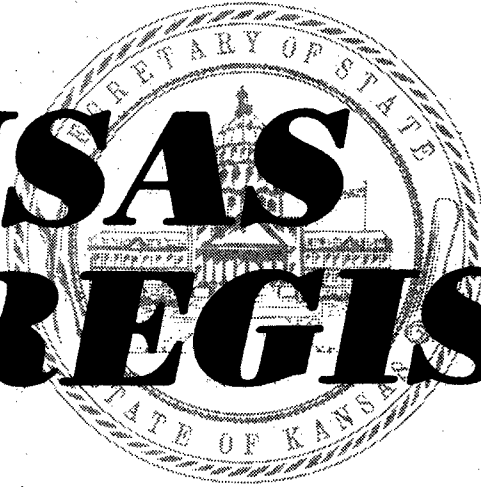


# KANSAS REGISTER



State of Kansas

**JACK H. BRIER**  
Secretary of State

Vol. 5, No. 47

November 20, 1986

Pages 1505-1528

## IN THIS ISSUE

	Page
Legislative Interim Committee Schedule .....	1506
State Board of Technical Professions	
Notice of Meeting .....	1507
State Planning Council on Developmental Disabilities Services	
Request for Proposals .....	1507
State Corporation Commission	
Notice of Hearing .....	1507
Notice of Motor Carrier Hearings .....	1515
Kansas Council on Employment and Training	
Notice of Meeting .....	1507
Kansas Insurance Department	
Notice of Hearing .....	1507
Supreme Court Docket .....	1508
Notice to Bidders for State Purchases .....	1512
Employee Award Board	
Notice of Meeting .....	1513
Executive Appointments .....	1513
Department of Transportation	
Notice to Consulting Engineers .....	1513
Notice to Contractors .....	1514
Attorney General	
Opinion No. 86-158 .....	1514
Department on Aging	
Notice of Hearing on Proposed Kansas State Plan on Aging .....	1514
Temporary Administrative Regulations	
Office of the Securities Commissioner .....	1518
State Board of Pharmacy .....	1520
Notice of Bond Sale	
City of Newton .....	1520
City of Victoria .....	1523
City of LaHarpe .....	1525

### NOTICE

Because of the Thanksgiving holiday, deadline for submission of items to be published in the December 4 Register will be noon Tuesday, November 25.

## State of Kansas

## LEGISLATURE

## INTERIM AGENDA

The following committee meetings have been scheduled during the period of November 24 through December 5, 1986:

Date	Room	Time	Committee	Agenda
Nov. 24	Wichita Area Chamber of Commerce, 350 N. Douglas, Wichita	9:00 a.m.	Task Force on Agriculture—Legislative Commission on Economic Development	Task force in Wichita; final discussion of recommendations.
Nov. 24	519-S	9:00 a.m.	Task Force on Higher Education—Legislative Commission on Economic Development	Consideration of final report (if necessary).
Nov. 24 Nov. 25	529-S 529-S	10:00 a.m. 9:00 a.m.	Special Committee on Financing Regents Institutions	Review of report drafts and bills.
Nov. 24 Nov. 25	514-S 514-S	10:00 a.m. 9:00 a.m.	Special Committee on Ways and Means	Review of report drafts and bills.
Nov. 24 Nov. 25	531-N 531-N	10:00 a.m. 9:00 a.m.	Special Committee on Public Health and Welfare	Review of committee reports and bill drafts.
Dec. 2	526-S	1:00 p.m.	Legislative Commission on Economic Development	Presentation of final task force reports.
Dec. 2	Time and place to be determined		Legislative Coordinating Council	Legislative matters.
Dec. 4 Dec. 5	519-S 519-S	10:00 a.m. 9:00 a.m.	Joint Committee on State Building Construction	Agenda to be determined.

WILLIAM R. BACHMAN  
Director of Legislative  
Administrative Services

Doc. No. 004816

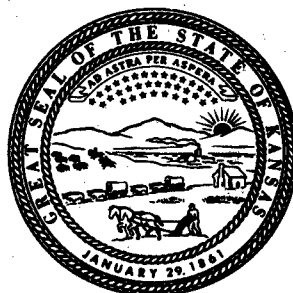
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PUBLISHED BY  
JACK H. BRIER  
Secretary of State  
State Capitol  
Topeka, KS 66612



PHONE: 913/296-3489

**State of Kansas**  
**BOARD OF TECHNICAL PROFESSIONS**  
**NOTICE OF MEETING**

The State Board of Technical Professions will meet at 9 a.m. Friday, November 21, in the board office, 214 W. 6th, Room 202, Topeka. The meeting is open to the public.

BETTY ROSE  
 Executive Secretary

Doc. No. 004805

**State of Kansas**  
**SOCIAL AND REHABILITATION SERVICES**  
**STATE PLANNING COUNCIL ON**  
**DEVELOPMENTAL DISABILITIES SERVICES**  
**REQUEST FOR PROPOSALS**

The State Planning Council on Developmental Disabilities Services invites community agencies for mental retardation and developmental disabilities and MR/DD organizations to submit proposals to provide services in the two priority areas of alternative community living and employment related activities. Grant applications are available upon request from the Grants Manager, Mental Health and Retardation Services, 5th Floor, State Office Building, Topeka 66612. All completed applications must be received by 5 p.m. December 5.

JOHN F. KELLY  
 Executive Secretary

Doc. No. 004778

**State of Kansas**  
**STATE CORPORATION COMMISSION**  
**NOTICE OF HEARING**

The State Corporation Commission has issued an order which penalized the following operators for failure to renew their operator or contractor licenses as required by K.S.A. 55-155 and K.A.R. 82-3-120:

- GBS Oil & Gas
- K.C. Resources, Inc.
- Powell, Patsy Pauline
- Ringneck Resources, Inc.
- Shade Tree Oil Co.
- Southern Oil, Inc.
- Union Corporation

Pursuant to K.S.A. 55-164, the matter is set for hearing at 11 a.m. Monday, December 1, in the conference room of the Conservation Division, 200 Colorado Derby Building, 202 W. 1st, Wichita.

