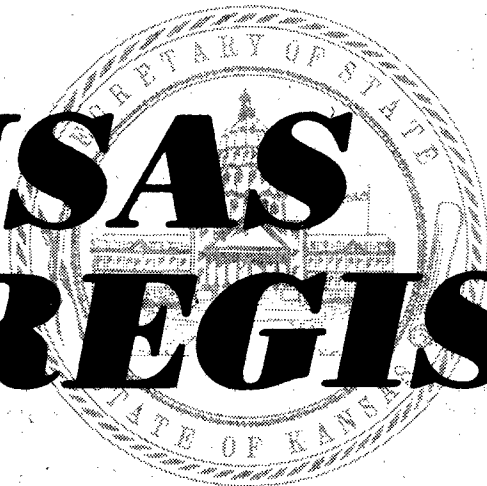


KANSAS REGISTER



State of Kansas

JACK H. BRIER
Secretary of State

Vol. 5, No. 20

May 15, 1986

Pages 761-824

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PUBLISHED BY
JACK H. BRIER
Secretary of State
2nd Floor, State Capitol
Topeka, KS 66612-1594



PHONE: 913/296-3489

State of Kansas
DEPARTMENT OF REVENUE
LIQUOR LAW REVIEW COMMISSION

NOTICE OF MEETING

The Liquor Law Review Commission Subcommittee on Wholesalers will meet at 10 a.m. Friday, May 16, and 2 p.m. Wednesday, May 28, in the secretary's conference room, Department of Revenue, second floor, State Office Building, Topeka.

DEAN CAMPBELL
 Chairman

Doc. No. 004252

State of Kansas
DEPARTMENT OF TRANSPORTATION

NOTICE OF PUBLIC AUCTION
AT SITE
JUNE 20, 1986, 10 A.M.

The Kansas Department of Transportation will offer for sale at public auction the following land located and described as follows:

A tract of land in the South Half of the Southeast Quarter of Section 22, Township 18 South, Range 22 East of the 6th P.M., described as follows: BE-GINNING at a point 65.0 feet South of the North line and 70.0 feet West of the East line of said South Half of the Southeast Quarter Section; FIRST COURSE, thence South, 592.0 feet parallel to said East line; SECOND COURSE, thence West at a right angle, 190.0 feet; THIRD COURSE, thence Northeasterly on a curve of 4,757.3 feet radius to the left to the place of beginning. The above contains 1.2 acres, more or less.

The party of the first part hereby retains any and all abutters rights of access to said highway, appurtenant to the remaining property of the party of the second part; except and reserving, however, to the party of the second part, his heirs and assigns, the right of access to the highway over and across the following described course: ALL of said "SECOND" course.

The tract of land is located approximately two miles south of Osawatimie, Kansas, and is approximately 600 feet north of the junction of U.S. 169 and K-7 highways on the west side of old K-7 Highway.

Terms of sale are cash or certified check. The buyer will receive a quitclaim deed and surface rights only. The seller reserves the right to reject any and all bids and is not responsible for accidents.

JOHN B. KEMP
 Secretary of Transportation

Doc. No. 004223

State of Kansas
KANSAS WATER OFFICE
NOTICE OF MEETINGS

The preliminary draft of the fiscal year 1988 Kansas Water Plan is scheduled for discussion at 12 informal public meetings to be conducted across the state. These meetings will be preceded by a workshop for the public conducted by the Cooperative Extension Service, Kansas State University, to discuss the state water planning process and explore ways for citizens to get involved in the basin planning process.

The public workshops will be conducted from 4 to 6 p.m. on Monday-Thursday meeting days and from 10 a.m. to noon on Friday meeting days.

The statewide public meetings on the Kansas Water Plan are scheduled as follows:

- Tuesday, May 27—Colby, Colby Community College, Student Union, 7 p.m.
- Wednesday, May 28—Hays, Fort Hays Experiment Station, Auditorium, 7 p.m.
- Thursday, May 29—Osborne, First State Bank Building, 7 p.m.
- Friday, May 30—Manhattan, Kansas State University, Student Union, Little Theater, 1 p.m.
- Monday, June 2—Garden City, 4-H Building, 7 p.m.
- Tuesday, June 3—Liberal, Seward County Junior College, 7 p.m.
- Wednesday, June 4—Hutchinson, Sherman Middle School, 7 p.m.
- Thursday, June 5—El Dorado, Butler County Junior College, 7 p.m.
- Friday, June 6—Independence, Independence Community College, Fine Arts Building, Theater, 1 p.m.
- Monday, June 9—Iola, Bowlus Fine Arts Center, 7 p.m.
- Tuesday, June 10—Ottawa, Ottawa Middle School, Multi-Purpose Room, 7 p.m.
- Wednesday, June 11—Atchison, Atchison High School, Little Theater, 7 p.m.

Based on the ideas and comments generated from these informal public meetings, the plan will be revised, as necessary, prior to public hearings in August. The hearings will provide an opportunity for formal input by groups and individuals who wish to comment on the plan. Following the hearings, the plan will be presented to the Kansas Water Authority for approval. Once approved it will be incorporated into the State Water Plan and submitted to the Governor and Kansas Legislature for implementation in fiscal year 1988.

JOSEPH F. HARKINS
 Director

Doc. No. 004253

State of Kansas
STATE GRAIN INSPECTION DEPARTMENT

**NOTICE OF HEARING
 ON PROPOSED
 ADMINISTRATIVE REGULATIONS**

The Kansas State Grain Inspection Department will conduct a public hearing at 2 p.m. Friday, May 30, in the conference room of the Grain Inspection Department, 235 S. Topeka Blvd., Topeka, regarding the adoption of amended K.A.R. 25-4-1, to become effective June 2, 1986.

The regulation has been amended to provide fees for check testing the weights in elevator head-houses, utilizing a mass comparator. Use of the mass comparator will eliminate the necessity of removing the weights from the head-house, transporting them to Topeka to be check tested and returned to the elevator on completion of the check testing. Also added in this regulation is a fee for factor only analysis for class identification on a submitted sample basis.

All interested parties will be given a reasonable opportunity to orally express their views on the proposed amendments. Written comments should be addressed to the Director, Kansas State Grain Inspection Department, P.O. Box 1918, Topeka 66601.

MARVIN R. WEBB
 Director

Doc. No. 004236

State of Kansas
SOCIAL AND REHABILITATION SERVICES

**NOTICE OF MEETING AND
 HEARING ON PROPOSED
 ADMINISTRATIVE REGULATIONS**

The Department of Social and Rehabilitation Services will meet at 9 a.m. Tuesday, June 3, in the Staff Development, Training Center, 2700 W. 6th, Topeka.

The scheduled agenda includes:

- Legislative review.
- Hearing concerning block grants.
- Public hearing regarding program priorities for fiscal year 1988.
- Present proposed community services block grant plan (60 day comment period).
- Present final social services block grant plan.
- Public hearing concerning proposed temporary administrative regulations. A summary of the proposed regulations is set forth below. The proposed regulations are scheduled to become effective on July 1, 1986.

A. Public Assistance.

1. **30-4-55. Cooperation.** This regulation is being amended to require the applicant or recipient to cooperate in identifying and pursuing any third party who may be liable to pay for medical services under Title XIX. Failure to cooperate without good cause

shall render the applicant or recipient ineligible for assistance.

2. **30-4-78. Eligibility factors specific to the APW program.** This regulation is being amended to require that, in addition to there being apparent ADC eligibility in the month of anticipated birth, there must also be apparent eligibility in any of the three preceding months. Eligibility shall be determined for each month as if the child were born and living with the mother. In determining payment, only the needs of the pregnant woman shall be included.

3. **30-4-91. Eligibility factors specific to the transitional GA (TGA) program.** This regulation is being amended to add a provision that limits cash assistance to a maximum of four months in a 12-month period of time.

4. **30-4-101. Standards for persons in own home, other family home, specialized living, commercial board and room, or commercial room-only living arrangements.** This regulation is being amended to increase the basic standards by \$3 per person. This increase is for the purpose of being an energy supplement.

5. **30-4-113. Income exempt as applicable income.** This regulation is being amended to limit the income exemption pertaining to irregular, occasional, or unpredictable monetary gifts to \$30 per person in any calendar quarter.

B. Medicaid/Medikan Program—Provider Participation, Scope of Services, Reimbursement.

1. **30-5-70. Payment of medical expenses for eligible recipients.** This regulation is being amended to delete the provision which provides that upon giving proper notice that prospective payment liability for any or all optional services may be terminated by the secretary upon a finding that insufficient appropriations are available to reimburse the affected providers for the rendering of such services.

C. Medicaid/Medikan Program—Client Eligibility.

1. **30-6-41. Assistance planning.** This regulation, along with K.A.R. 30-6-79, is being amended to require that the needs of all non-ADC siblings be included in determining the needs of the non-ADC child if they are living together.

2. **30-6-55. Cooperation.** This regulation is being amended to require the applicant or recipient to cooperate in identifying and pursuing any third party who may be liable to pay for medical services under Title XIX. Failure to cooperate without good cause shall render the applicant or recipient ineligible for medical assistance.

3. **30-6-65. Automatic eligibles.** This regulation is being amended to:

- a. Expand coverage of non-ADC children to include all non-ADC eligible children under the age of 18 who meet the ADC income and resource requirements; and
- b. Provide automatic medical assistance to persons who are ineligible for TGA due solely to the four-month time limitation provision of K.A.R. 30-4-91(c).

4. **30-6-78. Medicaid (Title XIX) determined eligibles—eligibility factors specific to aid to pregnant women (APW).** This regulation is being amended to:

- a. Require that financial eligibility be determined for each month as if the child was born and living with the mother; and
- b. Provide that assistance under this provision continue for 60 days beginning with the last day of pregnancy for the purpose of postpartum care.

5. **30-6-79. Children under age five determined eligibles.** This regulation is being amended to:

- a. Change the title of the regulation to "Non-ADC child determined eligibles";
- b. Expand coverage to include all non-ADC eligible children under the age of 18; and
- c. Require that the needs of all non-ADC siblings living in the same home be included in determining the needs of the non-ADC child.

6. **30-6-103. Determined eligibles; protected income levels.** This regulation is being amended to:

- a. Increase the protected income levels from: \$442 to \$450 for two persons; \$450 to \$460 for three persons; \$460 to \$470 for four persons; and
- b. Delete the special provision for children in foster family care that require the use of the foster family care rate as the protected income level as this rate is less than the protected income level which is contrary to the approved state plan.

7. **30-6-106. General rules for consideration of resources, including real property, personal property, and income.** This regulation is being amended to:

- a. Clarify the treatment of resource provisions when one or both spouses enter a care situation;
- b. Require that the combined income of both spouses be considered for six months following the month the care situation begins if both spouses are applicants or recipients and they share the same room; and
- c. Provide that a revocable or irrevocable trust, established by an applicant or recipient or their spouse, shall be considered available to the applicant or recipient up to the maximum value of the funds which may be made available under the terms of the trust in behalf of the applicant or recipient, if that applicant or recipient is a beneficiary and if the trustees are permitted to exercise any discretion with respect to distribution to the applicant or recipient.

8. **30-6-109. Personal property.** This regulation is being amended, for SSI purposes, to shorten the period of time in which the proceeds from the sale of a home can be exempted from six months to three months.

9. **30-6-111. Applicable income.** This regulation is being amended to provide that the non-SSI earned income disregards shall be applicable to legally responsible persons in the home (excluding stepparents and parents of a minor parent) who are excluded from the assistance plan. As a result of this change, the provision of K.A.R. 30-6-111(a)(5) is being deleted.

10. **30-6-113. Income exempt as applicable income.** This regulation is being amended to:

- a. Limit the income exemption pertaining to irreg-

- ular, occasional, or unpredictable monetary gifts to \$30 per person in any calendar quarter; and
- b. Add an exemption for SSI purposes to exempt the amount of the December 1983 increase in Social Security widow or widower benefits resulting from the changes in the actuarial reduction formula and all subsequent cost-of-living adjustments for a person who was concurrently receiving SSI and Social Security disabled widow or widower benefits under Section 202(e) or 202(f) of the Social Security Act provided that:
 - (1) The person became ineligible for SSI due solely to the 1983 actuarial increase;
 - (2) The person has continuously received Social Security widow or widower benefits since December 1983; and
 - (3) The person would be currently eligible for SSI if it were not for the 1983 actuarial increase and all subsequent cost-of-living adjustments.

D. Youth Services.

1. **30-45-10. Prevention of medical neglect of infants.** The Secretary is promulgating a new regulation to adopt by reference the federal rules and regulations, published in Vol. 50, No. 72 of the Federal Register, dated Monday, April 15, 1985, pertaining to services and treatment for disabled infants (known as the "Baby Doe" regulations).

A copy of the proposed regulations and fiscal impact statement may be obtained prior to June 3 by contacting Mary Slaybaugh, Legal Division, State Department of Social and Rehabilitation Services, 6th Floor, State Office Building, Topeka 66612, (913) 296-3969. Written comments may be submitted prior to such date to Dr. Robert Harder, Secretary of Social and Rehabilitation Services, at the above address.

Interested persons will be given reasonable opportunity at the hearing to present their views and arguments on the adoption of the proposed temporary regulations. Presentations should be in writing whenever possible. Depending on the number of persons wanting to speak, the department may require that each participant limit his or her oral presentation to three minutes.

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

ROBERT C. HARDER
Secretary of Social and
Rehabilitation Services

Doc. No. 004234

State of Kansas
DEPARTMENT OF HUMAN RESOURCES
PRIVATE INDUSTRY COUNCIL
NOTICE OF MEETING

The Private Industry Council for Service Delivery Area II of the Job Training Partnership Act will meet at 1:30 p.m. Thursday, May 22, at the ESSI Building, 1309 Topeka Blvd., Topeka.

CHUCK HERNANDEZ
 SDA II PIC Manager

Doc. No. 004240

State of Kansas
STATE CORPORATION COMMISSION
NOTICE OF
MOTOR CARRIER HEARINGS

Applications set for hearing are to be heard at 9:30 a.m. before the State Corporation Commission, State Office Building, 4th Floor, Topeka, unless otherwise noticed.

This list does not include cases previously assigned hearing dates for which parties of record have received notice.

Questions concerning applications for hearing dates should be addressed to the State Corporation Commission, 4th Floor, State Office Building, Topeka 66612, (913) 296-3808 or 296-2110.

Your attention is invited to Kansas Administrative Regulations (K.A.R.) 82-1-228, "Rules of Practice and Procedure Before the Commission."

Applications set for June 5, 1986

Application for Contract Carrier Permit:

Shared Service Systems,) Docket No. 149,834 M
 Inc.)
 1725 S. 20th)
 Omaha, NE 68108-3889)

Applicant's Attorney: Richard D. Ralls, McAnany, VanCleve & Phillips, 707 Minnesota Ave., 4th Floor, P.O. Box 1398, Kansas City, KS 66117

Medical and hospital supplies,

From Sedgwick County, Kansas, to all points and places in the state of Kansas. Under contract with Kendall McGaw Laboratories, Inc., of Salina, Kansas.

Application for Extension of Certificate of Convenience and Necessity:

Dale Hermon, dba) Docket No. 149,017 M
 Hermon Farms)
 15320 Moonlight Road)
 Olathe, KS 66061) MC ID No. 124358

Applicant's Attorney: None

Grain, feed and feed ingredients,

Between all points and places in Kansas.

Application for Abandonment of Certificate of Convenience and Necessity:

Hershey L. Moore) Docket No. 115,294 M
 Box 703)
 Junction City, KS 66441) MC ID No. 102276

Applicant's Attorney: None

Application for Transfer of Certificate of Convenience and Necessity:

Chuck L. Bland and) Docket No. 143,231 M
 James S. Apps, dba)
 ABR Couriers)
 2134 Plass)
 Topeka, KS 66614) MC ID No. 119865

TO:

James S. Apps, dba
 ABR Couriers
 2134 Plass
 Topeka, KS 66614

Applicant's Attorney: None

Coins, currency, bank documents and data processing materials,

Between points and places in Shawnee, Jefferson and Pottawatomie counties, Kansas.

Application for Certificate of Convenience and Necessity:

Basin Fuel & Power) Docket No. 149,830 M
 Corporation)
 P.O. Box 884)
 Lakin, KS 67860)

Applicant's Attorney: Clyde Christey, Southwest Plaza Bldg., Suite 202, 3601 W. 29th, Topeka, KS 66614

Crude oil, used in and for production, processing, treating, salvage, construction and lease road purposes, in bulk, fresh water and salt water,

Between all points and places in the counties of Finney, Haskell, Seward, Kearny, Hamilton, Stevens, Morton, Lane, Scott, Greeley, Pawnee, Barton, Stanton, Grant, Wichita, Ness, Rush, Hodgeman, Ford, Gray and Meade.

Application for Certificate of Convenience and Necessity:

Joe Booth, Inc.) Docket No. 149,831 M
 8625 Troost)
 Kansas City, MO 64131)

Applicant's Attorney: Clyde Christey, Southwest Plaza Bldg., Suite 202, 3601 W. 29th, Topeka, KS 66614

Wrecked, disabled, repossessed and replacement motor vehicles, trailers, vehicles, recreational vehicles, boats and contractors' equipment (except construction materials and supplies),

Between all points and places, in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Chet's Tow Service, Inc.) Docket No. 149,833 M
8712 Winner Road)
Independence, KS 64053)

Applicant's Attorney: Alex Lewandowski, 6th Floor,
Midland Building, 1221 Baltimore Ave., Kansas
City, MO 64105-1961

*Wrecked, disabled, repossessed and replacement
motor vehicles and trailers and
transportation equipment,*

Between all points and places in the state of Kansas.

Renoticed Application for Certificate of Convenience and Necessity:

David Hilker, dba) Docket No. 149,828 M
David Hilker Trucking)
Box 877)
Cimarron, KS 67835)

Applicant's Attorney: Eugene Hiatt, 627 S. Topeka
Blvd., Topeka, KS 66603-3294

Livestock,

Between all points and places in Gray, Ford, Finney,
Kearney, Grant and Haskell counties, Kansas, on
the one hand, and all points and places in the state of
Kansas, on the other hand.

Grain,

Between all points and places west of Hwy. 81, on
the one hand, and all points and places in the state of
Kansas, on the other hand.

Fertilizer,

Between all points and places in Ford, Finney and
Haskell counties, Kansas, on the one hand, and all
points and places west of Hwy. 283, on the other hand.

Applications set for June 10, 1986

Application for Certificate of Convenience and Necessity:

Jim Cannon Trucking, Inc.) Docket No. 149,832 M
4150 Kansas Ave.)
Kansas City, KS 66106)

Applicant's Attorney: Tom Kretsinger, 20 E. Franklin,
Liberty, MO 64068

Commodities in bulk,

Between all points and places in Kansas on and east
of U.S. Hwy. 281.

Application for Certificate of Convenience and Necessity:

Doyle L. Skinner) Docket No. 149,835 M
205 E. Kellogg)
Holyoke, CO 80734)

Applicant's Attorney: None

Potatoes,

Between all points and places in Finney, Hodge-
man, Pawnee, Barton, Ellsworth, Saline, Dickinson,
Geary, Riley, Wabaunsee and Shawnee counties,
Kansas.

Application for Certificate of Convenience and Necessity:

Max Groshong, dba) Docket No. 149,837 M
Olathe Tow Service.)
300 S. Kansas)
Olathe, KS 66061)

Applicant's Attorney: None

*Wrecked, disabled, repossessed and replacement
motor vehicles and trailers,*

Between all points and places in Miami, Franklin,
Johnson, Douglas, Leavenworth and Jefferson coun-
ties, Kansas.

Application for Certificate of Convenience and Necessity:

Paul E. Schartz) Docket No. 149,836 M
Dirt Construction, Inc.)
Route 1, Box 103)
Claflin, KS 67525)

Applicant's Attorney: Clyde Christey, Southwest
Plaza Bldg., Suite 202, 3601 W. 29th, Topeka, KS
66614

*Livestock, hay, grain, dry feed, dry feed ingredients,
dry fertilizer, construction materials, oilfield
equipment, materials, supplies and machinery,*

Between points and places in Wyandotte, Shawnee,
Rooks, Osborne, Mitchell, Trego, Ellis, Russell, Lin-
coln, Ness, Rush, Barton, Ellsworth, Saline, Rice,
McPherson, Pawnee, Stafford, Reno, Pratt and Sedg-
wick counties.

Also,

Between points and places in the above described
territory, on the one hand, and points and places in the
state of Kansas, on the other hand.

WILLIAM E. GREEN
Administrator
Transportation Division

Doc. No. 004247

State of Kansas

ATTORNEY GENERAL

Opinion No. 86-62

Crimes and Punishments—Code; Crimes Against the Public Morals—Gambling; Mystery Game As Fund-raiser. Representative Donna Whiteman, 102nd District, Hutchinson, May 2, 1986.

A game or contest in which the participants purchase a game packet and solve a mystery based on clues and knowledge in order to win a prize does not include the element of chance. Thus, the game would not violate Kansas laws prohibiting gambling. Cited herein: K.S.A. 21-4302. BLB

Opinion No. 86-63

Fees and Salaries—Fees in All Counties and Salaries in Certain Counties—Sheriff's Authority to Charge Additional Fees for In-State Service of Process. Charles A. Peckham, Rawlins County Attorney, Atwood, May 2, 1986.

A sheriff is prohibited from charging to the district court mileage and other expenses for service of process within the state of Kansas, which are in addition to those amounts credited by the clerk of the district court to the county general fund from the docket fee. However, pursuant to K.S.A. 1985 Supp. 28-110, which sets forth a schedule of fees to be charged by the sheriffs of all counties for various services, a sheriff may charge and collect mileage and other fees in all the courts of limited jurisdiction in this state. Furthermore, under the authority of K.S.A. 60-2001 and K.S.A. 60-2003, a sheriff is authorized to charge as costs to the respective district court mileage and other allowable expenses for serving process from the courts of other states. Cited herein: K.S.A. 1985 Supp. 28-110; K.S.A. 60-201; 60-2001; 60-2003; 1975 Senate Bill No. 505; 1974 Senate Bill No. 941. BPA

Opinion No. 86-64

Public Health—Examination and Registration of Pharmacists—Rules and Regulations; Patient Profile Records. Lynn E. Ebel, Attorney for the Kansas State Board of Pharmacy, Topeka, May 2, 1986.

The Board of Pharmacy does not have authority to promulgate a regulation mandating patient profile records as the proposed regulation goes beyond the statutory authority conferred on the agency. Cited herein: K.S.A. 65-1627; 65-1630; 65-1637; 65-1642; 65-1643; 74-1603; K.A.R. 68-2-21 (proposed to take effect May 1, 1986.) RLN

Opinion No. 86-65

Uniform Commercial Code—Secured Transactions; Sales of Accounts, Contract Rights and Chattel Paper—Farm Equipment or Products; Continuation of Financial Statement; Necessity of Filing Documents with Secretary of State. Jack H. Brier, Secretary of State, Topeka, May 2, 1986.

A financing statement filed with the Secretary of State, pursuant to K.S.A. 1985 Supp. 84-9-410, must be

accompanied by a copy of the most recent effective prior financing statement, and any amendments, on file with the register of deeds. Also required is a statement that the prior financing statement is still effective. Such transitional filing statement may not be filed if not accompanied by these supporting documents. Cited herein: K.S.A. 84-1-401; K.S.A. 1985 Supp. 84-9-410. JLM

Opinion No. 86-66

Corporations—Savings and Loan; Miscellaneous—Effect of Repeal of K.S.A. 17-5815 Upon Claimants of an Insolvent Savings and Loan Association. Marvin S. Steinert, Commissioner, Savings and Loan Department, Topeka, May 2, 1986.

Since K.S.A. 17-5815 was repealed in 1983, before any distributions were made to any of the priority 3 or 4 claimants the statute had spoken to, K.S.A. 17-5815, as repealed, is construed neither prospectively nor retrospectively in this fact situation. In absence of any state law on this point, federal law dictates priority status to all category 3 and 4 claimants of this insolvent savings and loan association in receivership. Cited herein: K.S.A. 17-5815, as repealed by L. 1983, ch. 86, § 5; 17-5824; 12 C.F.R. 569a.7(a)(1) through (4); 1983 Senate Bill No. 55. TL

Opinion No. 86-67

Banks and Banking—Banking Code; Dissolution; Insolvency—Liability of FDIC for Personal Property Taxes Owed at Time State Bank Failed. Charles A. Peckham, Rawlins County Attorney, Atwood, May 2, 1986.

As receiver of a failed state bank, the FDIC is liable for the personal property taxes that were due and owing at the time the state bank failed. Cited herein: K.S.A. 1985 Supp. 9-1906; K.S.A. 9-1907; 11 U.S.C. § 503(b)(1)(B); § 507(a)(1). TL

Opinion No. 86-68

Agriculture—Grain Commodity Commissions—Collection and Disposition of Assessments; Authorized Expenditures. Representative Lee Hamm, 108th District, Pratt, May 2, 1986.

Grain commodity commissions have power to recommend policy and action to the secretary of the State Board of Agriculture. The commissions may override a determination made by the secretary based on those recommendations by a two-thirds vote of its members. As funds of the commission are to be used to implement the administration of the grain commodity commissions act, by implication, the commissions may determine how the funds are to be used. Cited herein: K.S.A. 2-3001; 2-3005; 2-3008; 75-3701; K.S.A. 1985 Supp. 75-3717; K.S.A. 75-3717a. JLM

ROBERT T. STEPHAN
Attorney General

Doc. No. 004246

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, until 2 p.m., C.S.T. or D.S.T., whichever is in effect on the date indicated, and then will be publicly opened. Interested bidders may call (913) 296-2377 for additional information.

WEDNESDAY, MAY 21, 1986

#65601

Department of Administration, Topeka—
FINANCIAL ADVISORY SERVICES

TUESDAY, MAY 27, 1986

#27157

Statewide—1987 CALENDARS

#27158

University of Kansas Medical Center, Kansas
City—RADIOPHARMACEUTICALS AND RADIO
IMMUNO ASSAY KITS

#27162

Wichita State University, Wichita—DORMITORY
FURNITURE

#65558

University of Kansas Medical Center, Kansas
City—SURGICAL INSTRUMENTATION

#65559

University of Kansas Medical Center, Kansas
City—SURGICAL LIGHTHEAD

#65560

University of Kansas, Lawrence—CONTROL OF
INSTRUMENT SYSTEMS

#65561

University of Kansas, Lawrence—RADIO
TRANSMITTER

#65568

Department of Revenue, Topeka—CONTINUOUS
FORMS—"CERTIFICATE OF TITLE"

#65569

University of Kansas, Lawrence—CHINA

#65570

Kansas Fish and Game Commission, Pratt—SEED,
various locations

#65571

Kansas State Penitentiary, Lansing—ELECTRICAL
SUPPLIES

#65572

Kansas State University, Manhattan—
AGRICULTURAL EQUIPMENT, various locations

#65573

Department of Social and Rehabilitation Services,
Topeka—BLIND-MADE PRODUCTS

#65574

Youth Center at Beloit, Beloit—BUNK BEDS

#65575

Department of Health and Environment, Topeka—
AIR QUALITY APPARATUS

#65576

Fort Hays State University, Hays—GAS
CHROMATOGRAPH

#65589

Wichita State University, Wichita—ENERGY
MANAGEMENT SYSTEM

#65593

Wichita State University, Wichita—AUDIO VISUAL
EQUIPMENT

#65608

Department of Revenue, Topeka—CONTINUOUS
FORMS

#65618

Department of Social and Rehabilitation Services,
Topeka—TELECOMMUNICATIONS SYSTEM,
Manhattan

#65660

University of Kansas Medical Center, Kansas
City—BIOLOGICAL CABINET

#65694

Department of Social and Rehabilitation Services,
Topeka—WANG UPGRADE

#65695

University of Kansas, Lawrence—MEMORY
BOARD—VAX 11/780

#65696

University of Kansas, Lawrence—GRAPHIC
PLOTTER

#65697

University of Kansas, Lawrence—ACCOUNTING
SOFTWARE—DEC COMPATIBLE

#65701

Kansas State University, Manhattan—DIRECT
ACCESS STORAGE DEVICE—IBM COMPATIBLE

#65704

Department of Social and Rehabilitation Services,
Topeka—MICROCOMPUTER—IBM AT
COMPATIBLE

#65706

University of Kansas Medical Center, Kansas
City—LAB APPARATUS

#65710

Department of Social and Rehabilitation Services,
Topeka—INTEGRATED OFFICE INFORMATION
SYSTEM—DATA GENERAL COMPATIBLE, various
locations

#65714

University of Kansas, Lawrence and University of
Kansas Medical Center, Kansas City—VIDEO
EQUIPMENT, various locations

#65719

Department of Administration, Topeka—AIRPLANE

#65722

Department of Transportation, Topeka—PAINT
STRIPPER

WEDNESDAY, MAY 28, 1986

#A-5241

Fort Hays State University, Hays—EXTERIOR
WALL REPLACEMENT, Brooks Building—on
campus

#27161

Kansas State University, Manhattan—JUNE-JULY
(1986) MEAT PRODUCTS

#65315-A

Department of Transportation, Hutchinson—PLANT
MIX, BITUMINOUS MIXTURE, Newton

#65578

University of Kansas, Lawrence—
SPECTROPHOTOMETER

#65579

University of Kansas, Lawrence—HPLC
DETECTOR

(continued)

#65580
Kansas State Historical Society, Topeka—
MICROFILM EQUIPMENT

#65581
University of Kansas, Lawrence—LAB APPARATUS

#65583
Kansas State University, Manhattan—FLOOR
MACHINES

#65585
University of Kansas Medical Center, Kansas
City—HP 9000 ACCESSORIES

#65586
Kansas State University, Manhattan—PICKUP

#65587
Kansas State University, Manhattan—STEAM
RADIATOR TRAPS

#65588
University of Kansas Medical Center, Kansas
City—FURNISH LABOR AND MATERIAL TO
INSULATE CABINET SHOP

#65595
University of Kansas, Lawrence—VIDEO
EQUIPMENT (BROADCAST)

#65596
State Corporation Commission, Topeka—
MICROFILM SYSTEM

#65597
Kansas Fish and Game Commission, Pratt—
FURNISH AND INSTALL HEATING AND AIR
CONDITIONING UNITS

#65600
Kansas State University, Manhattan—IRRIGATION
SYSTEM, Topeka

#65602
University of Kansas, Lawrence—WAVE GUNN
OSCILLATORS

#65603
Kansas State Historical Society, Topeka—LIGHT
TRACT FIXTURE SUPPLIES

#65604
Department of Transportation, Topeka—DRUMS,
various locations

#65605
Department of Human Resources, Topeka—MARK
SCANNER

#65606
Department of Human Resources, Topeka—
NETWORK SOFTWARE

#65607
University of Kansas, Lawrence—
MICROCOMPUTER—APPLE COMPATIBLE

#65613
Department of Revenue, Topeka—CONTINUOUS
FORMS AND LABELS—"REGISTRATION
RENEWALS"

#65663
University of Kansas Medical Center, Kansas
City—LAB APPARATUS

#65667
Kansas Technical Institute, Salina—ELECTRONIC
TEST EQUIPMENT

#65674
Wichita State University, Wichita—AUDIO
EQUIPMENT

#65699
University of Kansas, Lawrence—
MICROCOMPUTER—IBM COMPATIBLE

#65708
University of Kansas Medical Center, Kansas
City—HPLC APPARATUS

#65711
University of Kansas Medical Center, Kansas
City—NBI WORD PROCESSING UPGRADE, Wichita

#65726
Kansas State University, Manhattan—
MINICOMPUTER—HARRIS COMPATIBLE

#65729
Department of Transportation, various
locations—CONCRETE SAW AND CHISELS

THURSDAY, MAY 29, 1986

#A-5262
Norton State Hospital, Norton—REMODEL
DUMBWAITER, Lathrop Building

#A-5326
Kansas Neurological Institute, Topeka—REPLACE
EMERGENCY LIGHTS AND EXIT POWER PACKS,
Meadowlark and Cottonwood lodges

#27156
Department of Administration, Building and
Grounds Services, Topeka—MAINTENANCE
CONTRACT FOR UNINTERRUPTIBLE POWER
SYSTEM AND INDUSTRIAL BATTERY SYSTEMS

#27159
Department of Revenue, Topeka—ESTIMATED
INCOME TAX MAILERS

#27160
Statewide—BASIC CLOTHING

#65283-A
Kansas State Penitentiary, Lansing—FURNISH AND
INSTALL PNEUMATIC SYSTEM

#65582
University of Kansas, Lawrence—LAB
CENTRIFUGE

#65584
Wichita State University, Wichita—TESTING
EQUIPMENT

#65614
Department of Revenue, Topeka—
ENVELOPES—TWO-WAY

#65615
University of Kansas, Lawrence—COLOR
GRAPHICS TERMINAL AND PRINTER

#65616
University of Kansas, Lawrence—SHARED
RESOURCE WORD PROCESSING SYSTEM

#65617
University of Kansas, Lawrence—VIDEO
CAMERAS

#65619
University of Kansas, Lawrence—OCR LABELS

#65620
Department of Revenue, Topeka—PROJECT
MANAGEMENT AND CONTROL SOFTWARE

#65621
University of Kansas, Lawrence—WINDOW
BLINDS

#65622
Kansas State University, Manhattan—AA
SPECTROPHOTOMETER

#65623
Department of Transportation, Topeka—TESTING
EQUIPMENT

#65624
Department of Health and Environment, Topeka—
MINICOMPUTER

- #65626
Kansas State Fair, Hutchinson—DECORATION RENTAL
- #65627
Department of Revenue, Topeka—MAILING OF 1986 TAX BOOKLETS
- #65628
Wichita State University, Wichita—PLOTTER
- #65643
University of Kansas, Lawrence—CORE WASHER
- #65647
Department of Administration, Division of Information Systems and Communications, Topeka—COMMUNICATION CABLE
- #65648
University of Kansas, Lawrence—PARTS FOR RADAR SYSTEM
- #65649
Kansas State University, Manhattan—COMMUNICATIONS CONSOLE
- #65650
Department of Corrections, Topeka—BUILDING MATERIALS
- #65651
University of Kansas, Lawrence—LOUNGE FURNITURE
- #65652
Department of Transportation, Chanute—FURNISH AND INSTALL HEATING AND AIR CONDITIONING UNITS
- #65653
University of Kansas, Lawrence—MASS SPECTROMETER
- #65654
University of Kansas, Lawrence—ICE MACHINES
- #65673
Pittsburg State University, Pittsburg—HAND DRYERS
- #65684
Kansas Fish and Game Commission, Pratt—FISH FEED, Junction City
- #65698
Kansas Correctional Industries, Lansing—LAUNDRY SUPPLIES
- #65703
Kansas State University, Manhattan—MICROCOMPUTER—IBM AT COMPATIBLE
- #65713
University of Kansas Medical Center, Kansas City—DOPPLER FLOW METER
- #65721
Department of Transportation, Salina—TRUCK MOUNTING DERRICK
- #65724
Department of Transportation, Topeka—ENGINEERING PRINTER SYSTEM
- #65730
Department of Transportation, various locations—POTHOLE PATCHERS
- #65735
Department of Transportation, Hutchinson—STREET SWEEPER
- FRIDAY, MAY 30, 1986**
- #A-5265
Larned State Hospital, Larned—IMPROVE VENTILATION IN LAUNDRY FACILITY
- #A-5512(a)
Kansas State University, Manhattan—PARKING LOT A-1 RECONSTRUCTION
- #A-5512(b)
Kansas State University, Manhattan—PARKING LOT C-3 RECONSTRUCTION
- #27163
Statewide—JULY (1986) MEAT PRODUCTS
- #65625
Kansas State University, Manhattan—TESTING APPARATUS
- #65629
University of Kansas, Lawrence—BIOLOGICAL CABINET
- #65630
Kansas State University, Manhattan—CRYOTECH EQUIPMENT
- #65631
Kansas Public Employees Retirement System, Topeka—IBM SYSTEM 38 (NEW OR USED) AND SOFTWARE AND HARDWARE MAINTENANCE
- #65661
Fort Hays State University, Hays—FLOOR MACHINES
- #65662
University of Kansas Medical Center, Kansas City—MICROSCOPE
- #65664
University of Kansas, Lawrence—HEATING AND AIR CONDITIONING UNIT
- #65665
University of Kansas, Lawrence—LIGHT FIXTURES
- #65666
Fort Hays State University, Hays—FURNISH AND INSTALL REFRIGERATION COMPRESSOR
- #65668
Department of Transportation, Topeka—FURNISH AND INSTALL OVERHEAD DOORS, various locations
- #65669
Department of Transportation, Topeka—ALUMINUM SIGN PANELS
- #65675
University of Kansas Medical Center, Kansas City—AA SYSTEM
- #65676
University of Kansas, Lawrence and University of Kansas Medical Center, Kansas City—VIDEO EQUIPMENT
- #65677
Department of Social and Rehabilitation Services, Topeka—KITCHEN EQUIPMENT/MODIFICATION
- #65679
University of Kansas, Lawrence—VIDEO EQUIPMENT
- #65681
Wichita State University, Wichita—DEMONSTRATION EQUIPMENT
- #65682
Kansas State University, Manhattan—KITCHEN DINING EQUIPMENT
- #65683
University of Kansas, Lawrence—WAREWASHER INSTALLED
- #65685
State Corporation Commission, Topeka—COMPUTER TRANSCRIPTION SYSTEM
- #65693
Kansas State University, Manhattan—PRINTER

(continued)

#65700

Kansas State University, Manhattan—ANSI
COMPATIBLE TERMINALS

#65705

Kansas State University, Manhattan; University of
Kansas, Lawrence; Wichita State University, Wichita;
and Emporia State University, Emporia—VIDEO
EQUIPMENT, AV EQUIPMENT

#65707

Department of Transportation, various
locations—COMPACTORS

#65709

University of Kansas, Lawrence—VIDEO
EQUIPMENT

#65712

Adjutant General's Department, Topeka—FURNISH
AND INSTALL COOLING TOWER, Salina

#65715

Department of Transportation, Salina—TRAILER
MOUNTED LIGHTS

#65716

University of Kansas, Lawrence—TIME CLOCKS

#65717

University of Kansas, Lawrence and Kansas State
University, Manhattan—ROBOTS

#65718

Department of Revenue, Topeka—SCALES

#65720

Department of Transportation, various locations—
CRACK SEALER

#65723

Wichita State University, Wichita—LOUNGE
FURNITURE

#65725

University of Kansas, Lawrence—VIRTUAL
ADDRESS REGISTER—HARRIS COMPATIBLE

#65727

University of Kansas, Lawrence—WORD
PROCESSING WORKSTATIONS

#65728

Kansas State Penitentiary, Lansing—BARBED TAPE
AND TIE WIRES

#65732

Department of Transportation, Norton—SEALANT
CRACK, HOT APPLIED

#65734

Kansas State University, Manhattan—GRAIN
MOISTURE TESTER

MONDAY, JUNE 2, 1986

#65644

Department of Social and Rehabilitation Services,
Topeka—TEXTILE TAPES, various locations

#65645

Department of Social and Rehabilitation Services,
Topeka—THREAD, Kansas City

#65646

Department of Social and Rehabilitation Services,
Topeka—MOP YARN

#65655

Department of Social and Rehabilitation Services,
Topeka—ZIPPERS, Kansas City

TUESDAY, JUNE 3, 1986

#65678

Fort Hays State University, Hays—ROBOT

#65680

Emporia State University, Emporia—SOFTWARE
AND MICROCOMPUTER ACCESSORIES

#65731

University of Kansas, Lawrence—PROGRAMMER

#65733

University of Kansas Medical Center, Kansas
City—MICROCOMPUTER

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 004251

(Published in the KANSAS REGISTER, May 15, 1986.)

