college fraternity or sorority, as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise or vocation.

(bb) "Rated governmental employer" means any governmental entity which elects to make payments as provided by K.S.A. 44-710d and amendments thereto.

(cc) "Benefit cost payments" means payments made to the employment security fund by a governmental entity electing to become a rated governmental employer.

(dd) "Successor employer" means any employer, as described in subsection (h) of this section, which acquires or in any manner succeeds to (1) substantially all of the employing enterprises, organization, trade or business of another employer or (2) substantially all the assets of another employer.

(ee) "Predecessor employer" means an employer, as described in subsection (h) of this section, who has previously operated a business or portion of a business with employment to which another employer has succeeded.

Sec. 2. K.S.A. 1983 Supp. 44-704 is hereby amended to read as follows: 44-704. (a) *Payment of benefits.* All benefits provided herein shall be payable from the fund. All benefits shall be paid through the secretary of human resources, in accordance with such rules and regulations as the secretary may adopt. Benefits based on service in employment defined in subsections (i)(3)(E) and (i)(3)(F) of K.S.A. 44-703 and amendments thereto, shall be payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this act except as provided in subsection (e) of K.S.A. 44-705 and subsection (e)(2) of K.S.A. 44-711, and any amendments to these statutes.

(b) *Determined weekly benefit amount.* An individual's determined weekly benefit amount shall be an amount equal to 4.25% of the individual's total wages for insured work paid during that calendar quarter of the individual's base period in which such total wages were highest, subject to the following limitations:

(1) If an individual's determined weekly benefit amount is less than the minimum weekly benefit amount, it shall be raised to such minimum weekly benefit amount;

(2) if the individual's determined weekly benefit amount is more than the maximum weekly benefit amount, it shall be reduced to the maximum weekly benefit amount; and

(3) if the individual's determined weekly benefit amount is not a multiple of \$1, it shall be raised to the next higher multiple of \$1, except that for all new claims for benefits filed after June 30, 1983, it shall be reduced to the next lower multiple of \$1.

(c) *Maximum weekly benefit amount.* On July 1 of each year, the secretary shall determine the maximum weekly benefit amount by computing 60% of the average weekly wages paid to employees in insured work during the previous calendar year and shall prior to that date announce the maximum weekly benefit amount so determined, by publication in the Kansas register, except that (1) the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1983, shall not be more than the maximum weekly benefit rate for the twelve-month period commencing on July 1, 1982, and (2) if the surcharge for calendar year 1984 is assessed against employers under subsection (a) of K.S.A. 1983 Supp. 44-710h and amendments thereto, the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1984, shall not be more than the maximum weekly benefit rate for the twelve-month period commencing on July 1, 1982, (3) if the surcharge for calendar year 1984 is not assessed against employers under subsection (a) of K.S.A. 1983 Supp. 44-710h and amendments thereto, the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1984, shall not be more than \$175, and (4) the maximum weekly benefit amount for the twelve-month period commencing on July 1, 1985, shall not be more than \$175. Such computation shall be made by dividing the gross wages reported as paid for insured work during the previous calendar year by the product of the average of midmonth employment during such calendar year multiplied by 52. The

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maximum weekly benefit amount so determined and announced for the twelve-month period shall apply only to those claims filed in that period qualifying for maximum payment under the foregoing formula. All claims qualifying for payment at the maximum weekly benefit amount shall be paid at the maximum weekly benefit amount in effect when the benefit year to which the claim relates was first established, notwithstanding a change in the maximum benefit amount for a subsequent twelve-month period. If the computed maximum weekly benefit amount is not a multiple of \$1, then the computed maximum weekly benefit amount shall be computed to the nearest multiple of \$1, except that for maximum weekly benefit amounts determined after June 30, 1983, the computed maximum weekly benefit amount shall be reduced to the next lower multiple of \$1.

(d) *Minimum weekly benefit amount.* The minimum weekly benefit amount payable to any individual shall be 25% of the maximum weekly benefit calculated in accordance with subsection (c) and shall be announced by the secretary in conjunction with the published announcement of the maximum weekly benefit, also as provided in subsection (c). The minimum weekly benefit amount so determined and announced for the twelve-month period beginning July 1 of each year shall apply only to those claims which establish a benefit year filed within that twelve-month period and shall apply through the benefit year of such claims notwithstanding a change in said such amount in a subsequent twelve-month period. If the minimum weekly benefit amount is not a multiple of \$1 it shall be reduced to the next lower multiple of \$1.