ANN T. RIDER  
 Assistant General Counsel

Doc. No. 004813

**State of Kansas**  
**DEPARTMENT OF HUMAN RESOURCES**  
**KANSAS COUNCIL ON EMPLOYMENT**  
**AND TRAINING**

**NOTICE OF MEETING**

The Kansas Council on Employment and Training (KCET) will meet from 9 a.m. to noon Friday, November 21, in the Pozez Education Center, Stormont-Vail Regional Medical Center, 1500 S.W. 10th, Topeka.

The agenda includes:

1. Funding related to the Targeted Jobs Tax Credit (TJTC) Program
2. Subcommittee reports
  - a. Plans review report
  - b. Women and Minorities Task Force report
3. Job Service Employers' (JSEC) Committee report
4. Budget and legislative report
5. Update on special economic development projects
6. Validity generalization testing
7. Distributed information system (DIS)

The meeting is open to the public.

LARRY E. WOLGAST, Ed.D.  
 Secretary of Human Resources

Doc. No. 004822

**State of Kansas**  
**KANSAS INSURANCE DEPARTMENT**

**NOTICE OF HEARING**

A hearing will be held in the office of the Kansas Commissioner of Insurance, 420 S.W. 9th, Topeka, at 1:30 p.m. Monday, December 1, to determine whether the application for the proposed merger of Puritan Life Insurance Company, Johnston, Rhode Island, with Employers Reassurance Corporation, Overland Park, Kansas, should be approved by the Commissioner of Insurance in accordance with K.S.A. 40-309 and related statutes. The purpose of the proposed merger is to redomesticate the Puritan Life Insurance Company from Rhode Island to Kansas by merging the company with the newly formed Kansas stock company, Employers Reassurance Corporation, which will also be the surviving company.

All interested parties may attend and will be given the opportunity to hear the details of the proposed merger and to present either oral or written testimony in favor of or in opposition to the transaction and to ask any questions relative to the transaction.

FLETCHER BELL  
 Commissioner of Insurance

Doc. No. 004821

State of Kansas

**OFFICE OF JUDICIAL ADMINISTRATION  
SUPREME COURT DOCKET**

(Note: Dates and times of arguments are subject to change.)

**Monday, December 1, 1986  
9:30 a.m.**

Case No.	Case Name	Attorneys	County
59,402	State of Kansas, Appellant,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Randall E. Dunn, Appellee.	Benjamin C. Wood	
58,927	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Gene Hamilton, Appellant.	Benjamin C. Wood	
<b>Consolidated with</b>			
58,980	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Gene Hamilton, Appellant.	Benjamin C. Wood	
58,909	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Deanna Hollis, Appellant.	Benjamin C. Wood	
58,468	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Robert W. Armstrong, Appellant.	John E. Cowles	
<b>1:30 p.m.</b>			
59,192	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Sullivan Mack Holloman, Appellant.	Benjamin C. Wood	
59,282	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Arlene Y. Wilson, Appellant.	Benjamin C. Wood	
59,377	State of Kansas, Appellant,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney	Sedgwick
	v. Michael R. Roman, Appellee.	Michael D. Wilson	

Tuesday, December 2, 1986

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,229	State of Kansas, Appellee, v. Clyde Augustus Wiehe, Jr., Appellant.	Robert T. Stephan, Attorney General Nick A. Tomasic, District Attorney	Wyandotte
59,579	Virginia F. Allen, Appellant, v. Kansas Department of Social and Rehabilitation Services, Appellee.	Zygmunt J. Jarczyk Michael R. McIntosh James Savage	Wyandotte
59,296	In the Matter of the Estate of Leonard Mettee, Deceased.	Felix G. Kancel Thomas E. Osborn John P. Biscanin  Robert L. Kennedy Philip E. Lowery H. Reed Walker Steven D. Alexander	Wyandotte
59,237	William Harris and Barbara Harris, Appellees, v. Citicorp Homeowners Services, Inc., <i>et al.</i> , Appellants.	Thomas M. Sutherland Reid F. Holbrook David M. Harding  Gregory O. Grounds Maurice J. Ryan	Wyandotte
1:30 p.m.			
59,283	State of Kansas, Appellee, v. Earl Wilson, a/k/a/ Earl Poole, Appellant.	Robert T. Stephan, Attorney General Jerry Gorman, Assistant District Attorney  Benjamin C. Wood	Wyandotte
58,452	Janice E. Beck, <i>et al.</i> , Appellants, v. Kansas Adult Authority of the State of Kansas, <i>et al.</i> , Appellees.	John E. Shamberg David Morris Ruth M. Benien  John C. McFadden Leon J. Patton	Wyandotte

## Consolidated with

58,453	Myrtle E. Williams, <i>et al.</i> , Appellants, v. Kansas Adult Authority of the State of Kansas, <i>et al.</i> , Appellees.	John E. Shamberg David E. Morris Ruth M. Benien  John C. McFadden Leon J. Patton	Wyandotte
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Wednesday, December 3, 1986

9:30 a.m.

Case No.	Case Name	Attorneys	County
58,774	State of Kansas, Appellee, v. Luis Ramos, Appellant.	Robert T. Stephan, Attorney General Mickey Carl Moorman, Assistant County Attorney  Benjamin C. Wood	Finney

(continued)

59,025	Cecil W. Baker, Appellant, v. City of Garden City, a Municipal Corporation; and the Secretary of Transportation of Kansas, Appellees.	Phyllis F. Wendler B. G. Larson Jay L. Smith Gregory McDonald	Finney
59,588	Irl Shutts, <i>et al.</i> , Appellees, v. Phillips Petroleum Company, Appellant.	W. Luke Chapin Ed Moore Harold K. Greenleaf, Jr. Joseph W. Kennedy Robert W. Coykendall James R. Yoxall T. L. Cabbage II	Seward
56,917	Northern Natural Gas Company, <i>et al.</i> , Appellants, v. The State Corporation Commission of the State of Kansas, <i>et al.</i> , Appellees.	Mark H. Adams II Timothy E. McKee Ralph R. Brock Lee Thompson Brian J. Moline Jack Glaves Charles H. Apt III	Gray

1:30 p.m.