NOTICE OF BOND SALE**\$3,200,000****GENERAL OBLIGATION BONDS****OF****UNIFIED SCHOOL DISTRICT 431****BARTON COUNTY, KANSAS (HOISINGTON)**

Unified School District No. 431, Barton County,
Kansas (Hoisington), will receive sealed bids at the
office of the Board of Education, 106 N. Main, Hois-
ington, Kansas, until 11 a.m. C.D.T. on Monday, May
19, 1986, for \$3,200,000 par value general obligation
bonds of the district, at which time and place such
bids will be publicly opened. No oral or auction bids
will be considered.

Bond Details

The series 1986 bonds will be dated as of June 1,
1986, and shall mature on October 1 in each of the
years and in the amounts set forth below. Such bonds
shall consist of fully registered certificated bonds,
each in the denomination of \$5,000 or integral mul-
tiples thereof not exceeding the principal amount of
bonds maturing in each year. Interest will be payable
semiannually, commencing April 1, 1987, and each
October 1 and April 1 thereafter. The principal of, and
premium, if any, on the bonds shall be payable in
lawful money of the United States of America, at the
principal office of the Treasurer of the State of Kansas
(the paying agent and bond registrar), to the registered
owners thereof upon presentation of the bonds for
payment and cancellation. Interest on the bonds shall
be payable in lawful money of the United States of
America by check or draft of the paying agent to the
registered owners appearing on the books maintained
by the bond registrar as of the 15th day of the month
next preceding the interest payment dates (the record
dates). The fees of the bond registrar for registration
and transfer of the bonds shall be paid by the district.

The bonds will mature serially in accordance with
the following schedule:

Principal Amount	Maturity Date
\$ 75,000	October 1, 1987
140,000	October 1, 1988
150,000	October 1, 1989
160,000	October 1, 1990
170,000	October 1, 1991
180,000	October 1, 1992
195,000	October 1, 1993
210,000	October 1, 1994
225,000	October 1, 1995
240,000	October 1, 1996
255,000	October 1, 1997

270,000	October 1, 1998
290,000	October 1, 1999
310,000	October 1, 2000
330,000	October 1, 2001

Redemption

Bonds maturing in the years 1987 to 1993, inclusive, shall become due without option of prior payment. At the option of the district, bonds maturing in the years 1994 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the district in such equitable manner as it may determine) on October 1, 1993, or on any interest payment date thereafter at a redemption price of 101 percent (expressed as a percentage of the par value of the principal amount thereof) plus accrued interest to the redemption date.

Notice of any call for redemption will be mailed to the registered owners of such bonds to be redeemed at the address shown on the registration books maintained by the bond registrar not less than 30 days prior to the date fixed for such redemption and payment. Interest on the bonds so called for redemption and payment will cease to accrue after the redemption date, provided notice has been given and funds are then available to pay the full redemption price thereof.

Interest Rate

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of 1 percent. The difference between the highest and lowest interest rates specified in any bid shall not exceed 2.5 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being the 20 bond index of tax exempt municipal bonds published by the Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold (May 12, 1986), plus 2 percent, and no bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

Bid Form and Good Faith Deposit

Bids shall be submitted on the official bid form furnished by the district, and shall be addressed to the office of the Board of Education, 106 N. Main, Hoisington, KS 67544, Attention: Judy Sandritter, Board Clerk, and shall be plainly marked BOND BID. All bids must state the total interest cost of the bid, the premium, if any, the net interest cost of the bid, and the average annual interest rate, all certified by the bidder to be correct, and the district will be entitled to rely on the certificate of correctness of the bidder. Each bid must be accompanied by a certified or cashier's check equal to 2 percent of the total par amount of the issue, and shall be payable to Unified School District No. 431, Barton County, Kansas (Hoisington). In the event a bidder whose bid is accepted shall fail to carry out his contract of purchase, said deposit shall

be retained by the district as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

Award of Bids

The sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice, and the bonds will be sold to the best bidder. The district reserves the right to reject any and all of the bids and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the district, and the net interest cost will be determined by deducting the amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities. In the event more than one bid is received at the same net interest cost, the successful bidder will be selected by lot.

Delivery of the Bonds

The bonds, duly printed, executed and registered, will be furnished and paid for by the district, and the bonds will be sold subject to the unqualified approving opinion of Gaar & Bell, bond counsel, of Wichita, Kansas. The number, denomination of bonds, and name of the initial registered owners shall be initially printed on the bonds shall be submitted in writing by the successful bidder to the bond registrar not later than June 18, 1986. The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds, and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or before July 2, 1986, at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the district. Delivery elsewhere will be made at the expense of the purchaser.

Pending Federal Legislation Concerning Tax Exempt Obligations

On December 17, 1985, the U.S. House of Representatives passed H.R. 3838, the Tax Reform Act of 1985. The bill presently is pending in the Senate. The bill in its present form imposes additional requirements which must be satisfied in order for interest on obligations issued by or on behalf of state and local governments to be exempt from federal income taxation. Such requirements generally are effective for all obligations issued after December 31, 1985, and thus, if the bill becomes law in its present form, would be applicable to the bonds.

The bill is subject to change, and if it becomes law may contain requirements which differ from those contained in the bill in its present form. Therefore, there can be no assurance that the district will be able to comply with such requirements. The failure or inability of the district to comply with the requirements of the bill could jeopardize the tax exempt status of the bonds from their date of issuance. Bondholders should be aware that in such event, the bonds

(continued)

are not callable, nor will the interest rate on the bonds be adjusted to reflect the loss of the tax exemption.

On March 14, 1986, a joint statement was issued by key congressional leadership and the Secretary of the Treasury of the United States concerning a delay in the effective date of certain provisions of the bill. The district has relied on the joint statement in issuance of the bonds.

Legal Opinion

Bids shall be conditioned upon the unqualified approving opinion of Gaar & Bell, bond counsel, Wichita, Kansas, a copy of which opinion will be printed on the reverse side of each bond and a manually signed original will be furnished without expense to the purchaser of the bonds at the delivery thereof. The cost of this legal opinion and the expense of printing the bonds and legal opinion will be paid by the district. Said legal opinion will state in part substantially that the bonds will constitute general obligations of the district, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the district; and that, under existing law, the interest on said bonds is exempt from present federal income taxation and the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties, and townships.

Purpose of Issue

The bonds are being issued for the purpose of making modifications, additions, and equipping certain existing structures in the district.

CUSIP Identification Numbers

CUSIP identification numbers will be printed on said bonds. All expenses in relation to printing of CUSIP numbers on said bonds and the expenses of CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by the district.

Assessed Valuation

Assessed valuation figures for Unified School District 431, Barton County, Kansas (Hoisington), for the year 1985, are as follows:

Equalized assessed valuation of taxable tangible property	\$43,297,052
Tangible valuation of motor vehicles	3,327,842
Equalized assessed tangible valuation for computation of bonded debt limitations	\$46,624,894

Bonded Indebtedness

The total bonded indebtedness of the district at the date hereof, including this proposed issue of bonds, is \$3,200,000.

Optional Bond Insurance

AMBAC Indemnity Corporation has qualified the bonds for municipal bond insurance. The purchase of municipal bond insurance shall be at the sole option and expense of the successful bidder. Bids shall not be conditioned upon the issuance of a policy for insurance. Failure of the bonds to be so insured or of any policy of municipal bond insurance to be issued shall not in any manner relieve the successful bidder of his

contractual obligations arising from the acceptance of his bid for the purchase of the bonds. Bonds insured by AMBAC automatically carry a Standard & Poor's Corporation "AAA" rating.

Official Statement

Additional copies of this notice of bond sale, copies of the district's official statement relating to the bonds, or further information may be received from the office of the Board of Education, 106 N. Main, Hoisington, KS 67544, or First Securities Company of Kansas, Inc., Suite 200, One Main Place, Wichita, KS 67202, (316) 262-4411, the district's financial consultants.

Dated May 5, 1986.

UNIFIED SCHOOL DISTRICT 431
Barton County, Kansas (Hoisington)
By Judy Sandritter, Board Clerk

Doc. No. 004250

(Published in the KANSAS REGISTER, May 15, 1986.)

NOTICE OF BOND SALE
\$1,800,000
GENERAL OBLIGATION BONDS
SERIES 1986
OF UNIFIED SCHOOL DISTRICT 450
SHAWNEE COUNTY, KANSAS
(general obligation bonds payable from unlimited ad valorem taxes)

Sealed Bids

Sealed bids will be received by the undersigned, Clerk of the Board of Education of Unified School District 450, Shawnee County, Kansas, on behalf of the board at the Shawnee Heights Junior High School, Tecumseh, Kansas, until 8 p.m. Central Daylight Time on Monday, May 19, 1986, for the purchase of \$1,800,000 principal amount of general obligation bonds, series 1986, of the school district hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the board immediately thereafter.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, dated May 1, 1986, and becoming due serially on September 1 in the years as follows:

Year	Principal Amount
1988	\$ 60,000
1989	60,000
1990	60,000
1991	120,000
1992	130,000
1993	150,000
1994	220,000
1995	250,000
1996	250,000
1997	250,000
1998	250,000

The bonds will bear interest from the 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, 1986.

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 school district and the Attorney General of the State of Kansas.

The school district 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 school district and bond registrar at least two weeks prior to the closing date.

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1988 to 1992, inclusive, shall become due without option of prior payment. At the option of the school district, bonds maturing in the years 1993 to 1998, inclusive, may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the school district in such equitable manner as it may determine) on September 1, 1992, or on any interest payment date thereafter at par, plus accrued interest thereon to the date of redemption.

Whenever the school district is to select the bonds for the purpose of redemption, it shall, in the case of bonds in denominations greater than \$5,000, if less than all of the bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered bond as though it were a separate bond of the denomination of \$5,000.

If the school district shall elect to call any bonds for redemption and payment prior to the maturity thereof, the school district shall give written notice of its intention to call and pay said bonds on a specified date, the same being described by number and maturity, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds to the State Treasurer of Kansas and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. If any bond be called for redemption and payment as aforesaid, all interest on such bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

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 percent. 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 percent. No rate specified shall be lower than any rate specified for an earlier maturity of the bonds. 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 school district 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 school district on the basis of such bid. Each bid shall also specify the average annual net interest rate to the school district 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 school district, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the school district. 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 board shall determine which bid, if any, shall be accepted, and its determination shall be final. The school district reserves the right to reject any and 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. 72-6761, as amended, for the purpose of paying the cost of constructing, equipping, repairing, remodeling and making additions to Tecumseh South Elementary School and Berryton Elementary School within the school district. The bonds and the interest thereon will constitute general obligations of the school district, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the school district.

Legal Opinion

The bonds will be sold subject to the unqualified approving opinion of Gaar & Bell, bond counsel, Overland Park, Kansas, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the school district, printed on the bonds, and delivered to the successful bidder as and when the bonds are delivered. The legal opinion will state that in the opinion of bond counsel, under existing law, the interest on the bonds is exempt from present federal income taxation.

Delivery and Payment

The school district will pay for printing the bonds

(continued)

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 the state of Kansas or Kansas City, Missouri, as may be specified by the successful 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 school district.

Pending Federal Legislation Concerning Tax Exempt Obligations

On December 17, 1985, the U.S. House of Representatives passed H.R. 3838, the Tax Reform Act of 1985. The bill presently is pending in the Senate. The bill in its present form imposes additional requirements which must be satisfied in order for interest on obligations issued by or on behalf of state and local governments to be exempt from federal income taxation. Such requirements generally are effective for all obligations issued after December 31, 1985, and thus, if the bill becomes law in its present form, would be applicable to the bonds.

The bill is subject to change, and if it becomes law may contain requirements which differ from those contained in the bill in its present form. Therefore, there can be no assurance that the school district will be able to comply with such requirements. The failure or inability of the school district to comply with the requirements of the bill could jeopardize the tax exempt status of the bonds from their date of issuance. Holders should be aware that in such event, the bonds are not callable, nor will the interest rate on the bonds be adjusted to reflect the loss of the tax exemption.

On March 14, 1986, a joint statement was issued by key congressional leadership and the Secretary of the Treasury with respect to the postponement, until September 1, 1986 (or the date of enactment of tax reform legislation, if earlier) of certain provisions of the bill. In reliance upon the joint statement, if the bonds are issued prior to September 1, 1986, or the date of enactment of tax reform legislation, if earlier, the school district does not intend to comply with the provisions of the bill for which the effective date was postponed.

With respect to Section 802 of the bill, relating to interest incurred by financial institutions to carry tax-exempt bonds, the school district intends to designate the bonds as qualified project bonds for purposes of Section 802(e) of the bill.

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 \$36,000, payable to the order of the school district to secure the school district from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. No interest will be paid upon the successful bidder's

good faith check. Said check shall be returned to the bidder if his bid is not accepted. If a bid is accepted, said check will be held by the school district 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 his order at the option of the school district. If a bid is accepted but the school district 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 school district 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 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 school district.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes, addressed to the undersigned clerk of the board, and marked "Proposal for the Purchase of General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the Shawnee Heights Junior High School, Tecumseh, Kansas, and must be received by the undersigned prior to 8 p.m. Central Daylight Time on May 19, 1986.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the school district for the year 1985 is \$58,117,980. The total general obligation indebtedness of the school district as of the date of the bonds, including the bonds being sold, is \$5,220,000.

Additional Information

Additional information regarding the bonds may be obtained from the clerk or superintendent of the school district.

Dated May 8, 1986.

UNIFIED SCHOOL DISTRICT NO. 450
SHAWNEE COUNTY, KANSAS

Richard L. Allen
Clerk, Board of Education

Route 1
Tecumseh, KS 66542
(913) 379-0584

(Published in the KANSAS REGISTER, May 15, 1986.)

NOTICE OF BOND SALE
\$2,485,000
COMBINED PROJECTS IMPROVEMENT
GENERAL OBLIGATION BONDS
SERIES 1986
LEAWOOD, JOHNSON COUNTY, KANSAS

Sealed bids will be received by the governing body of Leawood, Johnson County, Kansas, at the courtroom of the Police Courts Building, 9617 Lee Blyd., Leawood, on May 19, 1986, at 7:30 p.m. C.D.T., for the sale of the above-captioned general obligation bonds of the city of Leawood, Johnson County, Kansas, to finance the cost of construction of certain improvement projects within said city, at which time said bids will be publicly opened.

The bonds will consist of fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof aggregating the principal amount of \$2,485,000. All of said bonds will be dated June 1, 1986, and will mature serially on September 1 of each year, as follows:

Maturity	Amount	Maturity	Amount
1987	\$115,000	1995	\$180,000
1988	\$120,000	1996	\$190,000
1989	\$125,000	1997	\$175,000
1990	\$135,000	1998	\$185,000
1991	\$140,000	1999	\$200,000
1992	\$150,000	2000	\$215,000
1993	\$155,000	2001	\$230,000
1994	\$170,000		

Interest on said bonds from the date thereof at the rates determined when the bonds are sold as herein provided will be payable semiannually on March 1 and September 1 in each year through maturity, commencing on March 1, 1987.

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 appear on the registration books maintained by 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. The bonds may be registered as fully registered certificates or uncertificated (book entry) bonds at the option of each registered owner.

The city will pay 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 closing date. In the absence of such information, the city will deliver bonds in the denomination of each

maturity registered in the name of the successful bidder.

At the option of the city, bonds maturing on September 1, 1999 and thereafter will be subject to redemption and payment prior to maturity, on September 1, 1998, and on any interest payment date thereafter in whole or in part (in integral multiples of \$5,000) in inverse order of maturity (and by lot within a single maturity) at the redemption price of 100 percent of the principal amount thereof, plus accrued interest to the date fixed for redemption.

If the city shall elect to call any bond for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to redeem and pay said bonds on a specified date, the same being described by number and maturity, said notice to be mailed by United States registered or certified mail addressed to the State Treasurer of Kansas, said notice to be mailed at least 60 days prior to the redemption date to the registered owners of said bonds, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed at least 30 days prior to the redemption date. If any bond be called for redemption and payment as aforesaid, all interest on such bonds shall cease.

All of said bonds will be and constitute the general obligation of the city of Leawood and the full faith and credit of the city shall be pledged to the payment of the principal of and interest on said bonds. Such principal and interest shall be payable in part from special assessments levied upon property benefitted by the construction of certain improvements and, if not so paid, from ad valorem taxes levied upon all taxable tangible property including land and improvements thereon located within the territorial limits of the city of Leawood, Johnson County, Kansas, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of said city.

No bids will be considered at a price of less than par and interest accrued on the bonds to date of the payment thereof by the purchaser.

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: Not more than five different rates shall be specified and the same rate will apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of 1 percent. No rate shall exceed the most recent 20 bond index, as published in Credit Markets, New York, New York, on the Monday next preceding the date of sale by more than 2 percent, and the difference between the highest rate specified and lowest rate specified in any bid shall not exceed 2.5 percent.

One bid shall be submitted for all bonds hereinbefore described on an all or none basis. Bonds will be awarded to the highest and best bidder or bidders on an all or none basis. Determination of the best bid or bidders will be made by deducting the premium bid (if any) from the total interest costs and the bonds will

(continued)

be awarded to the bidder bidding the lowest net interest cost to the city. The city will be entitled to rely on the stated net interest cost in awarding the bonds. If there is any discrepancy between said lowest net interest cost and the rates specified in said bid or the average annual net interest cost specified in said bid, the net interest cost figure shall govern and the rates shall be adjusted accordingly.

On December 17, 1985, the U.S. House of Representatives passed H.R. 3838, the Tax Reform Act of 1985. The bill, which is pending in the U.S. Senate, would impose upon bonds generally new requirements and conditions in order for the interest on the bonds to be and remain exempt from federal income taxation. If the bill becomes law in its present form, its provisions would be applicable to the bonds herein offered for sale. The city will covenant in the ordinance authorizing the issuance of the bonds to comply with the requirements of H.R. 3838 necessary to maintain the tax-exempt status of the bonds.

The bonds, printed, executed and registered with the Office of the State Treasurer, will be furnished by the city and will be delivered subject to the legal opinion of Linde Thomson Fairchild Langworthy Kohn & Van Dyke, P.C., Kansas City, Missouri, bond counsel, whose services will be paid for by the city. The opinion of bond counsel will state that under existing laws and regulations, the interest on the bonds is exempt from federal income taxation and, assuming continued compliance with the covenants contained in the bond ordinance, interest on the bonds would continue to be exempt from federal income taxation if H.R. 3838 is enacted into law in its present form, except that for taxable years beginning after 1987, the interest on the bonds would be included in adjusted net gain for purposes of the minimum tax imposed on property and casualty insurers under the provisions of the bill.

The bonds will be delivered to the purchaser on or about June 20, 1986, at any bank or trust company in the Chicago, Kansas City, Topeka, or Wichita metropolitan areas, as specified by the purchaser, or elsewhere at the expense of the purchaser.

At the request of the successful bidder, CUSIP identification numbers will be printed on said bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of the CUSIP numbers on said bonds, including the CUSIP Service Bureau's charge for assignment of said numbers, will be paid for by the city.

The population of the city is approximately 14,929. The 1985 assessed valuation of all taxable tangible property within Leawood, Kansas is \$80,031,744, including motor vehicle valuation of \$17,169,298. The total general obligation bonded indebtedness of Leawood, Kansas, at the date hereof, including the issue of bonds herein offered for sale, is \$7,070,000. In addition, the city of Leawood has temporary notes outstanding in the total amount of \$4,556,150, of

which \$3,058,000 will be redeemed and cancelled from the proceeds of the bonds herein offered for sale and prepayments of tax assessments.

A good faith deposit by cashier's or certified check in the amount of 2 percent of the total amount of the bid for the bonds shall accompany each bid.

Additional copies of this notice of bond sale, copies of the city's official statement relating to the bonds, or further information may be obtained from the undersigned city clerk or George K. Baum & Company, 1004 Baltimore Ave., Kansas City, MO 64105, (816) 474-1100, the city's financial adviser.

Mailed bids should be addressed to J. Oberlander, City Clerk, City of Leawood, 9617 Lee Blvd., Leawood, KS 66206, and marked "Bid for purchase of \$2,485,000 Combined Projects Improvement General Obligation Bonds, Series 1986, Leawood, Johnson County, Kansas." Bids may also be delivered to the said officer in the courtroom of the Police Courts Building, Leawood, at or immediately prior to 7:30 p.m.

Dated at Leawood, Kansas, May 5, 1986.

J. OBERLANDER
City Clerk

Doc. No. 004237

(Published in the KANSAS REGISTER, May 15, 1986.)

NOTICE OF BOND SALE
\$525,000
UNIFIED SCHOOL DISTRICT 290
FRANKLIN COUNTY, KANSAS
GENERAL OBLIGATION BONDS
SERIES A 1986

Unified School District 290, Franklin County, Kansas (Ottawa), will receive sealed bids in the library of the high school at 11th and Ash, Ottawa, KS 66067, until 7:30 p.m. (CDT) on Wednesday, May 21, 1986, for \$525,000 par value general obligation bonds, series A 1986, of the district, at which time and place such bids shall be publicly opened. No oral or auction bids will be considered.

The series A 1986 bonds will be dated as of May 1, 1986 and shall mature on September 1 in each of the years and in the amounts set forth below. Such bonds shall consist of fully registered certificated bonds, each in the denomination of \$5,000 or integral multiples thereof, not exceeding the principal amount of bonds maturing in each year. Interest will be payable semiannually, commencing March 1, 1987 and each September 1 and March 1 thereafter. The principal of and premium, if any, on the bonds shall be payable in lawful money of the United States of America, at the principal office of the Treasurer of the State of Kansas, (the paying agent and bond registrar) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates (the record date); the fees of the bond registrar

for registration and transfer of the bonds shall be paid by the district.

The bonds will mature serially in accordance with the following schedule:

Principal	Maturity Date
\$50,000	September 1, 1987
55,000	September 1, 1988
60,000	September 1, 1989
60,000	September 1, 1990
65,000	September 1, 1991
70,000	September 1, 1992
80,000	September 1, 1993
85,000	September 1, 1994

Bonds maturing September 1, 1987 to September 1, 1991, inclusive, shall become due without option of prior payment. At the option of the district, bonds maturing in the years 1992 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the district in such equitable manner as it may determine) on September 1, 1991 or on any interest payment date thereafter without a premium.

Notice of any call for redemption will be mailed to the registered owners of such bonds to be redeemed at the address shown on the registration books maintained by the bond registrar not less than 30 days prior to the date fixed for such redemption and payment. Interest on the bonds so called for redemption and payment will cease to accrue after redemption date provided notice has been given and funds are then available to pay the full redemption price thereof.

Interest Rate

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate shall apply to all bonds of the same maturity. Each interest rate shall be in an even multiple of 1/8 or 1/20 of 1 percent. The difference between the highest and lowest interest rate shall not exceed 2 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being 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 percent, and no bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

Bid Form and Good Faith Deposit

Each bid shall be accompanied by a good faith deposit in the form of a cashier's or certified check in the amount of \$10,500, made payable to the order of the district. In the event a bidder whose bid is accepted shall fail to carry out its contract of purchase, the amount of said deposit shall be retained by the school district as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

Award of Bids

The sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice, and the bonds will be sold to the best

bidder. The district reserves the right to reject any and all of the bids and to waive any irregularities. The bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the district, and the net interest cost will be determined by deducting the amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities. In the event more than one bid is received at the same net interest cost, the successful bidder will be selected by lot. The district reserves the right to refuse to issue and deliver the bonds in the event that H.R. 3838, as passed by the United States House of Representatives on December 17, 1985, or any amendment thereof or supplement thereto, is enacted prior to the date of the issuance of the bonds.

Delivery of the Bonds

The bonds, duly printed, executed and registered, will be furnished and paid for by the district, and the bonds will be sold subject to the unqualified approving opinion of Gaar & Bell, bond counsel, Overland Park, Kansas. The cost of this legal opinion will be paid by the district. The numbers, denomination of the bonds and the name of the initial registered owners to be initially printed on the bonds shall be submitted in writing by the successful bidder to the bond registrar not later than June 2, 1986. The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds, and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds will be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or before June 15, 1986 at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the district. Delivery elsewhere will be made at the expense of the purchaser.

Legal Opinion and Tax Exemption

All legal matters relating to the authorization and issuance of the bonds are subject to the approving opinion of Gaar & Bell, Overland Park, Kansas, as bond counsel, whose approving opinion will be printed on the bonds and an original of which will be delivered at closing to the purchasers of the bonds. A form of the approving legal opinion is printed in the official statement.

Authority

The bonds are being issued pursuant to the provisions of Senate Bill No. 765 of the state of Kansas adopted on April 17, 1986.

Pending Federal Legislation Concerning Tax-Exempt Obligations

On December 17, 1985, the U.S. House of Representatives passed H.R. 3838, the Tax Reform Act of 1985. The bill presently is pending in the Senate. The bill in its present form imposes additional requirements which must be satisfied in order for interest on the obligations issued by or on behalf of state and local

(continued)

governments to be exempt from federal income taxation. Such requirements generally are effective for all obligations issued after December 31, 1985, and thus, if the bill becomes law in its present form, would be applicable to the bonds.

The bill is subject to change, and if it becomes law may contain requirements which differ from those contained in the bill in its present form. Therefore, there can be no assurance that the school district will be able to comply with such requirements. The failure or inability of the school district to comply with the requirements of the bill could jeopardize the tax-exempt status of the bonds from their date of issuance. Holders should be aware that in such event, the bonds are not callable, nor will the interest rate on the bonds be adjusted to reflect the loss of the tax exemption.

Subsequent to the adoption of the bill, the U.S. House of Representatives passed House Resolution 335, which states in substance that it was the sense of the House of Representatives that the chairman and ranking member of the House Committee on Ways and Means be instructed, in conjunction with the Secretary of the Treasury and the Chairman and ranking member of the Senate Committee on Finance, to make public an agreed-upon statement which would have the effect of postponing the effective date of selected items of the bill. In addition, the U.S. Senate passed Senate Resolution 281, which provides in substance that it was the sense of the Senate that the effective date of the bill should be delayed.

On March 14, 1986, a joint statement was made by Chairman Dan Rostenkowski, D-Ill., House Committee on Ways and Means; Chairman Bob Packwood, R-Ore., Senate Committee on Finance; Rep. John J. Duncan, ranking member of the Committee on Ways and Means; Sen. Russell Long, ranking member of the Committee on Finance; and Secretary of the Treasury James A. Baker, III with respect to the effective dates of certain provisions of the Comprehensive Tax Reform Legislation (H.R. 3838) being considered by Congress. Excerpts of such joint statement are as follows:

It is not our intent, however, to restrict the ability of States and local governments to finance their direct governmental operations or to force States to change their existing practices governing financing of those operations while tax reform legislation is pending.

Therefore, we are endorsing a postponement, until September 1, 1986 (or the date of enactment of tax reform legislation, if earlier) of any application of the provisions and restrictions listed below to bonds that under present law are not (i) industrial development bonds, (ii) bonds that would be IDBs if section 501(c)(3) organizations were nonexempt persons engaged in trades or businesses, (iii) student loan bonds, (iv) mortgage subsidy bonds, or (v) other private ("consumer") loan bonds for which tax-exemption is permitted. In addition, this action does not apply to so-called pension bonds or to bonds which involve payments by private parties for the use of bond-financed property and which would be IDBs if such payments were used to pay debt service.

The provisions and restrictions to which this action applies are—

- (1) The definition of nonessential function bond and the new unified volume cap contained in H.R. 3838;
- (2) Any extension of arbitrage rebate restrictions, and any other new arbitrage restrictions, other than the method of

determining bond yield (i.e., the reversal of the decision in *State of Washington v. Commission*);

- (3) Any new restrictions on early issuance of these bonds (i.e., provisions requiring certain expenditures within certain periods);
- (4) Any new restrictions on advance refunding of bonds which were originally issued before the 1986, other than a limitation on the temporary period for refunding bond proceeds to 30 days and the method of determining bond yield (listed in item (2), above);
- (5) Any extension of information reporting requirements to these bonds; and
- (6) Any treatment of interest on these bonds as a minimum tax preference item under H.R. 3838 as passed by the House."

In reliance upon the joint statement, if the bonds are issued prior to September 1, 1986 or the date of enactment of tax reform legislation, if earlier, the school district does not intend to comply with the provisions of the bill for which the effective date was postponed.

With respect to Section 802 of the bill relating to interest incurred by financial institutions to carry tax-exempt bonds, the school district intends to designate the bonds as qualified project bonds for purposes of Section 802(e) of the bill.

Purpose of Issue

The bonds are being issued for the purpose of repairing, remodeling and equipping one middle school building, five elementary school buildings, and one high school building. The total estimated-project cost is \$525,000, which is being funded by the proceeds of this issue.

CUSIP Identification Numbers

CUSIP identification numbers will be printed on said bonds and the expenses of CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by the district.

Assessed Valuation

Assessed valuation for U.S.D. 290, Franklin County (Ottawa), for the year 1985, is as follows:

Equalized assessed valuation of taxable tangible property	\$34,384,575
Tangible valuation of motor vehicles	2,657,794
Equalized assessed tangible valuation for computation of bonded debt limitations	\$37,042,369

Bonded Indebtedness

The total bonded indebtedness of the district, at the date hereof, including this \$525,000 issue, is \$805,000.

Official Statement

Additional copies of this notice of sale, copies of the district's official statement relating to the bonds, or further information may be received from the office of Unified School District 290, 420 S. Main, Ottawa, KS 66067, or Zahner and Company, 127 W. 10th, Kansas City, MO 64105, (816) 221-4311, the district's financial consultant.

Dated May 1, 1986.

UNIFIED SCHOOL DISTRICT 290
Franklin County, Kansas (Ottawa)
By Jewell Spratt, Clerk

Doc. No. 004249

State of Kansas

DEPARTMENT OF ADMINISTRATION

TEMPORARY ADMINISTRATIVE
REGULATIONS

(Effective January 27, 1986.

Expire May 1, 1987.)

Article 23.—STATE VANPOOL
PROGRAM

1-23-3. Passenger requirements. (a) (1) Each person desiring to participate on a month-to-month basis in the vanpool program shall complete a written application and agreement to participate. The signed agreement to participate shall be filed with the central motor pool by the driver of the appropriate vanpool.

(2) Each person desiring to terminate participation in a vanpool shall give the driver written notice of that intention not less than two weeks before the termination date. The driver shall, in turn, notify the central motor pool.

(b) (1) The fare for participating in the vanpool program shall be determined for each individual vanpool and shall be based upon the costs of operating the vans, including reasonable overhead costs, depreciation reserve requirements for vehicle replacement, public liability insurance, all operating, servicing, repair and replacement costs, and maintenance of a contingency reserve.

(2) Maximum individual passenger fares shall not exceed 1/7 of the assessed monthly vanpool costs.

(3) All passengers' fares will be proportionately reduced with the participation of each additional passenger. All passengers' fares shall be paid monthly and shall be collected by the driver on or before the fifth day following the month in which the costs were incurred. Passengers who do not comply with this requirement may be prohibited from further participation in the vanpool program, and may be replaced by prospective passengers from the vanpool program waiting list. Passengers denied further participation in the vanpool program may apply for reinstatement to the waiting list. (Authorized by K.S.A. 75-46a08; implementing K.S.A. 75-46a03 through 75-46a08; effective, E-81-14, June 12, 1980; effective May 1, 1981; amended May 1, 1984; amended, T-87-4, Jan. 27, 1986.)

1-23-4. Primary driver requirements. (a) Each person desiring to be a driver in the vanpool program shall apply to the central motor pool on the prescribed form. Each driver applicant shall meet the following minimum requirements:

(1) Each applicant shall possess a Kansas driver's license which is valid for the type of vehicle driven.

(2) Each applicant shall be able to provide a safe parking place for the van. The van shall not be parked on the street overnight.

(3) Each applicant's driving record shall be screened according to the criteria set out in K.S.A. 40-277.

(b) All persons selected to be drivers in the vanpool program shall assume the following responsibilities:

(1) Each primary driver shall be responsible for the safe and prudent operation of the assigned vanpool in accordance with all applicable county resolutions, city ordinances and state laws pertaining to the operation of motor vehicles. Any fines or penalties arising from operation in an unlawful manner shall be the responsibility of the driver. The state of Kansas reserves the right to prohibit from further participation in the vanpool program any driver who operates a van in a manner which:

(A) interferes with the prompt pick-up and delivery of passengers in the vanpool;

(B) threatens the safety of vanpool passengers or any member of the general public; or

(C) habitually violates terms of contracts or rules and regulations and laws governing the vanpool program.

(2) Each primary driver shall be responsible for the collection of fares from passengers. Such fares shall be paid to the central motor pool by the sixth day of each month. Failure to remit those fares shall result in appropriate collection action.

(3) Each primary driver shall maintain accurate mileage and service logs for the vanpool. The mileage and service logs shall indicate beginning and ending mileage traveled in the course of normal vanpool operations, beginning and ending mileage accumulated in the course of personal use of the van, and a current passenger list. A copy of the signed log, along with a list of all expenditures incurred and receipts for purchases or expenditures incurred shall be filed each month by the sixth day of the month with the central motor pool.

(c) Each person selected to be a primary or alternate driver in the vanpool program shall be eligible for reimbursement of any enrollment fee for a red cross multi-media first aid course, or the equivalent, and a national defensive driver course, or the equivalent. These fees shall be paid by the central motor pool on receipt of evidence of enrollment and successful completion of these courses. Leave with pay to attend such courses shall be allowed as authorized by K.A.R. 1-9-9.

(d) All persons selected as primary drivers in the vanpool program shall:

(1) be required to pay 25% of the passenger fare established for that vanpool. When not functioning as primary driver for a period of more than one week, the full passenger fare shall be charged.

(2) have personal use of the van when it is not required for travel to the work place or return. However, the driver shall be required to pay for the personal use of the van at the prevailing vanpool mileage rate. Payment for such personal use shall be made on the sixth day of each month. (Authorized by K.S.A. 75-46a08; implementing K.S.A. 75-46a02 through 75-46a08; effective, E-81-14, June 12, 1980; effective May 1, 1981; amended, May 1, 1984; amended, T-87-4, Jan. 27, 1986.)

ALDEN K. SHIELDS
Secretary of Administration

Doc. No. 004244

State of Kansas

BOARD OF AGRICULTURE

TEMPORARY ADMINISTRATIVE
REGULATIONS

(Effective May 1, 1986.

Expire May 1, 1987.)

Article 4.—COMMERCIAL FERTILIZERS

4-4-2. Inspection fee. The inspection fee for commercial fertilizers shall be \$30 per ton of 2,000 pounds. The fee shall apply to fertilizer sold on and after July 1, 1986. (Authorized by and implementing K.S.A. 2-1205; effective, T-83-35, Nov. 10, 1982; effective May 1, 1983; amended May 1, 1984; amended May 1, 1986; amended, T-87-6, May 1, 1986.)