(e) *Weekly benefit payable.* Each eligible individual who is unemployed with respect to any week shall, except as to final payment, be paid with respect to such week a benefit in an amount equal to such individual's determined weekly benefit amount, less that part of the wage, if any, payable to such individual with respect to such week which is in excess of \$8 and if the resulting amount is not a multiple of \$1, it shall be computed to the next higher multiple of \$1, except that for all weeks payable after June 30, 1983, it shall be reduced to the next lower multiple of \$1. For the purpose of this section, remuneration received for services performed on a public assistance work project shall not be construed as wages.

(f) *Duration of benefits.* Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to whichever is the lesser of 26 times such individual's weekly benefit amount, or $\frac{1}{3}$ of such individual's wages for insured work paid during such individual's base period. Such total amount of benefits, if not a multiple of \$1, shall be computed at the next higher multiple of \$1, except that for new claims filed after June 30, 1983, such total amount of benefits, if not a multiple of \$1, shall be reduced to the next lower multiple of \$1.

(g) For the purposes of this section, wages shall be counted as "wages for insured work" for benefit purposes with respect to any benefit year only if such benefit year begins subsequent to the date on which the employing unit by whom such wages were paid has satisfied the conditions of subsection (h) of K.S.A. 44-703 and amendments thereto with respect to becoming an employer.

Sec. 3. K.S.A. 1983 Supp. 44-710a is hereby amended to read as follows: 44-710a. (a) *Classification of employers by the secretary.* The term "employer" as used in this section refers to contributing employers. The secretary shall classify employers in accordance with their actual experience in the payment of contributions on their own behalf and with respect to benefits charged against their accounts with a view of fixing such contribution rates as will reflect such experience. If, as of the date such classification of employers is made, the secretary finds that any employing unit has failed to file any report required in connection therewith, or has filed a report which the secretary finds incorrect or insufficient, the secretary shall make an estimate of the information required from such employing unit on the basis of the best evidence reasonably available to the secretary at the time, and notify the employing unit thereof by mail addressed to its last known address. Unless such employing unit shall file the report or a corrected or sufficient report as the case

may be, within 15 days after the mailing of such notice, the secretary shall compute such employing unit's rate of contributions on the basis of such estimates, and the rate as so determined shall be subject to increase but not to reduction on the basis of subsequently ascertained information. The secretary shall determine the contribution rate of each employer in accordance with the requirements of this section.

(1) *New employers.* (A) No employer will be eligible for a rate computation until there have been 24 consecutive calendar months immediately preceding the computation date throughout which benefits could have been charged against such employer's account.

(B) (i) Effective January 1, 1983, employers who are not eligible for a rate computation shall pay contributions at an assigned rate equal to the sum of 1% plus the greater of the average rate assigned in the preceding calendar year to all employers in such industry division or the average rate assigned to all covered employers during the preceding calendar year, except that in no instance shall any such assigned rate be less than 2%. Employers engaged in more than one type of industrial activity shall be classified by principal activity. All rates assigned will remain in effect for a complete calendar year. If the sale or acquisition of a new establishment would require reclassification of the employer to a different industry division, the employer would be promptly notified, and the contribution rate applicable to the new industry division would become effective the following January 1.

(ii) For purposes of this subsection (a), employers shall be classified by industrial activity in accordance with standard procedures as set forth in rules and regulations adopted by the secretary.

(C) "Computation date" means June 30 of each calendar year with respect to rates of contribution applicable to the calendar year beginning with the following January 1. In arriving at contribution rates for each calendar year, contributions paid on or before July 31 following the computation date for employment occurring on or prior to the computation date shall be considered for each contributing employer who has been subject to this act for a sufficient period of time to have such employer's rate computed under this subsection (a).

(2) *Eligible employers.* (A) A reserve ratio shall be computed for each eligible employer by the following method: Total benefits charged to the employer's account for all past years shall be deducted from all contributions paid by such employer for all such years. The balance, positive or negative, shall be divided by the employer's average annual payroll, and the result shall constitute the employer reserve ratio.