59,194	State of Kansas, Appellant, v. Anthony L. Jefferson, Appellee.	Robert T. Stephan, Attorney General Timothy J. Chambers, County Attorney Kerry Granger	Reno
59,276	Borg Warner Acceptance Corporation, Appellee, v. The Secretary of State of the State of Kansas, <i>et al.</i> , Appellants.	Steven J. Rupp Robert T. Stephan, Attorney General Leon J. Patton, Assistant Attorney General J. Robert Brookens	Marion

Thursday, December 4, 1986

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,396	City of Shawnee, Kansas, Appellant, v. Myron L. Ford, Appellee.	Robert T. Stephan, Attorney General Michael R. Santos Andrew D. Lyons	Johnson
59,029	Terry Cox and Donald Smith, Appellants, v. United Technologies, <i>et al.</i> , Appellees.	Frederick J. Patton II Thomas Bornholdt	Shawnee
59,439	Patrons Mutual Insurance Association, Appellant, v. Ronald Dean Harmon, v. Linda Joe Kerl, as Guardian and Next Friend, <i>et al.</i> , Appellees.	Allen R. Slater Pedro L. Irigonegaray Paul H. Hulsey Rick A. Johnson	Leavenworth

Consolidated	59,314	Roger L. Farley, <i>et al.</i> , Appellants, v. Susan Engelken, M.D., <i>et al.</i> , Appellees.	Frank M. Rice Wayne Stratton	Pottawatomie
	59,338	Heather Ditto, <i>et al.</i> , Appellees, v. Shawnee Mission Medical Center, <i>et al.</i> , Appellants.	Donald W. Vasos Frank Saunders, Jr. Michael P. Oliver Richard D. Simpson	Johnson
	59,591	Charley Ridge, Appellee, v. Pat Barker, M.D., <i>et al.</i> , Appellants.	Stanley R. Juhnke Kenneth E. Peirce Darrell Kellogg	Barber

1:30 p.m.

59,734	The Federal Land Bank of Wichita, Appellee, v. Delwin Bott and Lois Bott, <i>et al.</i> , Appellants.	Edward F. Wieggers Calvin J. Karlin Philip D. Gordon	Washington
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Consolidated with

59,737	The Federal Land Bank of Wichita, Appellee, v. Clarence J. Nelson and Ethel A. Nelson, Appellants.	Mark B. Pilley Dale M. Sprague Fred D. Swoyer	Republic
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Friday, December 5, 1986  
9:30 a.m.

Case No.	Case Name	Attorneys	County
59,120	State of Kansas, Appellee, v. Lawrence M. Willis, Appellant.	Robert T. Stephan, Attorney General Sue Carpenter, Assistant District Attorney Benjamin C. Wood	Shawnee
58,950	Kansas Department of Revenue, State of Kansas, Appellee, v. The Coca Cola Company, Appellant.	Robert T. Stephan, Attorney General David L. Prager III Eldon L. Ford	Shawnee

LEWIS C. CARTER  
Clerk of the Appellate Courts

## State of Kansas

**DEPARTMENT OF ADMINISTRATION  
DIVISION OF PURCHASES**

**PLEASE NOTE:** The Kansas Division of Purchases will move to Room 102, 900 Jackson, Topeka 66612, effective December 5, 1986. Bids being delivered other than by the U.S. Postal Service or any of the courier-type mail services should be brought to that address. Envelopes provided by the Division of Purchases need not be corrected.

**NOTICE TO BIDDERS**

Sealed bids for the following items will be received by the Director of Purchases, State Office Building, Topeka, until 2 p.m. C.S.T., and then will be publicly opened. Interested bidders may call (913) 296-2377 for additional information.

**MONDAY, DECEMBER 1, 1986**

#27453

 University of Kansas and other state agencies—  
BACTERIOLOGICALS

#27454

 University of Kansas—MOTION PICTURE FILM  
SERVICES

#67573

 Department of Transportation—AB SPECIAL  
AGGREGATE, Osage County

#67574

 University of Kansas—MAGNETIC TAPE  
EVALUATOR/CLEANER

#67575

 Department of Transportation—MARKING TAPE,  
Salina

#67594

Department of Transportation—CEMENT TYPE II

#67595

 Emporia State University—REFRIGERANT  
COMPRESSOR PARTS AND REFRIGERANT  
COMPRESSOR

#67616

 Emporia State University—FINANCIAL  
ACCOUNTING SOFTWARE

Sealed bids for the following items hereinafter listed will be received by the Director of Purchases, 900 Jackson, Room 102, Topeka, until 2 p.m. C.S.T. and then will be publicly opened.

**MONDAY, DECEMBER 8, 1986**

#A-5546

 Youth Center at Topeka—REBUILD ELECTRICAL  
TRANSFORMER PLATFORM

#27451

 Kansas Correctional Industries—ONE-GALLON  
POLYETHYLENE JUGS AND FIVE-GALLON  
CONTAINERS

#66199-A

University of Kansas—FT/NMR SYSTEM

#67585

 Kansas Correctional Industries—HIGH PRESSURE  
LAMINATE

#67586

 Department of Administration, Division of  
Architectural Services—WINDOW BLINDS

#67587

 University of Kansas Medical Center—KODAK  
FILM PROCESSOR PARTS (X-ray)

#67589

Department of Transportation—VAN

#67590

 University of Kansas Medical Center—  
ULTRACENTRIFUGE

#67591

 University of Kansas Medical Center—  
BETA/GAMMA DETECTOR

#67592

 Department of Administration, Division of  
Printing—GRAPHICS ARTS STORAGE FILE

#67597

 Department of Transportation—RADIO SCANNING  
RECEIVERS

#67598

 Department of Transportation—AIR HAMMER,  
various locations

#67599

Kansas Correctional Industries—TRUCK

#67600

 Department of Transportation—SNOW PLOW  
BLADES, Norton

#67601

Kansas Correctional Industries—CHEMICALS

#67602

Kansas State Industrial Reformatory—TOBACCO

#67619

Kansas State University—GRAIN

**TUESDAY, DECEMBER 9, 1986**

#67609

 University of Kansas Medical Center—UPGRADE  
OF RADIO PAGING SYSTEM

#67610

Youth Center at Atchison—MINI VAN

#67615

 Department of Administration, Division of Central  
Motor Pool—VEHICLES

#67617

Kansas Correctional Industries—CHEMICALS

#67618

 University of Kansas Medical Center—  
CHROMATOGRAPHY SYSTEMS

#67620

Kansas State University—CEILING GRID

#67623

 Norton State Hospital—MISCELLANEOUS  
GROCERIES

#67624

 Department of Social and Rehabilitation  
Services—TEXTILE TAPE

**WEDNESDAY, DECEMBER 10, 1986**

#A-5615-1

 University of Kansas—PROVIDE ASBESTOS  
ABATEMENT, renovation of the Kansas Memorial  
Union Facility, on campus