HARLAND E. PRIDDLE
Secretary of Agriculture

Doc. No. 004243

State of Kansas

SECRETARY OF STATE

KANSAS PUBLIC DISCLOSURE COMMISSION
ADVISORY OPINIONS

Opinion No. 86-3

Written April 23, 1986 to Alma Walker, Pratt County Clerk, P.O. Box 885, Pratt, KS 67124.

This opinion is in response to your letter of April 16, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning the local conflict of interests law.

We understand you request this opinion in your capacity as a part-time county employee of Pratt County, Kansas. You ask whether it would be a conflict of interest to also hold a position as county commissioner.

Enclosed is a copy of Opinion No. 79-12, which is directly applicable to your situation. We incorporate in this opinion the analysis and decision from the prior opinion.

Opinion No. 79-12: Written March 21, 1979 to Tommy A. Stipp, Route 1, Thayer, KS 66776.

This opinion is in response to your letter of March 8, 1979, in which you request an opinion from the Governmental Ethics Commission.

We note at the outset that the commission's jurisdiction in this case is limited to K.S.A. 75-4301 *et seq.* and K.S.A. 46-215 *et seq.*, which is not applicable here. Thus, whether some other common law or statutory system applies to your question is not covered by this opinion.

We understand you to request this opinion in your capacity as a candidate for election to the Board of Education of School District 101 at Thayer, Kansas. You advise us that you are employed by that district as a bus driver.

Based on this factual situation, you ask whether your employment with the district would cause any conflict of interest should you be elected to the school board and, if so, under what restrictions would you be placed.

Two sections of the Act may be applicable to the situation you have described. K.S.A. 75-4304 states "(a) No public officer or employee shall in his capacity as such officer or employee, make or participate in the making of a contract with any person or business by which he is employed or in whose business he has a substantial interest, and no such person or business shall enter into any contract where any public officer or employee, acting in such capacity, is a signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business. A public officer or employee does not make or participate in the making of a contract if he abstains from any action in regard to the contract. This section shall not apply to the following: (1) Contracts let after competitive bidding has been advertised for by published notice; and (2) Contracts for property or services for which the price or rate is fixed by law."

In addition, K.S.A. 75-4305 states "Any public officer or employee who has not filed a disclosure of substantial interests and who, while acting in his official capacity, shall pass upon any matter which will affect any business in which such officer or employee shall hold a substantial interest, shall, before he acts upon such matter, file a written report of the nature of said interest with the office of the secretary of state, if such person is a state officer or employee, or if such person is an officer or employee of a municipal or quasi-municipal corporation, with the county clerk of the county in which all or the largest geographical part of such municipal or quasi-municipal corporation is located. A public officer or employee does not pass or act upon any matter if he abstains from any action in regard to the matter."

The applicability of K.S.A. 75-4304 to this situation depends in part on whether the public officer or employee (in this case you) is employed or holds a substantial interest in "any person or business." Thus, the threshold question is whether the school district which employs you is a "person or business." In Opinion No. 75-64, a copy of which is enclosed, we discussed a similar question and we concluded then, as we do now, that governmental entities do not fall within that phrase. Thus, since the school district is not a "person or business" within the meaning of that phrase as used in K.S.A. 75-4304, your employment therewith does not fall within the purview of K.S.A. 75-4304.

For the same reasons we have just discussed, it is, likewise, our opinion that K.S.A. 75-4305 is inapplicable to this situation.

In sum, it is our opinion that K.S.A. 75-4304 and K.S.A. 75-4305 are inapplicable to this situation. In other words, the fact that you are employed by the school district on whose board you would serve as a member does not present any conflict of interest which prohibits you from serving on the board. In addition, based on this factual situation, those sections place no restrictions on your activities as a member of the board in fully performing your duties incident thereto including taking part in decisions dealing with your position of employment.

In closing, we again note that this opinion is strictly limited to the applicability of K.S.A. 75-4301 *et seq.* Thus, to the extent your question deals with some

other common law or statutory system, we suggest you contact your county attorney or the Attorney General. (Leonard O. Thomas, Chairman, by direction of the commission.)

Opinion No. 86-4

Written April 23, 1986 to Arthur C. Hodgson, Attorney at Law, 119½ W. Main, P.O. Box 666, Lyons, KS 67554.

This opinion is in response to your letter of April 2, 1986, in which you request information concerning a local conflict of interests question.

We understand you request this information in your capacity as the attorney for the board of directors of a watershed district. You advise us that the district desires to purchase some land in order to build a dam but eventually the proposal will require an exchange of land with one of the 11 board members.

As you note in your letter, K.S.A. 75-4301 *et seq.* covers the situation. We first note that a member of the board is a "public officer" by definition of K.S.A. 75-4301.

The next issue is whether the member of the board holds a "substantial interest" in the real property that will be subject to the transfer. On this issue there is a two part test. First, does he hold an interest exceeding \$5,000 or 5 percent of the property. Second, is the property used for the production of income. If both tests are met then he holds a "substantial interest" in the property.

In such circumstances, under K.S.A. 75-4304, he may not participate in the making of any contracts on behalf of the district with himself. He may still serve on the board on other issues.

If, however, the contract for sale is let after competitive bidding, or is for a price or rate fixed by law, then he may act concerning the sale so long as he has filed a disclosure of substantial interest statement under K.S.A. 75-4305.

Opinion No. 86-5

Written April 23, 1986 to Dr. Darrel W. Ray, Director of Staff Development and Training, Youth Center at Atchison, P.O. Box 459, Atchison, KS 66002.

This opinion is in response to your letter of March 17, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning a conflict interest question.

We note at the outset that the commission's jurisdiction is limited in this case to the applicability of K.S.A. 46-215 *et seq.* Thus, whether some other common law, statutory system or administrative rule and regulation applies to your question is not covered by this opinion.

We understand you request this opinion in your capacity as Director of Staff Development and Training for the Youth Center at Atchison. You advise us that you also own a consulting firm. From time to time you are asked to do training for state agencies outside of S.R.S. You state that you only do training for S.R.S. within your current job duties and receive no other form of compensation. In the past you have been asked to do training for the Department of Health and Environment and the Kansas Corporation Commission. You always do this on vacation or regular leave time and are careful to "change hats" so that you are

not perceived as representing the state in these circumstances.

Based on this factual situation you ask whether it is permissible for you to do private consulting with agencies of the state other than the agency by which you are employed.

It is our opinion, so long as you do not participate in your capacity as a state employee with decisions to hire your independent consulting firm, that you may continue the consulting you have described.

Opinion No. 86-6

Written April 23, 1986 to Lois Malm, Route 2, Valley Falls, KS 66088

Your letter of March 13, 1986 to the Attorney General's Consumer Protection Unit has been referred to this commission for response. Your first question requests information involving the Kansas Campaign Finance Act which is under our jurisdiction.

We understand you ask these questions in your capacity as a member of Kansas-NEA. You note that as a condition of membership you must pay as part of your dues a political action fee. While you may claim a return for the amount you paid, you do not have the right to not pay the amount initially.

You ask the following questions:

1. Is this particular method of soliciting political action funds legal in Kansas?
2. Can an organization refuse to accept membership dues if a donation for political action is not made at the same time?
3. If it is legal, what can we as citizens of Kansas do to change it? It appears to be a form of coercion, although granted very subtle.

We have reviewed the Campaign Finance Act in its entirety and we find no provisions which relate to the situation you have described. In other words, under that law the solicitation program of the Kansas-NEA is permissible. Your second and third questions raise issues outside our jurisdiction. By copy of the opinion we are referring those issues back to the Attorney General's office for such response as they deem appropriate.

Opinion No. 86-7

Written April 23, 1986 to Robert More, Jr., Highland Ave., Denison, KS 66419.

This opinion is in response to your letter of March 28, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning the conflict of interest statutes.

We understand you request this opinion in your capacity as an employee of the Department of Human Resources where you work as a Job Training Partnership Act representative. In this capacity you arrange for the payment of tuition to educational institutions for eligible clients. The state is a party to the tuition agreement.

You advise us that you intend to leave public employment and establish a private consulting firm and do contract work with some of the institutions you may have contracted with on behalf of the state.

You ask whether your proposed consulting firm may legally contract with institutions that you contracted with during your tenure as a state employee.

(continued)

K.S.A. 46-233 relates to your question. That section states in pertinent part . . . "Whenever any individual has, within the preceding two years participated as a state officer or employee in the making of any contract with any person or business, such individual shall not accept employment with such person or business for one year following termination of employment as a state officer or employee."

The issue raised in applying this language is whether a contract between a private consultant and an independent institute constitutes "employment" as that word is used in this section. We do not believe the language is broad enough to cover this situation. It is, therefore, our opinion that your private consulting firm may contract with institutions with which you were involved in contracts during your service as a state employee.

Opinion No. 86-8

Written April 23, 1986 to Sharol Rasberry, P.O. Box 3358, Wichita, KS 67201.

This opinion is in response to your letter of March 25, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning the Campaign Finance Act.

We understand you request this opinion on behalf of the Larry Jones for Governor Committee. You ask the following questions dealing with loans to the committee:

1. Mr. Smith loans the campaign \$1,000 at no interest. Is the fair rate of interest, even though not charged and not paid, an in-kind contribution?
2. Mr. Jones loans the campaign \$1,000 at 10 percent interest. At the end of the reporting period, he notifies the campaign that it does not need to pay the interest but must repay the principal. The campaign only repays \$1,000. Is the interest that was forgiven considered an in-kind contribution?
3. Mr. Adams loans the campaign \$1,000 at 10 percent interest. At the end of the reporting period, he bills the campaign for \$1,000 and \$50 interest. The campaign repays \$1,000 but is unable to repay the interest. Is the unpaid interest an in-kind contribution?
4. Mr. Smith has already made the maximum contribution of \$3,000 and now loans an additional \$1,000 at no interest. Is the imputed interest on the loan an in-kind contribution which will put Mr. Smith over the maximum limit?

On question number one, it is our opinion that interest need not be imputed to the principal amount of the loan. However, under question number two, when an amount is agreed upon, then forgiven, the forgiven amount does constitute an in-kind contribution. In question number three, since it was not the intent of the contributor which lead to the failure to repay, but rather the lack of funds available, an in-kind contribution would not be attributed to the donor of the loan. As we have answered that interest need not be imputed, question number four becomes moot.

(Editor's Note: The following advisory opinions, written in 1985, were omitted from publication in the Register.)

Opinion No. 85-17

Written November 18, 1985 to Linda Fincham, Register of Deeds, Marysville, KS 66508.

This opinion is in response to your letter of October 31, 1985, in which you request an opinion from the Kansas Public Disclosure Commission.

We note at the outset that the commission's jurisdiction is limited in this case to the application of K.S.A. 75-4301 *et seq.* to your question. Thus, whether some other common law or statutory system applies to your question is not covered by this opinion.

We understand you request this opinion in your capacity as register of deeds for Marshall County, Kansas. You advise us that you would also like to become a licensed real estate agent during your service as register of deeds.

We have reviewed K.S.A. 75-4301 *et seq.* in its entirety and it is our opinion that nothing contained therein precludes a register of deeds from also being an active real estate agent. When you go into business, you should report the same within 10 days on an amended substantial interest disclosure statement. In addition, you must also abstain as a public official in any decisions relating to contracts between the county and the business by which you will be employed and an entity in which you hold a substantial interest except when the contract is let for competitive bid.

Opinion No. 85-18

Written November 18, 1985 to John Scheirman, Staff Attorney, Kansas Department of Transportation, State Office Building, Topeka, KS 66612.

This opinion is in response to your letter of August 14, 1985, in which you request an opinion from the Kansas Public Disclosure Commission concerning the conflict of interest laws.

We note at the outset that the commission's jurisdiction is limited to the application of K.S.A. 75-4301 *et seq.* and K.S.A. 46-215 *et seq.* to your questions. Thus, whether some other common law or statutory system applies to your questions is not covered by this opinion.

We understand you request this opinion in your capacity as a classified employee in the Kansas Department of Transportation. You state that you have also been appointed by the Douglas County Board of Commissioners to serve as a member of the Lawrence-Douglas County Planning Commission. We understand this planning commission to be advisory in nature and your service, therefore, uncompensated.

Based on this factual situation, you ask several complex and precise questions. By way of response, let us give some general analyses which we believe answers the majority of your questions:

Initially, K.S.A. 75-4301 *et seq.* applied to all local and state officials. Later, K.S.A. 46-215 *et seq.* was enacted and was intended to apply only to "state officers and employees." It is our opinion from a review of the legislative history concerning these laws that K.S.A. 75-4301 *et seq.* applies to an individual acting in his or her capacity as a local public official. In other words, in your situation your actions, including the need to file substantial interest statements at the local level, are governed by K.S.A. 75-4301 *et seq.* while your actions as a state official, including the need to file the state level disclosure statement, are governed by K.S.A. 46-215 *et seq.*

Turning then to your specific situation, the first question is how does the local level law apply to your

concurrent position with the state. This commission has consistently held that a governmental entity is not a "business or person" as defined in the local level law and thus your position with the state does not constitute a "substantial interest" under the local law. Therefore, K.S.A. 75-4301 *et seq.* places no restrictions upon your participation as a local official in dealing with the state of Kansas.

Under the state law, however, "governmental entities" are included in the definition of "person" (K.S.A. 46-233) and the issue turns to whether your position with the planning commission constitutes a "substantial interest" under K.S.A. 46-229. As we understand the factual situation, the only possible "substantial interest" would be under K.S.A. 46-229(d) relating to the holding of a position as an officer. However, that subsection relates only to officers of "businesses" and not of "persons." Therefore, it is our opinion that you do not hold a "substantial" interest in the planning commission. As most of the restrictions relating to acting in dual capacities are triggered by the existence of a "substantial interest," and since you do not hold one, it is our view that the state level conflicts law does not preclude you from acting as a state official on matters relating to the planning commission.

One clear exception to this rule is contained in K.S.A. 46-286 where the threshold test is not the holding of a "substantial interest" but rather the mere "holding of a position." However, since you serve on an advisory commission without compensation, even this section does not apply.

One other cautionary statement—it may be possible that K.S.A. 46-241 concerning use of confidential information could come into play in the situation where the information was used for direct grant to Douglas County. Otherwise, it is our opinion that you may fully participate both in your capacity as a member of the planning commission and as a state employee in matters between them.

Notwithstanding our opinion, the commission is concerned with the outcome. We will therefore make a recommendation to the next session of the legislature that the definition of "substantial interest" be modified to cover the situation you have described.

If we have failed to answer any of your questions, don't hesitate to contact us for further guidance.

Opinion No. 85-19

Written December 23, 1985 to The Honorable Bob Whittaker, U.S. Congress, 322 Cannon House Office Building, U.S. House of Representatives, Washington, D.C. 20515.

This opinion is in response to your letter of November 21, 1985, in which you request an opinion from the Kansas Public Disclosure Commission concerning the Kansas Campaign Finance Act.

We understand you are considering the possibility of becoming a candidate for election to the office of governor. You advise us that you are currently a United States Congressman and have significant funds in your federal campaign account.

You correctly note that in an earlier opinion this commission's predecessor (the Governmental Ethics Commission) ruled that a federal candidate could transfer federal campaign funds to Kansas without regard to contribution limitations.

You ask the following questions:

(a) Under Kansas law, may the treasurer of your congressional campaign committee transfer any or all of these excess funds to a committee duly established in the state for the purpose of advocating your election as governor?

(b) If the answer to (a) is yes, how should this transfer be reported? Is it sufficient that the sources of these funds have already been disclosed, as prescribed by law, in your federal election campaign reports (copies of which are on file with the Kansas Secretary of State), or must they again be itemized?

K.S.A. 25-4153 sets out the contribution limitations under the Campaign Finance Act. That section states, in pertinent part, as follows:

"(a) The aggregate amount contributed to a candidate and such candidate's candidate committee and to all party committees and political committees and dedicated to such candidate's campaign, by any person, except a party committee, the candidate or the candidate's spouse, shall not exceed the following:

(1) For the pair of offices of governor and lieutenant governor and for other state officers elected from the state as a whole, \$3,000 for each primary election (or in lieu thereof a caucus or convention of a political party) and an equal amount for each general election.

As a general rule, there is a limitation of \$3,000 per election which may be contributed to the governor's race. As applied to this situation, however, two questions may be raised. First, is the amount being transferred from the "candidate" such that the limitation does not apply? Second, is the transfer actually a "contribution?"

On the first issue, it is our understanding that the funds are currently held by a committee established under federal law which has an independent legal identity and pays its own taxes. Given these factual circumstances, we can only decide that the fund is not currently the candidate's fund; therefore, the candidate contribution exception to the general rule does not apply.

Turning then to the issue of whether the transfer constitutes a contribution, the starting point is K.S.A. 25-4143, which defines contribution in pertinent part to include:

"(d) (1) "Contribution" means: (A) Any advance, conveyance, deposit, distribution, gift, loan or payment of money or any other thing of value made for the purpose of influencing the nomination or election of any individual to state office;

(B) a transfer of funds between any two or more candidate committees, party committees or political committees.

At first blush, it would appear that this language clearly controls and by definition the transfer does constitute a contribution. However, the legislative intent of the language is subject to multiple interpretations: (1) It was intended to include within the definition of contribution transfers from one candidate to a wholly different candidate; or (2) In addition to the first component, it was intended to preclude the same candidate from carrying over funds from one election to another and from elections to different offices.

(continued)

Due to these possible interpretations, K.A.R. 19-22-1 was enacted and approved as to legality by the Attorney General. This regulation has not been overturned by any subsequent legislative enactment and therefore, as an administrative agency, we are bound by it. That rule and regulation states:

"(a) General. A transfer of goods and services, or the forgiving of a debt, or the rendering of a discount, does not constitute a contribution if the transaction is made in the ordinary course of business or complies with common trade practices and does not have as its purpose the influencing of the nomination or the election of any individual to state office. In addition, the carryover of funds or inventory by a candidate, candidate committee, party committee or political committee from one election period to another or the transfer thereof to a bona fide successor committee or candidacy does not constitute a contribution."

As may be seen, this rule and regulation adopted the theory that the carryover of funds by a candidate or transfer to a successor campaign did not constitute a contribution and therefore would not be subject to contribution limitations. It must be noted, however, that this regulation on its face relates only to "candidates," "committees" etc., which by statute are terms defined to include only those established for the purpose of Kansas elections.

Thus, K.A.R. 19-22(1)(a) does not specifically relate to the question of transfer of federal funds to a state race. However, in Opinion No. 76-22, the Kansas Governmental Ethics Commission opined that the same principle should be applied and permitted a similar transfer. We assume the opinion was based primarily on equitable principles; i.e., if one candidate at the state level is allowed to bring a campaign war chest forward, equal footing should be allowed to federal candidates. Of course, how equitable the ruling was would depend on the facts of each case. For example, if X were a state candidate carrying over \$500,000 it would seem to be equitable to permit federal candidate Y to bring in, say, \$100,000. On the other hand, if the figures were reversed the equitable argument might fail. Assuming for the moment the validity of this equitable analysis, it does overlook several of the primary purposes of the act. The Campaign Finance Act has contribution limitations different from the federal law, the state act has disclosure principles different from the federal law, and finally, the state law and federal law differ as to the nature of entities that may legally give contributions.

Thus, it is clear that valid arguments can be formed as to the appropriate policy in relation to the flow of federal funds to state elections. As an administrative agency, however, it is not our role to make policy decisions except in the limited circumstances permitted by the rule and regulation process. Therefore, we are limited to rules and regulations which implement or interpret the statutory language and we are certainly precluded from drafting rules and regulations beyond the scope or which conflict with the legislative enactment.

Faced then with the statutory definition of "contribution," which we believe can clearly be read as including the transfer you have described within its definition, and without a rule and regulation in point,

we believe we are constrained to hold that the transfer will constitute a contribution and therefore be limited to the \$3,000 set out in K.S.A. 25-4153.

For your information, we note that it is perfectly permissible under K.S.A. 25-4153(b) to have the federal fund loan to the state fund any amount so long as the ending balance when combined with other contributions from the federal fund do not exceed \$3,000 at the end of an allocable election period. Additionally, amounts in the federal fund could be returned and the contributor could authorize the contribution to be routed to the state fund so long as the limitation of the state law, disclosure requirements and reporting requirements were met.

In closing, we note that this opinion overrules Opinion No. 76-22, which while understandable as a policy decision, we believe to be legally incorrect. In addition, we wish to thank you for this opinion request as it obviously deals with a complicated problem which we hope the legislature will address at its next session.

Richard E. Dietz, Chairman
By Direction of the Commission

Filed with the Secretary of State May 5, 1986.

Doc. No. 004224

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 677

AN ACT concerning the annexation of land located in certain water districts; amending K.S.A. 12-527 and repealing the existing section.

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

Section 1. K.S.A. 12-527 is hereby amended to read as follows: 12-527. (a) Whenever a city shall ~~annex land~~ *annexes land* located within a rural water district organized pursuant to the provisions of K.S.A. 82a-612 *et seq.*, and amendments thereto, title to all facilities used for the transportation or utilization of water belonging to the water district shall vest in or become the property of the city upon payment by the city to the water district of the *reasonable* value of such property, as agreed upon by the governing body of the city and the board of directors of the district, or if such agreement is not made, then as determined by the city; ~~Provided, That~~ *Provided*, That the board of directors of any such district may bring an action in the district court to determine the reasonableness of the ~~amount of compensation value~~ *amount of compensation value* fixed and determined by any such city.

(b) *Such compensation shall include an amount to reimburse the district for any bonded indebtedness of the district existing at the time the annexation ordinance took effect and attributable to the annexed area, based on the following factors:*

(1) *The cost of the construction of the facilities within the annexed area in proportion to the construction costs for the entire district at the time of annexation;*

(2) *the number of benefit units connected to and served within the annexed area in proportion to the number of benefit units connected to and served by the entire district at the time of annexation; and*

(3) *the current revenue received from benefit units within the annexed area in proportion to the current revenue received from all benefit units of the entire district at the time of annexation.*

(c) *The compensation required by this section shall be paid to the district whether or not the city actually utilizes the facilities of the district for the delivery of water to property within the city and shall be paid at a time not later than 60 days following the date the city provides water to one or more benefit units who were supplied water by the district at the time of annexation, or at such later date as may be mutually agreed upon or as may be determined by the district court. Payment of*

any such compensation shall be made on a basis which is in proportion to the number of benefit units within the annexed area which are connected to and served by the city and the total number of benefit units within the annexed area. The city, as part of its service extension plan required under the provisions of K.S.A. 12-520b and 12-521c, and amendments thereto, shall notify each affected rural water district of its future plans for the delivery of water in areas proposed for annexation currently being served by the district.

(d) The governing body of the city and board of directors of the district may provide, on such terms as may be agreed upon, that water transmission facilities owned by the district and located within the city may be retained by the district for the purpose of transporting water to customers benefit units outside the city. In addition to compensation for such physical facilities the city may pay to the water district an amount equal to that portion of outstanding indebtedness of the district which is properly attributable to the portion of the water district annexed by the city.

Sec. 2. K.S.A. 12-527 is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 26, 1986.

SENATE adopted Conference Committee report April 26, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 7, 1986.

HOUSE adopted Conference Committee report April 26, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 7, 1986.

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 7th day of May, 1986.

(SEAL)

JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 647

AN ACT concerning professional negotiation between boards of education and professional employees thereof; vesting subpoena power in the secretary of human resources for performance of duties and responsibilities relating thereto; amending K.S.A. 72-5432 and repealing the existing section.

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

Section 1. K.S.A. 72-5432 is hereby amended to read as follows: 72-5432. (a) The secretary of human resources may adopt such rules and regulations as are necessary to implement and administer the provisions of K.S.A. 72-5413 to through 72-5431, inclusive, and acts amendatory thereof and supplemental thereto amendments to such sections, which place specific duties and responsibilities upon the secretary of human resources.

(b) Any rules and regulations adopted by the secretary of human resources prior to the effective date of this act to implement and administer the provisions of K.S.A. 72-5413 to through 72-5431, inclusive, and amendments thereto to such sections, shall remain in full force and effect until amended, modified, suspended, revoked or nullified pursuant to law.

(c) The secretary of human resources has the power to issue subpoenas requiring the attendance of any witnesses and the production of any records, books, papers and documents that the secretary considers necessary to implement and administer the provisions of K.S.A. 72-5413 through 72-5431, and amendments to such sections, which place specific duties and responsibilities upon the secretary. In the event of refusal to obey a subpoena on the part of any person or persons, the secretary shall have the authority to bring an action to enforce the subpoena in a court of competent jurisdiction.

Sec. 2. K.S.A. 72-5432 is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 5, 1986.

SENATE concurred in HOUSE amendments April 26, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 7, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 7, 1986.

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 7th day of May, 1986.

(SEAL)

JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 628

AN ACT concerning community corrections; relating to supplementary grants for certain counties; amending K.S.A. 75-52,109, as amended by section 29 of Senate Bill No. 419, and repealing the existing section.

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

Section 1. K.S.A. 75-52,109, as amended by section 29 of Senate Bill No. 419, is hereby amended to read as follows: 75-52,109. (a) A county or group of cooperating counties participating under the community corrections act shall be eligible for supplementary grant funds, in addition to those determined under K.S.A. 75-52,101 and amendments thereto, if:

(1) The population of the county or group of cooperating counties is within the range of 15,000 to 100,000; and

(2) the chargeback commitment rate per 1,000 population for those committed to the custody of the secretary of corrections, but not granted probation or assigned to a community correctional services program within 120 days after sentencing, is higher than the state rate as determined from department of corrections records for a two-year period ending six months prior to implementation of a plan; and

(3) the counties or group of cooperating counties have a comprehensive plan approved by the secretary of corrections.

(b) The supplementary grant funds shall be determined as follows:

(1) Determine the rate of chargeback commitments for the period set forth in subsection (a)(2) per 1,000 population;

(2) determine the rate of chargeback commitments not granted probation or assigned to a community correctional services program within 120 days after sentencing per 1,000 population for the period set forth in subsection (a)(2) and multiply this amount by 7.5;

(3) add the amounts determined in subsection (b)(1) and subsection (b)(2) and multiply this amount by the population of the county or group of cooperating counties, 70% of the amount determined under K.S.A. 75-52,101 and amendments thereto for the county or group of cooperating counties.

(c) Any county or group of cooperating counties eligible for supplementary grant funds and participating prior to January 1, 1986, shall have the supplementary grant computed by the formula in effect prior to January 1, 1986.

(d) Any county or group of cooperating counties eligible for supplementary grant funds shall submit to the secretary of corrections a comprehensive plan specifying the need for the funds and their intended use. The secretary of corrections may withhold all or part of the supplementary grant funds until the county or group of cooperating counties present sufficient justification for the need and use of the funds.

Sec. 2. K.S.A. 75-52,109, as amended by section 29 of Senate Bill No. 419, is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 5, 1986.

SENATE concurred in HOUSE amendments April 24, 1986.

ROBERT V. TALKINGTON

President of the Senate.

LU KENNEY

Secretary of the Senate.

Passed the HOUSE as amended April 3, 1986.

MIKE HAYDEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

APPROVED May 5, 1986.

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 May, 1986.

JACK H. BRIER

Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 773

AN ACT relating to the issuance of general obligation bonds by certain unified school districts; validating and confirming certain proceedings for the issuance of such bonds and any bonds issued thereunder.

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

Section 1. Any unified school district which, prior to the effective date of this act, has authorized, pursuant to the provisions of K.S.A. 72-6761, and amendments thereto, the issuance of general obligation bonds of the school district in the amount of \$2,500,000 for the purpose of paying a portion of the costs of improving the school facilities of the district by building, equipping and furnishing new elementary schools at Parker and La-Cygne, purchasing a site for such school at Parker, and remodeling, equipping and furnishing the existing elementary school at Fontana is hereby authorized to issue and sell such bonds in the manner provided by law without approval by election and without executing a nonlitigation certificate required by K.S.A. 10-108a, and amendments thereto. All proceedings for the issuance of such bonds and all bonds issued pursuant thereto are hereby validated and confirmed. The total amount of bonds issued under authority of this act shall not exceed the amount of \$2,500,000.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body April 25, 1986.

ROBERT V. TALKINGTON

President of the Senate.

LU KENNEY

Secretary of the Senate.

Passed the HOUSE April 26, 1986.

MIKE HAYDEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

APPROVED May 5, 1986.

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 May, 1986.

JACK H. BRIER

Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 8, 1986.)

SENATE BILL No. 768

AN ACT concerning the state park and resources authority; relating to powers thereof; amending K.S.A. 74-4510 and repealing the existing section.

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

Section 1. K.S.A. 74-4510 is hereby amended to read as follows: 74-4510. The authority is granted the following additional powers, rights and privileges for the purpose of acquiring, maintaining, extending and improving all state parks authorized and designated by the legislature of the state of Kansas and park facilities:

(a) To acquire by purchase, lease, agreement or condemnation or to accept donations, bequests, devises or gifts of any and all lands, or real property, authorized and designated by the legislature of the state of Kansas, and personal property and moneys necessary or convenient to the exercise of powers, rights and duties conferred upon it by this act. No property of any nature may be accepted or acquired by purchase, grant, lease, donations, devise or otherwise under conditions which shall pledge the credit of the state, except that (1) the authority is authorized to contract with the federal government pursuant to public law 89-72 in order to acquire lands by purchase, lease, agreement or otherwise at El Dorado state park and (2) the authority is authorized to contract with the federal government pursuant to public law 89-72 in order to acquire lands by purchase, lease, agreement or otherwise at Hillsdale state park. Title to all property acquired by the authority shall be taken in the name of the authority. The authority is further authorized to receive and accept from any federal agency any federal grants for or in aid of the construction of any park, lake, or park facility or when authorized by the legislature of the state of Kansas, to lease or otherwise acquire federally owned lands, properties or facilities under such conditions as may be imposed by the federal agency. The authority may also accept engineering aid or other assistance from any federal agency. The power of condemnation herein granted shall be exercised in the manner provided in K.S.A. 26-501 *et seq.*, and any acts amendatory thereof or supplemental thereto.

(b) To have exclusive administrative control over all lands, parks and park facilities acquired under the provisions of this act. The authority shall have police supervision over all state parks, and its duly appointed managers and rangers in charge of any state park are authorized and empowered to arrest without warrant any person or persons within or without such state park area caught in the act of committing an offense against the laws of the state or in the act of violating any rule or regulation of the state park and resources authority in force in such state park, and with a warrant under all other circumstances, and to deliver such person or persons to the proper court of the county wherein such offense has been committed, and to make and execute a complaint charging such person or persons with the offense committed. No dwelling house shall be searched for the purpose of such arrest without a warrant. The county attorney of the county wherein such offense has been committed shall appear and prosecute all actions arising under the provisions of this act.

(c) To acquire, develop, construct, extend, improve, maintain, and operate any and all facilities of all kinds which in the judgment of the authority will provide recreational or cultural facilities for the benefit of the public, or which are necessary or convenient to the exercise of the powers of the authority.

(d) To operate, rent or lease any and all park facilities which in the judgment of the authority are necessary or desirable for the use and pleasure of park visitors and to fix and collect reasonable fees, tolls, rentals and charges for the use or operation thereof except that no lease shall be made with any person, firm or corporation for a period longer than 25 years. Any such lease entered into prior to the effective date of this act may be renegotiated to extend the term thereof in accordance with the preceding sentence, but in no event shall the total term of such lease, including any extension permitted herein, exceed 25 years. All contracts or leases for the exercise of any concession

shall be entered into only upon the basis of sealed proposals which shall be made and let by the authority except that in any case where a concessionaire has an existing lease with the authority or any agency of the federal government which the authority desires to renew, renegotiate or acquire and sublease, then the authority may negotiate such lease or sublease directly in accordance with rules and regulations which the authority shall adopt, and without compliance with the requirements hereinbefore specified. Any such contract or lease for a term of 30 days or less may be made by the authority directly in accordance with rules and regulations which the authority shall adopt. The authority shall have authority to reject any or all proposals. All advertisements for sealed bids for contracts or leases for the exercise of any concession under this subsection shall be published by the authority at least 30 days prior to the bid opening in the Kansas register. Each and every lessee or custodian or anyone authorized to collect such fees, tolls, rentals or charges shall procure a surety bond in an amount fixed by the authority, conditioned upon the performance of their contracts or duties, each such bond to be executed by a surety company authorized to transact business in this state and to be approved by the attorney general and filed in the office of the secretary of state.

(e) To lease park land for development for the use and enjoyment of the public.

(e) (f) To ~~prescribe~~ adopt and enforce rules and regulations for the use of state parks and all recreational or cultural facilities under its jurisdiction and control, including regulating the demeanor, actions and activities of persons and the general public while within the park and park facilities which are under the jurisdiction and control of the park and resources authority so as to promote public health, safety and decency and also; to protect and safeguard the property and also; to promote the purposes for which the areas were acquired and improved; and also, but not limited to, the inspection of boats, the issuance of permits for operation of watercraft of all kinds, the charging and collection of fees for the inspection and operation of such craft, prescribing the type, style, location and equipment of all wharves, docks and anchorages, pavilions, restaurants and other structures or buildings which may be constructed along the shores or upon the water of any body of water or land controlled by the authority, and providing for the licensing, inspection and supervision of the same; and granting and imposing charges for permits and for all commercial uses or purposes to which any of the properties of the authority may be used, subject however, to the provisions of law and the rules and regulations of the Kansas fish and game commission with respect to fishing, hunting and trapping. Willful violation of the rules and regulations of the state park and resources authority adopted pursuant to the authority contained in this section shall constitute a class C misdemeanor. Fishing, hunting, and trapping upon any property under the possession or control of the authority shall be subject to the requirement of licensing by the Kansas fish and game commission according to law and its regulations and no other license or permit for fishing, hunting or trapping shall be required on such areas, but this provision shall not be construed as preventing the authority or any lessee of the authority from making any charge for a license or permit to use the special facilities provided for fishing. The right to enforce all fish and game laws and regulations on all areas under the authority is reserved to the Kansas fish and game commission.

Sec. 2. K.S.A. 74-4510 is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body April 11, 1986.

SENATE concurred in HOUSE amendments April 25, 1986.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

(continued)

Passed the HOUSE as amended April 25, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 1, 1986.

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 2nd day of May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 778

AN ACT concerning community colleges; affecting the tax levy limitation for capital outlay funds thereof; amending K.S.A. 71-501, as amended by section 1 of 1986 Senate Bill No. 55, and repealing the existing section; also repealing sections 2, 3 and 4 of 1986 Senate Bill No. 55 and K.S.A. 71-503, 71-504, 71-505 and 71-506.

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

Section 1. K.S.A. 71-501, as amended by section 1 of 1986 Senate Bill No. 55, is hereby amended to read as follows: 71-501.

(a) The board of trustees of any community college is authorized to make an annual tax levy for a period of not to exceed five years of not to exceed two mills upon all taxable tangible property in the community college district for the purpose of construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of community college buildings, architectural expenses incidental thereto, and the acquisition of real property for use as building sites or for educational programs. No levy shall be made under this section until a resolution authorizing the levy is passed by the board of trustees and published once a each week for three consecutive weeks in a newspaper having general circulation in the community college district. The resolution shall specify the mill rate of the tax levy and the period of time for which the tax levy shall be made under authority thereof. After adoption of the resolution, the levy may be made unless, within 60 days following the last publication of the resolution, a petition in opposition to the levy, signed by not less than 5% of the qualified electors of the community college district, is filed with the county election officer of the county in which the main campus of the community college is located. If a petition is filed, the levy shall not be made without the question of levying the same having been submitted to and approved by a majority of the qualified electors of the district voting at an election called for that purpose or at the next general election. If a petition is filed and no election is held, a new resolution authorizing a levy for the purposes specified in this section may not be adopted for a period of one year after the filing of the petition.

(b) Whenever an initial resolution has been adopted under subsection (a) and the resolution specified a lesser mill rate than two mills, the board of trustees of the community college may adopt a second resolution under the same procedure as is provided in subsection (a) for the initial resolution and, subject to the same conditions and for the same purposes as provided in subsection (a), shall be authorized to make an additional tax levy in an amount to be specified in the second resolution for the remainder of the period of time specified in the initial resolution for the making of the levy under authority thereof. Any second resolution shall be limited in amount as specified in subsection (a), less such amount as was authorized in the initial resolution, and not to exceed an aggregate amount of two mills in any one year. If any such resolution is adopted and the tax levy therein specified is authorized under the conditions specified in subsection (a), the amount of bonds which may be issued under

K.S.A. 71-502, and amendments thereto, may be increased accordingly.

(c) The board of trustees of any community college which has made a tax levy under this section may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to make a like annual tax levy in the amount, upon the conditions, and in the manner specified in subsection (a).

(d) As used in this act, "unconditionally authorized to make a tax levy under authority of article 5 of chapter 71 of Kansas Statutes Annotated" means that the board of trustees of the community college has adopted a resolution under this section, has published the same, and either that such resolution was not protested or that it was protested and an election was held by which the tax levy of the community college was approved.

New Sec. 2. If any community college is unconditionally authorized to make a tax levy under authority of article 5 of chapter 71 of Kansas Statutes Annotated, but the board of trustees of the community college chooses, in any year, not to make the levy, or chooses to make a lesser levy than authorized, the board of trustees may do so. If the board of trustees of the community college refrains from making a levy in any one or more years or from making the full levy which it is authorized to make under K.S.A. 71-501, and amendments thereto, and the resolution adopted thereunder, the authority of the community college to make a tax levy under K.S.A. 71-501, and amendments thereto, shall not thereby be extended beyond the period of time specified in the resolution, nor shall the mill rate of the tax levy authorized for any succeeding year be increased thereby.