(B) Negative account balance employers as defined in subsection (d) shall pay contributions at the rate of 5.4% for calendar year 1983 and all years thereafter.

(C) Eligible employers, other than negative account balance employers, who do not meet the average annual payroll requirements as stated in subsection (a)(2) of K.S.A. 44-703 and amendments thereto, will be issued the maximum rate indicated in subsection (a)(3)(C) of this section until an average annual payroll can be obtained. Contribution rates effective for each calendar year thereafter shall be determined as prescribed below.

(D) As of each computation date, the total of the taxable wages paid during the twelve-month period prior to the computation date by all employers eligible for rate computation, except negative account balance employers, shall be divided into 21 approximately equal parts designated in column A of schedule I as "rate groups," "rate groups," except, with regard to a year in which the taxable wage base changes. The taxable wages used in the calculation for such a year and the following year shall be an estimate of what the taxable wages would have been if the new taxable wage base had been in effect during the entire twelve-month period prior to the computation date. The lowest numbered of such rate groups shall consist of the employers with the most favorable reserve ratios, as defined in this section, whose combined taxable wages paid are less than 4.76% of all taxable wages paid by all eligible employers. Each succeeding higher

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numbered rate group shall consist of employers with reserve ratios that are less favorable than those of employers in the preceding lower numbered rate groups and whose taxable wages when combined with the taxable wages of employers in all lower numbered rate groups equal the appropriate percentage of total taxable wages designated in column B of schedule I. Each eligible employer, other than a negative account balance employer, shall be assigned an experience factor designated under column C of schedule I in accordance with the rate group to which the employer is assigned on the basis of the employer's reserve ratio and taxable payroll. If an employer's taxable payroll falls into more than one rate group the employer shall be assigned the experience factor of the lower numbered rate group. If one or more employers have reserve ratios identical to that of the last employer included in the next lower numbered rate group, all such employers shall be assigned the experience factor designated to such last employer, notwithstanding the position of their taxable payroll in column B of schedule I.

SCHEDULE I — Eligible Employers

Column A Rate group	Column B Cumulative taxable payroll	Column C Experience factor (Ratio to total wages)
1	Less than 4.76%	.025%
2	4.76% but less than 9.52	.1
3	9.52 but less than 14.28	.2
4	14.28 but less than 19.04	.3
5	19.04 but less than 23.80	.4
6	23.80 but less than 28.56	.5
7	28.56 but less than 33.32	.6
8	33.32 but less than 38.08	.7
9	38.08 but less than 42.84	.8
10	42.84 but less than 47.60	.9
11	47.60 but less than 52.36	1.0
12	52.36 but less than 57.12	1.1
13	57.12 but less than 61.88	1.2
14	61.88 but less than 66.64	1.3
15	66.64 but less than 71.40	1.4
16	71.40 but less than 76.16	1.5
17	76.16 but less than 80.92	1.6
18	80.92 but less than 85.68	1.7
19	85.68 but less than 90.44	1.8
20	90.44 but less than 95.20	1.9
21	95.20 and over	2.0

(E) Negative account balance employers shall, in addition to paying the rate provided for in subsection (a)(2)(B) of this section, pay a surcharge based on the size of the employer's negative reserve ratio, the calculation which is provided for in subsection (a)(2) of this section. The amount of the surcharge shall be determined from column B of schedule II of this section. Each negative account balance employer who does not satisfy the requirements to have an average annual payroll, as defined by subsection (a)(2) of K.S.A. 44-703 and amendments thereto, shall be assigned a surcharge of 1%. Contribution payments made pursuant to this subsection (a)(2)(E) shall be credited to the appropriate account of such negative account balance employer.

SCHEDULE II — Surcharge on Negative Accounts

Column A Negative Reserve Ratio	Column B Surcharge as a percent of taxable wages
Less than 2.0%	0.10%
2.0% but less than 4.0	.20
4.0 but less than 6.0	.30
6.0 but less than 8.0	.40
8.0 but less than 10.0	.50
10.0 but less than 12.0	.60
12.0 but less than 14.0	.70
14.0 but less than 16.0	.80
16.0 but less than 18.0	.90
18.0 and over	1.00

(3) *Planned yield.* (A) The average required yield shall be determined from schedule III of this section, and the planned yield on total wages in column B of schedule III shall be determined by the reserve fund ratio in column A of schedule III. The reserve fund ratio shall be determined by dividing total assets in the employment security fund provided for in subsection (a) of K.S.A. 44-712, excluding all moneys credited to the account of this state pursuant to section 903 of the social security act, as amended, which have been appropriated by the state legislature, whether or not withdrawn from the trust fund, and excluding contributions not yet paid on July 31 by total payrolls

for contributing employers for the preceding fiscal year which ended June 30.