#A-6002

 Public Building Commission of Ellsworth—  
CONSTRUCTION OF BUILDINGS NO. 5 AND 6,  
Ellsworth Correctional Work Facility

#67627

University of Kansas—DEC UPGRADE (Memory)

#67628

Kansas State University—SOYBEAN MEAL

**THURSDAY, DECEMBER 11, 1986**

#A-5490

 Kansas Correctional Institution—CONSTRUCT  
ACTIVITIES BUILDING

 NICHOLAS B. ROACH  
Director of Purchases

Doc. No. 004815

Vol. 5, No. 47, November 20, 1986



**State of Kansas**  
**DEPARTMENT OF ADMINISTRATION**  
**EMPLOYEE AWARD BOARD**

**NOTICE OF MEETING**

The Employee Award Board will meet at 1:30 p.m. Monday, November 24, in Room 132-S, State Office Building, Topeka.

**DEBRA L. MILLER**  
 Chairperson

Doc. No. 004817

**State of Kansas**  
**SECRETARY OF STATE**

**EXECUTIVE APPOINTMENTS**

Executive appointments made by the Governor, and in some cases by other state officials, are filed with the Secretary of State's office.

Complete listings of state agencies, boards and commissions are included in the Kansas Directory. County officials are listed in the Directory of County Officers. Both directories are published by the Secretary of State's office and are available free of charge.

The following appointments were filed October 21 through November 15:

**Bicentennial of the United States**  
**Constitution, Kansas Commission on**

**Rep. Rick Bowden**, 433 Walnut, Goddard 67052. Effective November 13, 1986. Expires December 31, 1991. Appointed by the House Minority Leader.

**Helen Jones**, 521 Barton, Parsons 67357. Effective November 6, 1986. Expires December 31, 1991. Appointed by the Senate Minority Leader.

**Robert Kennedy**, 8410 Corona, Kansas City 66112. Effective November 6, 1986. Expires December 31, 1991. Appointed by the Senate Minority Leader.

**Rep. Bill Roy, Jr.**, 1135 Western, Topeka 66604. Effective November 13, 1986. Expires December 31, 1991. Appointed by the House Minority Leader.

**South Central Kansas Regional Library System**

**Robin B. Garten**, Box 87, Lake City 67071. Effective October 21, 1986. Expires October 20, 1989. Reappointment.

**Lillie Goering**, Box 289, Moundridge 67107. Effective October 21, 1986. Expires October 20, 1989. Succeeds William E. Juhnke.

**Ernestine Hayes**, Route 2, Box 12, Stafford 67578. Effective October 21, 1986. Expires October 20, 1989. Reappointment.

**JoEllen Koerner**, Route 5, Box 171, Newton 67114. Effective October 21, 1986. Expires October 20, 1989. Reappointment.

**Elizabeth Oswald**, 4901 N. Lorraine, Hutchinson 67502. Effective October 21, 1986. Expires October 20, 1989. Succeeds no one.

**Eleanor Platt**, Route 2, Belle Plaine 67013. Effective October 21, 1986. Expires October 20, 1989. Succeeds no one.

**Patricia Ratliff**, Route 2, Box 49, Winfield 67156. Effective October 21, 1986. Expires October 20, 1989. Succeeds Ruth Thomson.

**Mary Kay Stech**, Box 38, Andale 67001. Effective October 21, 1986. Expires October 20, 1989. Succeeds no one.

**Kathleen Whitmer**, Double L Ranch, Zenda 67159. Effective October 21, 1986. Expires October 20, 1989. Reappointment.

**Saline County Commissioner, 1st District**

**Penny Geis**, 1831 E. Iron, Salina 67401. Effective October 23, 1986. Expires when a successor is elected and qualifies according to law. Succeeds Dan Geis, deceased.

**Wichita County Sheriff**

**Donald Wayne Collins**, Box 214, Leoti 67861. Effective November 6, 1986. Expires when a successor is elected and qualifies according to law. Succeeds Melvin E. McKellips, resigned.

**JACK H. BRIER**  
 Secretary of State

**State of Kansas**  
**DEPARTMENT OF TRANSPORTATION**

**NOTICE TO CONSULTING ENGINEERS**

The Kansas Department of Transportation is seeking a qualified engineering firm for plan production for the following projects:

**Johnson**—56-46 K-2819-01/BRM 2724(6) and 56-46 K-2855-01/BRM 2724(7)—study of the interchange and design for the replacement of bridges #76, 77, 78, and 79 at the interchange of U.S. 56 and Roe Avenue in Kansas City.

**Butler**—77-8 K-2323-01/BRF 055-1(36)—replacement of bridge #31 over the Walnut River 0.76 mile south of Augusta.

**Reno**—50-78 K-2356-01/F-BRF 050-4(45)—replacement of bridges #16 and #17 over the Arkansas River and drainage at Hutchinson.

Firms expressing interest in these projects must respond in writing and complete the Consulting Engineers Qualification Questionnaire (if not already prequalified) by December 11, 1986.

It is the policy of the K.D.O.T. to use the following criteria as the basis for selection of engineering consultant firms:

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

**JOHN B. KEMP**  
 Secretary of Transportation

Doc. No. 004819

## State of Kansas

## ATTORNEY GENERAL

## Opinion No. 86-158

**Drainage and Levees—Watershed Districts; Formation of Watershed Districts—Assignment of Liability for Damages Caused by Works of Improvement.** Charles R. Rayl, Attorney for Middle Creek Watershed Joint District No. 62, Cottonwood Falls, November 7, 1986.