New Sec. 3. This act shall not in any manner be construed as affecting the validity of any tax levies authorized to be made under article 5 of chapter 71 of Kansas Statutes Annotated prior to the effective date of this act, nor shall this act in any manner be construed as affecting the validity of any bonds issued or authorized to be issued under article 5 of chapter 71 of Kansas Statutes Annotated prior to the effective date of this act.

Sec. 4. Sections 2, 3 and 4 of 1986 Senate Bill No. 55 and K.S.A. 71-501, as amended by section 1 of 1986 Senate Bill No. 55, 71-503, 71-504, 71-505 and 71-506 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body April 25, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE April 26, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 5, 1986.

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 May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 584

AN ACT making and concerning appropriations for the fiscal year ending June 30, 1986, for the commission on civil rights, department of economic development, Kansas soldiers' home, Kansas public employees retirement system, department of education, Kansas state school for the deaf, Pittsburg state university, university of Kansas, university of Kansas medical center, Wichita state university, Kansas state university, state board of regents, department of human resources, secretary of state, state board of agriculture, Kansas water office, judicial branch, Kansas state school for the visually handicapped, Kansas wheat commission, Kansas technical institute, Emporia state university, Kansas state university veterinary medical center, Fort Hays state university, attorney general and crime victims reparations board; authorizing certain transfers; imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing; amending section 30 of chapter 38 of the 1985 Session Laws of Kansas and repealing the existing section.

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

Section 1. For the fiscal year ending June 30, 1986, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, fees, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2.

COMMISSION ON CIVIL RIGHTS

(a) The expenditure limitation established by section 2(b) of chapter 21 of the 1985 Session Laws of Kansas on the federal fund is hereby increased from \$260,000 to \$300,000.

Sec. 3.

DEPARTMENT OF ECONOMIC DEVELOPMENT

(a) The expenditure limitation established by the state finance council on the community development block grant administrative match—federal fund is hereby increased from \$264,120 to \$296,848.

Sec. 4. On the effective date of this act, section 30 of chapter 38 of the 1985 Session Laws of Kansas is hereby amended to read as follows: Sec. 30.

DEPARTMENT OF ECONOMIC DEVELOPMENT

(a) There is appropriated for the above agency from the state general fund the following:

Table with 2 columns: Description and Amount. Includes General administration (\$693,541), Office of minority business (52,165), Office of advanced technology (197,980), Small business development (213,016), Industrial development (1,033,039).

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1985, is hereby reappropriated for fiscal year 1986: Provided, however, That expenditures from such reappropriated balance shall not exceed \$12,500 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Travel, tourism and film services 744,553

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1985, in the travel and tourism account is hereby reappropriated to the travel, tourism and film services account for fiscal year 1986: Provided, however, That expenditures from such reappropriated balance shall not exceed \$6,000 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto: Provided further, That expenditures from this account for newsletters promoting the agricultural hall of fame shall not exceed \$10,000.

Community development 447,219

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1985, in the planning and community development account is hereby reappropriated to the community development account for fiscal year 1986: Provided, however, That expenditures from such reappropriated balance shall not exceed \$9,000 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Kansas advanced technology commission—research projects grants 610,000

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1985, is hereby reappropriated for fiscal year 1986: Provided further, That the secretary, with the approval of the Kansas advanced technology commission, shall transfer funds from this account to the research projects grants funds at the

university of Kansas, Kansas state university, Wichita state university and Pittsburg state university: Provided, however, That any transfer from this account to any such institution shall be matched, prior to such transfer, by an amount in the research projects grants matching fund of such institution or the value of state-of-the-art equipment approved by the commission, or both, which is equal to or more than 150% of the amount transferred.

Grants for certified development companies 80,000

Provided, That expenditures from this account shall be made only if matched by an equal or greater amount of moneys from sources other than state agencies.

Plan for economic development in Kansas 40,000

Provided, That the above agency may make expenditures from this account pursuant to a contract which is hereby authorized to be entered into by the secretary of economic development and an educational institution under the control and supervision of the state board of regents: Provided further, That such contract shall be entered into pursuant to competitive bids solicited therefor: Provided, however, That all expenditures from this account shall be matched equally by expenditures from the plan for economic development in Kansas matching fund, on a dollar-for-dollar basis, from moneys received from nongovernmental sources and credited to that fund.

Total \$4,111,513 \$4,151,513

(b) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Table with 2 columns: Description and Amount. Includes Publication and other sales fund (No limit), Conversion of materials and equipment fund (\$0), Housing assistance program—federal fund (No limit), Community development block grant—federal fund (No limit).

Provided, That not less than 5% of the moneys available in this fund shall be available to implement the multipurpose small lakes program act enacted by 1985 House Bill No. 2578: Provided further, That all expenditures from the amount available for implementation of the multipurpose small lakes program act shall be matched equally on a dollar-for-dollar basis from any other funding source.

Table with 2 columns: Description and Amount. Includes Community development block grant administrative match—federal fund (252,475), Minority business grant—federal fund (88,812), National mainstreet center fund (40,000).

Provided, That all gifts and grants received for this purpose shall be deposited in the state treasury and credited to this fund.

South Haven tourist information center—federal fund 50,000

Provided, That expenditures from this fund shall be made in accordance with a contract entered into with the Kansas turnpike authority.

Table with 2 columns: Description and Amount. Includes Small business development NDC fund (25,000), Plan for economic development in Kansas matching fund (No limit).

Sec. 5.

KANSAS SOLDIERS' HOME

(a) The expenditure limitation established by the state finance council on the salaries and wages account of the soldiers' home fee fund is hereby increased from \$1,043,110 to \$1,080,136.

Sec. 6.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

(a) There is appropriated for the above agency from the state general fund the following:

Table with 2 columns: Description and Amount. Includes For employers' contributions \$713,109

Sec. 7.

DEPARTMENT OF EDUCATION

(a) The expenditure limitation established by the state finance council on the job training partnership act fund—federal is hereby increased from \$979,198 to \$1,251,272.

(b) The expenditure limitation established by the state finance council on the food assistance—federal fund is hereby increased from \$32,575,729 to \$35,585,729.

(c) The expenditure limitation established by the state finance council on the state operations account of the food assistance—federal fund is hereby increased from \$400,729 to \$410,729.

(continued)

Sec. 8.

KANSAS STATE SCHOOL FOR THE DEAF

(a) There is appropriated for the above agency from the state institutions building fund the following:

Correction of deficiencies cited by state fire marshal \$18,150

Sec. 9.

PITTSBURG STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures for utilities \$3,664

(b) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
 Housing system operations fund No limit
 Housing system repairs, equipment and improvement fund No limit

Sec. 10.

UNIVERSITY OF KANSAS

(a) There is appropriated for the above agency from the state general fund the following:

Law enforcement training center operations \$44,861

(b) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
 Housing system operations fund No limit
 Housing system repairs, equipment and improvement fund No limit

(c) The expenditure limitation established by section 7(b) of chapter 34 of the 1985 Session Laws of Kansas on the general fees fund is hereby increased from \$27,999,312 to \$28,999,312.

(d) On the effective date of this act, of the \$10,029,838 appropriated for the above agency by section 7(a) of chapter 34 of the 1985 Session Laws of Kansas from the state general fund in the other operating expenditures (including official hospitality) account, the sum of \$1,000,000 is hereby lapsed.

Sec. 11.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures (including official hospitality) \$101,356

(b) The expenditure limitation established by section 45(b) of chapter 38 of the 1985 Session Laws of Kansas on the hospital revenue fund is hereby increased from \$70,875,867 to \$71,488,420.

(c) In addition to the purposes for which expenditures are authorized for fiscal year 1986 from the restricted fees fund by section 9(b) of chapter 34 of the 1985 Session Laws of Kansas, expenditures may be made for fiscal year 1986 from such fund for operating supplies for the kidney stone lithotripter.

(d) On the effective date of this act, the director of accounts and reports shall transfer \$189,000 from the hospital revenue fund to the operating supplies for the kidney stone lithotripter account of the restricted fees fund.

(e) Effective May 1, 1986, medical students enrolled at the university of Kansas medical center are hereby self-insured by the state of Kansas while in clinical training at the university of Kansas medical center or at other health care institutions.

Sec. 12.

WICHITA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund the following:

Salaries and wages \$100,000

(b) On the effective date of this act, of the \$321,700 appropriated for the above agency by section 8(c) of chapter 34 of the 1985 Session Laws of Kansas from the Kansas educational building fund in the remodeling for college of business account, the sum of \$252,700 is hereby lapsed.

(c) There is appropriated for the above agency from the

following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
 Housing system operations fund No limit
 Housing system repairs, equipment and improvement fund No limit

Sec. 13.

KANSAS STATE UNIVERSITY

(a) On the effective date of this act, of the \$974,000 appropriated for the fiscal year ending June 30, 1986, for the above agency by section 3(b) of chapter 13 of the 1984 Session Laws of Kansas from the Kansas educational building fund in the plan and construct plant sciences greenhouses account, the sum of \$108,016 is hereby lapsed.

(b) In addition to the purposes for which expenditures are authorized for fiscal year 1986 from the restricted fees fund by section 39(b) of chapter 38 of the 1985 Session Laws of Kansas, expenditures may be made for fiscal year 1986 from such fund for the capital improvement project for construction of an equipment storage building at the pecan experimental field at Che-topa.

(c) In addition to the purposes for which expenditures are authorized for fiscal year 1986 from the Fort Hays experiment station fee fund by section 39(b) of chapter 38 of the 1985 Session Laws of Kansas, expenditures may be made for fiscal year 1986 from such fund for the capital improvement project for construction of a calving nursery building at the Fort Hays branch experiment station.

(d) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
 Housing system operations fund No limit
 Housing system repairs, equipment and improvement fund No limit

(e) There is appropriated for the above agency from the state general fund the following:

Extension \$219,072
 Experimental fields 178,717
 Total \$397,789

(f) The expenditure limitation established by section 39(b) of chapter 38 of the 1985 Session Laws of Kansas on the federal extension fund is hereby decreased from \$3,946,666 to \$3,727,594.

Sec. 14.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund the following:

Expenses for recruiting, interviewing and selecting chief executive officers of institutions and the state board of regents (including official hospitality) \$25,000

Provided, That expenditures may be made from this account to reimburse the actual expenditures of applicants, members of the state board of regents and designated personnel and applicants' spouses when accompanying applicants on official business: *Provided further*, That expenditures may be made from this account as reimbursement to individuals or as reimbursement to a university foundation for allowable expenditures from this account.

Sec. 15.

DEPARTMENT OF HUMAN RESOURCES

(a) On the effective date of this act, the expenditure limitation established by the state finance council on the job training partnership act—Title II-B—summer youth training fund is hereby increased from \$5,365,521 to No limit: *Provided*, That any expenditures from this fund for state operations shall not exceed \$575,168.

Sec. 16.

SECRETARY OF STATE

(a) On the effective date of this act, the director of accounts and reports shall transfer \$15,000 from the land survey fee fund to the state general fund.

(b) On the effective date of this act, the director of accounts and reports shall transfer \$527,500 from the uniform commercial

code fee fund to the state general fund. The amount transferred under this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the office of the secretary of state by other state agencies which receive appropriations from the state general fund to provide such services. Such reimbursement is in addition to the reimbursements authorized by K.S.A. 75-3170a and amendments thereto.

Sec. 17.

STATE BOARD OF AGRICULTURE

(a) There is appropriated for the above agency from the state general fund the following:

Farm assistance counseling and training program \$60,000

Sec. 18.

KANSAS WATER OFFICE

(a) On June 30, 1986, the director of accounts and reports shall transfer \$2,852,724 from the state general fund to the state conservation storage water supply fund.

Sec. 19.

JUDICIAL BRANCH

(a) The expenditure limitation established by section 4(b) of chapter 19 of the 1985 Session Laws of Kansas on the bar admission fee fund is hereby increased from \$35,485 to \$37,423.

Sec. 20.

KANSAS STATE SCHOOL FOR THE VISUALLY HANDICAPPED

(a) The expenditure limitation established by section 4(b) of chapter 33 of the 1985 Session Laws of Kansas on the general fees fund is hereby increased from \$15,000 to \$17,000.

(b) The expenditure limitation established by section 4(b) of chapter 33 of the 1985 Session Laws of Kansas on the elementary and secondary education act—federal fund is hereby increased from \$32,858 to \$44,296.

Sec. 21.

KANSAS WHEAT COMMISSION

(a) The expenditure limitation established by section 6(a) of chapter 36 of the 1985 Session Laws of Kansas on the official hospitality account of the Kansas wheat commission fund is hereby decreased from \$33,500 to \$25,000.

Sec. 22.

KANSAS TECHNICAL INSTITUTE

(a) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
Housing system operations fund No limit
Housing system repairs, equipment and improvement fund No limit

(b) The expenditure limitation established by section 10(b) of chapter 34 of the 1985 Session Laws of Kansas on the general fees fund is hereby decreased from \$300,000 to \$261,150.

(c) There is appropriated for the above agency from the state general fund the following:

Other operating expenditures (including official hospitality)..... \$38,850

Sec. 23.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
Housing system operations fund No limit
Housing system repairs, equipment and improvement fund No limit

Sec. 24.

KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

(a) The expenditure limitation established by section 4(b) of chapter 34 of the 1985 Session Laws of Kansas on the general fees fund is hereby increased from \$1,948,160 to \$2,021,852.

(b) On the effective date of this act, of the \$641,596 appropriated for the above agency by section 4(a) of chapter 34 of the

1985 Session Laws of Kansas from the state general fund in the other operating expenditures (including official hospitality) account, the sum of \$73,692 is hereby lapsed.

Sec. 25.

FORT HAYS STATE UNIVERSITY

(a) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Housing system suspense fund No limit
Housing system operations fund No limit
Housing system repairs, equipment and improvement fund No limit

Sec. 26.

ATTORNEY GENERAL

(a) There is appropriated for the above agency from the state general fund the following:

Additional operating expenditures for investigation and litigation regarding interstate water rights \$200,000

Sec. 27.

CRIME VICTIMS REPARATIONS BOARD

(a) On the effective date of this act, of the \$161,517 appropriated for the above agency by section 5(a) of chapter 19 of the 1985 Session Laws of Kansas from the state general fund in the crime victims reparations (including state operations) account, the sum of \$3,432 is hereby lapsed.

Sec. 28. Appeals to exceed limitations. Upon written application to the governor and approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, expenditures from special revenue funds may exceed the amounts specified in this act.

Sec. 29. Any state institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 1986 regular session of the legislature and having an unencumbered balance as of June 30, 1986, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 1987, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 30. On the effective date of this act, section 30 of chapter 38 of the 1985 Session Laws of Kansas is hereby repealed.

Sec. 31. Effective date. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body March 27, 1986.

SENATE adopted Conference Committee report April 24, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 11, 1986.

HOUSE adopted Conference Committee report April 24, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 6, 1986.

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.

(continued)

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 6th day of May, 1986.

JACK H. BRIER
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 733

AN ACT concerning revenue bonds for buildings and facilities at educational institutions; authorizing the issuance of such bonds for renovation of the student union building at the university of Kansas; amending K.S.A. 76-6a20 and K.S.A. 1985 Supp. 76-6a13, 76-6a15 and 76-6a18 and repealing the existing sections.

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

Section 1. K.S.A. 1985 Supp. 76-6a13 is hereby amended to read as follows: 76-6a13. As used in this act, unless the context otherwise requires:

(a) "Board" means the state board of regents or a board of regents of a municipal university or a board of education of a unified school district in any county having a population of more than 7,250 and less than 9,000 in which there is located an area vocational-technical school campus, or the board of control of any such area vocational-technical school or the board of trustees of any community college.

(b) "Institution" means and includes the university of Kansas, university of Kansas school of medicine at Kansas City, Fort Hays state university, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university and the Kansas technical institute, together with all other state institutions of learning now or hereafter under the control and supervision of the state board of regents, any municipal university organized under the laws of Kansas, any community college, or any area vocational-technical school the buildings of which are located in a county having a population of more than 7,250 and less than 9,000.

(c) "Building," when heretofore or hereafter constructed by the state board of regents for any institution under the control and supervision of the state board of regents, means and includes one or more dormitories, kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking, or additions heretofore or hereafter erected in connection therewith, or *rehabilitation or renovation of an existing building*, or any combination thereof, or any stadium, structure or facility when the same is deemed necessary by the state board of regents to carry out the purposes of the institution, or additions heretofore or hereafter erected in connection with such stadium, structure or facility. ~~Before any revenue bonds may be issued by~~ The state board of regents *shall not issue any revenue bonds* for construction of any structure or facility or additions erected in connection therewith, *or for rehabilitation or renovation of an existing building*, as authorized by this section, *unless such construction shall be or rehabilitation or renovation has been* authorized by appropriation or other act of the legislature *and the state board of regents has first advised and consulted on such construction or rehabilitation or renovation with the joint committee on state building construction.*

(d) "Revenue bonds" means bonds issued hereunder for the purposes herein authorized and payable as to both principal and interest solely and only out of (1) the income and revenues arising from the operation of the building for which such bonds are issued, or (2) in the case of a building to be constructed for an institution under the control and supervision of the state board of regents and upon a determination by the state board of regents that the best interests of the state and the institution will be served thereby, the revenues derived from student fees levied for this purpose or for other bonds after such other bonds are retired, or both, (3) any combination of the revenues described in clause (1) or (2) and (4) in addition to the revenues described in clauses (1), (2) or (3), in the discretion of the board, out of one or both of the following additional sources: (A) The proceeds of any grant in aid of such project which may be received from any source, and (B) the net income and revenues arising from the operation of another building already owned and operated by the

board and located on the same campus of the institution where the building for which bonds are to be issued will be located.

(e) "Net income and revenue" means the income arising from the operation of a building remaining after providing for the costs of operation of such building and the costs of maintenance thereof.

(f) "Building," when heretofore or hereafter constructed by a board other than the state board of regents, means and includes one or more dormitories; kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking or additions heretofore or hereafter erected in connection therewith, or any combination thereof.

Sec. 2. K.S.A. 1985 Supp. 76-6a15 is hereby amended to read as follows: 76-6a15. (a) For the purpose of paying all or part of the cost of acquisition, equipment and furnishing of any such building, including the acquisition of a site therefor, or for all or part of the cost of rehabilitation or renovation of an existing building, including equipment and furnishings, the board is authorized to issue and sell revenue bonds as herein defined in an amount which it deems necessary for that purpose. At or prior to the issuance of such revenue bonds, the board:

(1) Shall pledge either the gross or the net income and revenues of such building or, in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income and revenues of such building, shall pledge the revenues to be derived from student fees, or any combination of such revenues, to the payment of principal and interest on such revenue bonds; and

(2) shall covenant to fix, maintain and collect such fees and charges for the use of such building, including a fee to be charged each enrolled student to whom the building is available for use for which the revenue bonds are issued, or at the discretion of the state board of regents to each student enrolled for regular academic classes on the campus where such building is located, as will produce revenues sufficient to pay the reasonable cost of operating and maintaining such building, to provide and maintain an interest and sinking fund in an amount adequate to promptly pay both principal and interest on such bonds and to provide a reasonable reserve fund or, in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by the revenues derived from student fees and not by the gross or net income and revenues of such building, shall covenant to fix and impose or specify student fees as will produce revenues sufficient to provide and maintain an interest and sinking fund in an amount adequate to promptly pay both principal and interest on such bonds and to provide a reasonable reserve fund or any combination of any of such fees and charges as is appropriate under any combination of financing methods.

(b) In the event the board pledges the gross income and revenue of such building or the revenue derived from student fees to the payment of such bonds, it may agree to pay the cost of operation and maintenance of the building from any other revenues of the board legally available for such purpose.

(c) In addition to the revenues described in subsection (a), the board in its discretion may pledge to the payment of the principal and interest on such revenue bonds either one or both of the following:

(1) The proceeds of any grant-in-aid or the income therefrom of such building which may be received from any source whether such grant is made directly or in trust; or

(2) the net income and revenue arising from the operation of another building as herein defined, already owned and operated by the board or institution.

(d) If any gift or grant is made to or established in trust for any institution whereby such gift or grant or the income therefrom may be used to finance in whole or in part the acquisition, construction, *rehabilitation, renovation* or equipping of any building or facility, or the site thereof for such institution, which ~~such~~ building or facility shall have been found by the board of such institution to be of major importance to the institution in

carrying on its work, whether or not such building or facility is of the kind or character defined in subsection (c) of K.S.A. 76-6a13 and amendments thereto, the board of such institution is empowered to issue and sell revenue bonds for the purpose of acquiring, constructing, *rehabilitating*, *renovating* or equipping such building or facility, including the site thereof, to pay all or any part of the cost from the proceeds of such bonds and to pledge to the payment of such bonds:

- (1) The net income from such gift, grant or trust;
- (2) the gross or net income and revenues of such building or facility;
- (3) the revenues derived from student fees in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income and revenues of such building;
- (4) the net income and revenues arising from the operation of any other building or facility owned and operated by such board or institution; or
- (5) any combination thereof.

(e) If more than one series of bonds is issued hereunder payable from the net income and revenues of any such building, priority of lien thereof on such net income and revenues shall depend on the provisions of the proceedings authorizing the issuance of such bonds, it being within the discretion of the board, at the time it authorized the first such series, to provide that:

- (1) Subsequent series of bonds payable from such net income and revenues may not be issued;
- (2) subsequent series of bonds shall be subordinate as to lien; or
- (3) subsequent series of bonds shall enjoy parity of lien if such conditions and restrictions as may be specified in such proceedings can be met.

Sec. 3. K.S.A. 1985 Supp. 76-6a18 is hereby amended to read as follows: 76-6a18. (a) The board may issue revenue bonds under this section for the purpose of refunding outstanding revenue bonds issued under K.S.A. 76-6a13 to 76-6a35, inclusive, and amendments thereto or may issue revenue bonds under this section for the combined purposes of refunding such outstanding revenue bonds and the acquisition, equipment and furnishing of additions, improvements or extensions to such building or buildings, *or the rehabilitation or renovation thereof*, or for the acquisition, equipment and furnishing of additional buildings. Bonds issued under this section for refunding purposes and any bonds issued for other purposes under the provisions of K.S.A. 76-6a13 to 76-6a35, inclusive, and amendments thereto which are issued in combination with bonds issued under this section for refunding purposes may be sold at public or private sale at such price as the board may determine. Bonds issued under this section for refunding purposes may be delivered in exchange for the outstanding bonds being refunded or, if sold, the proceeds either may be applied to the payment of the bonds refunded or may be deposited in escrow for the retirement thereof.

(b) All bonds issued under this section shall be secured in the manner provided for other bonds issued under K.S.A. 76-6a13 to 76-6a35, inclusive, and amendments thereto and shall have all of the attributes of such bonds. The board may provide that any such refunding bonds shall have the same priority of lien on the revenues pledged for their payment that was enjoyed by the obligations refunded thereby.

Sec. 4. K.S.A. 76-6a20 is hereby amended to read as follows: 76-6a20. The proceeds derived from the sale of the bonds herein authorized shall be deposited to the credit of the board in a bank, banks, or other depositories designated by the board and kept in a separate fund and used solely for the purpose for which the bonds are authorized. The board is authorized to make all contracts and execute all instruments which in its discretion may be deemed necessary or advisable to provide for the construction, furnishing and equipment of such building, *or the rehabilitation or renovation of an existing building*, and to provide for the manner of disbursement of the funds for such purposes. Nothing contained in this act shall be construed as placing in the state

treasury any money collected under this act or requiring such action, and the legislature hereby declares that funds deposited hereunder shall not be subject to the provisions of section 24 of article 2 of the Kansas constitution.

New Sec. 5. (a) The state board of regents is hereby authorized, pursuant to subsection (c) of K.S.A. 76-6a13 and amendments thereto, to renovate the student union building at the university of Kansas.

(b) For the purposes of paying all or part of the costs of the capital improvement project to renovate the student union building at the university of Kansas, the state board of regents is authorized to issue revenue bonds pursuant to K.S.A. 76-6a12 *et seq.* and amendments thereto.

(c) The state board of regents shall not initiate the capital improvement project to renovate the student union building at the university of Kansas or issue revenue bonds therefor, as authorized by this act, without having first advised and consulted on such capital improvement project with the joint committee on state building construction.

Sec. 6. K.S.A. 76-6a20 and K.S.A. 1985 Supp. 76-6a13, 76-6a15 and 76-6a18 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body April 8, 1986.

SENATE concurred in HOUSE amendments April 24, 1986.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 12, 1986.
MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 6, 1986.

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 6th day of May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 425

AN ACT concerning municipalities; relating to alteration of the boundaries of certain districts; amending K.S.A. 12-520, 19-2752b, 19-2752i, 19-3503, 19-3504, 19-3525, 19-3538, 19-3602, 19-3604, 19-3619, 19-3801, 19-3805, 24-127, 24-132, 24-401, 24-458, 24-463, 24-501, 24-657, 24-667, 31-301, 80-1512, 80-1513, 80-1524, 80-1526, 80-1541, 80-1547, 80-1920, 80-2002, 80-2013, 82a-601, 82a-613, 82a-623 and 82a-639 and K.S.A. 1985 Supp. 19-2755, 19-27a03, 19-27a13, 19-27a14, 19-27a16, 19-3512, 19-3613, 19-3624, 24-137, 24-138 and 24-601 and repealing the existing sections.

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

New Section 1. (a) (1) A special benefit district shall include any:

- (A) Sewer district;
- (B) water district, rural water district and water supply district;
- (C) fire district;
- (D) improvement district;
- (E) industrial district; and
- (F) drainage district.

(2) The fringe area of a city means the area of unincorporated territory lying outside of but within three miles of the nearest point on the city limits of a city which has adopted subdivision regulations under K.S.A. 12-705, and amendments thereto.

(b) No special benefit district shall be created, established or otherwise formed within the fringe area of any city unless approved by at least a $\frac{3}{4}$ majority vote of the board of county commissioners of the county in which the city is located. The boundaries of any such district shall not be extended unless approved by at least a $\frac{3}{4}$ majority vote of the board of county commissioners of the county in which the city is located. If the boundaries of the district cross county lines, the board of county commissioners of each county in which the district is located shall be required to approve the creation or extension of the boundaries of the district by at least a $\frac{3}{4}$ majority vote of the board of county commissioners of each county. If a hearing is not already required to be held prior to the creation or expansion of a special benefit district, the board of county commissioners shall call and hold a hearing on the proposed action. Notice of the hearing shall be published once in the official county newspaper. The notice shall be published at least seven days prior to the date of the hearing.

At the hearing, the board shall receive testimony from the city, township, county or regional planning commission having jurisdiction over any of the affected land area. Such testimony shall address any incompatibilities between the creation or expansion of the district and any adopted land use or comprehensive plans. The governing body of the city may present testimony of any proposed annexation of the affected land area. Any interested person may present testimony before the board. As a guide in determining the advisability of authorizing the creation or change in boundaries of a special benefit district located within the fringe area of a city, the board shall take into consideration: (1) The size and population of such city; (2) the city's growth in population, business and industry during the past 10 years; (3) the extension of its boundaries during the past 10 years; (4) the probability of its growth toward the territory during the ensuing 10 years, taking into consideration natural barriers and other reasons which might influence growth toward the territory; (5) the willingness of the city to annex the territory and its ability to provide city services in case of annexation; and (6) the general effect upon the entire community, all of these and other considerations having to do with the overall orderly and economic development of the area and to prevent an unreasonable multiplicity of independent municipal and special district governments. The board shall approve or disapprove the creation or change in boundaries of the special benefit district within seven days of the hearing. Any person or city aggrieved by the decision of the board of county commissioners may appeal from the decision of the board within 30 days following the rendering of the decision to the district court of the county in which the affected area is located. The appeal shall be taken in the manner provided by K.S.A. 19-223, and amendments thereto. Any city so appealing shall not be required to execute the bond prescribed therein.

Sec. 2. K.S.A. 12-520 is hereby amended to read as follows: 12-520. Except as otherwise hereinafter provided, the governing body of any city may by ordinance annex land to such city if any one or more of the following conditions exist:

(a) The land is platted, and some part of such land adjoins the city.

(b) The land is owned by or held in trust for the city or any agency thereof.

(c) The land adjoins the city and is owned by or held in trust for any governmental unit other than another city, except that no city may annex land owned by a county which has primary use as a county-owned and operated airport, or other aviation related activity; or which has primary use as a county owned and operated zoological facility, recreation park or exhibition and sports facility without the express permission of the board of county commissioners of such county.

(d) The land lies within or mainly within the city and has a common perimeter with the city boundary line of more than ~~fifty percent (50%)~~ 50%.

(e) The land if annexed will make the city boundary line straight or harmonious and some part thereof adjoins the city, except no land in excess of ~~twenty (20)~~ 20 acres shall be annexed for this purpose.

(f) The tract is so situated that ~~two-thirds (2/3)~~ $\frac{2}{3}$ of any boundary line adjoins the city, except no tract in excess of ~~twenty (20)~~ 20 acres shall be annexed under this condition.

(g) The land adjoins the city and a written petition for or consent to annexation is filed with the city by the owner.

No unplatted tract of land of ~~fifty-five (55)~~ 55 acres or more which is used only for agricultural purposes shall be annexed by any city under the authority of this section without the written consent of the owner thereof.

Whenever any city shall annex any land under the authority of subsection (b) of this section which does not adjoin the city, tracts of land adjoining the land so annexed shall not be deemed to be adjoining the city for the purpose of annexation under the authority of this section until such adjoining land or the land so annexed adjoins the remainder of the city by reason of the annexation of the intervening territory.

No city shall be authorized to annex the right-of-way of any highway under the authority of this section unless at the time of such annexation the abutting property upon one or both sides thereof is already within the city or is annexed to the city in the same proceeding.

The governing body of any city may by one ordinance annex one or more separate tracts or lands each of which conforms to any one or more of the foregoing conditions. The invalidity of the annexation of any tract or land in one ordinance shall not affect the validity of the remaining tracts or lands which are annexed by such ordinance and which conform to any one or more of the foregoing conditions.

Any owner of land annexed by a city under the authority of this section may within ~~thirty (30)~~ 30 days next following the publication of the ordinance annexing such land maintain an action in the district court of the county in which such land is located challenging the authority of the city to annex such lands and the regularity of the proceedings had in connection therewith.

Sec. 3. K.S.A. 1985 Supp. 19-27a03 is hereby amended to read as follows: 19-27a03. (a) Subject to the provisions of section 1, the board of county commissioners of any county shall have the power to create a sewer district in the manner hereinafter provided whenever:

(1) A petition requesting the creation of a sewer district is filed with the board; or

(2) the secretary of health and environment or the local health officer determines and certifies to the board that unsanitary conditions exist or are expected to develop and which may be removed or prevented by the installation and utilization of sewers.

(b) Any petition requesting the creation of a sewer district shall be signed by the owners of at least 51% of the acreage of the land in the proposed district. The petition shall state:

- (A) The boundaries of the improvement district;
- (B) the nature of the improvement;

- (C) the estimated cost of the improvement;
- (D) the proposed method of assessment; and
- (E) the proposed apportionment of cost, if any, between the district and any other sewer district operated and maintained by the governing body.

The petition also shall state that if the board of county commissioners determines the improvement project is not feasible that all costs and expenses of the work, including preliminary planning, engineering, legal and other preliminary work of skilled persons employed by the board shall be assessed against the property of persons signing such petition. Any person signing the petition who desires to withdraw such person's name may do so by giving written notice to the county clerk on or before the date of the hearing on the petition. The petition shall be null and void after the board has determined not to create the district or after a period of two years from the date of the first signature on the petition, whichever occurs first.

Sec. 4. K.S.A. 1985 Supp. 19-27a13 is hereby amended to read as follows: 19-27a13. (a) *Subject to the provisions of section 1*, whenever the main sewer district engineer recommends the creation of one or more joint sewer districts to serve an existing or proposed lateral sewer district or any part thereof, together with additional described land in the same natural drainage area, the governing body of the main sewer district may adopt the appropriate resolution to create a joint sewer district. The joint sewer district may operate and maintain all sanitary sewer and sewage treatment facilities of the districts included in the joint district. All outstanding obligations of any sewer district at the time of its inclusion in a joint sewer district shall remain the obligations of the sewer district and the governing body of the sewer district shall continue to levy the special assessments and taxes necessary to pay the obligations against the lands located within the sewer district.

(b) *Subject to the provisions of section 1*, whenever the governing body of any sewer district has constructed a sanitary sewer system which includes a sewage pumping station for the disposition of sewage and it appears to the governing body that it is more economical and in the best interests of the landowners in the sewer district, taking into account the cost of operating and maintaining the pumping station, the governing body, by resolution, may include the sewer district in a joint sewer district in order that the sewage may be disposed of by gravity sewers. No resolution shall be adopted until after the presentation of a petition signed by the owners of at least 51% of the area in the sewer district. The petition shall request the governing body to (A) dispose of the pumping station as advantageously as possible; (B) include the sewer district within a joint sewer district in order to dispose of the sewage by gravity; (C) construct any additional sewers that may be necessary; (D) assess the cost thereof against the property in the joint sewer district; and (E) issue general obligation bonds of the county to pay the costs thereof.

(c) The petition also shall state requirements listed in subsection (b) of K.S.A. 1983 1985 Supp. 19-27a03, and amendments thereto. Prior to the creation of any joint sewer district, the governing body of the district shall hold a public hearing thereon and give notice thereof in the manner provided by K.S.A. 1983 1985 Supp. 19-27a05, and amendments thereto.

Sec. 5. K.S.A. 19-2752b is hereby amended to read as follows: 19-2752b. *Subject to the provisions of section 1*, the governing body of a main sewer district created and established under the provisions of K.S.A. 19-2731 to 19-2752, inclusive, as amended, may, by resolution, and amendments thereto, by resolution, may enlarge the boundaries of said the district upon the presentation of a petition, approved by the sewer district engineer, and signed by the owners, or others having expressly reserved the right to do so, of ~~fifty-one percent (51%)~~ 51% of the area sought to be added to such district. Such resolution shall provide for the levying of taxes and assessments upon the land in such added area, the same as are being levied upon the lands in the main sewer district, to pay the principal and interest upon outstanding bonds issued for the purpose of paying the cost of improvements of such main sewer district, and shall also provide for an additional levy upon the lands in such added area to pay a

proportionate share of all amounts previously paid by the main sewer district upon any bonds issued for such purpose. ~~Provided, however, That~~ No such land may be added to the main sewer district except where the sewage therefrom may flow by gravity into the mains in the main sewer district. Such additional levy shall be made over a period of from one (1) to five (5) years, as determined by the governing body; and the proceeds therefrom shall be credited to the bond and interest fund of the main sewer district.

Sec. 6. K.S.A. 19-2752i is hereby amended to read as follows: 19-2752i. (a) *Subject to the provisions of section 1*, where any area lying within the boundaries of a main sewer district is served by lateral sewers privately built and is not included within the boundaries of any lateral sewer district the governing body may authorize the connection of said lateral sewers with the main sewer system and thereafter upon its own motion and a recommendation of the sewer district engineer may organize and incorporate such area as a lateral sewer district, or attach the same to some other lateral sewer district, first giving notice by publication for two (2) consecutive weeks in a newspaper having general circulation within such county of the time, place and purpose of a final hearing upon such proposal, at which hearing any interested parties may appear and be heard. ~~Provided, That~~ Whenever any such area is organized as a lateral sewer district or is attached to another lateral sewer district and the lateral sewers therein at the time of such organization are not up to the standard of other lateral sewers of previously existing lateral sewer districts in the main sewer district, the governing body shall require the lateral sewers in such area to be brought up to the standard of previously constructed lateral sewers in such previously existing lateral sewer districts.

(b) *Subject to the provisions of section 1*, upon the recommendation of the main sewer district engineer the governing body may by resolution may enlarge and extend the boundaries of any joint or lateral sewer district to include such additional territory contiguous thereto as may be requested in writing by the owners of record thereof, or those having reserved the right so to do. Such resolution shall provide for the levying of taxes and assessments upon the land in such added area the same as are being levied upon all other lands in such joint or lateral district and shall also provide for additional levies upon the lands in such added area to pay a proportionate share of all amounts previously paid by such district upon any outstanding bonds.

Sec. 7. K.S.A. 1985 Supp. 19-2755 is hereby amended to read as follows: 19-2755. (a) *Subject to the provisions of section 1*, when a petition conforming to this section and K.S.A. 19-2754, and amendments thereto, is filed with the board of county commissioners requesting that an improvement district be incorporated and organized, the board shall hold a hearing on the petition. To be valid, the petition shall be signed: (1) By a majority of those persons who pay taxes on real property in the proposed district and who reside within the boundaries of the proposed district; or (2) by all the owners of all real property in the proposed district, whether residing in the proposed district or not. Upon the filing of such a petition, the board of county commissioners shall fix a time for the hearing of such petition and to cause the county clerk to give notice of the hearing by publication once each week for two consecutive weeks in ~~some a~~ newspaper published in and of general circulation in the county. The notice shall be published at least 15 days before the date fixed for the hearing. Notice of the hearing shall also be posted in not less than three public places in the territory not less than 15 days before the hearing. The county clerk, not less than 15 days before the hearing, shall send notices of the hearing with a copy of the petition, without the signatures, to the clerk, secretary or chairperson of any duly constituted city, county, regional or metropolitan planning commission exercising planning authority over all or part of the territory, to the director of the division of community development of the department of economic development and to the city clerk of any city, any portion of which is within five miles of the nearest boundary of the territory as described in the petition.