SCHEDULE III — Fund Control
Ratios to Total Wages

Column A Reserve Fund Ratio	Column B Planned Yield
5.00% and over	0.40%
4.75 but less than 5.00%	.50
4.50 but less than 4.75	.60
4.25 but less than 4.50	.70
4.00 but less than 4.25	.80
3.75 but less than 4.00	.85
3.50 but less than 3.75	.90
3.25 but less than 3.50	.95
3.00 but less than 3.25	1.00
2.75 but less than 3.00	1.05
2.50 but less than 2.75	1.10
2.25 but less than 2.50	1.15
2.00 but less than 2.25	1.20
1.75 but less than 2.00	1.30
1.50 but less than 1.75	1.40
1.25 but less than 1.50	1.50
1.00 but less than 1.25	1.60
Less than 1.00%	1.70

(B) *Adjustment to taxable wages.* The planned yield as a percent of total wages, as determined in this subsection (a)(3), shall be adjusted to taxable wages by multiplying by the ratio of total wages to taxable wages for all contributing employers for the preceding fiscal year ending June 30, except, with regard to a year in which the taxable wage base changes. The taxable wages used in the calculation for such a year and the following year shall be an estimate of what the taxable wages would have been if the new taxable wage base had been in effect during all of the preceding fiscal year ending June 30.

(C) *Effective rates.* Except with regard to rates for negative account balance employers, employer contribution rates to be effective for the ensuing calendar year shall be computed by adjusting proportionately the experience factors from schedule I of this section to the required yield on taxable wages. For the purposes of this subsection (a)(3), all rates computed shall be rounded to the nearest .01% and for calendar year 1983 and ensuing calendar years, the maximum effective contribution rate shall not exceed 5.4%.

(b) *Successor classification.* (1) For the purposes of this subsection (b), whenever an employing unit, whether or not it is an "employing unit" within the meaning of subsection (g) of K.S.A. 44-703 and amendments thereto, becomes an employer pursuant to subsection (h)(4) of K.S.A. 44-703 and amendments thereto or is an employer at the time of acquisition and meets the definition of a "successor employer" as defined by subsection (dd) of K.S.A. 44-703 and amendments thereto and is controlled substantially either directly or indirectly by legally enforceable means or otherwise by the same interest or interests, shall acquire the experience rating factors of the predecessor employer. These factors consist of all contributions paid, benefit experience and annual payrolls of the predecessor employer.

(2) A successor employer as defined by subsection (h)(4) or subsection (dd) of K.S.A. 44-703 and amendments thereto may receive the experience rating factors of the predecessor employer if an application is made to the secretary or the secretary's designee in writing within 120 days of the date of the transfer.

(3) Whenever an employing unit, whether or not it is an "employing unit" within the meaning of subsection (g) of K.S.A. 44-703 and amendments thereto, acquires or in any manner succeeds to a percentage of an employer's annual payroll which is less than 100% and intends to continue the acquired percentage as a going business, may acquire the same percentage of the predecessor's experience factors if: (A) The predecessor employer and successor employing unit make an application in writing on the form prescribed by the secretary, (B) the application is submitted within 120 days of the date of the transfer, (C) the successor employing unit is or becomes an employer subject to this act immediately after the transfer, (D) the percentage of the experience rating factors transferred shall not be thereafter used in computing the contribution rate for the predecessor

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employer, and (E) the secretary finds that such transfer will not tend to defeat or obstruct the object and purposes of this act.

(4) If the acquiring employing unit was an employer subject to this act prior to the date of the transfer, the rate of contribution for the period from such date to the end of the then current contribution year shall be the same as the contribution rate prior to the date of the transfer. An employing unit which was not subject to this act prior to the date of the transfer shall have a newly computed rate based on the transferred experience rating factors as of the computation date immediately preceding the date of acquisition. These experience rating factors consist of all contributions paid, benefit experience and annual payrolls.