K.S.A. 24-1209 *Fourth* authorizes a watershed district to construct, improve, maintain and operate works of improvement. If a work of improvement, such as a water retarding structure, fails and damages property located downstream, liability will arise only where such structure was negligently constructed, operated or maintained. The party upon whom liability shall fall is the party who is in control and possession of the water retarding structure. Such liability may fall upon the watershed district. Cited herein: K.S.A. 24-105; 24-1201; 24-1201a; 24-1209; 75-6103. BPA

ROBERT T. STEPHAN  
Attorney General

Doc. No. 004811

## State of Kansas

## DEPARTMENT ON AGING

NOTICE OF HEARING  
ON PROPOSED  
KANSAS STATE PLAN ON AGING

The Kansas Department on Aging (KDOA) will be holding a public hearing on a proposed amendment to the fiscal year 1986-87 Kansas State Plan on Aging. The hearing will be held at 1:30 p.m. Thursday, December 4, in Room D of the KNEA Building, 715 W. 10th, Topeka.

The proposed amendment changes the way in which carryover funds under Title III of the Older Americans Act are treated. Copies of the proposed amendment are available for review at area agencies on aging or at KDOA, 610 W. 10th, Topeka 66612, (913) 296-4986 or 1-800-432-3535. Copies may also be requested from KDOA.

Those wishing to comment on the proposed amendment should contact George A. Dugger at KDOA prior to the hearing. The Department on Aging requests that a written copy of the comments be provided at the hearing. Depending upon the number of persons wishing to be heard, the time available for oral presentations may be limited. Written comments will be accepted through December 9.

JOYCE V. ROMERO  
Secretary of Aging

Doc. No. 004810

## State of Kansas

## DEPARTMENT OF TRANSPORTATION

## NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, until 10 a.m., C.S.T., December 18, 1986, and then publicly opened:

## DISTRICT ONE—Northeast

**Lyon**—57-56 K-0548-02—U.S. 56, 6.3 miles south of Emporia, then north 3.1 miles, grading, surfacing and bridge. (State Funds)

**Lyon**—57-56 K-0548-03—U.S. 56, Cottonwood River bridge 38, 1.5 miles south of U.S. 50, bridge replacement. (Federal Funds)

**Lyon**—57-56 K-0548-04—U.S. 56, from Emporia south 3.2 miles, grading, surfacing and bridge. (State Funds)

**Nemaha**—63-66 K-1829-04—K-63, construction of weir at bridge 18, Nemaha Lake spillway. (Federal Funds)

**Shawnee**—89 U-1034-01—Menninger Road at Half-Day Creek in Topeka, bridge replacement. (Federal Funds)

**Wyandotte**—435-105 K-0992-01—I-435 and Kaw Drive, traffic signal. (Federal Funds)

## DISTRICT TWO—Northcentral

**Dickinson**—21 C-2127-01—County road, 0.5 mile south of Solomon, then south, 0.6 mile, bridge replacement. (Federal Funds)

**Ellsworth**—27 K-3070-01—K-141 and K-241, 14.0 miles, overlay. (State Funds)

**Mitchell/Cloud**—24-106 K-3067-01—U.S. 24, junction of K-14 southeast through Beloit to the junction of U.S. 81, 27.3 miles, overlay. (State Funds)

**Ottawa**—41-72 K-2934-01—K-41, east city limits of Delphos east to U.S. 81, 5.0 miles, conventional seal. (State Funds)

**Ottawa**—81-72 K-1761-01—U.S. 81, junction of U.S. 81 and K-93 to the junction of U.S. 81 and K-41, 12.3 miles, recycling. (State Funds)

**Republic**—81-79 K-2936-01—U.S. 81, 1.3 miles north of the north city limits of Belleville, north to the Nebraska line, 11.3 miles, recycling. (State Funds)

## DISTRICT THREE—Northeast

**Ellis**—26 K-3050-01—U.S. 183 and U.S. 183A in Ellis County, 13.9 miles, recycling. (State Funds)

**Gove**—32 K-3054-01—K-23, K-23S and K-23A in Gove County, 32.7 miles, overlay. (State Funds)

**Osborne/Smith**—281-106 K-3052-01—U.S. 281 in Osborne and Smith counties, 8.4 miles, overlay. (State Funds)

**Osborne/Russell**—281-106 K-3053-01—U.S. 281 in Osborne and Russell counties, 21.6 miles, overlay. (State Funds)

**Russell**—70-84 M-1458-01—I-70, 4.0 miles east of the Ellis-Russell county line, then east, 18.6 miles, overlay. (State Funds)

**Thomas**—97 C-2498-01—County road, I-70 inter-

change east to the Union Pacific Railroad east of Colby, 1.2 miles, surfacing. (Federal Funds)

#### DISTRICT FOUR—Southeast

**Anderson**—59-2 K-2586-01—U.S. 59, South Fork Pottawatomie Creek bridge 3, north of the south junction of U.S. 169, bridge replacement. (Federal Funds)

**Chautauqua**—166-10 K-0171-01—U.S. 166, east junction of U.S. 166 and K-99 east to the west city limits of Niotaze, 9.4 miles, grading and surfacing. (State Funds)

**Chautauqua**—10 C-1065-01—County road, 8.5 miles east and 9.7 miles north of Sedan, then east, 0.4 mile, bridge replacement. (Federal Funds)

#### DISTRICT FIVE—Southcentral

**Barber**—4 C-1659-01—County road, 1.0 mile east and 5.9 miles north of Hazelton, then north, 0.2 mile, bridge replacement. (Federal Funds)

**Barton**—4-5 K-3062-01—K-4, from the Rush-Barton county line east to U.S. 281 and the east city limits of Hoisington east to K-156, 24.8 miles, overlay. (State Funds)

**Comanche**—183-17 K-2778-01—U.S. 183, junction of U.S. 160 north, 6.6 miles, overlay. (State Funds)

**Pawnee**—19-73 K-2785-01—K-19, junction of K-19 and K-19 Spur east to Pawnee-Stafford county line, 10.2 miles, overlay. (State Funds)

**Pawnee**—156-73 K-2784-01—K-156, from the Hodgeman-Pawnee county line east to the junction of U.S. 183, 14.1 miles, recycling. (State Funds)

**Pratt**—281-76 K-2951-01—U.S. 281, north city limits of Pratt north to Pratt-Stafford county line through Iuka, 11.7 miles, overlay. (State Funds)