(continued)

(b) As a guide in determining the advisability of organizing the district, the board shall consider the following factors, among others: (1) Population and population density of the area within the boundaries of the territory; (2) land area, topography, natural boundaries and drainage basin; (3) area of platted land relative to unplatted land and assessed value of platted land relative to assessed value of unplatted areas; (4) extent of residential, business, commercial and industrial development; (5) past expansion in terms of population and construction; (6) likelihood of significant growth in the area, and in adjacent areas, during the next 10 years; (7) the present cost and adequacy of governmental services and controls in the area and the probable effect of the proposed action, and of alternative courses of action, on the cost and adequacy of local governmental services and regulation in the area and in adjacent areas; (8) the need for the public improvements in the proposed district and whether the issuance of bonds therefor would unduly require the speculative use of public funds; and (9) effect of the proposed action, and of alternative actions, on adjacent areas and on the local governmental structure of the general area.

(c) If the territory or any part thereof is within five miles of an existing city, the board shall take into consideration: (1) The size and population of such city; (2) the city's growth in population, business and industry during the past 10 years; (3) the extension of its boundaries during the past 10 years; (4) the probability of its growth toward the territory during the ensuing 10 years, taking into consideration natural barriers and other reasons which might influence growth toward the territory; (5) the willingness of the city to annex the territory and its ability to provide city services in case of annexation; and (6) the general effect upon the entire community, all of these and other considerations having to do with the overall orderly and economic development of the area and to prevent an unreasonable multiplicity of independent municipal and special district governments.

Sec. 8. K.S.A. 1985 Supp. 19-27a14 is hereby amended to read as follows: 19-27a14. *Subject to the provisions of section 1*, the governing body of any main, lateral or joint sewer district, by resolution, may enlarge the boundaries of the district upon the presentation of a petition approved by the district engineer. The petition shall be signed by the owners of at least 51% of the area sought to be added to the district. The petition shall state the requirements listed in subsection (b) of K.S.A. 1983 1985 Supp. 19-27a03, and amendments thereto. The resolution shall provide for the levying of taxes or special assessments, as may be appropriate, upon the property in the added area, the same as are being levied upon the property in the district, to pay the principal and interest on outstanding bonds issued for the payment of costs of improvements in the district. The resolution also shall provide for an additional special assessment upon the property in the added area to pay a proportionate share of all amounts previously paid by the district upon any bonds issued for such purposes. No area may be added to the district except where the sewage therefrom flows by gravity into the mains of the district unless the governing body, acting upon the recommendation of the chief engineer, determines that pumping is in the best interest of the area to be added. The additional levies shall be made over a period of years, as determined by the governing body, and the proceeds therefrom shall be credited to the bond and interest fund of the district.

Sec. 9. K.S.A. 1985 Supp. 19-27a16 is hereby amended to read as follows: 19-27a16. (a) *Subject to the provisions of section 1*, the governing body of any sewer district, by resolution, may (1) alter the boundaries of the district to include or exclude parts of platted lots not wholly within the districts to coincide with the lot line or when good engineering practice requires, alter the boundaries of the district to include or exclude areas which should have been included or excluded initially by reason of the topography or include or exclude areas from which sewage could flow either direction; (2) assess the alterations; (3) relieve the parts of platted lots or other area excluded from previous assessments made by any other sewer district on those parts excluded; and (4) provide for the payment of the same out of the funds of the main sewer district in which those parts were formerly located.

(b) Upon presentation of a petition signed by 100% of the owners of land located within a main sewer district, which is being furnished sewer service by a city-owned sewage system, seeking to remove the land from such district, the governing body of any main sewer district which is located in a county which has been declared to be an urban area under the provisions of K.S.A. 19-3524, and amendments thereto, may alter the boundaries of such sewer district to conform to lot lines within platted subdivisions if the land was platted subsequent to the creation of the sewer district. Nothing in this subsection shall be construed to authorize the alteration of boundaries of any sewer district to include any territory not within the district originally created.

(c) Prior to exercising any authority granted by this section, the governing body of the sewer district shall call and hold a public hearing on the proposal. Notice of the hearing shall be given in the manner provided by K.S.A. 1983 1985 Supp. 19-27a05, and amendments thereto.

Sec. 10. K.S.A. 19-3503 is hereby amended to read as follows: 19-3503. Whenever 1,000 qualified electors within the territory of a proposed water district petition the board of county commissioners of any county for the creation of a water district, the board of county commissioners shall ascertain and determine whether the petition is in compliance with the provisions of this act, whether the description of the area is sufficient and whether the required number of qualified electors signed the petition which findings shall be incorporated in an appropriate order.

Subject to the provisions of section 1, if the board of county commissioners finds that the petition is in compliance with this act, the boundaries of the territory are sufficiently described and the required number of qualified electors have signed the petition, the board of county commissioners shall fix a time for a hearing upon the petition. The board shall direct the county clerk to give notice of the hearing once each week for two consecutive weeks in a newspaper of general circulation within the proposed district, the last publication to be at least five days before the day fixed for the hearing. The notice shall describe the boundaries of the area as shown by the petition, shall state that the petition requests the creation of a water district as authorized by this act, shall state that a hearing will be held by the board of county commissioners on the petition, shall specify the day and hour of the hearing, and shall state that all persons may appear before the board of county commissioners at such hearing and be heard.

If after the hearing, the board of county commissioners determines that the interests of the area will be advanced by the creation of the water district and that a water district therein will be of public utility, the board shall establish the proposed water district by adopting an appropriate resolution. Wherever there is within a proposed water district a private or public water utility corporation which is operating under a certificate of convenience and necessity issued by the state corporation commission, the established area of the water district shall not be less than the area actually served at the time of the establishment of such district. No water district shall include lands which are served, supplied or serviced by a water distribution system or systems owned by a foreign corporation whose water supply is located or exclusively obtained from a city outside the state of Kansas nor shall any such district include lands owned by any such foreign corporations, contiguous to the area served by any such corporations and for which feed mains and other facilities for furnishing water have already been provided, without the consent of any such foreign corporations.

The board of county commissioners shall file a copy of the resolution creating the water district with the county clerk of every county in which a portion of the district is located. Whenever any water district has heretofore been created and established by any board of county commissioners under the provisions of K.S.A. 19-3501 to 19-3521, inclusive, and amendments thereto, in which members of the water district board have been elected and in which the issuance of revenue bonds for a purpose authorized by law has been approved by a majority of the qualified electors of the district voting on the proposition at an

election called and held therein, the board of county commissioners, prior to the issuance of such revenue bonds by the water district, shall fix a time for a hearing upon the public utility of the water district so established and shall direct the county clerk to give notice thereof once each week for two consecutive weeks in a newspaper of general circulation within the district, the last publication to be at least five days before the day fixed for the hearing. Such notice need not describe the boundaries of the district as previously created and established but shall state the name or general location thereof, shall state that a hearing will be held by the board of county commissioners on whether or not the district is of public utility, shall specify the day and hour of the hearing and shall state that all persons may appear before the board of county commissioners at such hearing and be heard.

If after such hearing the board of county commissioners determines that the interests of the area within the district will be advanced by its creation and establishment and that the district will be of public utility, it shall so find and shall ratify and confirm the creation and establishment of the district by adopting an appropriate resolution. Upon such action by the board of county commissioners, the water district shall be a quasi-municipal body corporate with all of the powers and subject to all of the provisions of K.S.A. 19-3501 to 19-3521, inclusive, and amendments thereto, notwithstanding any irregularities or defects previously existing in the creation of the district.

If the board of county commissioners finds that the water district is not of public utility, the county clerk shall give written notice of such finding to the water district board. A finding that the water district is not of public utility shall be reconsidered by the board of county commissioners upon the written request of the water district board but only after a public hearing of which notice shall be given as provided in this section and no such hearing shall be held within six months after the date of a finding of no public utility. No water district shall issue its revenue bonds prior to a finding by the board of county commissioners that the district is of public utility as provided in this section. If after a finding by the board of county commissioners that the water district is not of public utility the water district board by affirmative vote determines that the district shall be disorganized, the district shall be disorganized in the manner provided in K.S.A. 19-3508, and amendments thereto.

Sec. 11. K.S.A. 19-3504 is hereby amended to read as follows: 19-3504. *Subject to the provisions of section 1*, whenever line extensions have been laid by any water utility operating under a certificate of convenience and necessity within ~~said~~ the original district, within the certificated area as it existed on the effective date of this act and subsequent to the establishment and organization of such water district, the board of such water district shall upon petition of ~~fifty-one percent (51%)~~ 51% of owners of land within such additional areas enlarge the boundaries of such original water district to include the additional areas in which such line extensions have been laid.

Sec. 12. K.S.A. 1985 Supp. 19-3512 is hereby amended to read as follows: 19-3512. (a) *Subject to the provisions of section 1*, any water district, formed under provisions of this act and owning or maintaining a water system, may annex adjoining territory for the purpose of supplying and distributing water in such territory upon the presentation to its board of a petition signed by the owners of 51% of the land in the area sought to be added to such water district. Such petition shall contain a description of the territory proposed to be annexed, by sections, or subdivisions of sections, according to the government survey or by metes and bounds. The board may annex the territory described if it finds the annexation will be of benefit to the district. Copies of all annexation resolutions and petitions shall be filed in the office of the county clerk and in the office of the register of deeds of all counties in which a portion of such district lies.

(b) The board of any water district organized hereunder and the board or governing body of any other water utility, as defined by K.S.A. 19-3501, and amendments thereto, which adjoins such district are hereby authorized and empowered to enter into an agreement providing for the extension of the boundaries of such water district to include part or all of another water utility or area served by the other water utility. Such agreement may provide,

but not necessarily be limited to, the terms and conditions for: (1) The transfer of control and ownership of such other water utility's water supply and distribution system, including all property, equipment, records, reports and funds, to the water district; (2) the continued service to customers of such system by such district; and (3) the assumption of all or part of the revenue bond liability and any other outstanding obligations of such other water utility.

The water district board and the governing body of such other water utility shall each adopt a resolution approving such agreement, and a copy of such agreement shall be filed for public inspection in the office of the county clerk of each county in which a portion or all of the area served by such district or such other water utility lies. The water district board shall cause notice of the approval of the agreement to extend the boundaries of such district and the offices in which it has been filed to be published once in a newspaper or newspapers of general circulation in the areas served by such district and such other water utility. Such notice shall state that the proposed extension shall be made unless there is presented to the water district board or the governing body of such other water utility a protest petition as hereinafter provided. No protest may be presented by any stockholder of any such other water utility which has approved such agreement.

If, within 60 days after publication of such notice, there is presented either to the water district board or to the governing body of any such other water utility a written protest against the proposed extension signed by qualified electors of the water district or of the area served by any such other water utility, respectively, equal to 2% of the qualified electors who voted at the last preceding general election, the board or the governing body of the other water utility shall present such proposed extension to the qualified electors of the water district or of such other water utility at a special election called and held in the same manner provided by K.S.A. 19-3507a and 19-3508, and amendments thereto. The boundary extension shall not be made unless approved by a majority of the qualified electors voting thereon at the election hereinbefore required.

Sec. 13. K.S.A. 19-3525 is hereby amended to read as follows: 19-3525. As a condition precedent to the organization of a water district under the provisions of this act *and subject to the provisions of section 1*, the board shall cause to be published in the official county paper once each week for two consecutive weeks a notice of the time and place of a public hearing before such board to determine whether it is in the best interest, promotes the general welfare and is economically feasible to organize a water supply district as provided by this act. The last publication of such notice shall be not less than 15 days prior to the hearing.

Sec. 14. K.S.A. 19-3538 is hereby amended to read as follows: 19-3538. Either with or without having had a preliminary survey prepared as provided in K.S.A. 19-3537, *and amendments thereto*, and for the purpose of providing for the expenses of such water production and distribution facilities, and upon presentation of a petition signed by the owners, or others having expressly reserved the right to do so, of ~~fifty-one percent (51%)~~ 51% or more of the acreage of land in the district sought to be created *and subject to the provisions of section 1*, the board ~~may~~, by order, ~~may~~ provide one or more taxing districts, but the board shall not have the power to create any such district within or to extend any district into the limits of any incorporated city without the consent of its governing board.

Sec. 15. K.S.A. 19-3602 is hereby amended to read as follows: 19-3602. *Subject to the provisions of section 1*, the board of county commissioners ~~may~~ upon its own motion (or as provided in the next section) K.S.A. 19-3603, *and amendments thereto*, ~~may~~ proceed to organize any or all portions of its county into one or more fire districts by the adoption of a resolution at some regular or adjourned regular meeting of ~~said~~ the board which shall recite that it is advisable in the public interest that a district or districts be organized in the county for the protection of lives and property from the hazards of fire and shall describe the limits and boundaries of the proposed district or districts under its or

(continued)

their proposed name or names. ~~Provided further,~~ No fire district or part of a fire district heretofore or hereafter existing by virtue of law may be included within a fire district under this act, except as provided in K.S.A. 19-3611, and amendments thereto. The proposed districts may be described by metes and bounds or by township boundaries or names, or such districts may be described by existing school districts or any organized special districts containing the area of the proposed district. Such resolution shall be published once each week for three consecutive weeks in a newspaper published and of general circulation in the area where ~~said the~~ lands are located, or if there be ~~is~~ no such newspaper, then in the official county paper. Each such resolution shall be published in connection with a map showing the territory of the proposed district or districts and a notice of a hearing on the advisability of organizing each such district. ~~Said~~ The notice shall fix a time not less than ~~ten (10)~~ 10 days after the last publication thereof for a hearing before the board of county commissioners at a stated hour and place which may be at the county courthouse or at a place within each of ~~said the~~ districts.

Any taxpayer or elector residing in the county, and any city therein, shall be entitled to appear in person or in its corporate capacity, or by counsel, and be heard on the advisability of organizing such districts. The board may, at such hearing, may accept proposals for alteration of the proposed district by the inclusion of additional territory or by the exclusion of territory from any proposed district. The ~~said~~ board may adjourn the hearing from day to day without further published notice and may fix a time for the final determination of the proposal to organize any such districts. At such time or times the board may abandon any proposal or it may adopt a final resolution organizing and naming the fire district or districts and declaring the boundaries thereof as finally determined. Each such district shall be finally and fully organized upon the publication of ~~said the~~ resolution or resolutions one time in a newspaper published and of general circulation in the area where ~~said the~~ lands are located or, if there be ~~is~~ no such newspaper, then in the official county paper.

Sec. 16. K.S.A. 19-3604 is hereby amended to read as follows: 19-3604. (a) Any fire district may be disorganized by the board of county commissioners at any time after four (4) years from the date of the publication of the final resolution for the first organization of such district upon a petition to ~~said the~~ board and the making of an order in like manner as in the case of organizing any fire district under K.S.A. 19-3603, and amendments thereto.

(b) Subject to the provisions of section 1, the territory of any organized fire district may be subsequently altered by the inclusion of new lands or by the exclusion of lands therein upon a petition to the board of county commissioners signed by the owners of at least ~~ten percent (10%)~~ 10% of the area of the lands sought to be included or excluded, which petition shall conform, as near as may be possible, to the petition required for the organization of a fire district; and if the board of county commissioners ~~shall find~~ ~~said finds~~ the petition is sufficient, ~~said the~~ board may adopt and publish a resolution attaching or detaching the lands described in ~~said the~~ petition to or from ~~said the~~ fire district; and ~~said~~. The resolution shall be published once each week for two (2) consecutive weeks in a newspaper of general circulation in the area where ~~said the~~ lands are located. Such publication shall include a map showing the territory of the district and the lands proposed to be attached to or detached therefrom. If within ~~thirty (30)~~ 30 days after the last publication of ~~said the~~ resolution and map, a petition protesting the inclusion or detachment of such lands, signed by the owners (, whether residents of the county or not), of more than ~~nineteen percent (19%)~~ 19% of the area of the lands sought to be included in or excluded from ~~said the~~ fire district is filed with the county clerk, ~~said the~~ resolution shall have no force or effect; but if such a protest petition shall not be filed within ~~said such~~ time, ~~said the~~ resolution shall become final, and ~~said the~~ lands shall thereupon be deemed attached to or detached from ~~said the~~ fire district. In any case where lands are included in or excluded from a fire district as provided herein, the ~~said~~ board shall declare the new boundary of the district by the adoption and publication of a resolution in like manner as the boundaries were declared at the time of the original organization thereof.

Sec. 17. K.S.A. 1985 Supp. 19-3613 is hereby amended to read as follows: 19-3613. Subject to the provisions of section 1, the board of county commissioners of Johnson county, hereinafter referred to as the county board, may create a fire district as provided herein. Upon the filing with the county board of a petition signed by not less than 200 qualified electors within the limits of the fire district sought to be created, the county board shall within 30 days after date of such filing set a time and place for a public hearing on the petition and give notice of such hearing by publication for three successive weeks in a newspaper of general circulation in that part of the county. Any such fire district may include land or territory within the boundaries of an incorporated city, but only with the approval of such city. Such approval shall be evidenced by resolution of the governing body of the city, a certified copy of which shall be filed with the county clerk and when once filed evidencing such approval, may not thereafter be withdrawn. The date of hearing on the petition shall be not more than 10 days after the date of the last publication. At the hearing, or within 30 days thereafter, the county board shall either approve or reject the petition as filed, or may modify the proposed district by excluding therefrom certain areas as proposed or by adding certain areas to it and approve ~~said the~~ petition as modified in that way. If any areas be added to the proposed district, then before action of the county board shall become final the county board shall notify the owners of such added land by mailing a notice of the proposed addition to the owner as the names and addresses of such owners appear in the office of the county clerk.

If no protest in writing is received from such owners within a period of 10 days after giving of such notice, then the resolution creating such district shall become final. If any such protest is received, then the county board may at its discretion set a time and place of further hearing for those owners only whose land is sought to be added to the district as originally petitioned for and shall give notice thereof by mail as provided above. Within a period of 10 days following the conclusion of such hearing, the county board shall either approve the proposal as to the whole district, as modified, or reject the proposal for the additional area to be added and then either reapprove or reject the original petition as to all or part of the land described in it. The action of the county board shall be by resolution, which shall be published once in a newspaper of general circulation in that part of the county in which such district is located.

Sec. 18. K.S.A. 19-3619 is hereby amended to read as follows: 19-3619. Subject to the provisions of section 1, the fire district may be consolidated with any adjoining fire district organized under this or any prior act at any time by consent of the governing bodies of each district and on such basis and terms as may be agreed upon between the governing bodies of such districts. Any bonds outstanding and unpaid against each individual district at the time of consolidation into one district, shall be charged against and paid by the property within each of such districts liable for such bonds at the time of the consolidation. Any agreement between any such districts to consolidate shall not become effective unless and until such agreement is approved by the ~~county~~ board of county commissioners, which approval, or rejection, shall be made within a period of ~~ninety (90)~~ 90 days following the date of such agreement between the governing bodies of any such two (2) fire districts. Before approval is given by the ~~county~~ board of county commissioners, it shall find that: (a) First, that under consolidation Each district as previously constituted would in its opinion be benefited by receiving as good or better service ~~than theretofore if consolidated~~; and (b) and that it would make possible either lower fire insurance rates on properties within the district or prevent establishing of higher rates; (c) Approval of such agreement of consolidation shall be made by unanimous vote of the ~~county~~ board of county commissioners.

If any two (2) such fire districts are consolidated into one district, or if any one (1) district is consolidated with a previously consolidated district, then thereafter such consolidated or merged districts shall be known and designated as Johnson county consolidated fire district number (_____). Whenever the agreement of consolidation is filed in the office of the county clerk, then the county board shall at that time appoint two

(2) of the former members of the governing body of the larger in area of the two (2) districts, whether they be in the form of an original district or of consolidated districts, and one of the former members of the smaller in area of any two (2) such districts which are consolidated into one (1) and the three (3) members so appointed shall be and constitute the governing body of the consolidated district. As soon as such duly appointed members are appointed and qualified, then the terms of the former members of the original districts or consolidated districts so merged into one (1) shall thereupon be terminated. The county board shall designate the terms for which each of such three (3) members of the governing body shall serve and they shall be governed by all of the rules, regulations, requirements, duties and obligations herein set forth for members of the original districts.

Any such fire districts or consolidated fire district shall be known and designated as fire district number (_____) in (_____) county, Kansas.

Sec. 19. K.S.A. 1985 Supp. 19-3624 is hereby amended to read as follows: 19-3624. *Subject to the provisions of section 1*, whenever 51% of the resident property owners of territory located in two or more counties, as determined by an enumeration taken and verified for this purpose by the county election officers of the counties in which the territory proposed to be included within the district is located, shall petition the county commissioners of the county in which the greater portion of territory of the proposed district is located for the creation of a benefit district for the purpose of providing fire-fighting service within the benefit district, it shall be the duty of the board of county commissioners, by resolution, to establish such fire district and to define the boundaries thereof as set forth in the petition. Thereafter, the county commissioners establishing such district shall direct the county clerk of the county in which the greater portion of the district is located to transmit a copy of the original resolution of the board establishing the district to the county clerk of any other county in which any territory of the benefit district shall be located.

Sec. 20. K.S.A. 19-3801 is hereby amended to read as follows: 19-3801. For the purpose of encouraging development in this state *and subject to the provisions of section 1*, the board of county commissioners of any county shall have the power, upon a proper petition being presented for that purpose, to incorporate, organize and enlarge industrial districts within such county in the manner provided by this act. The board of county commissioners shall not incorporate and organize or enlarge an industrial district when such industrial district is located entirely or in part within three miles of the nearest point on the city limits of any incorporated city located in the same county, unless the governing body of such city shall recommend by resolution that such petition be granted.

Sec. 21. K.S.A. 19-3805 is hereby amended to read as follows: 19-3805. Any industrial district incorporated pursuant to the foregoing provisions of this act K.S.A. 19-3801 *et seq.*, and amendments thereto, may be enlarged by the extension of its boundaries to include additional contiguous land of any size which is of the character and location described in K.S.A. 19-3802, *as amended and amendments thereto*, upon the petition of the owner or owners of such additional contiguous land, which petition shall be addressed in writing to the board of county commissioners of the county in which such industrial district was organized. *Said* The petition shall contain the following: (1) A metes and bounds description of the territory proposed to be added to such industrial district; (2) a statement that all of the privately owned land will be exclusively used for industrial establishments and special facilities to serve industries in an industrial community for the location of plants, factories or warehouses to manufacture, warehouse or distribute the products of agriculture or industries, and that no residential use is presently being made of *said* the land and none will be made as long as *said* the industrial district is in existence and *said* the land is included in it; (3) a prayer that all land described in *said* the petition be added to such industrial district.

Upon the filing of such petition *and subject to the provisions of section 1*, the board of county commissioners shall forthwith fix a time and place for the hearing of such petition and cause the

county clerk to give notice thereof by one publication in ~~some~~ a newspaper published and of general circulation in the county at least ~~fifteen~~ 15 days before the day fixed for the hearing. At the time of ~~said~~ the hearing, it shall be the duty of the board of county commissioners first to ascertain and determine whether the required notice has been published; and, if so, to hear all persons in favor or opposed to granting the prayer of the petition and all evidence with respect as to whether or not such petition contains the proper number of signers prescribed by this act and whether the statements in *said* the petition are true; *and*. If upon such hearing it shall be found and determined that such petition is sufficient under the requirements of this act and that the granting of such petition has been recommended by the governing body of an incorporated city when such recommendation is required under the provisions of K.S.A. 19-3801, *and amendments thereto*, then such board of county commissioners may make a finding and decision approving the application, and if such application is approved, shall ~~thereupon~~ immediately declare the territory described in the petition to be added to and to become a part of the industrial district to which the owner of *said* the territory sought to be added, and thenceforth the *said* territory and the owners and lessees of the property therein shall be a part of *said* the industrial district. The order of the board of county commissioners shall recite *in haec verba* the statements as to the restrictions on use of the lands added to the industrial district which are contained in the petition, and all declarations, determinations, findings, decisions and orders of such board of county commissioners so entered of record shall have the same effect as in the case of orders approving original petitions for incorporation of such industrial districts. A copy of the order of the board of county commissioners adding such additional contiguous land to an already established industrial district, thus enlarging *said* the industrial district, shall be filed for record with the register of deeds of the county in which such industrial district is located, and a copy thereof shall also be filed in the office of the secretary of state of the state of Kansas.

Sec. 22. K.S.A. 24-127 is hereby amended to read as follows: 24-127. ~~The boards of county commissioners of the several counties of this state shall have power~~ *Subject to the provisions of section 1 and upon a proper petition being presented for that such purpose to, the board of county commissioners of any county may transfer territory from one drainage district organized and incorporated under the laws of this state to any other adjacent drainage district so organized and incorporated.*

Sec. 23. K.S.A. 24-132 is hereby amended to read as follows: 24-132. Except as ~~herein~~ otherwise expressly provided by *this section and subject to the provisions of section 1*, all of the rights, powers, authority and jurisdiction conferred on counties and boards of county commissioners by the provisions of K.S.A. 19-3301, 19-3302, 19-3303, 19-3304, 19-3305, 19-3306 and 19-3308, and ~~acts amendatory thereof or supplemental amendments thereto~~, are hereby also conferred upon and vested in any drainage district traversed or touched by the Kansas river, and contiguous to or including a part of a city of the first class, and the governing body thereof.

The governing body of any such drainage district, in the name of the drainage district, shall have the power to enter into undertakings and contracts and make agreements in like manner and for like purposes as the board of county commissioners are authorized by this act to enter into undertakings and contracts and make agreements in the name of the county; and may acquire lands, rights of way and easements either within or without the limits of the drainage district for like purposes as the board of county commissioners are authorized by K.S.A. 19-3302 and 19-3308, *and amendments thereto*, by purchase, gift or by eminent domain proceedings in the manner prescribed by K.S.A. 26-501 to 26-516, inclusive, *and amendments thereto*, and may issue general obligation bonds of the drainage district to pay the costs thereof and expenses connected therewith in the manner now provided by law; but the aggregate of any such bonds so issued shall not be in excess of ~~three and one-half percent (3 1/2%)~~ 3 1/2% of the total assessed tangible valuation of the drainage district. *Provided*, The governing body of any drainage district

(continued)

may issue additional general obligation bonds of the drainage district for such purposes not in excess of ~~one and one-half percent (1½%)~~ 1½% of the total assessed tangible valuation of the drainage district, but before such additional bonds may be issued, the governing body of the drainage district shall submit the question of the issuance of such additional bonds and the amount thereof to the qualified electors of the drainage district at a regular drainage district election or at a special election called for that purpose as provided by law. ~~Provided further, That~~ The total aggregate of all such bonds which may be issued under the provisions of this section shall not be in excess of ~~five percent (5%)~~ 5% of the total assessed tangible valuation of the drainage district. Such bonds shall not be subject to, nor included in any restrictions or limitations upon the amount of bonded indebtedness of ~~said~~ the drainage district contained in any other law.

Funds received from the sale of bonds by any such drainage district may be used to pay any loss, damage or expense for which the drainage district or the governing body thereof may be liable in like manner as counties are authorized to pay such loss, damage or expense under the provisions of K.S.A. 19-3304, and ~~amendments thereto~~. For the purposes of maintaining and operating such flood control works as shall be constructed by the United States army corps of engineers or other agencies of the United States government, when the same shall have been completed and turned over to the drainage district, and for the purpose of maintaining and operating any flood control works or dikes heretofore or hereafter constructed for the purpose of protecting such drainage district from floods, the governing body of such drainage district shall be empowered to make an annual tax levy upon all the taxable tangible property within ~~said~~ the drainage district, of not to exceed one (1) mill and such levy shall be in addition to all other levies authorized or limited by law. It shall be the duty of the governing body of the drainage district to keep all such flood control works and dikes in serviceable condition and to make such repairs as may, from time to time, be necessary.

Sec. 24. K.S.A. 1985 Supp. 24-137 is hereby amended to read as follows: 24-137. (a) The governing body of any drainage district all or any portion of which is located within the boundaries of another drainage district and the governing body of the encompassing drainage district or the governing bodies of two or more adjacent drainage districts may adopt and submit to the board or boards of county commissioners in which the districts are located a resolution requesting the consolidation of the districts. Upon receipt of the resolution *and subject to the provisions of section 1*, the board or boards of county commissioners shall meet jointly with the governing bodies of the drainage districts to determine the feasibility of the consolidation of the districts, the terms of consolidation, the handling of outstanding bonded indebtedness, the name of the consolidated drainage district and the effective date of the proposed consolidation. Following the joint meeting, the board or boards of county commissioners may adopt a resolution, or joint resolution, if the districts' boundaries cross county lines, approving the consolidation of the drainage districts. The resolution shall state the terms of the consolidation, the name of the consolidated district, the effective date of the consolidation and all other matters related to the consolidation. A certified copy of the resolution shall be sent to the governing body of each drainage district and the resolution shall be published at least once a week for two consecutive weeks in the official county newspaper of the county or counties in which the districts are located. Unless within 10 days after the last publication of the resolution a petition signed by not less than 30% of the qualified voters of any one of the drainage districts is filed with the county election officer of the county in which the district is located protesting the consolidation, the districts shall be consolidated as provided in the resolution. If a protest petition is filed, the county election officer shall call and hold an election in the manner provided by the general bond law to submit the question of consolidation for approval by the qualified voters of the districts. If the districts' boundaries cross county lines, the county election officer of each county shall cooperate in the calling of the election. If a majority of votes cast at the election favor consolidation, the drainage

districts shall be consolidated as provided in the resolution. Within 20 days of the effective date of the consolidation, the secretary of the consolidated district shall send a certified copy of the resolution consolidating such districts to the secretary of state.

The terms of consolidation of any drainage districts shall require the payment of all outstanding bonded indebtedness and other indebtedness of each of the districts. No order of consolidation shall in any way reduce or impair the security of any creditor of either of the districts.

All bonds issued or other indebtedness outstanding prior to the effective date of the consolidation shall remain the liability of and lien against properties to which the liability attached prior to the consolidation of the districts.

If the proposed consolidation is not approved at such election, the question to consolidate such drainage district may not be submitted again until the expiration of at least one year from such election.

(b) Any drainage district organized pursuant to K.S.A. 24-601 to 24-640, inclusive, and amendments thereto, which has constructed a system of drainage works and improvements and has continued the operation, maintenance or improvement thereof beyond the expiration of the number of years for which such drainage district was to continue to exist as a public corporation, as stated in the articles of association for such drainage district, shall continue in existence and shall have the power to consolidate with another drainage district as provided by subsection (a). The levy and collection of any tax or special assessment or the expenditure of any money for the operation, maintenance or improvement of any such drainage district's system of drainage works and improvements during the calendar year immediately preceding the calendar year in which any such drainage district adopts any resolution pursuant to subsection (a) shall constitute conclusive evidence sufficient to qualify any such drainage district to utilize the provisions of subsection (a).

Sec. 25. K.S.A. 1985 Supp. 24-138 is hereby amended to read as follows: 24-138. (a) *Subject to the provisions of section 1*, the governing body of any drainage district located in Finney county may annex land to the district if:

- (1) The land adjoins the district;
- (2) the land is surrounded by the district;
- (3) the land is owned or held in trust for the district; or
- (4) the land adjoins the district and a written petition for or consent to annexation is filed with the district by the landowner.

No drainage district or any portion thereof may be annexed by another drainage district.

(b) The governing body shall give notice of a public hearing to be held to consider the annexation of the land. The notice shall include:

- (1) The time, date and place of the hearing;
- (2) a description of the land to be annexed; and
- (3) a sketch clearly delineating the land to be annexed.

At least 10 days prior to the hearing, the notice shall be published in a newspaper of general circulation in the county in which the district and the land to be annexed are located. A copy of the notice also shall be mailed by prepaid first-class mail to the owner of land to be annexed.

(c) At the public hearing, a representative of the district shall present the district's proposal for annexation. Following the explanation, all interested persons shall be given an opportunity to be heard. The governing body may recess the hearing to a time and date certain, which shall be fixed in the presence of persons in attendance at the hearing.

After the public hearing, if the governing body finds that it would be in the best interest of the drainage district and the owners of the land to be annexed, it may annex the land or a lesser amount thereof by the adoption of an annexation resolution. The resolution shall be published once in a newspaper of general circulation in the county in which the district and the land are located. The annexation shall be final and conclusive upon the publication of the annexation resolution.

Within 30 days after the publication of the annexation resolution, any owner of land annexed by a drainage district may maintain an action in the district court of the county in which the

drainage district is located challenging the authority of the drainage district to annex the land and the regularity of the proceedings.

(d) No resolution, notice or public hearing required under the provisions of this section shall be required as a prerequisite to the annexation of land owned by or held in trust for the drainage district or land all of the owners of which petition for or consent thereto in writing.

(e) All bonds issued or other indebtedness of the drainage district or the land annexed prior to the effective date of the annexation shall remain the liability of and lien against properties to which the liability attached prior to the annexation of the land to the district.

Sec. 26. K.S.A. 24-401 is hereby amended to read as follows: 24-401. ~~That~~ *Subject to the provisions of section 1*, the boards of county commissioners of the several counties in this state shall have power and it shall be their duty, upon a proper petition being presented for that purpose, to incorporate and organize drainage districts within their respective counties, in the manner hereinafter provided.

Sec. 27. K.S.A. 24-458 is hereby amended to read as follows: 24-458. Whenever contiguous lands consisting of tracts owned in severally by different owners shall be subject to injury from the overflow of any natural watercourse, and such land may as a body be protected from such overflow and injury by the construction of levees or other works, but the owners of ~~three-fifths~~ $\frac{3}{5}$ of the acreage of such body of lands are nonresidents and there shall not be five taxpayers resident within the territory including such lands, then *subject to the provisions of section 1*, such territory may be incorporated as a drainage district by the board of county commissioners upon the presentation of a petition as prescribed by K.S.A. 24-403, ~~to which this is supplemental, which and amendments thereto.~~ Such petition shall be signed by not less than ~~three-fifths~~ $\frac{3}{5}$ of the persons who own and pay taxes on land situated within such territory, and shall state the above facts in addition to the facts required to be stated in the petition prescribed by K.S.A. 24-403, ~~and amendments thereto.~~

Sec. 28. K.S.A. 24-463 is hereby amended to read as follows: 24-463. ~~That~~ *Subject to the provisions of section 1*, whenever any drainage district heretofore organized and incorporated or which may hereafter be organized and incorporated in this state under the provisions of this act and of chapter 215 of the Laws of 1905, to which this act is supplemental, shall present a petition to the board of county commissioners of the county in which the greater portion of the territory of the original drainage district is situated, asking for the enlargement of its boundaries and the extension of the territorial limits of its district to include land or lands outside the original limits of ~~said the~~ drainage district, such board of county commissioners shall investigate such petition and ascertain whether it is in conformity with the provisions of this act.

Sec. 29. K.S.A. 24-501 is hereby amended to read as follows: 24-501. For the purpose of increasing the drainage capacity of any natural watercourse by clearing it of all obstructions, excavating cutoffs, spillways and auxiliary channels *and subject to the provisions of section 1*, a drainage district may be organized in the valley of any natural watercourse in Kansas, in the manner hereinafter provided.

Sec. 30. K.S.A. 1985 Supp. 24-601 is hereby amended to read as follows: 24-601. *Subject to the provisions of section 1*, a majority in interest of the owners in any contiguous body of swamp or overflowed lands in the state, located in one or more counties in this state, may form a drainage district for the purpose of having such land reclaimed and protected from the effects of water, by drainage or otherwise, and for that purpose may make and sign articles of association, in which shall be stated the name of the district, the limits of the proposed drainage district, which shall in no event embrace an area of less than 160 acres, the names and place of residence of the owners of the land in the district, and the description of each tract or parcel of land in the district owned by those who may organize the district and also the name or names and the description of the real estate owned by such as do not join in the organization of the district, but who will be benefited thereby, and such owners of real estate as are

unknown may be set out in such article as such. The article shall further state that the owners of real estate so forming the district for such purpose are willing to obligate themselves to pay the tax or taxes which may be assessed against them to pay the expenses to make the improvements that may be necessary to effect the drainage of the lands so formed into a district, as provided by law, and after the article of association is signed the same is filed in the office of the clerk of the district court of the county in which such drainage district is located, or if such drainage district is composed of tracts or parcels of land in two or more different counties, then in the office of the clerk of the district court of the county in which the greater portion of the proposed drainage district is located, praying that they may be declared a drainage district under this article.

Sec. 31. K.S.A. 24-657 is hereby amended to read as follows: 24-657. *Subject to the provisions of section 1*, drainage districts, the proposed territory of which lies in two ~~(2)~~ or more counties, may be organized and incorporated in the manner provided in this act.