(5) Whenever an employer's account has been terminated as provided in subsections (d) and (e) of K.S.A. 44-711 and amendments thereto and the employer continues with employment to liquidate the business operations, that employer shall continue to be an "employer" subject to the employment security law as provided in subsection (h)(8) of K.S.A. 44-703 and amendments thereto. The rate of contribution from the date of transfer to the end of the then current calendar year shall be the same as the contribution rate prior to the date of the transfer. At the completion of the then current calendar year, the rate of contribution shall be that of a "new employer" as described in subsection (a)(1) of K.S.A. 44-710a and amendments thereto.

(6) No rate computation will be permitted an employing unit succeeding to the experience of another employing unit pursuant to this section for any period subsequent to such succession except in accordance with rules and regulations adopted by the secretary. Any such regulations shall be consistent with federal requirements for additional credit allowance in section 3303 of the internal revenue code, and consistent with the provisions of this act.

(c) **Voluntary contributions.** Notwithstanding any provision of this act or the act of which this act is amendatory, any employer may make voluntary payments for the purpose of reducing or maintaining a reduced rate in addition to the contributions required under this section. Such voluntary payments may be made only during the thirty-day period immediately following the date of mailing of experience rating notices for a calendar year. All such voluntary contribution payments shall be paid prior to the expiration of 120 days after the beginning of the year for which such rates are effective. The amount of voluntary contributions shall be credited to the employer's account as of the next preceding computation date and the employer's rate shall be computed accordingly, except that no employer's rate shall be reduced more than two rate groups as provided in schedule I of this section as the result of a voluntary payment. An employer not having a negative account balance may have such employer's rate reduced not more than two rate groups as provided in schedule I of this section as a result of a voluntary payment. An employer having a negative account balance may have such employer's rate reduced to that prescribed for rate group 21 of schedule I of this section by making a voluntary payment in the amount of such negative account balance or to that rate prescribed for rate group 20 of schedule I of this section by making an additional voluntary payment that would increase such employer's reserve ratio to the lower limit required for such rate group 20. Under no circumstances shall voluntary payments be refunded in whole or in part.

(d) As used in this section, "negative account balance employer" means an eligible employer whose total benefits charged to such employer's account for all past years have exceeded all contributions paid by such employer for all such years.

Sec. 4. K.S.A. 1983 Supp. 44-703, 44-704 and 44-710a are 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 February 8, 1984.

HOUSE concurred in SENATE amendments February 27, 1984.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE as amended February 21, 1984.

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

APPROVED March 5, 1984.

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 5th day of March, 1984.

(SEAL)

JACK H. BRIER
Secretary of State.

KANSAS FACTS

POPULATION: The population of Kansas is 2,382,598 (as of July 1, 1982). The ten largest cities in Kansas and their populations are:

Wichita	279,835	Salina	41,843
Kansas City	161,148	Hutchinson	40,284
Topeka	115,266	Olathe	37,258
Overland Park	81,784	Leavenworth	33,656
Lawrence	52,738	Manhattan	32,644

STATE NICKNAMES: Sunflower State; Wheat State; Jayhawker State.

KANSAS SEAL AND MOTTO: The Great Seal of Kansas was adopted in May, 1861, by the legislature. The design embraces a prairie landscape with buffalo pursued by Indian hunters, a settler's cabin, a river with a steamboat and cluster of thirty-four stars surrounding the motto, "Ad Astra per Aspera" (To the stars through difficulties). The seal is encircled by the words, "Great Seal of the State of Kansas, January 29, 1861."

STATE MARCH: "The Kansas March," composed by Duff E. Middleton, was established as the official state march of Kansas in 1935 by the legislature.

STATE SONG: *Home on the Range* is the official song. It was adopted in 1947.

TIME ZONES: Most of Kansas is located in the Central Standard Time zone; a small portion of western Kansas is in the Mountain Standard Time zone.

U. S. MILITARY INSTALLATIONS: Air Force—McConnell Air Force Base, Wichita, Army—Fort Leavenworth, Fort Riley.

VOTER REQUIREMENTS: (1) United States citizen, (2) 18 years of age, (3) registered voter (registration books close 20 days prior to any election).

KANSAS REGISTER
Secretary of State
State Capitol
Topeka, Kansas 66612

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