**Rice**—14-80 K-2786-01—K-14, north city limits of Lyons north to the Rice-Ellsworth county line, 11.3 miles, overlay. (State Funds)

**Sedgwick**—87 U-1003-01—21st and Oliver in Wichita, intersection improvement. (Federal Funds)

#### DISTRICT SIX—Southwest

**Finney/Gray**—23-106 K-3057-01—K-23 in Finney and Gray counties, 16.9 miles, overlay. (State Funds)

**Finney**—156-28 K-2803-01—K-156, 9.9 miles east of Garden City east to the west junction of K-23, 12.3 miles, recycling. (State Funds)

**Finney**—28 C-2087-01—County road, 8.0 miles north and 17.0 miles east of Garden City, then east, 0.1 mile, bridge replacement. (Federal Funds)

**Ford**—50-29 K-1730-01—U.S. 50, 1 mile east of FAS 257 east to the Ford-Edwards county line, 9.4 miles, overlay. (State Funds)

**Ford**—29 K-3058-01—U.S. 54 and K-154 in Ford County, 16.7 miles, overlay. (State Funds)

**Lane**—51 K-3056-01—K-4 and K-23 in Lane County, 27.0 miles, overlay. (State Funds)

**Ness**—96-68 K-2799-01—K-96, east end of brick pavement in Ness City east to Rush County line, 17.3 miles, recycling. (State Funds)

**Scott/Wichita**—106 K-3059-01—K-96 in Scott County, K-96 and K-167 in Wichita County, 24.7 miles, overlay. (State Funds)

Proposals will be issued upon request to all pro-

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

Each bidder shall file a sworn statement executed by or on behalf of the person, firm, association or corporation submitting the bid, certifying that such person, firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid. This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of the affidavit will be provided by the state to each prospective bidder. Failure to submit the sworn statement as part of the bid-approval package will make the bid nonresponsive and not eligible for award consideration.

Plans and specifications for the projects may be examined at the office of the respective county clerk or at the K.D.O.T. district office responsible for the work.

JOHN B. KEMP  
Secretary of Transportation

Doc. No. 004820

### 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, fourth 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 December 16, 1986

#### *Application for Certificate of Convenience and Necessity:*

Jonas R. Ferguson ) Docket No. 152,944 M  
P.O. Box 73 )  
Longton, KS 67352 )

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

(continued)

*Livestock,*

Between points and places in Wyandotte, Marion, Chase, Lyon, Coffey, Anderson, Linn, Greenwood, Woodson, Allen, Bourbon, Sedgwick, Butler, Elk, Wilson, Neosho, Crawford, Sumner, Chautauqua, Montgomery, Labette and Cherokee counties.

Also,

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

*Hay, grain, dry feed, dry feed ingredients, seeds, wood, dry fertilizer and salt,*

Between points and places in Wyandotte, Shawnee, Saline, Marion, Chase, Lyon, Coffey, Anderson, Linn, Reno, Greenwood, Woodson, Allen, Bourbon, Sedgwick, Butler, Elk, Wilson, Neosho, Crawford, Sumner, Cowley, Chautauqua, Montgomery, Labette and Cherokee counties.

Also,

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

\*\*\*\*\*

*Application for Abandonment of Certificate of Convenience and Necessity:*

Cal's Trailer Towing, Inc. ) Docket No. 102,232 M  
936 Calhoun Bluff Lane )  
Topeka, KS 66608 ) MC ID No. 101449

Applicant's Attorney: None

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*Application for Extension of Certificate of Convenience and Necessity:*

Raymond C. Griffith, dba ) Docket No. 22,933 M  
Griffith Transport )  
P.O. Box 244 )  
Esbon, KS 66941 ) MC ID No. 100104

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

*Livestock, processed hay, grains, feeds, seeds, processed mill feeds, dry fertilizer, building materials, farm machinery and implements,*

Between all points in Jewell and Smith counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other.

*Petroleum products and gasohol, in bulk, in tank truck loads,*

Between all Kansas refineries and pipeline terminals, on the one hand, and all points and places in Kansas in the east bounded by U.S. 75, on the south by I-70, on the west the Colorado state line, and on the north the Nebraska state line.

\*\*\*\*\*

*Application for Certificate of Convenience and Necessity:*

The Girls, Inc. ) Docket No. 152,498 M  
Box 636 )  
Dodge City, KS 67801 )

Applicant's Attorney: William Barker, 3401 S.W. Harrison, Topeka, KS 66611

*Food and related products,*

Between points in Finney, Seward, Ford, Cowley, Lyon, Wyandotte, Leavenworth and Johnson counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

\*\*\*\*\*

*Application for Certificate of Convenience and Necessity:*

Proehl Brothers, Inc. ) Docket No. 152,943 M  
P.O. Box 71 )  
Pierceville, KS 67868 )

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

*Hay, grain, dry feed, dry feed ingredients, salt, dry fertilizer, seeds, building materials, fencing materials, machinery and farm implements,*

Between points and places in Kansas west of U.S. 183.

Also,

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

*Livestock,*

Between points and places in Wallace, Logan, Gove, Trego, Greeley, Wichita, Scott, Lane, Ness, Hamilton, Kearny, Finney, Hodgeman, Haskell, Cimarron, Ford, Meade and Clark counties.

Also,

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

\*\*\*\*\*

*Application for Certificate of Convenience and Necessity:*

Gary Kettler, dba ) Docket No. 152,942 M  
Kettler Trucking )  
Route 2 )  
Ottawa, KS 66067 )

Applicant's Attorney: None

*Grain, soybeans, hay, livestock, dry fertilizer, feed and dry feed ingredients and processed mill feed,*

Between all points and places in Wyandotte, Johnson, Miami, Franklin, Linn, Osage, Anderson, Douglas and Lyon counties, Kansas, on the one hand, and on the other hand, all points and places in the state of Kansas.

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(continued)

Applications set for December 18, 1986

**Application for Certificate of Convenience and Necessity:**

American Transport, Inc. ) Docket No. 152,941 M  
4423 S. 67th )  
Omaha, NE 68117 )

Applicant's Attorney: Arthur Cerra, 6824 Cherokee Lane, Mission Hills, KS 66208

*General commodities (except classes A and B explosives, household goods and commodities in bulk),*  
Between all points and places in the state of Kansas.