Sec. 32. K.S.A. 24-667 is hereby amended to read as follows: 24-667. The secretary of state, with the approval of the chief engineer of the division of water resources *and subject to the provisions of section 1*, shall have power, upon proper petition being presented for that purpose to extend the territory of any joint drainage district organized and incorporated under the provisions of K.S.A. 24-656 to 24-666, ~~both sections inclusive, or any and amendments thereto.~~ The petition to extend the territory of any such joint drainage district shall be addressed to the secretary of state, and shall: (a) Describe the territory to be annexed by section numbers and fractions thereof, and other platted areas as appropriate;

(b) have a map attached thereto as an exhibit, and incorporated therein by reference, showing ~~said the~~ joint drainage district and the lands proposed to be annexed; and

(c) show that the proposed extension of territory has been recommended by the joint drainage district concerned by resolution duly adopted by its board.

The petition shall be circulated, signed, filed and transmitted in the manner prescribed for the original organization of a joint drainage district in K.S.A. 24-656, 24-657, 24-658, 24-659 and 24-660, ~~or any and amendments thereto,~~ and similar action shall be taken as prescribed in K.S.A. 24-661, ~~as amended and amendments thereto,~~ insofar as ~~same~~ it is applicable.

Sec. 33. K.S.A. 31-301 is hereby amended to read as follows: 31-301. Whenever ~~fifty-one percent (51%)~~ 51% of the resident property owners of territory located partly in two ~~(2)~~ or more counties and adjacent to, or within a radius of ~~ten (10)~~ 10 miles of a city, and the boundaries of ~~said the~~ territory coincide with the boundaries of a common-school district or a rural high school district, shall petition the board of county commissioners of the county in which the city is located for the creation of a benefit district for the purpose of providing fire-fighting service within ~~said the~~ benefit district by the city, it shall be the duty of ~~said the~~ board of county commissioners *subject to the provisions of section 1*, by resolution, to organize such benefit district and to define the limits thereof as set forth in ~~said the~~ petition. Thereafter the board of county commissioners organizing ~~said the~~ benefit district shall direct the county clerk of the county in which the city is located to transmit to the county clerk of any other county in which any territory of the benefit district lies, a copy of the original resolution of the board of county commissioners organizing such district.

Sec. 34. K.S.A. 80-1512 is hereby amended to read as follows: 80-1512. *Subject to the provisions of section 1*, the township board of any township having a population of more than ~~ten thousand (10,000)~~ 10,000 outside the limits of any incorporated city may create a fire district as provided herein, which fire district may include a part or all of the township outside of the limits of any incorporated city and of any other previously established fire district. Upon the filing with a township board of a petition signed by not less than ~~two hundred (200)~~ 200 qualified electors within the limits of the fire district sought to be created, the township board shall, ~~within thirty (30),~~ within 30

(continued)

days after such filing, shall set a date for a public hearing upon said the petition and give notice of such hearing by publication for three successive weeks in a newspaper of general circulation in the township.

Any such fire district may include territory within the boundaries of an incorporated city if the owners of not less than ~~forty-one percent (41%)~~ 51% of the area of the land in such territory within such incorporated city to be included in said the fire district shall sign and file with the township board a statement assenting to the inclusion of such city territory in said the fire district. The date of the hearing shall be not more than ~~ten (10)~~ 10 days after the date of the last publication. Upon said the hearing, or within ~~thirty (30)~~ 30 days thereafter, the township board shall either approve or reject the petition as filed or may modify the proposed fire district by excluding certain areas from the proposed district and approve said the petition as modified. The action of the township board shall be by resolution which shall be published once in a newspaper of general circulation in the township.

Sec. 35. K.S.A. 80-1513 is hereby amended to read as follows: 80-1513. (a) In the event the township board approves the creation of the fire district either as petitioned for or as modified, any landowner within such district may, within ~~thirty (30)~~ 30 days after such publication, may appeal from the action of the township board to the board of county commissioners of the county in which the township is located. Such appeal shall be in writing and shall state the objections to the action of the township board and a copy thereof shall be filed with the township board. Within ~~thirty (30)~~ 30 days after the filing of such an appeal, the board of county commissioners shall fix a time and place for hearing said the appeal and give notice thereof by publication for two weeks in a newspaper of general circulation in the township. The date of the hearing shall be not more than ~~ten (10)~~ 10 days after the date of the last publication, nor more than ~~sixty (60)~~ 60 days after the filing of such appeal. At such hearing or within ~~ten (10)~~ 10 days thereafter the board of county commissioners shall either approve or reject the creation of the fire district as fixed by the township board or may modify the same by excluding certain areas therefrom.

(b) If any territory included in any fire district created under the provisions of this act is thereafter included within the corporate limits of any city, such territory shall continue to be within and a part of said the fire district. Subject to the provisions of section 1, if any such fire district is located in a county having a population of not less than ~~ninety thousand (90,000)~~ 90,000, and in which there is a city of the first class having a population of less than ~~fifty thousand (50,000)~~ 50,000, new lands may be included in said the district whenever a petition requesting such inclusion is filed with the governing body of the district, signed by the owners of, whether residents of the county or not, of at least ~~ten percent (10%)~~ 10% of the area of the lands sought to be included, which petition shall conform, as near as may be possible, to the petition required for the organization of a fire district; and. If the governing body shall find said the petition is sufficient, said the governing body may adopt and publish a resolution attaching the lands described in said the petition to said the fire district; and said. The resolution shall be published once each week for two consecutive weeks in a newspaper of general circulation in the area where said the lands are located, and if within ~~thirty (30)~~ 30 days after the last publication thereof, a petition protesting the inclusion of such lands, signed by the owners of, whether residents of the county or not, of more than ~~nineteen percent (19%)~~ 19% of the area of the lands sought to be included in said the fire district is filed with the governing body, said the resolution shall have no force or effect; but. If such a protest petition shall not be filed within said the time, said the resolution shall become final, and said the lands shall be deemed attached to said the fire district. Any such fire district may include land or territory within the boundaries of an incorporated city, but only with the approval of such city. In any such case the governing body shall declare the new boundary of the district by the adoption and publication of a resolution in like manner as the boundaries were declared at the time of the original organization thereof.

On and after the effective date of this act, (c) All territory which was a part of a fire district when created under the authority of this act and which was thereafter annexed by a city maintaining a fire department shall be, and hereby is, removed from such fire district if the same was or is in a township located in a county having a population of more than ~~one hundred thirty-eight thousand (138,000)~~ 138,000 and less than ~~one hundred seventy-five thousand (175,000)~~ 175,000, and such territory shall on and after the effective date of this act be under the jurisdiction of the city which annexed said the territory and shall be served by fire protection services of such city. Such territory shall continue to be liable for the payment of any outstanding bonded indebtedness existing at the time that this act becomes effective. From and after the effective date of this act, any territory in a fire district created under the authority of this act, located in a township as described in this ~~provision~~ subsection, shall no longer be a part of said the fire district after the effective date of such annexation; however, such territory shall continue to be liable for the payment of any outstanding bonded indebtedness existing at the time of the effective date of such annexation. Such territory shall be under the jurisdiction of the city so annexing and such city shall provide fire protection to such newly annexed territory from and after the date such annexation becomes effective.

Sec. 36. K.S.A. 80-1524 is hereby amended to read as follows: 80-1524. This act and all parts thereof shall only apply to any township in this state having a population of ~~seventeen thousand five hundred (17,500)~~ 17,500 or more and an assessed valuation on tangible property in excess of ~~thirty million dollars (\$30,000,000)~~ \$30,000,000 in current or last taxable year where any such township touches or any line of boundary thereof abuts any part of a city of the first class having a population in excess of ~~one hundred thousand (100,000)~~ 100,000 people, which city also has a municipal water and light plant operated by a board of public utilities. The township board of any such township is authorized to designate, organize and fix the boundaries of special fire protection districts wherein properties predominately used for industrial purposes constitute in the aggregate more than ~~two-thirds~~ $\frac{2}{3}$ of the assessed valuation on tangible property of any such township in the current or last taxable year within such special fire protection district, and such township boards are further authorized to make provision for and to provide extra equipment and additional fire protection at the sole cost of taxpayers in such special districts, subject to the limitations and other provisions of this act.

Sec. 37. K.S.A. 80-1526 is hereby amended to read as follows: 80-1526. Subject to the provisions of section 1, whenever ~~forty (40)~~ 40 or more industries and taxpayers located in any township covered by the provisions of this act are actively operated in an industrial area or district of such township, which by character and location are predominately industrial and used for industrial purposes, and such industries or more than ~~sixty percent (60%)~~ 60% thereof are members of an incorporated, nonprofit association organized under the laws of this state to objectively plan for the safety, good order and welfare of industries and employees thereof in the industrial area or district of such township, such incorporated association or any other organized group representing ~~sixty percent (60%)~~ 60% of the operated factories and warehouses therein or a majority of industries in any proposed special fire protection district of any such township, may petition separately or together petition, the township board to designate, organize and fix the official boundary of a special fire protection district in such township, which. Such petition shall be in writing and signed by a majority of the industries or by an incorporated industrial association as hereinbefore set out or any organized group representing more than ~~sixty percent (60%)~~ 60% of the factories and warehouses operating and located in proposed special fire protection district as herein set out and further reciting and showing by such petition in writing the name under which special fire protection district should be known, if authorized.

All such petitions shall also shall describe the land included in the special district, to which a map shall be attached showing each tract of land in the boundary of the special district to

correspond with the records of the county clerk of the county in which such township is located. If such petition is signed by an incorporated industrial association or organized group as representatives of operated factories and warehouses, the names of the industries and taxpayers so represented shall be shown.

Sec. 38. K.S.A. 80-1541 is hereby amended to read as follows: 80-1541. In the event the township board, or township boards, as the case may be, approve the creation of the fire district either as petitioned for or as modified, any landowner within such district may, within ~~thirty (30)~~ 30 days after such publication, may appeal from the action of the township board or boards to the board of county commissioners of the county in which the township is located. Such appeal shall be in writing and shall state the objections to the action of the township board or boards and a copy thereof shall be filed with the township board or boards. Within ~~thirty (30)~~ 30 days after the filing of such an appeal, the board of county commissioners shall fix a time and place for hearing ~~said the~~ appeal and give notice thereof by publication for two weeks in a newspaper of general circulation in the township. The date of the hearing shall be not more than ~~ten (10)~~ 10 days after the date of the last publication, nor more than ~~sixty (60)~~ 60 days after the filing of such appeal. At such hearing or within ~~ten (10)~~ 10 days thereafter, the board of county commissioners shall either approve or reject the creation of the fire district as fixed by the township board or boards, or may modify the same by excluding certain areas therefrom. Upon the creation of a fire district by the township board or boards or by the board of county commissioners on appeal, the governing body of the fire district as hereinafter provided, shall have authority to levy taxes and assessments, to enter into contracts, to acquire, and operate and maintain fire-fighting equipment and to acquire and construct buildings to house the same and to do all things necessary to effectuate the purposes of this act. Any such district, when organized, shall have the right of eminent domain. In addition to the powers provided for in this section, the governing body shall have any powers granted to a fire district under K.S.A. 80-1514a, and amendments thereto. The governing body shall also have the authority to issue general obligation bonds and no-fund warrants under the provisions of K.S.A. 80-1514b, and amendments thereto. Any territory included in any fire district created under the provisions of this act which is thereafter included within the corporate limits of any city by way of annexation shall be excluded from the fire district and shall be furnished fire protection by the city annexing it. *Subject to the provisions of section 1*, new lands may be included in ~~said the~~ district whenever a petition requesting such inclusion is filed with the governing body of the fire district under the same procedure and conditions as is required for the creation of a fire district, but no area may be included which is already in an existing fire district or city without the consent of that district or city.

Sec. 39. K.S.A. 80-1547 is hereby amended to read as follows: 80-1547. *Subject to the provisions of section 1*, the board of county commissioners of any county which has been designated as an "urban area" under the provisions of section 17 of article 2 of the constitution of the state of Kansas, may by resolution, may provide for the consolidation of fire districts and other areas located within such county or parts thereof. Such consolidation may be of fire districts which have governing bodies appointed by the board of county commissioners, may include areas not now within a fire district, and may include areas in a township which makes a tax levy for fire protection purposes but may not include area in an incorporated city furnishing fire protection to the residents of its city, without the consent of such city. In addition, at such time as there is filed with the board of county commissioners of any such county a petition signed by not less than ~~ten percent (10%)~~ 10% of the qualified electors residing within each of the two ~~(2)~~ or more of the areas mentioned above and proposed for consolidation, the board shall order an election to be called and held within the areas proposed to be consolidated within ~~ninety (90)~~ 90 days after the filing of such petition in the manner provided for the calling and holding of elections under the general bond law. If a majority of the electors voting at such election shall approve the consolidation of such areas the

board of county commissioners shall by resolution provide for the consolidation of such areas and define the boundaries of the area as consolidated: ~~Provided, That~~. Any such consolidation shall be made prior to June 1 of any year to take effect on January 1 of the succeeding year.

Sec. 40. K.S.A. 80-1920 is hereby amended to read as follows: 80-1920. *Subject to the provisions of section 1* and upon the presentation of such petition, the township board of any such township shall create a township fire department. Such township board is hereby authorized and empowered to purchase fire-fighting equipment for the use of ~~said the~~ fire department and to provide buildings for the housing and storage of the same. For the purpose of raising funds to pay the cost of such equipment and housing facilities, the township board is hereby empowered to issue no-fund warrants in an amount not exceeding ~~twelve thousand dollars (\$12,000)~~ \$12,000. After the issuance of such no-fund warrants, the township board shall make a tax levy at the first tax-levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon: ~~Provided, That~~. In lieu of making only one tax levy, such board, if it deems it advisable, may make a tax levy each year for not to exceed five ~~(5)~~ years in approximately equal installments for the purpose of paying ~~said the~~ warrants and the interest thereon.

All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy limitation prescribed by K.S.A. 79-1962 or any, and amendments thereto. Such warrants shall be issued, registered, redeemed and bear interest in the manner and be in the form prescribed by K.S.A. 79-2940 or any, and amendments thereto, except they shall not bear the notation required by ~~said section 79-2940 therein~~ and may be issued without the approval of the ~~state commission of revenue and taxation, and board of tax appeals~~. Any surplus existing after the redemption of ~~said the~~ warrants shall be handled in the manner prescribed by ~~said section K.S.A. 79-2940, and amendments thereto~~. None of the provisions of the cash-basis and budget laws of this state shall apply to any expenditures made, the payment of which has been provided for by the issuance of such no-fund warrants.

Sec. 41. K.S.A. 80-2002 is hereby amended to read as follows: 80-2002. *Subject to the provisions of section 1*, the township board of any township having a public water supply, shall have power, in the manner and as hereinafter provided, to establish one or more sewage districts within such township, or any part thereof, which shall be designated as "_____ township sewage district No. _____, _____ county, Kansas." A sewage district so established shall be a body corporate, with authority to levy taxes and special assessments, to enter into contracts, to sue and be sued in actions arising on contracts, and to establish, construct and maintain a sewage system for such sewage district and to issue bonds to pay therefor. The duly elected members of the township board shall be ex officio the governing body of such sewage district or districts, and each shall receive as compensation for ~~his or her~~ services rendered the sum of \$3.50 per day for the time actually and necessarily spent by ~~him~~ in performing the duties required by this act.

All taxes and special assessments herein provided for shall be levied against property within such sewage district, and all bonds herein provided for shall be issued by such sewage district and shall not be an obligation of or lien against property in any part of the township which lies outside of such sewage district or against property in any other sewage districts in such township. The cost of the construction of all main, intercepting and outfall sewers and of all sewage disposal plants, and of the maintenance of the entire sewage system of such sewage district, shall be borne by the real property within such sewage district as a whole; and the cost of the construction of lateral sewers within such sewage district shall be borne by the property benefited by such lateral sewers, by the organization of lateral sewer districts or otherwise as herein provided.

Sec. 42. K.S.A. 80-2013 is hereby amended to read as follows: 80-2013. After the establishment of any sewage district or lateral sewer district, as herein provided, and *subject to the*

(continued)

provisions of section 1, the boundaries of the same any such district may be enlarged by the filing with the governing body thereof of a petition signed by a majority of the resident property owners in the territory proposed to be added to such district. Whenever such district is enlarged, the governing body shall levy a special assessment against all the property added thereto, in an amount equal to the proportionate cost of all improvements theretofore made in such original district necessarily usable by such additional territory, or the bonds issued therefor, together with the special assessments for the additional improvements made in such territory so added by enlargement in the same manner as if such additional territory had been a part of such district when originally created. Such sums as may be received by such enlargement and assessment in favor of the original district shall be used to retire bonds issued for the construction of the system in the original sewer district.

Sec. 43. K.S.A. 82a-601 is hereby amended to read as follows: 82a-601. *Subject to the provisions of section 1*, the board of county commissioners of each county in this state shall have power and it shall be their duty upon a proper petition being presented, to incorporate and organize rural water-supply districts within their respective counties in the manner hereinafter provided.

Sec. 44. K.S.A. 82a-613 is hereby amended to read as follows: 82a-613. *Subject to the provisions of section 1*, the board of county commissioners of each county in this state shall have power and it shall be their duty, upon a proper petition being presented, to incorporate and organize rural water districts in the manner hereinafter provided.

Sec. 45. K.S.A. 82a-623 is hereby amended to read as follows: 82a-623. (a) *Subject to the provisions of section 1*, notice of the filing of a petition for attachment fixing the time and place of hearing and giving notice thereof shall be in the same manner as prescribed in K.S.A. 82a-615, and amendments thereto, except notice shall not refer to any meetings to elect to board of directors or adopt bylaws, and in addition thereto the county clerk shall mail to each director of the board of the district named in the petition, a copy of such petition and notice of time and place same shall be considered.

(b) ~~No notice or hearing shall be required when the petition is signed by seventy-five percent (75%) or more of the landowners.~~

Sec. 46. K.S.A. 82a-639 is hereby amended to read as follows: 82a-639. *Subject to the provisions of section 1*, any two or more rural water districts organized pursuant to K.S.A. 82a-612 et seq., and amendments thereto, may be consolidated by order of the board of county commissioners of the county in which the district with the largest number of participating members was originally incorporated and organized.

New Sec. 47. In Sedgwick and Sumner counties, land adjacent to an established cemetery district which is a part of another organized cemetery district which lies in a county other than where the greater portion of the cemetery district to which it is proposed to be attached lies may be detached from one district and attached to the other cemetery district in the following manner. Upon presentation to the board of county commissioners of the county in which the greater part of the cemetery district lies, of a petition setting forth the boundaries of the area proposed to be attached to the cemetery district and signed by not less than 51% of the qualified electors of the area it shall be the duty of the board of county commissioners, at its next regular meeting, to examine the petition. If the board finds that the petition is sufficient, the board shall notify the board of each cemetery district and forward a copy of the petition filed. The board of the cemetery district to which the land would be attached shall return the petition accompanied by a copy of a resolution adopted by such board stating that the board desires such area to be attached to the cemetery district. The board of the cemetery district from which the land would be detached shall return the petition accompanied by a copy of a resolution adopted by such board stating that the board desires such area to be detached from the cemetery district.

Upon receipt of the petition and the resolutions the county commissioners shall issue an order attaching such territory to the

cemetery district and notice of such attachment shall be given to the county clerk of the county where the territory seeking to be attached is located. The attachment shall take effect on the first day of March next following the entry of the order. Such attached territory shall be subject thereafter to the tax levied by the cemetery district which district shall certify such levy to the county clerk of the county of the territory attached, together with its budget, and such county clerk shall levy such tax on all the taxable tangible property of the county in the cemetery district. The treasurer of the county shall transfer before the fifteenth day of January and July of each year, all moneys belonging to the cemetery district, including all moneys for the payment of bonds or interest of the district to the treasurer of the district and the treasurer receiving the moneys shall issue a receipt therefor and forward it to the treasurer of the county from which the money

Sec. 48. K.S.A. 12-520, 19-2752b, 19-2752i, 19-3503, 19-3504, 19-3525, 19-3538, 19-3602, 19-3604, 19-3619, 19-3801, 19-3805, 24-127, 24-132, 24-401, 24-458, 24-463, 24-501, 24-657, 24-667, 31-301, 80-1512, 80-1513, 80-1524, 80-1526, 80-1541, 80-1547, 80-1920, 80-2002, 80-2013, 82a-601, 82a-613, 82a-623 and 82a-639 and K.S.A. 1985 Supp. 19-2755, 19-27a03, 19-27a13, 19-27a14, 19-27a16, 19-3512, 19-3613, 19-3624, 24-137, 24-138 and 24-601 are hereby repealed.

Sec. 49. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body February 19, 1986.

SENATE concurred in HOUSE amendments April 11, 1986.

ROBERT V. TALKINGTON

President of the Senate.

LU KENNEY

Secretary of the Senate.

Passed the HOUSE as amended April 3, 1986.

MIKE HAYDEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

APPROVED April 26, 1986.

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 1st day of May, 1986.

JACK H. BRIER

Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 772

AN ACT relating to agriculture; concerning the levy of taxes and assessments upon wheat, corn, grain sorghum and soybeans marketed through commercial channels in the state; amending K.S.A. 1985 Supp. 2-2608 and 2-3007 and repealing the existing sections.

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

Section 1. K.S.A. 1985 Supp. 2-2608 is hereby amended to read as follows: 2-2608. (a) ~~Commencing June 1, 1982~~, There is hereby levied an excise tax of four mills per bushel upon wheat marketed through commercial channels in the state of Kansas ~~on and after such date~~. The tax shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. The administrator shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon payment of such excise tax. The form shall indicate thereon the procedure by which the grower may obtain a refund of any such tax. Within one year after any and all sales during such period the grower may upon submission of a request therefor to the administrator, obtain a refund in the amount of the tax or taxes deducted by the first purchaser. Such request shall be accompanied by evidence of the payment of the tax or taxes which need not be verified.

(b) The commission shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed two years after the refund is made. All funds expended in the administration of this act and for the payment of all claims whatsoever growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such act. In the case of a lien holder who is a first purchaser as defined herein, the tax shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the wheat is pledged or mortgaged. The tax shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such wheat. The tax shall be deducted and paid as herein provided whether such wheat is stored in this or any other state.

~~(e) Any wheat acquired by a grower as defined in K.S.A. 2-2602, under the provisions of the federal payment-in-kind (PIK) program, shall be subject to the provisions of this section.~~

~~(d) The provisions of subsection (e) of this section shall expire on September 30, 1985.~~

~~(c) Any wheat acquired by a grower as defined in K.S.A. 2-2602, and amendments thereto, under the provisions of any federal payment-in-kind (PIK) program, shall be subject to the provisions of this section.~~

Sec. 2. K.S.A. 1985 Supp. 2-3007 is hereby amended to read as follows: 2-3007. (a) ~~Commencing September 1, 1982~~, There is hereby levied an assessment of three mills per bushel upon corn and grain sorghum marketed through commercial channels in the state of Kansas ~~on and after such date~~. ~~Commencing September 1, 1982~~, There is hereby levied an assessment of 10 mills per bushel upon soybeans marketed through commercial channels in the state of Kansas ~~on and after such date~~. Such assessment shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. The division shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon the payment of such assessment. The form shall indicate thereon the procedure by which the grower may obtain a refund of any such assessment. Within one year after any and all sales during such period the grower may upon submission of a request therefor to the division, obtain a refund in the amount of the assessments deducted by the first purchaser. Such request shall be accompanied by evidence of the payment of the assessments which need not be verified.

(b) The division shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed two years after the refund is made. All funds

expended in the administration of this act and for the payment of all claims whatsoever growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such assessment. In the case of a lien holder who is a first purchaser as defined herein, the assessment shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the corn, grain sorghum or soybeans are pledged or mortgaged. The assessment shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such corn, grain sorghum or soybeans. The assessment shall be deducted and paid as herein provided whether such corn, grain sorghum or soybeans are stored in this or any other state.

~~(e) Any corn or grain sorghum acquired by a grower as defined in K.S.A. 2-3001, under the provisions of the federal payment-in-kind (PIK) program shall be subject to the provisions of this section.~~

~~(d) The provisions of subsection (e) of this section shall expire on September 30, 1985.~~

~~(c) Any corn or grain sorghum acquired by a grower as defined in K.S.A. 2-3001, and amendments thereto, under the provisions of any federal payment-in-kind (PIK) program shall be subject to the provisions of this section.~~

Sec. 3. K.S.A. 1985 Supp. 2-2608 and 2-3007 are hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body April 25, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE April 27, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 6, 1986.

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 6th day of May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

SENATE BILL No. 521

AN ACT concerning certain claims against the state; making appropriations, authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain disbursements, procedures and acts incidental to the foregoing.

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

Section 1. For the fiscal year ending June 30, 1986, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, disbursements, procedures and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2. The department of revenue is hereby authorized and directed to pay the following amounts from the motor-vehicle fuel tax refund fund, for claims not filed within the statutory filing period prescribed in K.S.A. 79-3458 and amendments thereto, to the following claimants:

Aldridge, J. E., Route 3, Parsons, KS 67357	\$ 51.00
Almquist, Kenneth, Box 6, Assaria, KS 67416	7.00
Anderson, Raymond, Route 1, Box 47, Olsburg, KS 66520	7.00
Axman, Leonard J., Olmitz, KS 67564	46.71
Baker, Joseph, Route 1, Box 74, Haddam, KS 66944	145.00
Bartlett, Lee, Route 2, Box 136, Osawatomie, KS 66064	7.00
Beeson, Lee, HC 1, Box 17, Bird City, KS 67731	37.69
Benedictine College, 801 S. 8th, Atchison, KS 66002	49.00
Berg, Christie D., Route 2, Box 117A, Logan, KS 67646	60.90
Blanchat, Bill, Danville, KS 67036	407.11
Blazek, Mrs. Harold, Cuba, KS 66940	14.00
Blume, Larry, Route 2, Wamego, KS 66547	402.95
Bogner, Philip, Route 1, Winfield, KS 67156	57.45
Bokelman, Jerald, Route 2, Washington, KS 66968	189.13
Borchardt, Retta, Route 1, Agenda, KS 66930	16.00
Borth, Ben, Box 411, Canton, KS 67428	250.67
Bossi Bros., Route 4, Arkansas City, KS 67005	135.00
Boyd, Darrel E., Beattie, KS 66406	72.67
Brobst, Marvin, Route 3, Beloit, KS 67420	298.39
Bryan, Gaylord C. and Sons, 710 East Ash, Oberlin, KS 67749	69.04
Buchanan, James A., Route 1, Independence, KS 67301	5.40
Burian, Kenneth, Kirwin, KS 67644	48.60
Burns, Gene, Route 1, Portis, KS 67474	156.54
Burris, Bill K., Route 1, Bushong, KS 66841	40.00
Butler, Glenn and Barbara, Route 2, Effingham, KS 66023	17.67
Button, Forrest H., 722 East 5th, La Crosse, KS 67548	42.42
Byerley, Lila, Bloom, KS 67833	5.79
C. K. Processing Inc., Route 5, Manhattan, KS 66502	185.53
Carlson, Joyce, Lincolnville, KS 66858	148.50
Carrier, Don, 1064 W. Chestnut, Junction City, KS 66441	36.26
Chambers, Richard C., Box 120, Norcatour, KS 67653	1,308.37
Clark, Ernest B., Route 2, Box 103, Sedgwick, KS 67135	28.01
Cline, John A., Route 1, Havensville, KS 66432	28.89
Cordell, Earl, Box 815, Soldier, KS 66540	149.69
Cox, D. D., Route 1, Sedgwick, KS 67135	171.00
Crum, Larry, P. O. Box 348, Concordia, KS 66901	653.96
Daise, Robert, Kanorado, KS 67741	13.08
Derowitsch, Max, Chester, Nebraska 68327	97.20
Dewald, Ervin, Route 1, Box 45, Ogallah, KS 67856	40.00
Dorcas, Myrl, Route 1, Waverly, KS 66871	76.90
Dorman Farms, Inc., Route 2, Box 20A, Concordia, KS 66901	1,199.84
Dumcum, Bernard, Route 2, LaCygne, KS 66040	50.67
Eden, Arlo W., Route 3, Fort Scott, KS 66701	201.56
Efinger, Fred H., Box 232, Saverly, KS 66871	18.55
Engel, Leonard, Route 2, Walnut, KS 66780	1.50
Epps, Richard, Route 2, Fort Scott, KS 66701	29.00
Falk, W. A., Route 2, Box 127, Alma, KS 66401	155.74
Felsburg, Walter, Gaylord, KS 67638	13.50
Ferrin, W. F., 4120 S.E. U.S. Highway 40, Topeka, KS 66605	12.00
Fisher, Michael, Route 3, Box 58, Larned, KS 67550	18.00
Flora, Vaughn, 431 Woodland, Topeka, KS 66607	64.15
Fortman, Benjamin I., Route 1, Pleasanton, KS 66075	200.97
Fortman, Donald L., Route 1, Box 10A, Pleasanton, KS 66075	464.53
Frakes, Clarence L., Route 2, Box 174, Eureka, KS 67045	49.90
Gabelmann, Carl, Route 1, Lincoln, KS 67455	73.00
Garten Bros., Inc., Clarence and Frank, Route 4, Abilene, KS 67410	135.24
Gasche, Dan, Route 1, Hartford, KS 66854	136.22
Gast, Leonard, Route 2, Paola, KS 66071	25.00
Gingerich, George, Jr., Quenemo, KS 66528	195.28
Gitchel, Milo, Route 1, Box 47, Phillipsburg, KS 67661	508.79
Ghissman, Callistus, Route 1, Box 13C, Corning, KS 66417	49.90
Goering, David, Route 4, Box 46, Galva, KS 67443	112.20
Goff, Mrs. Jo Anne, Route 2, Box 27, Overbrook, KS 66524	29.00
Good, John E., Route 1, Box 65, Louisburg, KS 66053	25.00
Gugenhahn, Loren, Route 2, Marysville, KS 66508	290.47
Gwennap, James P., Route 2, Smith Center, KS 66967	134.77
Hachmeister, Paul E., Box B, Natoma, KS 67651	125.80
Hageman, Donald F., Route 4, Box 135, Emporia, KS 66801	31.97

Halferty, Edwin L., Route 2, Clyde, KS 66938	38.80
Hamilton, Lowell D., Route 1, Box 56, Marysville, KS 66508	18.88
Hanneman, Wilbur, Route 2, Box 47, Peabody, KS 66866	51.00
Harbour Bros. Construction Co., Inc., 2717 S. 88th St., Kansas City, KS 66111	1,120.45
Haresnape Farms, Inc., Route 2, Box 51, Lebanon, KS 66952	867.15
Hart, Melvin or Melba D., Box 70, Barnard, KS 67418	249.89
Hemme, Ray H., Route 1, Perry, KS 66073	533.71
Herman, Harold, Route 1, Hope, KS 67451	15.40
Herrman, Paul J., Route 1, Box 87, LaCrosse, KS 67548	224.14
Herrmann, J. H., Route 1, Box 112, Scranton, KS 66537	33.00
Highly, John E., Route 3, Phillipsburg, KS 67661	16.02
Hill, D. Gene, Route 3, Box 60, McPherson, KS 67460	12.90
Hilltop, Inc., Route 1, Box 13, Scott City, KS 67871	465.30
Holthaus, Dennis, Route 1, Box 131, Seneca, KS 66538	16.90
Huck Ranch - Vernon, Protection, KS 67127	23.06
Hultz, Dean L., Route 2, Kincaid, KS 66039	25.79
Ikenberry, Merton, Route 1, Quinter, KS 67752	402.27
Insley, Paul, Route 3, Box 95, Junction City, KS 66441	73.55
JDB Inc., Bruning, Jere D., Route 1, Box 37, White Cloud, KS 66094	181.44
Janke, Robert G. or Phillip, Route 1, Box 40A, Junction City, KS 66441	142.41
Just, Darrel, Route 2, Box 186, Hillsboro, KS 67063	77.29
Kammer Bros., HC-1, Box 10, Brewster, KS 67732	21.52
Karleskint, A. J., Route 3, Box 433, Fort Scott, KS 66701	37.80
Karns, Kermit, Route 1, Box 23, Circleville, KS 66416	47.70
Katy-Parsons Golf Club, Route 2, P.O. Box 376, Parsons, KS 67357	80.15
Kehres, Warren, Route 1, Box 46, Olpe, KS 66865	16.35
Keimig, J. W., Lancaster, KS 66041	13.05
Keller, Athol J., Route 1, Preston, KS 67569	303.53
Kerwin, Robert A., Route 2, Box 24, Delia, KS 66418	135.72
Kinlund, A., Box 268, Tribune, KS 67879	68.27
Kisby, Donald, Clifton, KS 66937	76.14
Klaus, Albert P., 2316 Chainey, Apt. 2, Garden City, KS 67846	437.81
Kostner, Virgil, Route 1, Box 101, Murdock, KS 67111	176.02
Kramer, Eric, Route 1, Clayton, KS 67629	11.40
Krannawitter, Terry, Route 2, Grainfield, KS 67737	40.00
Krestine, Clara M., Route 1, Otis, KS 67565	41.54
Kroecker, Opal Mae, Route 2, Box 101, Hutchinson, KS 67501	58.81
Krohn, Myron, Box 28, Blaine, KS 66410	267.00
Lambotte, Virgil, Route 1, Harveyville, KS 66431	7.00
Larsen, Lowell L., Route 1, Lincoln, KS 67455	81.00
Lewis, Ronald & Lyle, Route 1, Box 93, Fowler, KS 67844	113.26
Litch, Wayne E., Route 1, Melvern, KS 66510	106.00
Logan, John, Route 2, Kiowa, KS 67070	200.28
Love, Glenn, 218 W. Jefferson, Mankato, KS 66956	424.46
Lucke, Leonard, Route 1, Girard, KS 66743	65.72
MCK Inc., Grinnell, KS 67738	129.33
Malone, Lawrence L., Box 115, Moline, KS 67353	120.47
Martin, Maurice J., Route 1, Box C18, Quinter, KS 67752	1,519.71
Martin, Ray H., Route 2, Box 11A, Dexter, KS 67038	57.82
Mayer, H. J., Norwich, KS 67118	188.00
McCray, John H., 5550 E. 38th Street North, Wichita, KS 67220	320.76
McCrerey, Thayne I., Route 5, Hiawatha, KS 66434	45.00
McCarthy, Bob, Meriden, KS 66512	240.43
McIntosh, Leonard W., Route 1, Box 24, Oak Hill, KS 67472	7.55
Meili, William R., Route 3, Lincoln, KS 67455	86.75
Melvin Gengler, Inc., Route 1, Beloit, KS 67420	105.89
Merrill, Bruce, 419 E. 9th, Abilene, KS 67410	35.16
Merz, Dale, Route 2, Downs, KS 67437	356.45
Meyer, Arnold H. & Sons, Route 2, Box 178, Hollenberg, KS 66946	178.63
Millenbruch, Dale, Route 1A, Lancaster, KS 66041	77.29
Miller, Vernon C., Route 1, Box 57, Junction City, KS 66441	72.09
Mills, Wayne, Route 5, Abilene, KS 67410	19.94
Monticello Farms, Inc., 1175 Grand Avenue, Suite 915, Kansas City, MO 64106	136.42
Moore, Lee-Lee's Tree Farm, Route 1, Box 254, Perry, KS 66073	106.00
Moore Farms by D. J. Moore, Route 2, Box 71, Council Grove, KS 66846	22.40
Neill, Frank, Route 3, Clay Center, KS 67432	27.56
Neilson, Mrs. Murlin, Route 2, Box 115, Mankato, KS 66956	77.18
New Hope Farms, Inc., Kensington, KS 66951	328.86
Nickell, Kenneth J., Route 1, Fontana, KS 66026	28.45
Niermeier, E. Niles, Route 1, Box 3, Ludell, KS 67744	30.10
Nolte, Larry D., Route 2, Hiawatha, KS 66434	31.75
Olson, George, Axtell, KS 66403	114.04
Olson, Robert, Route 2, Ludell, KS 67744	59.80
Palmer, Lana and Paul, Route 1, Box 18, Hope, KS 67451	58.70
Parks, Charles L., Route 1, Centerville, KS 66014	59.00
Patterson, Jerold, Route 2, Garnett, KS 66032	171.52
Peterson Farm, Norris Peterson, Route 1, Box 173, Assaria, KS 67416	240.51
Petracek, Elmer, RR, Jennings, KS 67643	426.64
Place, Steve, 504 N. Topeka, El Dorado, KS 67042	89.00
Poky Feeders, Inc., Route 2, Box 168, Scott City, KS 67871	1,188.00
Poole, John, Route 2, Manhattan, KS 66502	90.39
Porter Farms, Richard W. Porter, Route 1, Box 64, Reading, KS 66868	946.30

Praither, Jordia, Route 1, LaCygne, KS 66040	35.80
Pratt, Fred, Box 605, Hoxie, KS 67740	171.86
Pray, Ira E., Route 1, Box 108, Eureka, KS 67045	38.90
Preheim Farms, 310 Sycamore, Peabody, KS 66866	107.80
Prichard, John, Route 1, Box 110, Oxford, KS 67119	17.67
Prochazka, Joe W., Route 2, Box 155, Atwood, KS 67730	29.00
Reed, Ray, Route 2, Wakefield, KS 67487	13.50
Reid, Wayne, Harveyville, KS 66431	28.67
Rice, Louis H., Havensville, KS 66432	354.96
Richmeier, Gerald L., Route 1, Garden City, KS 67846	521.06
Riemann, Willis H., Route 1, Box 41, Claffin, KS 67525	45.50
Ringer, Wallace, Box 276, Quinter, KS 67752	22.60
Roach, Clifford, Box 174, Alton, KS 67623	139.59
Rodecap, James E., Route 1, Box 35, Burlingame, KS 66413	406.85
Ronnau, Charles F., 501 North 7th Street, St. Marys, KS 66536	70.80
Rose Pork, Inc., Route 2, Cawker City, KS 67430	621.42
Ross, Robert G., Route 5, Box 187, Pittsburg, KS 66762	294.86
Russell, John W., Route 1, Box 89A, Severy, KS 67137	40.00
Russell, Mrs. Floyd, Route 1, Altoona, KS 66710	29.00
SG Metals Industries, Inc., P.O. Box 2039, Kansas City, KS 66110	2,026.46
Scheid, Lloyd, Whiting, KS 66552	38.00
Schlagel, Harold & Ralph, 17160 Pflumm Rd., Olathe, KS 66061	16.46
Schlink, Glenn, 5820 SE 53rd, Tecumseh, KS 66542	16.35
Schmitz, Bernard, Route 1, Box 10, Andale, KS 67001	18.00
Schneweis, James L., Route 1, Box 124, Claffin, KS 67525	18.00
Schoen, Richard E., Route 1, Sylvan Grove, KS 67481	11.40
Setzer, Vernon, RR, St. George, KS 66535	51.00
Shafer, James L., Route 1, Box 43, Plevna, KS 67568	103.88
Shaw, Donald, Route 1, Selden, KS 67757	19.30
Shepard, Lewis, Box 266, Ogden, KS 66517	12.00
Shumaker Bros., Box 127, Wetmore, KS 66550	154.04
Simon & Sons, Inc., by Reinard Simon, Pres., Colwich, KS 67030	403.65
Simon & Sons, Inc., Route 1, Box 135, Colwich, KS 67030	134.60
Simons, Arthur, Route 3, Kingman, KS 67068	38.46
Simons, Harold, 324 N. Cypress, Stockton, KS 67669	82.96
Smith, William S., Route 1, Box 28, Harveyville, KS 66431	53.50
Snow, Mrs. O.D. (Wanda), RR, Agra, KS 67621	16.90
Snyder, Charles R., Route 4, Box 76, Independence, KS 67301	101.05
Sohio Chemical Co., P.O. Box 628, Lima, Ohio 45802	1,870.97
Sutcliffe, Inc., 119 S. Grant, P.O. Box 825, Chanute, KS 66720	70.43
Tegethoff, Robert, Box 125, Morrowville, KS 66958	32.36
Tempero, Benjamin W. or Mrs. Geraldine, Route 2, Box 28, Hoi-sington, KS 67544	56.05
Tessendorf, Harold D., RR, Onaga, KS 66521	7.80
Thiel, Earl C., Route 1, Arlington, KS 67514	205.49
Thomas, Marvin, Route 1, Pratt, KS 67124	22.18
Thornton, Everett, Route 1, Box 13, Thayer, KS 66776	37.48
Thowe, Wilmer, Route 2, Box 278, Alma, KS 66401	83.67
Tindall, Warren, Box 266, Hoi-sington, KS 67544	250.96
Triple-I Energy Corp., 6600 College Blvd., Suite 310, Overland Park, KS 66211	480.42
Tubbs, Clarence, Levant, KS 66743	18.00
Vacura, Bernie, Jennings, KS 67643	248.23
Vogel, James E., Route 3, Marion, KS 66861	7.00
Vohs, Arthur J., Route 2, Box 8, Louisburg, KS 66053	13.71
Walnut Creek Ranch, Mac F. Cahal, Route 1, Box 31, Louisburg, KS 66053	75.50
Webber, Herschel, P.O. Box 307, Sublette, KS 67877	670.21
Weers, Earl S., Jr., Box 424, Louisburg, KS 66053	40.00
Weiche, Lyle, Barnes, KS 66933	218.35
Welker, Marion, Route 2, Box 16, Abbyville, KS 67510	201.26
Wenzel, Ernest, Route 1, Box 77, Vermillion, KS 66544	43.00
White, John, Route 1, Belvue, KS 66407	405.59
White, Mrs. Harold E., Route 2, Iola, KS 66749	17.00
Whitehair, P. L. or R. J., Route 3, Abilene, KS 67410	71.13
Wiedemann, K. T. Trust, P.O. Box 1122, Wichita, KS 67218	271.95
Will, Kenneth, Route 1, Salina, KS 67401	178.97
Willey, Merle, Route 2, Box 131A, Belle Plaine, KS 67013	97.97
Wingate, T.A., Route 2, Kingman, KS 67068	88.95
Wohler, Lee, Waterville, KS 66548	198.40
Wood, Commodore, Route 1, Box 80, Emporia, KS 66801	31.64
Wood, Roy E., Route 1, Manhattan, KS 66503	284.65
Wyandotte County Parks, 3488 West Drive, Kansas City, KS 66109	802.49
Yoder, L. L., 804 W. 30th, Hutchinson, KS 67502	11.80
Young, Robert L., Route 1, Oketo, KS 66518	40.00
Zadina, Louie, Route 2, Mankato, KS 66956	166.95
Total	\$38,768.16

Sec. 3. (a) There is appropriated for the Youth Center at Atchison from the state institutions building fund the following:
Softball diamond and track \$8,490.59

(b) The Youth Center at Atchison is hereby authorized and directed to pay the following amount from the softball diamond and track account of the state institutions building fund for additional compensation for services rendered resulting from erroneous specifications and plans submitted to the claimant by the division of architectural services of the department of ad-

ministration relating to the construction of a softball diamond and track, to the following claimant:

Herzog Contracting Corp., c/o Alan L. Landes, Vice President, P.O. Box 1089, St. Joseph, MO 64502 \$8,490.59
Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of this amount.