\*\*\*\*\*

**Application for Extension of Certificate of Convenience and Necessity:**

Clyde Garrison, dba ) Docket No. 149,006 M  
Garrison Trucking )  
1720 Mike's Drive )  
Garden City, KS 67846 ) MC ID No. 124051

Applicant's Attorney: William Barker, 3401 S.W. Harrison, Topeka, KS 66611

*Livestock,*

Between points in Ness, Lane, Scott, Wichita, Greeley, Hamilton, Stanton and Morton counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

*Grain, dry feed, dry feed ingredients, dry fertilizer and dry fertilizer ingredients,*

Between points in Ness, Lane, Scott, Wichita, Greeley, Hamilton, Kearny, Finney, Gray, Hodgeman, Ford, Haskell, Grant, Stanton, Morton, Stevens, Seward, Meade and Clark counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

\*\*\*\*\*

**Application for Extension of Certificate of Convenience and Necessity:**

Shane Mullen and Kevin ) Docket No. 137,929 M  
Mullen, dba )  
K & S Trucking )  
Route 2 )  
Leoti, KS 67861 ) MC ID No. 110690

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

*Grain, dry feed, dry feed ingredients, dry fertilizer, salt and seeds,*

Between points and places in Kansas west of U.S. 81 and I-135.

Also,

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

*Livestock,*

Between points and places in Wallace, Logan, Gove, Trego, Greeley, Wichita, Scott, Lane, Ness,

Hamilton, Kearny, Finney, Hodgeman, Grant, Haskell, Gray and Ford counties, Kansas.

Also,

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

\*\*\*\*\*

**Application for Extension of Certificate of Convenience and Necessity:**

Alan Stinemetz, dba ) Docket No. 133,740 M  
Triple S Farm Supply )  
Route 1 )  
Burdett, KS 67523 ) MC ID No. 102727

Applicant's Attorney: William Barker, 3401 S.W. Harrison, Topeka, KS 66611

*Grain, dry feed and dry feed ingredients,*

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

\*\*\*\*\*

**Application for Extension of Certificate of Convenience and Necessity:**

Bill Jones Welding, Inc. ) Docket No. 149,839 M  
Route 1, Box 38 )  
Great Bend, KS 67530 ) MC ID No. 124928

Applicant's Attorney: John Jandera, 1610 S. Topeka Blvd., Topeka, KS 66612

*Agricultural machinery, implements and parts, building materials, iron and steel articles, construction machinery and equipment, and oil field equipment, materials and supplies,*

Between points in Kansas lying in and west of points in the Kansas counties of Republic, Cloud, Ottawa, Salina, McPherson, Harvey, Sedgwick and Sumner.

Also,

Between points in Kansas as above described, on the one hand, and on the other, points in Kansas.

\*\*\*\*\*

**Application for Extension of Certificate of Convenience and Necessity:**

Tiona Truck Line, Inc. ) Docket No. 91,741 M  
102 Ohio )  
P.O. Box 312 )  
Butler, MO 64730 ) MC ID No. 107097

Applicant's Attorney: Larry Gregg, 3401 S.W. Harrison, Topeka, KS 66611

*Dry commodities in bulk,*

Between points in Kansas.

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(continued)

Applications set for December 23, 1986

Application for Certificate of Convenience and Necessity:

Jon L. Rice, dba ) Docket No. 152,946 M
Triple R )
14 Majestic Drive )
Phillipsburg, KS 67661 )

Applicant's Attorney: None

Grain, alfalfa, sawdust, paper, dry fertilizer, dry molasses, straw, posts, roofing products, wood products, metal products, glass products, plastic products and machinery,

Between all points and places in the state of Kansas.

\*\*\*\*\*

Application for Transfer of Certificate of Convenience and Necessity:

Jerome R. Caughron, dba ) Docket No. 7,278 M
Holton Truck Line )
205 Summit Drive )
Holton, KS 66436 ) MC ID No. 100010
TO:

Holton Truck Line, Inc.
2221 S.W. 30th
Topeka, KS 66611

Applicant's Attorney: Larry Gregg, 3401 S.W. Harrison, Topeka, KS 66611

General commodities, except those of unusual value and except dangerous explosives, household goods as defined in Practices of Motor Common Carriers of Household Goods, 17 M.C.C. 467, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading,

Between points in Jackson, Shawnee, Jefferson, Wabaunsee, Osage, Franklin, Morris, Lyon and Coffey counties, Kansas, on the one hand, and on the other, all points in Kansas in and east of Republic, Cloud, Ottawa, Saline, McPherson, Harvey, Sedgwick and Sumner counties, Kansas.

Applicant seeks interstate authority, under the provisions of 49 U.S.C. Section 10931, corresponding to the intrastate authority sought.

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WILLIAM E. GREEN
Administrator
Transportation Division

Doc. No. 004812

State of Kansas

OFFICE OF THE SECURITIES COMMISSIONER

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 3.—LICENSING; BROKER-DEALERS, AGENTS

81-3-3. Investment Advisor; fees. Any registered investment advisor shall be entitled to enter into, extend, or renew any investment advisory contract made in compliance with the federal Investment Advisers Act of 1940, 50 Fed. Reg. 48,556, 17 C.F.R. Section 275.205-3 as made effective, by release no. 996, November 26, 1985. (Authorized by K.S.A. 1985 Supp. 17-1270(f); implementing K.S.A. 17-1253, as amended by L. 1986, Ch. 91, Sec. 1; effective, T-87-28; Oct. 1, 1986.)

Article 5.—EXEMPTIONS

81-5-6. Uniform limited offering exemption. (a) Any transaction involving the offer or sale of securities made in compliance with the federal Securities Act of 1933, regulation D, rules 230.501-230.503, 230.505 and 230.506 except paragraph (b)(2)(ii), as made effective in federal Securities Act of 1933 release no. 33-6389, and which satisfies the conditions, limitations, and requirements of this regulation, shall be exempt from the registration provisions of the Kansas Securities Act.