Sec. 4. The department of health and environment is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for the payment of fees for the attendance by a staff attorney at the hazardous waste litigation symposium held October 4, 1984, in Garden City, New York, to the following claimant:

Rivkin, Leff, Sherman and Radler, c/o Thomas Gandolfo, 100 Garden City Plaza, Garden City, NY 11530 \$375.00

Sec. 5. The Kansas state historical society is hereby authorized and directed to pay the following amount from the museum account of the state general fund the payment of labor charges resulting from a maintenance contract reconciliation which was not submitted in the proper fiscal year, to the following claimant:

Creative Productions, c/o Kathleen R. Eubank, 220 SW 6th St., Topeka, KS 66603 \$1,093.75

Sec. 6. The Kansas correctional institution at Lansing is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for payment of services rendered for the medical care of infants born to an inmate, to the following claimant:

St. John Hospital, c/o Ross P. Marine, 3500 S. 4th St., Leavenworth, KS 66048 \$5,148.60

Sec. 7. (a) The state industrial reformatory is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for injuries to the fingers of the claimant's left hand which were accidentally cut while the claimant was using a portable skill saw on work assignment at the state industrial reformatory on July 19, 1984, to the following claimant:

Jeffrey Dillon, c/o Steve Ediger, Attorney, Box 567, Hutchinson, KS 67501 \$15,640.30

Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of this amount: *Provided, however,* That from this amount the director of accounts and reports shall set off and pay directly \$2,288.43 to the district attorney for Douglas county, Kansas, for payment of amounts of restitution under *State v. Jeffrey A. Dillon*, case nos. 82CR44, 82CR54 and 82CR1004, District Court for Douglas county, Kansas, and shall set off and pay directly \$3,012.38 to the clerk of the District Court for Douglas county, Kansas, for court costs in such cases: *Provided further,* That such setoffs shall not be subject to the provisions of K.S.A. 75-6201 to 75-6214, inclusive, and amendments thereto.

(b) The state industrial reformatory is hereby authorized and directed to pay the following amounts from the operating expenditures account of the state general fund for reimbursement for loss of the claimants' personal property which was in the custody and control of personnel of the state industrial reformatory, to the following claimants:

Timothy Lee Newfield, #34231, c/o The Kansas state industrial reformatory	\$107.91
Steven Hill, 1119 East 10th, Hutchinson, KS 67504	2.94
Mark D. Steinshouer, #34048, c/o The Kansas state industrial reformatory	23.85
Emmitt Trask, #40691, c/o The Kansas state industrial reformatory	31.00
Kevin Cox, #36868, c/o The Kansas state industrial reformatory	35.00
Total	\$200.70

Sec. 8. (a) The Kansas state university is hereby authorized and directed to pay the following amounts from the housing system operations fund for personal injury or property damage, or both, caused by plumbing malfunctions in Jardine Terrace housing, to the following claimants:

Mark and Hortense Harrison, Y-4, Jardine Terrace, Manhattan, KS 66502	\$170.00
Steve and Lesa Field, 8319 Indianapolis, Wichita, KS 67206	358.00
Total	\$528.00

(continued)

(b) The Kansas state university is hereby authorized and directed to pay the following amount from the housing system operations fund for medical expenses incurred and resulting from personal injuries sustained by claimant due to a fall on April 26, 1984, on a stairway at Jardine Terrace apartments, to the following claimant:

Marjorie V. Hennesy, c/o Stephen C. Hennesy, D-29, Jardine Terrace, Manhattan, KS 66502 \$435.25
Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of this amount.

Sec. 9. The Pittsburg state university is hereby authorized and directed to pay the following amount from the other operating expenditures (including official hospitality) account of the state general fund for payment of medical care expenses incurred by the claimant as a result of a fall on the university's campus, to the following claimant:

Helen I. Hines, Box 1616, Erie, KS 66733 \$917.79
Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of this amount.

Sec. 10. The Kansas wheat commission is hereby authorized and directed to pay the following amount from the Kansas wheat commission fund for reimbursement of travel expenses incurred in association with an interview of a prospective employee, to the following claimant:

James A. Bair, 1114 Fremont, Apt. #4, Manhattan, KS 66502 \$402.60

Sec. 11. There is appropriated from the state general fund the following amount for payment for final settlement of the estate of Frances Stamps Brewster, to the following claimant:

Annette Holford, 5833 NW North Hills Dr., Topeka, KS 66617 \$160.95

Sec. 12. There is appropriated from the state general fund the following amount for payment for detention services for juvenile wards for the period of time commencing July 1, 1984, and ending May 31, 1985, performed by the Wyandotte County-Kaw View Juvenile Home, for which payment was not made because of untimely submission of time sheets, to the following claimant:

Wyandotte County-Kaw View Juvenile Home, c/o Richard D. Shannon, Court Administrator, 710 N. 7th St., Kansas City, KS 66101 \$40,827.85

Sec. 13. The state park and resources authority is hereby authorized and directed to pay the following amount from the state operations account of the state park and resources authority general fees fund for reimbursement of the claimant for the loss of a boat used by park rangers in a rescue operation, to the following claimant:

Toney L. Dowell, 3246 S. Fern, Wichita, KS 67217 \$1,113.00

Sec. 14. (a) The department of corrections is hereby authorized and directed to pay the following amount from the community services account of the state general fund for reimbursement for loss of claimant's personal property which was in the custody and control of employees of the Winfield prerelease center, to the following claimant:

Steven K. McCollum, c/o Pat Cowart, 1500 College Way, Olathe, KS 66061 \$587.00

(b) The department of corrections is hereby authorized and directed to pay the following amount from the honor camps account of the state general fund for reimbursement for loss of claimant's personal property which was in the custody and control of employees of the El Dorado honor camp, to the following claimant:

Ancy Bill Couch II, #37110, c/o The Kansas state industrial reformatory \$748

Sec. 15. (a) The Kansas state penitentiary is hereby authorized and directed to pay the following amounts from the operating expenditures account of the state general fund for reimbursement for loss of or damage to the claimants' personal property which was in the custody and control of personnel of Kansas state penitentiary, to the following claimants:

Table listing names and amounts for Kansas state penitentiary claimants, including Jeffery J. Wood, Garnet Tolen, Craig M. Bryant, Maurice Melton, Harlan Lueker, Clyde Reiner, Michael Wayne Burnett, Charles C. Strawn, Morris Hollinshed, David R. Brown, Marion Alfonso Robinson, Jenaro Zapata, Javier Gonzalez, Lester J. Ellifrits, Virga R. Davis, Lucky Harvey, Robert Raymond Bell, Edward D. Granado, Glen A. Rider, Frank C. Ervin, Terry Coker, Edward Lee Clemmons, and Elmore Marks. Total: \$1,302.32

(b) The Kansas state penitentiary is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for injuries to the fingers of the claimant's left hand while using a board plowing machine on work assignment at the penitentiary on June 25, 1985, to the following claimant:

Terry Morrand, c/o Richard L. Reid, Attorney, 918 Two Gateway Centre, Kansas City, KS 66101 \$7,064.50
Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of this amount.

Sec. 16. The department of revenue is hereby authorized and directed to pay the following amount from the operating expenditures account of the division of vehicles operating fund for delinquent payment of the special assessment for solid waste disposal owed by the port of entry at Atchison, to the following claimant:

Atchison County, c/o Marian L. Harrison, County Treasurer, Court House, Atchison, KS 66002 \$46.77

Sec. 17. The department of revenue is hereby authorized and directed to pay the following amounts from the sales tax refund fund for sales tax paid for materials for tax exempt projects under K.S.A. 79-3606, and amendments thereto, to the following claimants:

Table listing names and amounts for sales tax refund claimants, including City of Olathe, City of Topeka, Benedictine College, City of Jewell, Heatron, Inc., and City of Lenexa. Total: \$45,701.35

Provided, That a written release and satisfaction of all claims and rights against the state of Kansas and all officers and employees of the state of Kansas regarding the claims allowed by this section shall be secured prior to payment of this amount.

Total \$45,701.35

Sec. 18. The department of revenue is hereby authorized and directed to pay the following amount from the suspense fund for reimbursement for fines paid due to the untimely issuance of proportional registration license plates, to the following claimant:

Schwan's Sales, c/o Richard K. Bunch, 2413 Hein, Salina, KS 67401 \$755.92

Sec. 19. (a) The department of social and rehabilitation services is hereby authorized and directed to pay the following amount from the social services clearing fund for payment for damages to a rental truck, to the following claimant:

Ryder Truck Rental, c/o John A. Greene, Jr., 631 W. First St., P.O. Box 1096, Topeka, KS 66601 \$1,963.00

(b) The department of social and rehabilitation services is hereby authorized and directed to pay the following amounts from the social services clearing fund for reimbursement for medical services provided by claimants to Medicaid recipients, to the following claimants:

James W. Bloomer, Byers Optical Company, 834 S. Kansas Ave., Topeka, KS 66612	\$2,571.00
WaKeeney Medical Group, chartered, 323 Russell Ave., WaKeeney, KS 67672	19.00
Total	\$2,590.00

(c) The department of social and rehabilitation services is hereby authorized and directed to pay the following amount from the social services clearing fund for expenses incurred in fiscal year 1985 for the distribution of food commodities for which vouchers were not submitted until fiscal year 1986, to the following claimant:

Mid-Kansas Community Action Program, Inc., c/o Bonnie Nichols, Deputy Director, 126 E. 2nd, El Dorado, KS 67042	\$3,686.93
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(d) The department of social and rehabilitation services is hereby authorized and directed to pay the following amount from youth services account of the state general fund for reimbursement of the deductible amount on an automobile insurance policy resulting from the claimant's automobile being involved in an accident caused by a foster child placed by the department, to the following claimant:

Mack C. Bean, 2531 Colorado, Topeka, KS 66605	\$100.00
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Sec. 20. Mental health and retardation services is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for payment of membership dues to the Kansas Hospital Association, to the following claimant:

Kansas Hospital Association, c/o Larry K. Shaffer, P.O. Box 2308, Topeka, KS 66601	\$1,200.00
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Sec. 21. The university of Kansas is hereby authorized and directed to pay the following amount from the housing system operations fund for reimbursement for the loss of property from claimant's residence hall room, to the following claimant:

Sean Myers, Kendall, Bent Tree Complexes, 13971 SW 50th Terrace, Miami, FL 33179	\$671.00
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Sec. 22. The Fort Hays state university is hereby authorized and directed to pay the following amount from the other operating expenditures (including official hospitality) account of the state general fund for reimbursement of sales tax paid on the replacement of windows at dormitories, to the following claimant:

State Glass Company, Inc., 5th and Main, P.O. Box 776, Hays, KS 67601	\$825.00
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Sec. 23. The Youth Center at Topeka is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for reimbursement of costs incurred by claimant in replacing eyeglasses lens broken as a result of a student assault, to the following claimant:

Thomas West Jones, 1440 NW 25th St., Topeka, KS 66608	\$85.00
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Sec. 24. The state corporation commission is hereby authorized and directed to pay the following amount from the public service regulation fund for payment of the subscription price for the Federal Tax Guide Reports - 1982 Control Edition, which was not submitted for payment in the proper fiscal year, to the following claimant:

Commerce Clearing House, Inc., c/o Charles L. Wolberg, Rappaport and Meyer, 134 N. LaSalle, Chicago, Illinois 60602	\$128.75
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Sec. 25. The department of transportation is hereby authorized and directed to pay the following amount from the claims account of the state highway fund for car cleanup expenses due to road maintenance operations conducted on U.S. Highway 156 near Garden City, Kansas, to the following claimant:

Harrison Smith, Box M, Garden City, KS 67846	\$41.34
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Sec. 26. The Topeka state hospital is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for reimbursement

for payment for damages to claimant's automobile caused by a fallen tree limb, to the following claimant:

David H. Wright, 415 Roosevelt, Topeka, KS 66606	\$250.00
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Sec. 27. The Wichita state university is hereby authorized and directed to pay the following amount from the other operating expenditures (including official hospitality) account of the state general fund for reimbursement for payment for damages to claimant's automobile caused by a fallen tree, to the following claimant:

Edward A. Sheldon, 59 Mission Rd., Wichita, KS 67207	\$500.00
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Sec. 28. The director of accounts and reports is hereby authorized and directed to draw warrants on the state treasurer in favor of the claimants specified in this act, upon vouchers duly executed by the state agencies directed to pay the amounts specified in such sections or by the claimants or their legal representatives or duly authorized agents, as provided by law.

Sec. 29. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body February 19, 1986.

SENATE adopted Conference Committee report April 23, 1986.
 ROBERT V. TALKINGTON
President of the Senate.
 LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended March 18, 1986.

HOUSE adopted Conference Committee report April 12, 1986.
 MIKE HAYDEN
Speaker of the House.
 GENEVA SEWARD
Chief Clerk of the House.

APPROVED May 5, 1986.

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 May, 1986.

JACK H. BRIER
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 15, 1986.)

HOUSE BILL No. 2734

AN ACT relating to administrative rules and regulations; concerning the adoption of temporary rules and regulations; amending K.S.A. 1985 Supp. 77-422 and repealing the existing section.

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

Section 1. K.S.A. 1985 Supp. 77-422 is hereby amended to read as follows: 77-422. (a) A rule and regulation may be adopted by a state agency as a temporary rule and regulation if *the state agency and the state rules and regulations board finds that:* (1) The preservation of the public peace, health, safety or welfare necessitates or makes desirable putting such rule and regulation into effect prior to the time it could be put into effect if the agency were to comply with the notice, hearing and publication requirements of this act or prior to the effective date prescribed by K.S.A. 77-426, and amendments thereto; or (2) it is necessary for such rule and regulation to take effect prior to the effective date prescribed by K.S.A. 77-426, and amendments thereto, in order to comply with the requirements of the statute authorizing the adoption of such rule and regulation or with any federal law with which the state agency is required to comply or with rules and regulations of federal agencies adopted pursuant to any such federal law; or (3) the rule and regulation is adopting, amending or revoking a rule and regulation in response to specific direction contained in a concurrent resolution adopted by the legislature and directed to such agency; or (4) (A) *insufficient appropriations are available for a specific fiscal year to meet certain budget requirements for such fiscal year which necessitates putting a rule and regulation into effect prior to the effective date prescribed by K.S.A. 77-426, and amendments thereto,* (B) *the temporary rule and regulation applies only to such fiscal year, and* (C) *the proposed rule and regulation is not contrary to the provisions of an appropriations act or other act of the legislature.*

(b) No temporary rule and regulation shall be adopted on the basis that such rule and regulation must be adopted as a temporary rule and regulation for the purpose of complying with the requirements of the statute authorizing the rule and regulation to be adopted or on the basis that such rule and regulation must be adopted as a temporary rule and regulation for the purpose of complying with any federal law with which the state agency is required to comply or with rules and regulations of federal agencies adopted pursuant to any such federal law without notice having been given and a hearing thereon held in the manner prescribed by K.S.A. 77-421, and amendments thereto. Temporary rules and regulations, other than temporary rules and regulations adopted on the basis that such rules and regulations must be adopted as temporary rules and regulations for the purpose of complying with the requirements of the statute authorizing the rules and regulations to be adopted or for the purpose of complying with any federal law with which the state agency is required to comply or with rules and regulations of federal agencies adopted pursuant to any such federal law or those adopted pursuant to paragraph (4) of subsection (a), may be adopted without the giving of notice and the holding of a hearing thereon.

(c) No temporary rule and regulation shall be adopted prior to the effective date of the statute authorizing its adoption, but, prior to the effective date of such statute, the proposed temporary rule and regulation may be submitted to the secretary of administration and to the attorney general for approval as required by K.S.A. 77-420, and amendments thereto and notice of the proposed rule and regulation may be given and a hearing held thereon in the manner prescribed by K.S.A. 77-421, and amendments thereto.

(d) A temporary rule and regulation shall take effect after approval by the secretary of administration and the attorney general as provided by K.S.A. 77-420, and amendments thereto, and after approval by the state rules and regulations board as provided by K.S.A. 77-423, and amendments thereto, upon filing with the revisor of statutes. The effective date of all or specific

parts of a temporary rule and regulation may be delayed to a date later than its filing date if the delayed effective date of such rule and regulation, or specific parts thereof, is clearly expressed in the body of such rule and regulation. A temporary rule and regulation filed during any year shall not be effective after April 30 of the year succeeding the year in which the temporary rule and regulation was filed.

(e) A temporary rule and regulation which amends an existing rule and regulation shall have the effect of suspending the force and effect of the existing rule and regulation until such time as the temporary rule and regulation is no longer effective. In such case, at the time the temporary rule and regulation ceases to be effective, the existing permanent rule and regulation which was amended by the temporary rule and regulation shall be in full force and effect unless such existing rule and regulation is otherwise amended, revoked or suspended as provided by law.

(f) Temporary rules and regulations shall be numbered in accordance with the numbering arrangement approved by the revisor of statutes and shall otherwise conform to the approval, adoption and filing requirements of this act, insofar as the same can be made applicable.

Sec. 2. K.S.A. 1985 Supp. 77-422 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 11, 1986.

HOUSE concurred in SENATE amendments April 12, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE as amended April 11, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

APPROVED April 26, 1986.

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 1st day of May, 1986.

(SEAL)

JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

HOUSE BILL No. 3153

AN ACT authorizing the conveyance of certain real property owned by the university of Kansas to the Kansas university endowment association and authorizing the acceptance and conveyance of certain real property owned by the Kansas university endowment association to the university of Kansas.

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

Section 1. (a) The state board of regents, for and on behalf of the university of Kansas, is hereby authorized to exchange and convey the real property described in subsection (b) to the Kansas university endowment association in consideration for which the Kansas university endowment association is hereby authorized to exchange and convey the real property described in subsection (c) to the university of Kansas. The exchange and conveyance of real property by the state board of regents under this section shall be executed in the name of the state board of regents by its chairperson and executive officer, and shall be delivered upon receipt of a good and sufficient warranty deed from the Kansas university endowment association to the real property described in subsection (c). Before such real property is exchanged and conveyed, the attorney general shall approve the instruments of conveyance of the state board of regents to the Kansas university endowment association and the instruments of conveyance of the Kansas university endowment association to the university of Kansas and shall approve the title to the real property exchanged and conveyed by the Kansas university endowment association.

(b) In accordance with the provisions of this section, the state board of regents is hereby authorized to exchange and convey the following described real property to the Kansas university endowment association:

(1) A tract of land, which may be referred to as parcel A, comprising 217,800 square feet, more or less, and more particularly described as follows: South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 2, Township 13 South, Range 19 East, in the city of Lawrence, Douglas county, Kansas;

(2) a tract of land, which may be referred to as parcel B, comprising 15,000 square feet, more or less, and more particularly described as follows: South $\frac{1}{2}$ of Lot 2, North $\frac{9}{20}$ of Lot 3, Fractional Lot 10 and Lot 11, in Oread Addition, city of Lawrence, Douglas county, Kansas;

(3) a tract of land, which may be referred to as parcel C, comprising 9,375 square feet, more or less, and more particularly described as follows: Beginning at a point 300 feet South of the Southeast corner of 11th and Louisiana Streets; thence South 75 feet; thence East 125 feet; thence North 75 feet; thence West 125 feet to the point of beginning, in the city of Lawrence, Douglas county, Kansas; and

(4) a tract of land, which may be referred to as parcel D, comprising 11,700 square feet, more or less, and more particularly described as follows: Lots 9 and 10 in Block 25, in Sinclair's Addition, city of Lawrence, Douglas county, Kansas.

(c) In accordance with the provisions of this section, the university of Kansas is hereby authorized to accept title to the following described real property conveyed to the university by the Kansas university endowment association:

(1) A tract of land, which may be referred to as parcel 1, comprising 6,006 square feet, more or less, and more particularly described as follows: Lot E, in Block 4, in University Place, an addition to the city of Lawrence, Douglas county, Kansas;

(2) a tract of land, which may be referred to as parcel 2, comprising 5,850 square feet, more or less, and more particularly described as follows: Lot 1, in Block 32, in Quivera Place, an addition to the city of Lawrence, Douglas county, Kansas;

(3) a tract of land, which may be referred to as parcel 3, comprising 5,850 square feet, more or less, and more particularly described as follows: Lot 4, in Block 32, in Quivera Place, an addition to the city of Lawrence, Douglas county, Kansas;

(4) a tract of land, which may be referred to as parcel 4, comprising 13,986.5 square feet, more or less, and more particularly described as follows: Beginning at a point on the North and South center line of Section 36, Township 12 South, Range 19 East, which point is 60 feet South of an iron monument marking

the center of such Section 36; thence East approximately 253.1 feet; thence South 55 feet; thence West to such center line approximately 253.1 feet; thence North to the point of beginning, in the city of Lawrence, Douglas county, Kansas;

(5) a tract of land, which may be referred to as parcel 5, comprising 184,813.2 square feet, more or less, and more particularly described as follows: Beginning at a point 1,650 feet North and 678.48 feet West of the Southeast corner of Section 36, Township 12 South, Range 19 East; thence North 660 feet; thence West 280.02 feet; thence South 660 feet; thence East to the point of beginning, in the city of Lawrence, Douglas county, Kansas; and

(6) a tract of land, which may be referred to as parcel 6, comprising 23,400 square feet, more or less, and more particularly described as follows: Lots 7, 8, 9 and 10 in Block 13, in Lane's Second Addition, city of Lawrence, Douglas county, Kansas.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body April 25, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE April 26, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

APPROVED May 7, 1986.

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 7th day of May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

HOUSE BILL No. 3178

AN ACT concerning insurance; relating to certain liability actions and settlements; amending K.S.A. 1985 Supp. 40-3003, as amended by 1986 House Bill No. 3088, K.S.A. 1985 Supp. 40-3401, as amended by 1986 Senate Bill No. 734, K.S.A. 1985 Supp. 40-3401, as amended by section 2 of this act, K.S.A. 1985 Supp. 40-3401, as amended by section 3 of this act, K.S.A. 1985 Supp. 40-3403, as amended by 1986 Senate Bill No. 734, K.S.A. 1985 Supp. 40-3403, as amended by section 5 of this act, and K.S.A. 1985 Supp. 40-3404, as amended by 1986 Senate Bill No. 734, and repealing the existing sections; also repealing K.S.A. 1985 Supp. 40-3003, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3401, as amended by 1986 House Bill No. 3015, K.S.A. 1985 Supp. 40-3101, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3401, as amended by 1986 Senate Bill No. 179, K.S.A. 1985 Supp. 40-3402, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3403, as amended by 1986 House Bill No. 2661, and K.S.A. 1985 Supp. 40-3404; as amended by 1986 House Bill No. 2661.

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

Section 1. On and after July 1, 1986, K.S.A. 1985 Supp. 40-3003, as amended by 1986 House Bill No. 3088, is hereby amended to read as follows: 40-3003. (a) This act shall provide coverage, for the policies and contracts specified in subsection (b), for:

(1) Persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees or payees of the persons covered under paragraph (2); and

(continued)

(2) persons who are owners of or certificate holders under such policies or contracts, and who:

(A) Are residents;

(B) *are not residents, but only with respect to an annuity contract awarded pursuant to section 13 or 15 of 1986 House Bill No. 2661 or an annuity contract for future economic loss procured pursuant to a settlement agreement in a medical malpractice liability action, as defined by K.S.A. 1985 Supp. 60-3401 and amendments thereto;* or

(C) *are not residents, but only under all of the following conditions:*

(i) The insurers which issued such policies or contracts are domiciled in this state;

(ii) such insurers never had a license or certificate of authority in the states in which such persons reside;

(iii) such states have associations similar to the association created by this act; and

(iv) such persons are not eligible for coverage by such associations.

(b) This act shall provide coverage to the persons specified in subsection (a) for direct, nongroup life, health, annuity and supplemental policies or contracts, and for certificates under direct group policies and contracts issued by member insurers, except as limited by this act.

Sec. 2. On and after June 1, 1986, K.S.A. 1985 Supp. 40-3401, as amended by 1986 Senate Bill No. 734, is hereby amended to read as follows: 40-3401. As used in this act the following terms shall have the meanings respectively ascribed to them herein:

(a) "Applicant" means any health care provider;

(b) "basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of subsection (a) or (b) of K.S.A. 40-3402 and amendments thereto;

(c) "commissioner" means the commissioner of insurance;

(d) "fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of that month, thereafter;

(e) "fund" means the health care stabilization fund established pursuant to subsection (a) of K.S.A. 40-3403 and amendments thereto;

(f) "health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the department of health and environment, a health maintenance organization issued a certificate of authority by the commissioner of insurance, an optometrist licensed by the board of examiners in optometry, a podiatrist registered by the state board of healing arts, a pharmacist registered licensed by the state board of pharmacy, a licensed professional nurse who is licensed by the board of nursing and certified as a nurse anesthetist by the American association of nurse anesthetists, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection (f), a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899 and amendments thereto, a physical therapist registered by the state board of healing arts, or a mental health center or mental health clinic licensed by the secretary of social and rehabilitation services, except that health care provider does not include (1) any state institution for the mentally retarded or (2) any state psychiatric hospital;

(g) "inactive health care provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer

engaged in rendering professional service as a health care provider;

(h) "insurer" means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workmen's compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of Kansas Statutes Annotated;

(i) "plan" means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to health care providers;

(j) "professional liability insurance" means insurance providing coverage for legal liability arising out of the performance of professional services rendered or which should have been rendered by a health care provider;

(k) "rating organization" means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-930 or 40-1114, or both sections, and amendments to those sections, to make rates for professional liability insurance;

(l) "self-insurer" means a health care provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto;

(m) "medical care facility" means the same when used in the health care provider insurance availability act as the meaning ascribed to that term in K.S.A. 65-425 and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility;

(n) "mental health center" means a mental health center licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center;

(o) "mental health clinic" means a mental health clinic licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health clinic;

(p) "state institution for the mentally retarded" means Norton state hospital, Winfield state hospital and training center, Parsons state hospital and training center and the Kansas neurological institute;

(q) "state psychiatric hospital" means Larned state hospital, Osawatomie state hospital, Rainbow mental health facility and Topeka state hospital;

(r) "person engaged in residency training" means a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center.

Sec. 3. On and after July 1, 1986, K.S.A. 1985 Supp. 40-3401, as amended by section 2 of this act, is hereby amended to read as follows: 40-3401. As used in this act the following terms shall have the meanings respectively ascribed to them herein:

(a) "Applicant" means any health care provider;

(b) "basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of subsection (a) or (b) of K.S.A. 40-3402 and amendments thereto;

(c) "commissioner" means the commissioner of insurance;

(d) "fiscal year" means the year commencing on the effective

date of this act and each year, commencing on the first day of that month, thereafter;

(e) "fund" means the health care stabilization fund established pursuant to subsection (a) of K.S.A. 40-3403 and amendments thereto;

(f) "health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the department of health and environment, a health maintenance organization issued a certificate of authority by the commissioner of insurance, an optometrist licensed by the board of examiners in optometry, a podiatrist registered by the state board of healing arts, a pharmacist licensed by the state board of pharmacy, a licensed professional nurse who is licensed by the board of nursing and certified as a nurse anesthetist by the American association of nurse anesthetists, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a partnership of persons who are health care providers as defined by this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection (f), a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899 and amendments thereto, a physical therapist registered by the state board of healing arts, or a mental health center or mental health clinic licensed by the secretary of social and rehabilitation services, except that health care provider does not include (1) any state institution for the mentally retarded or (2) any state psychiatric hospital;

(g) "inactive health care provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a health care provider;

(h) "insurer" means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workmen's compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of Kansas Statutes Annotated;

(i) "plan" means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to health care providers;

(j) "professional liability insurance" means insurance providing coverage for legal liability arising out of the performance of professional services rendered or which should have been rendered by a health care provider;

(k) "rating organization" means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-930 or 40-1114, or both sections, and amendments to those sections, to make rates for professional liability insurance;

(l) "self-insurer" means a health care provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto;

(m) "medical care facility" means the same when used in the health care provider insurance availability act as the meaning ascribed to that term in K.S.A. 65-425 and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility;

(n) "mental health center" means a mental health center

licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center;

(o) "mental health clinic" means a mental health clinic licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health clinic;

(p) "state institution for the mentally retarded" means Norton state hospital, Winfield state hospital and training center, Parsons state hospital and training center and the Kansas neurological institute;

(q) "state psychiatric hospital" means Larned state hospital, Osawatomie state hospital, Rainbow mental health facility and Topeka state hospital;

(r) "person engaged in residency training" means a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center.

Sec. 4. On and after January 1, 1987, K.S.A. 1985 Supp. 40-3401, as amended by section 3 of this act, is hereby amended to read as follows: 40-3401. As used in this act the following terms shall have the meanings respectively ascribed to them herein:

(a) "Applicant" means any health care provider;

(b) "Basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of subsection (a) or (b) of K.S.A. 40-3402 and amendments thereto;

(c) "Commissioner" means the commissioner of insurance;

(d) "Fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of that month, thereafter;

(e) "Fund" means the health care stabilization fund established pursuant to subsection (a) of K.S.A. 40-3403 and amendments thereto;

(f) "Health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the department of health and environment, a health maintenance organization issued a certificate of authority by the commissioner of insurance, an optometrist licensed by the board of examiners in optometry, a podiatrist registered by the state board of healing arts, a pharmacist licensed by the state board of pharmacy, a licensed professional nurse who is licensed by the board of nursing and certified as a nurse anesthetist by the American association of nurse anesthetists authorized to practice as a registered nurse anesthetist, a licensed professional nurse who has been granted a temporary authorization to practice nurse anesthesia under section 3 of 1986 Senate Bill No. 179, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a partnership of persons who are health care providers under this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection (f), a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899 and amendments thereto, a physical therapist registered

(continued)

by the state board of healing arts, or a mental health center or mental health clinic licensed by the secretary of social and rehabilitation services, except that health care provider does not include (1) any state institution for the mentally retarded or (2) any state psychiatric hospital;

(g) "Inactive health care provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a health care provider;

(h) "Insurer" means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workmen's compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of Kansas Statutes Annotated;

(i) "Plan" means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to health care providers;

(j) "Professional liability insurance" means insurance providing coverage for legal liability arising out of the performance of professional services rendered or which should have been rendered by a health care provider;

(k) "Rating organization" means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-930 or 40-1114, or both sections, and amendments to those sections thereto, to make rates for professional liability insurance;

(l) "Self-insurer" means a health care provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto;

(m) "Medical care facility" means the same when used in the health care provider insurance availability act as the meaning ascribed to that term in K.S.A. 65-425 and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility;

(n) "Mental health center" means a mental health center licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center;

(o) "Mental health clinic" means a mental health clinic licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health clinic;

(p) "State institution for the mentally retarded" means Norton state hospital, Winfield state hospital and training center, Parsons state hospital and training center and the Kansas neurological institutes;

(q) "State psychiatric hospital" means Larned state hospital, Osawatomie state hospital, Rainbow mental health facility and Topeka state hospital;

(r) "Person engaged in residency training" means a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center.

Sec. 5. On and after July 1, 1986, K.S.A. 1985 Supp. 40-3403, as amended by 1986 Senate Bill No. 734, is hereby amended to read as follows: 40-3403. (a) For the purpose of paying damages for personal injury or death arising out of the rendering of or the failure to render professional services by a health care provider, self-insurer or inactive health care provider subsequent to the time that such health care provider or self-insurer has qualified for coverage under the provisions of this act, there is hereby established the health care stabilization fund. The fund shall be held in trust in a segregated fund in the state treasury. The commissioner shall administer the fund or contract for the administration of the fund with an insurance company authorized to do business in this state.

(b) (1) There is hereby created a board of governors. The board of governors shall provide:

(A) Provide technical assistance with respect to administration of the fund;

(B) provide such expertise as the commissioner may reasonably request with respect to evaluation of claims or potential claims;

(C) provide advice, information and testimony to the appropriate licensing or disciplinary authority regarding the qualifications of a health care provider; and

(D) prepare and publish, on or before October 1 of each year, a summary of the fund's activity during the preceding fiscal year, including but not limited to the amount collected from surcharges, the highest and lowest surcharges assessed, the amount paid from the fund, the number of judgments paid from the fund, the number of settlements paid from the fund and the amount in the fund at the end of the fiscal year.

(2) The board shall consist of 14 persons appointed by the commissioner of insurance, as follows: (A) The commissioner of insurance, or the designee of the commissioner, who shall act as chairperson; (B) one member two members appointed from the public at large who are not affiliated with any health care provider; (C) three members licensed to practice medicine and surgery in Kansas who are doctors of medicine; (D) three members who are representatives of Kansas hospitals; (E) two members licensed to practice medicine and surgery in Kansas who are doctors of osteopathic medicine; (F) one member licensed to practice chiropractic in Kansas; and (G) two members of other categories (G) one member licensed by the board of nursing and certified as a nurse anesthetist by the American association of nurse anesthetists; and (H) one member of another category of health care providers. Meetings shall be called by the chairperson or by a written notice signed by three members of the board. The board, in addition to other duties imposed by this act, shall study and evaluate the operation of the fund and make such recommendations to the legislature as may be appropriate to ensure the viability of the fund.

(3) The board shall be attached to the insurance department and shall be within the insurance department as a part thereof. All budgeting, purchasing and related management functions of the board shall be administered under the direction and supervision of the commissioner of insurance. All vouchers for expenditures of the board shall be approved by the commissioner of insurance or a person designated by the commissioner.

(c) Subject to subsections (d), (e) and (g), (f) and (i), the fund shall be liable to pay: (1) Any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable resident health care providers or resident self-insurers for any such personal injury or death arising out of the rendering of or the failure to render professional services within or without this state; (2) any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable nonresident health care providers or nonresident self-insurers for any such injury or death arising out of the rendering of or the failure to render professional services within this state, but in no event shall the fund be obligated for claims against nonresident health care providers or nonresident self-insurers who have not complied with this act or for claims against nonresident health care providers or nonresident self-insurers that arose outside of this state; (3) any amount due from a judgment or settlement against a resident inactive health care provider for any such

injury or death arising out of the rendering of or failure to render professional services prior to July 1, 1986; (4) any amount due from a judgment or settlement against a nonresident inactive health care provider for any injury or death arising out of the rendering or failure to render professional services within this state prior to July 1, 1986, but in no event shall the fund be obligated for claims against: (A) Nonresident inactive health care providers who have not complied with this act; or (B) nonresident inactive health care providers for claims that arose outside of this state, unless such health care provider was a resident health care provider or resident self-insurer at the time such act occurred; (5) reasonable and necessary expenses for attorney fees incurred in defending the fund against claims; (6) any amounts expended for reinsurance obtained to protect the best interests of the fund purchased by the commissioner, which purchase shall be subject to the provisions of K.S.A. 75-3738 to 75-3744, inclusive through 75-3744, and amendments thereto but shall not be subject to the provisions of K.S.A. 75-4101 and amendments thereto; (7) reasonable and necessary actuarial expenses incurred in administering the act, which expenditures shall not be subject to the provisions of K.S.A. 75-3738 to 75-3744, inclusive through 75-3744, and amendments thereto; (8) annually to the plan or plans, any amount due pursuant to subsection (a)(3) of K.S.A. 40-3413; and amendments thereto; (9) reasonable and necessary expenses incurred by the insurance department and the board of governors in the administration of the fund; and (10) return of any unearned surcharge; (11) reasonable and necessary expenses for attorney fees and other costs incurred in defending a person engaged in residency training from claims for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider; and (12) any amount due from a judgment or settlement for an injury or death arising out of the rendering of or failure to render professional services by a person engaged in residency training, except that no such settlement shall be approved except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto; (13) any amount due from a judgment or settlement against a resident or nonresident inactive health care provider for any injury or death arising out of the rendering of or failure to render professional services within this state on or after July 1, 1986, if such inactive health care provider has paid into the fund either of the following or a combination thereof for at least three consecutive years: (A) The applicable annual premium surcharge, or (B) an amount equal to the annual premium surcharge paid by a health care provider in the rate classification which was applicable to such inactive health care provider for the most recent year professional services were rendered; and (14) amounts authorized by the court pursuant to section 28 of 1986 House Bill No. 2661; and (15) reasonable and necessary expenses for the development and promotion of risk management education programs.

(d) All amounts for which the fund is liable pursuant to paragraphs (1), (2), (3) or (4) of subsection (c) of this section shall be paid promptly and in full if less than \$300,000, or if \$300,000 or more except that, in any case arising out of a cause of action which accrued before July 1, 1986, if the amount for which the fund is liable is \$300,000 or more, it shall be paid, by installment payments of \$300,000 or 10% of the amount of the judgment including interest thereon, whichever is greater, per fiscal year, the first installment to be paid within 60 days after the fund becomes liable and each subsequent installment to be paid annually on the same date of the year the first installment was paid, until the claim has been paid in full. Any attorney fees payable from such installment shall be similarly prorated.

(e) In no event shall the fund be liable to pay in excess of \$3,000,000 pursuant to any one judgment or settlement against any one health care provider relating to any injury or death arising out of the rendering of or the failure to render professional services from on and after July 1, 1984, and before July 1, 1986, subject to an aggregate limitation for all judgments or

settlements arising from all claims made in any one fiscal year in the amount of \$6,000,000 for each provider.

(f) Except as provided by section 28 of 1986 House Bill No. 2661, the fund shall not be liable to pay in excess of \$1,000,000 pursuant to any one judgment or settlement for any party against any one health care provider relating to any injury or death arising out of the rendering of or the failure to render professional services on and after July 1, 1986, subject to an aggregate limitation for all judgments or settlements arising from all claims made in any one fiscal year in the amount of \$3,000,000 for each provider.

(g) A health care provider shall be deemed to have qualified for coverage under the fund: (1) On and after the effective date of this act if basic coverage is then in effect; (2) subsequent to the effective date of this act, at such time as basic coverage becomes effective; or (3) upon qualifying as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto.

(h) A health care provider who is qualified for coverage under the fund shall have no vicarious liability or responsibility for any injury or death arising out of the rendering of or the failure to render professional services inside or outside this state by any other health care provider who is also qualified for coverage under the fund. The provisions of this subsection shall apply to all claims filed on or after the effective date of this act.

(i) Notwithstanding the provisions of K.S.A. 40-3402 and amendments thereto, if the board of governors determines due to the number of claims filed against a health care provider or the outcome of those claims that an individual health care provider presents a material risk of significant future liability to the fund, the board of governors is authorized by a vote of a majority of the members thereof, after notice and an opportunity for hearing, to terminate the liability of the fund for all claims against the health care provider for damages for death or personal injury arising out of the rendering of or the failure to render professional services after the date of termination. The date of termination shall be 30 days after the date of the determination by the board of governors. The board of governors, upon termination of the liability of the fund under this subsection, shall notify the licensing or other disciplinary board having jurisdiction over the health care provider involved of the name of the health care provider and the reasons for the termination.

(1) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(11), the commissioner shall certify to the director of accounts and reports the amount of such payment, and the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the health care stabilization fund.

(2) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(12), the commissioner shall certify to the director of accounts and reports the amount of such payment which is equal to the basic coverage liability of self-insurers, and the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the health care stabilization fund.

Sec. 6. On and after January 1, 1987, K.S.A. 1985 Supp. 40-3403, as amended by section 5 of this act, is hereby amended to read as follows: 40-3403. (a) For the purpose of paying damages for personal injury or death arising out of the rendering of or the failure to render professional services by a health care provider, self-insurer or inactive health care provider subsequent to the time that such health care provider or self-insurer has qualified for coverage under the provisions of this act, there is hereby established the health care stabilization fund. The fund shall be held in trust in a segregated fund in the state treasury. The commissioner shall administer the fund or contract for the administration of the fund with an insurance company authorized to do business in this state.

(b) (1) There is hereby created a board of governors. The board of governors shall:

(A) Provide technical assistance with respect to administration of the fund;

(B) provide such expertise as the commissioner may reasonably request with respect to evaluation of claims or potential claims;

(continued)

(C) provide advice, information and testimony to the appropriate licensing or disciplinary authority regarding the qualifications of a health care provider; and

(D) prepare and publish, on or before October 1 of each year, a summary of the fund's activity during the preceding fiscal year, including but not limited to the amount collected from surcharges, the highest and lowest surcharges assessed, the amount paid from the fund, the number of judgments paid from the fund, the number of settlements paid from the fund and the amount in the fund at the end of the fiscal year.

(2) The board shall consist of 14 persons appointed by the commissioner of insurance, as follows: (A) The commissioner of insurance, or the designee of the commissioner, who shall act as chairperson; (B) two members appointed from the public at large who are not affiliated with any health care provider; (C) three members licensed to practice medicine and surgery in Kansas who are doctors of medicine; (D) three members who are representatives of Kansas hospitals; (E) two members licensed to practice medicine and surgery in Kansas who are doctors of osteopathic medicine; (F) one member licensed to practice chiropractic in Kansas; (G) one member licensed by the board of nursing and certified as a nurse anesthetist by the American association of nurse anesthetists who is a licensed professional nurse authorized to practice as a registered nurse anesthetist; and (H) one member of another category of health care providers. Meetings shall be called by the chairperson or by a written notice signed by three members of the board. The board, in addition to other duties imposed by this act, shall study and evaluate the operation of the fund and make such recommendations to the legislature as may be appropriate to ensure the viability of the fund.

(3) The board shall be attached to the insurance department and shall be within the insurance department as a part thereof. All budgeting, purchasing and related management functions of the board shall be administered under the direction and supervision of the commissioner of insurance. All vouchers for expenditures of the board shall be approved by the commissioner of insurance or a person designated by the commissioner.

(c) Subject to subsections (d), (e), (f) and (i), the fund shall be liable to pay: (1) Any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable resident health care providers or resident self-insurers for any personal injury or death arising out of the rendering of or the failure to render professional services within or without this state; (2) any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable nonresident health care providers or nonresident self-insurers for any such injury or death arising out of the rendering of or the failure to render professional services within this state but in no event shall the fund be obligated for claims against nonresident health care providers or nonresident self-insurers who have not complied with this act or for claims against nonresident health care providers or nonresident self-insurers that arose outside of this state; (3) any amount due from a judgment or settlement against a resident inactive health care provider for any such injury or death arising out of the rendering of or failure to render professional services prior to July 1, 1986; (4) any amount due from a judgment or settlement against a nonresident inactive health care provider for any injury or death arising out of the rendering of or failure to render professional services within this state prior to July 1, 1986, but in no event shall the fund be obligated for claims against: (A) Nonresident inactive health care providers who have not complied with this act; or (B) nonresident inactive health care providers for claims that arose outside of this state, unless such health care provider was a resident health care provider or resident self-insurer at the time such act occurred; (5) reasonable and necessary expenses for attorney fees incurred in defending the fund against claims; (6) any amounts expended for reinsurance obtained to protect the best interests of the fund purchased by the commissioner, which purchase shall be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto but shall not be subject to the provisions of K.S.A. 75-4101 and amendments thereto; (7) reasonable and necessary actuarial expenses incurred in administering the act, which ex-

penditures shall not be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto; (8) annually to the plan or plans, any amount due pursuant to subsection (a)(3) of K.S.A. 40-3413 and amendments thereto; (9) reasonable and necessary expenses incurred by the insurance department and the board of governors in the administration of the fund; (10) return of any unearned surcharge; (11) reasonable and necessary expenses for attorney fees and other costs incurred in defending a person engaged in residency training from claims for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider; (12) any amount due from a judgment or settlement for an injury or death arising out of the rendering of or failure to render professional services by a person engaged in residency training, except that no such settlement shall be approved except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto; (13) any amount due from a judgment or settlement against a resident or nonresident inactive health care provider for any injury or death arising out of the rendering or failure to render professional services within this state on or after July 1, 1986, if such inactive health care provider has paid into the fund either of the following or a combination thereof for at least three consecutive years: (A) The applicable annual premium surcharge, or (B) an amount equal to the annual premium surcharge paid by a health care provider in the rate classification which was applicable to such inactive health care provider for the most recent year professional services were rendered; and (14) amounts authorized by the court pursuant to section 28 of 1986 House Bill No. 2661; and (15) reasonable and necessary expenses for the development and promotion of risk management education programs.

(d) All amounts for which the fund is liable pursuant to subsection (c) shall be paid promptly and in full except that, in any case arising out of a cause of action which accrued before July 1, 1986, if the amount for which the fund is liable is \$300,000 or more, it shall be paid, by installment payments of \$300,000 or 10% of the amount of the judgment including interest thereon, whichever is greater, per fiscal year, the first installment to be paid within 60 days after the fund becomes liable and each subsequent installment to be paid annually on the same date of the year the first installment was paid, until the claim has been paid in full. Any attorney fees payable from such installment shall be similarly prorated.

(e) In no event shall the fund be liable to pay in excess of \$3,000,000 pursuant to any one judgment or settlement against any one health care provider relating to any injury or death arising out of the rendering of or the failure to render professional services on and after July 1, 1984, and before July 1, 1986, subject to an aggregate limitation for all judgments or settlements arising from all claims made in any one fiscal year in the amount of \$6,000,000 for each provider.

(f) Except as provided by section 28 of 1986 House Bill No. 2661, the fund shall not be liable to pay in excess of \$1,000,000 pursuant to any one judgment or settlement for any party against any one health care provider relating to any injury or death arising out of the rendering of or the failure to render professional services on and after July 1, 1986, subject to an aggregate limitation for all judgments or settlements arising from all claims made in any one fiscal year in the amount of \$3,000,000 for each provider.

(g) A health care provider shall be deemed to have qualified for coverage under the fund: (1) On and after the effective date of this act if basic coverage is then in effect; (2) subsequent to the effective date of this act, at such time as basic coverage becomes effective; or (3) upon qualifying as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto.

(h) A health care provider who is qualified for coverage under the fund shall have no vicarious liability or responsibility for any injury or death arising out of the rendering of or the failure to render professional services inside or outside this state by any other health care provider who is also qualified for coverage under the fund. The provisions of this subsection shall apply to all claims filed on or after the effective date of this act.

(i) Notwithstanding the provisions of K.S.A. 40-3402 and amendments thereto, if the board of governors determines due to the number of claims filed against a health care provider or the outcome of those claims that an individual health care provider presents a material risk of significant future liability to the fund, the board of governors is authorized by a vote of a majority of the members thereof, after notice and an opportunity for hearing, to terminate the liability of the fund for all claims against the health care provider for damages for death or personal injury arising out of the rendering of or the failure to render professional services after the date of termination. The date of termination shall be 30 days after the date of the determination by the board of governors. The board of governors, upon termination of the liability of the fund under this subsection, shall notify the licensing or other disciplinary board having jurisdiction over the health care provider involved of the name of the health care provider and the reasons for the termination.

(h) (1) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(11), the commissioner shall certify to the director of accounts and reports the amount of such payment, and the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the health care stabilization fund.

(2) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(12), the commissioner shall certify to the director of accounts and reports the amount of such payment which is equal to the basic coverage liability of self-insurers, and the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the health care stabilization fund.

Sec. 7. On and after July 1, 1986, K.S.A. 1985 Supp. 40-3404, as amended by 1986 Senate Bill No. 734, is hereby amended to read as follows: 40-3404. (a) Except for any health care provider whose participation in the fund has been terminated pursuant to subsection (g) (i) of K.S.A. 40-3403 and amendments thereto, the commissioner shall levy an annual premium surcharge on each health care provider who has obtained basic coverage and upon each self-insurer for each fiscal year. Such premium surcharge shall be an amount equal to a percentage of the annual premium paid by the health care provider for the basic coverage required to be maintained as a condition to coverage by the fund by subsection (a) of K.S.A. 40-3402 and amendments thereto. The annual premium surcharge upon each self-insurer, except for the university of Kansas medical center for persons engaged in residency training, shall be an amount equal to a percentage of the amount such self-insurer would pay for basic coverage as calculated in accordance with rating procedures approved by the commissioner pursuant to K.S.A. 40-3413 and amendments thereto. The annual premium surcharge upon the university of Kansas medical center for persons engaged in residency training shall be an amount equal to a percentage of an assumed aggregate premium of \$600,000.

(b) In the case of a resident health care provider who is not a self-insurer, the premium surcharge shall be collected in addition to the annual premium for the basic coverage by the insurer and shall not be subject to the provisions of K.S.A. 40-252, 40-1113 and 40-2801 *et seq.*, and amendments to these sections thereto. The amount of the premium surcharge shall be shown separately on the policy or an endorsement thereto and shall be specifically identified as such. Such premium surcharge shall be due and payable by the insurer to the commissioner within 30 days after the annual premium for the basic coverage is received by the insurer, but in the event basic coverage is in effect at the time this act becomes effective, such surcharge shall be based upon the unearned premium until policy expiration and annually thereafter. Within 15 days immediately following the effective date of this act, the commissioner shall send to each insurer information necessary for their compliance with this subsection. The certificate of authority of any insurer who fails to comply with the provisions of this subsection shall be suspended pursuant to K.S.A. 40-222 and amendments thereto until such insurer shall pay the annual premium surcharge due and payable to the commissioner. In the case of a nonresident health care provider or a self-insurer, the premium surcharge shall be collected in the manner prescribed in K.S.A. 40-3402 and amendments thereto.

(c) The premium surcharge shall be an amount deemed sufficient by the commissioner to fund anticipated claims based upon reasonably prudent actuarial principles. In setting the amount of such surcharge, the commissioner: (1) May require any health care provider who has paid a surcharge for less than 24 months to pay a higher surcharge than other health care providers; (2) shall require that any health care provider who is insured by a policy of professional liability insurance with deductibles pay a surcharge based on an amount equal to a percentage of the annual amount of premium that would have been paid by the health care provider for basic coverage required to be maintained by the fund as provided by K.S.A. 40-3402 and amendments thereto without any deductibles; and (3) shall amortize any anticipated deficiencies in the fund over a reasonable period of time; and (4) on and after July 1, 1987, shall adhere strictly to the experience rating system established by the commissioner pursuant to section 25 of 1986 House Bill No. 2661.

Sec. 8. On and after June 1, 1986, K.S.A. 1985 Supp. 40-3401, as amended by 1986 Senate Bill No. 734, and K.S.A. 1985 Supp. 40-3401, as amended by 1986 House Bill No. 3015, are hereby repealed.

Sec. 9. On and after July 1, 1986, K.S.A. 1985 Supp. 40-3003, as amended by 1986 House Bill No. 3088, K.S.A. 1985 Supp. 40-3003, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3401, as amended by section 2 of this act, K.S.A. 1985 Supp. 40-3401, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3402, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3403, as amended by 1986 Senate Bill No. 734, K.S.A. 1985 Supp. 40-3403, as amended by 1986 House Bill No. 2661, K.S.A. 1985 Supp. 40-3404, as amended by 1986 Senate Bill No. 734, and K.S.A. 1985 Supp. 40-3404, as amended by 1986 House Bill No. 2661, are hereby repealed.

Sec. 10. On and after January 1, 1987, K.S.A. 1985 Supp. 40-3401, as amended by section 3 of this act, K.S.A. 1985 Supp. 40-3401, as amended by 1986 Senate Bill No. 179, and K.S.A. 1985 Supp. 40-3403, as amended by section 5 of this act, are hereby repealed.

Sec. 11. 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 April 27, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE April 27, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

APPROVED May 7, 1986.

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 7th day of May, 1986.

(SEAL) JACK H. BRIER
Secretary of State.

(Published in the KANSAS REGISTER, May 15, 1986.)

HOUSE BILL No. 2801

AN ACT making and concerning appropriations for the fiscal year ending June 30, 1986, for the department of administration, department on aging, department of social and rehabilitation services, adjutant general, department of corrections, Kansas correctional institution at Lansing, state industrial reformatory, Kansas state penitentiary, Kansas neurological institute, Osawatomie state hospital, Parsons state hospital and training center, Norton state hospital, Kansas highway patrol, state corporation commission, department of health and environment, state park and resources authority, state board of pharmacy, state board of mortuary arts, Topeka state hospital and state board of agriculture; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

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

Section 1. For the fiscal year ending June 30, 1986, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state buildings depreciation fund the following:

Remodel building 740, Forbes complex — planning \$29,000

(b) There is appropriated for the above agency from the property contingency fund the following:

DISC site preparation, Santa Fe office building \$130,353

(c) On June 30, 1986, the director of accounts and reports shall transfer \$1,293,800 from the motor pool service fund to the state general fund.

(d) On June 30, 1986, the director of accounts and reports shall transfer \$1,250,000 from the motor pool service depreciation reserve fund to the state general fund.

(e) On June 30, 1986, the director of accounts and reports shall transfer \$1,567,110 from the state buildings operating fund to the state general fund.

(f) On June 30, 1986, the director of accounts and reports shall transfer \$3,500,000 from the self-insurance reserve fund to the state general fund.

(g) The expenditure limitation established by the state finance council on the building and ground fund is hereby decreased from \$567,719 to \$513,159.

(h) On the effective date of this act, of the \$480,600 appropriated for the above agency by section 2(a) of chapter 37 of the 1985 Session Laws of Kansas from the state general fund in the DISC site preparation, Santa Fe office building account, the sum of \$130,353 is hereby lapsed.

(i) On the effective date of this act, all liabilities of the amount of money lapsed by subsection (h) from the DISC site preparation, Santa Fe office building account of the state general fund, are hereby transferred to and imposed upon the appropriation made by subsection (b) in the DISC site preparation, Santa Fe office building account of the property contingency fund.

(j) On the effective date of this act, any unencumbered balance in each of the following accounts of the state buildings depreciation fund is hereby lapsed: Final planning, design and construction of capitol complex heating plant; state office building ventilation and air conditioning renovation.

(k) On the effective date of this act, of the \$175,000 appropriated for the above agency by section 2(c) of chapter 37 of the 1985 Session Laws of Kansas from the state buildings depreciation fund in the special maintenance on state office buildings account, the sum of \$57,877 is hereby lapsed.

(l) Contracts involving expenditures from the law enforcement memorial fund shall not be subject to the provisions of K.S.A. 75-3738 to 75-3740a, inclusive.

Sec. 3.

DEPARTMENT ON AGING

(a) There is appropriated for the above agency from the state general fund the following:

Program grants \$7,908

(b) On the effective date of this act, of the \$361,503 appropriated for the above agency by section 5(a) of chapter 24 of the

1985 Session Laws of Kansas from the state general fund in the administration account, the sum of \$7,908 is hereby lapsed.

Sec. 4.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund the following:

Public assistance	\$2,863,696
Medical assistance	10,750,669
Alcohol and drug abuse services	16,855
Youth services	387,283
Adult services	54,476
Staff development	17,335
Homemaker services	96,780
Total	\$14,187,094

(b) The expenditure limitation established by the state finance council on the state operations account of the social services clearing fund is hereby increased from \$108,687,507 to \$110,845,224.

(c) The expenditure limitation established by the state finance council on the community alcoholism and intoxication programs fund is hereby increased from \$1,280,687 to \$1,325,687.

(d) The expenditure limitation established by the state finance council on the certification of community-based alcohol and drug safety action programs fee fund is hereby increased from \$7,740 to \$8,500.

(e) The expenditure limitation established by the state finance council on the alcoholism treatment fund is hereby increased from \$516,669 to \$518,432.

(f) The expenditure limitation established by section 3(b) of chapter 24 of the 1985 Session Laws of Kansas on the vocational rehabilitation—independent living program—federal fund is hereby increased from \$458,027 to \$504,902.

(g) The expenditure limitation established by the state finance council on the vocational rehabilitation—client assistance project—federal fund is hereby increased from \$64,076 to \$70,070.

(h) The expenditure limitation established by the state finance council on the job search for food stamp recipients—federal fund is hereby increased from \$235,834 to \$243,211.

Sec. 5.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund the following:

Architect and engineering fees for construction of armories	\$91,017
Operational management	1,562
Total	\$92,579

(b) On the effective date of this act, of the \$249,335 appropriated for the above agency by section 2(a) of chapter 29 of the 1985 Session Laws of Kansas from the state general fund in the roof and miscellaneous repairs to national guard facilities account, the sum of \$91,017 is hereby lapsed.

Sec. 6.

DEPARTMENT OF CORRECTIONS

(a) On the effective date of this act, of the \$1,150,000 appropriated for the above agency by section 21(a) of chapter 38 of the 1985 Session Laws of Kansas from the state general fund in the correctional capital improvements account, the sum of \$160,431 is hereby lapsed.

Sec. 7.

KANSAS CORRECTIONAL INSTITUTION AT LANSING

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$131,232

Sec. 8.

STATE INDUSTRIAL REFORMATORY

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$278,254

Sec. 9.

KANSAS STATE PENITENTIARY

(a) On the effective date of this act, of the \$351,258 appropriated for the above agency by section 5(b) of chapter 27 of the 1985 Session Laws of Kansas from the state general fund in the

replace locking system in B cellhouse and renovate locking system in C cellhouse account, the sum of \$336,848 is hereby lapsed.

Sec. 10.

KANSAS NEUROLOGICAL INSTITUTE

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$1,452,277

(b) The expenditure limitation established by section 5(b) of chapter 31 of the 1985 Session Laws of Kansas on the foster grandparents program—federal fund is hereby increased from \$145,000 to \$152,416.

Sec. 11.

OSAWATOMIE STATE HOSPITAL

(a) The expenditure limitation established by section 7(b) of chapter 31 of the 1985 Session Laws of Kansas on the Osawatomie state hospital fee fund is hereby decreased from \$2,508,359 to \$2,430,852.

(b) On the effective date of this act, of the \$1,650,000 appropriated for the above agency by section 68(b) of chapter 23 of the 1984 Session Laws of Kansas from the state institutions building fund in the construction of new administration building account, the sum of \$347,416 is hereby lapsed.

(c) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$141,505

Sec. 12.

PARSONS STATE HOSPITAL AND TRAINING CENTER

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$746,780

(b) The expenditure limitation established by section 9 of chapter 31 of the 1985 Session Laws of Kansas on the Parsons state hospital and training center fee fund is hereby increased from \$574,489 to \$659,576.

Sec. 13.

NORTON STATE HOSPITAL

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures \$220,343

(b) The position limitation established by section 14 of chapter 31 of the 1985 Session Laws of Kansas for the above agency is hereby increased from 254.3 to 262.0.

Sec. 14.

KANSAS HIGHWAY PATROL

(a) There is appropriated for the above agency from the state general fund the following:

Emergency medical services—state operations \$11,520
Salaries and wages 117,183
Total \$128,703

(b) On the effective date of this act, of the \$4,229,966 appropriated for the above agency by section 3(a) of chapter 22 of the 1985 Session Laws of Kansas from the state general fund in the other operating expenditures account, the sum of \$117,183 is hereby lapsed.

Sec. 15.

STATE CORPORATION COMMISSION

(a) The expenditure limitation established by the state finance council on the public service regulation fund is hereby decreased from \$3,601,697 to \$3,452,792.

(b) The expenditure limitation established by the state finance council on the salary and wages account of the public service regulation fund is hereby decreased from \$2,553,615 to \$2,484,967.

(c) The expenditure limitation established by the state finance council on the conservation fee fund is hereby decreased from \$3,713,656 to \$3,678,964.

(d) The expenditure limitation established by the state finance council on the salary and wages account of the conservation fee fund is hereby decreased from \$2,476,352 to \$2,474,398.

(e) The expenditure limitation established by the state finance council on the motor carrier license fees fund is hereby decreased from \$1,396,481 to \$1,360,643.

(f) The expenditure limitation established by the state fi-

nance council on the salary and wages account of the motor carrier license fees fund is hereby decreased from \$958,443 to \$948,416.

(g) The expenditure limitation established by the state finance council on the mined-land conservation and reclamation fee fund is hereby decreased from \$184,826 to \$178,719.

(h) The expenditure limitation established by the state finance council on the salary and wages account of the mined-land conservation and reclamation fee fund is hereby decreased from \$135,306 to \$129,731.

(i) The expenditure limitation established by the state finance council on the railroad safety program—federal fund is hereby decreased from \$27,427 to \$26,590.

(j) The expenditure limitation established by the state finance council on the salary and wages account of the railroad safety program—federal fund is hereby decreased from \$18,077 to \$17,904.

(k) The expenditure limitation established by the state finance council on the gas pipeline safety program—federal fund is hereby decreased from \$73,337 to \$70,115.

(l) The expenditure limitation established by the state finance council on the salary and wages account of the gas pipeline safety program—federal fund is hereby decreased from \$68,342 to \$65,708.

(m) The expenditure limitation established by the state finance council on the national surface mining control and reclamation act—federal fund is hereby decreased from \$155,632 to \$150,085.

(n) The expenditure limitation established by the state finance council on the salary and wages account of the national surface mining control and reclamation act—federal fund is hereby decreased from \$115,289 to \$109,938.

(o) The expenditure limitation established by the state finance council on the motor carrier safety assistance—federal fund is hereby decreased from \$93,000 to \$90,963.

(p) The expenditure limitation established by the state finance council on the salary and wages account of the abandoned mined-land reclamation act—federal fund is hereby decreased from \$125,875 to \$119,822.

(q) The expenditure limitation established by the state finance council on the energy conservation bank fund is hereby increased from \$257,695 to \$590,805.

(r) The expenditure limitation established by the state finance council on the energy conservation plan—federal fund is hereby decreased from \$464,742 to \$462,575.

(s) The expenditure limitation established by the state finance council on the institutional conservation program—federal fund is hereby decreased from \$48,049 to \$46,146.

Sec. 16.

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) The expenditure limitation established by the state finance council on the early childhood developmental services—federal fund is hereby increased from \$43,250 to \$46,966.

(b) There is appropriated for the above agency from the following special revenue fund all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures shall not exceed the following:

Underground storage tank fund—federal \$37,447

Sec. 17.

STATE PARK AND RESOURCES AUTHORITY

(a) There is hereby appropriated for the above agency from the state general fund the following:

State park operations \$32,200

Sec. 18.

STATE BOARD OF PHARMACY

(a) The expenditure limitation established by the state finance council on the state board of pharmacy fee fund is hereby increased from \$271,747 to \$273,591.

Sec. 19.

STATE BOARD OF MORTUARY ARTS

(a) The expenditure limitation established by the state finance council on the mortuary arts fee fund is hereby increased from \$95,423 to \$97,213.

Sec. 20.

TOPEKA STATE HOSPITAL

(a) The expenditure limitation established by section 12(b) of chapter 31 of the 1985 Session Laws of Kansas on the Topeka

(continued)

state hospital fee fund is hereby decreased from \$3,301,684 to \$2,906,918.

(b) There is appropriated for the above agency from the state general fund for the following:

Operating expenditures \$137,096

Sec. 21.

STATE BOARD OF AGRICULTURE

(a) There is appropriated for the above agency from the state general fund the following:

Other operating expenditures (including official hospitality) \$25,000

Sec. 22. Position limitations. The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations made in this act or in any appropriations act of the 1985 regular session of the legislature or in any other appropriations act of the 1986 regular session of the legislature may be exceeded upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Sec. 23. Appeals to exceed limitations. Upon written application to the governor and approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, expenditures from special revenue funds may exceed the amounts specified in this act.

Sec. 24. Effective date. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 24, 1986.

HOUSE adopted Conference Committee report April 23, 1986. MIKE HAYDEN Speaker of the House. GENEVA SEWARD Chief Clerk of the House.

Passed the SENATE as amended April 11, 1986.

SENATE adopted Conference Committee report April 23, 1986. ROBERT V. TALKINGTON President of the Senate. LU KENNEY Secretary of the Senate.

APPROVED May 8, 1986.

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 8th day of May, 1986.

JACK H. BRIER Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, May 15, 1986.)

HOUSE BILL No. 3165

AN ACT concerning state officers and employees; relating to salaries and compensation; authorizing and providing for certain increases and certain revisions of classification and compensation of positions in the clerical job class series; making appropriations for the fiscal year ending June 30, 1987, and authorizing certain transfers and adjustments in expenditure limitations therefor.

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

Section 1. (a) The governor is hereby authorized and directed to modify the pay plan adopted pursuant to section 1 of chapter 278 of the 1985 Session Laws of Kansas in accordance with this section and to adopt such pay plan as so modified. The existing pay plan shall be modified to provide for an increase of 3% adjusted to the nearest dollar in each monthly step of the schedule of salary and wage ranges and steps of such pay plan or the equivalent increase for payroll periods other than monthly. The pay plan adopted by the governor under this subsection shall be the pay plan for the classified service under the Kansas civil service act and shall be effective on the first day of the first payroll period which is chargeable to the fiscal year ending on June 30, 1987. Such pay plan shall be subject to modification and approval as provided under K.S.A. 75-2938 and amendments thereto and to any enactments of the legislature applicable thereto.

(b) (1) The governor, in the governor's discretion, is hereby authorized to modify or authorize the modification of the salaries of state officers and employees who are in the unclassified service under the Kansas civil service act and whose salaries are subject to approval by the governor under K.S.A. 75-2935b or 75-2935c and amendments thereto to provide for an average increase of 3% adjusted to the nearest dollar for each monthly payroll period or the equivalent increase for payroll periods other than monthly, effective on the first day of the first payroll period which is chargeable to the fiscal year ending on June 30, 1987.

(2) Except as otherwise provided by this subsection (b)(2), each elected state official of the executive branch of state government, including the state board of education and the board of trustees of the Kansas public employees retirement system, in such official or board's discretion, is hereby authorized to modify or to authorize the modification of the salaries of the state officers and employees of such official or board who are in the unclassified service under the Kansas civil service act and whose salaries are not subject to approval by the governor under K.S.A. 75-2935b and amendments thereto, to provide for an average increase of 3% adjusted to the nearest dollar for each monthly payroll period or the equivalent increase for payroll periods other than monthly, effective on the first day of the first payroll period which is chargeable to the fiscal year ending on June 30, 1987. The provisions of this subsection (b)(2) shall not apply to any state officers or employees under the jurisdiction of the state board of regents who are in the unclassified service under the Kansas civil service act.

Sec. 2. (a) Upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to increase expenditure limitations on special revenue funds and accounts established for the fiscal year ending on June 30, 1987, for the purpose of paying from such funds or accounts the proportionate share of the cost to such funds or accounts, including associated employer contributions, of: (1) The salary increases provided for by adoption of the pay plan under subsection (a) of section 1; (2) the salary increases for unclassified state officers and employees provided for under subsection (b) of section 1; and (3) the revision of the classification and compensation of positions in the clerical job class series which is chargeable to payroll periods ending after December 31, 1986.

(b) There is hereby appropriated from the state general fund for the state finance council, for the fiscal year ending on June 30, 1987, the sum of \$11,361,133 to be used for the purpose of

paying the proportionate share of the cost to the state general fund, including associated employer contributions, of: (1) The salary increases resulting from adoption of the pay plan under subsection (a) of section 1; (2) the salary increases for unclassified state officers and employees provided for under subsection (b) of section 1; and (3) the revision of the classification and compensation of positions in the clerical job class series which is chargeable to payroll periods ending after December 31, 1986. To pay the proportionate share of the cost to the state general fund of each state agency of the executive branch of state government for such salary increases and such revision, upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized and directed to transfer moneys from the appropriation made by this subsection to proper accounts created by state general fund appropriations for the fiscal year ending on June 30, 1987.

(c) Each state agency of the executive branch of state government, which employs officers and employees who are (1) receiving salary increases provided for by adoption of the pay plan under subsection (a) of section 1 or by adoption of the salary increases for unclassified state officers and employees provided for under subsection (b) of section 1 or (2) in positions subject to the revision of the classification and compensation of positions in the clerical job class series, shall prepare and submit a budget estimate for such salary increases and such revision, and all amendments and revisions of such estimates, to the director of the budget. At the same time as each state agency submits such estimate, and all amendments and revisions thereof, each such state agency shall submit a copy of such estimate, and all amendments and revisions thereof, directly to the legislative research department.

Sec. 3.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Legislative coordinating council—operations	\$5,748
Legislative research department—operations	33,579
Office of revisor of statutes—operations	49,346
Total	\$88,673

Sec. 4.

LEGISLATURE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Operations (including official hospitality)	\$78,684
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Sec. 5.

DIVISION OF POST AUDIT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Operations (including legislative post audit committee)	\$18,578
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Sec. 6.

JUDICIAL COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Judicial research	\$2,796
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Sec. 7.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Administration of justice—appellate operations	\$91,836
Administration of justice—district courts	946,286
Total	\$1,038,122

(b) On July 1, 1986, the expenditure limitation established by section 4(b) of 1986 Senate Bill No. 443 on the bar admission fee fund is hereby increased from \$45,964 to \$46,537.

Sec. 8.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1987, the following:

Indigents' defense services	\$25,125
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Sec. 9. *Appeals to exceed limitations.* Upon written application to the governor and approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, expenditures from special revenue funds may exceed the amounts specified for such funds by the state finance council under this act.

Sec. 10. 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 April 26, 1986.

HOUSE concurred in SENATE amendments April 27, 1986.

MIKE HAYDEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE as amended April 26, 1986.

ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

APPROVED May 7, 1986.

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 7th day of May, 1986.

JACK H. BRIER
Secretary of State.

(SEAL)

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