(1) No commission, finders fee, or other remuneration shall be paid or given, directly or indirectly, for soliciting any prospective purchaser, or in connection with the sales of securities in reliance on this exemption, unless the recipient is appropriately registered in this state as a broker-dealer, agent or investment adviser.

(2) No exemption under this regulation shall be available if the issuer, any of its directors, officers, general partners, beneficial owners of 10% or more of any class of its equity securities, any of its promoters currently connected with it in any capacity, or any person, other than a broker-dealer currently registered under K.S.A. 17-1254, who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of any prospective purchaser or in connection with sales of securities in reliance on this regulation:

(A) has filed a registration statement which is subject to a currently effective stop order entered pursuant to any state law within five years prior to the commencement of the offering;

(B) has been convicted, within five years prior to commencement of the offering, of any felony or misdemeanor in connection with the purchase or sale of any security or any felony involving fraud or deceit including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny or conspiracy to defraud;

(C) is currently subject to any state administrative order or judgment entered by a state securities administrator within five years prior to the commence-

ment of the offering or is subject to any state administrative order or judgment in which fraud or deceit was found and the order or judgment was entered within five years prior to the commencement of the offering;

(D) is currently subject to any state administrative order or judgment which prohibits the use of any exemption from registration in connection with the purchase or sale of securities; or

(E) is subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years prior to the commencement of the offering, permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with any state.

(3) Paragraphs (2)(A) through (2)(C) above shall not apply if the party or interest subject to the disqualifying order is duly licensed to conduct securities-related business in the state in which the administrative order or judgment was entered against such party or interest.

(4) Any disqualification caused by section (2) shall be automatically waived if the state which created the basis for disqualification determines, upon a showing of good cause, that it is not necessary under the circumstances to deny the exemption.

(5) The issuer shall file with the commissioner, at the times specified in paragraphs (A) through (C) below, a notice on federal SEC Form D 17 CFR 239.500 (copies of which may be obtained from the Kansas commissioner). The notice shall be filed:

(A) no later than 15 days after the first sale of securities in an offering under this exemption;

(B) every six months after the first sale of securities in an offering under this exemption, unless the final notice required by paragraph (C) below has been filed; and

(C) no later than 30 days after the last sale of securities in an offering under this exemption.

(6) Every notice on Form D shall be manually signed by a person duly authorized by the issuer.

(7) The notice shall contain an undertaking by the issuer to furnish the commissioner, upon written request, the information furnished by the issuer to offerees.

(8) The availability of this exemption shall not be denied an issuer offering and selling securities in reliance of this rule and section 3(a)(11) of the federal Securities Act of 1933, if:

(A) such issuer does not file with the Securities and Exchange Commission a notice pursuant to rule 230.503 of regulation D; and

(B) provided such issuer files a notice with the commissioner in compliance with (a)(3)(A) through (E) of this rule.

(9) In any sale to a nonaccredited investor, the issuer and any person acting on its behalf shall have reasonable grounds to believe, and after making reasonable inquiry shall believe, that the investment is suitable for the investor. Suitability shall be based upon the facts disclosed by the investor as to the

investor's other security holdings, financial situation and needs. For the limited purpose of this condition only, it may be presumed that if the investment does not exceed 20% of the investor's net worth, excluding principal residence, furnishings therein and personal automobiles, it is suitable.

(b) Offers and sales which are exempt under this rule shall not be combined with offers and sales exempt under any provision of the Kansas Securities Act or any rule promulgated thereunder.

(c) In any proceeding involving this rule, the burden of proving the exemption or an exception from a definition or condition shall be upon the person claiming it.

(d) In view of the objective of this rule and the purposes and policies underlying the Kansas Securities Act, this exemption shall not be available to any issuer with respect to any transaction which, although in technical compliance with this rule, is part of a plan or scheme to evade registration or the conditions or limitations explicitly stated in this rule.

(e) Upon the showing of good cause, the commissioner may by order waive any of the conditions of paragraphs (a)(2)(A), (a)(2)(C) or (a)(2)(D) of this exemption.

(f) The issuer shall be required to maintain, for a period of five years, a written record of all information furnished by it to all offerees. (Authorized by K.S.A. 1985 Supp. 17-1270(f); implementing K.S.A. 1985 Supp. 17-1262, as amended by L. 1986, Ch. 332, Sec. 16; effective, T-83-40, Nov. 23, 1982; effective May 1, 1983; amended May 1, 1984; amended T-87-28, Oct. 1, 1986.)

**81-5-7. Exchange and NASDAQ/NMS Exemption.** The following securities shall be exempt under K.S.A. 1985 Supp. 17-1261(g): (a) a security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, or the Chicago Board Options Exchange;

(b) a security designated or approved for designation upon notice of issuance as a NASDAQ National Market System security;

(c) any other security of the issuer of such listed or designated security which is of senior or substantially equal rank to the listed or designated security;

(d) a security issuable under rights or warrants so listed or designated; and

(e) a warrant or right to purchase or subscribe to any of the foregoing. (Authorized by K.S.A. 1985 Supp. 17-1270(f); implementing K.S.A. 1985 Supp. 17-1261(g); effective, T-87-28, Oct. 1, 1986.)

JOHN R. WURTH  
Securities Commissioner

Doc. No. 004792

## State of Kansas

## BOARD OF PHARMACY

## TEMPORARY ADMINISTRATIVE REGULATIONS

## Article 20.—CONTROLLED SUBSTANCES

**68-20-18a.** Schedule I designated prescription substances. The following schedule I controlled substance has been found by the board to be in compliance with the requirements of K.S.A. 65-4123(a), as amended by L. 1986, ch. 242, section 2, and is designated by the board as a schedule I designated prescription substance: synthetic dronabinol in sesame oil and encapsulated in soft gelatin capsules, which is listed under tetrahydrocannabinols (7370). (Authorized by and implementing K.S.A. 65-4123(a) as amended by L. 1986, ch. 242, section 2, effective T-87-30, Oct. 22, 1986.)

THOMAS C. HITCHCOCK  
Executive Secretary

Doc. No. 004794

(Published in the KANSAS REGISTER, November 20, 1986.)

**NOTICE OF BOND SALE**  
**\$1,716,261.66**  
**GENERAL OBLIGATION BONDS**  
**SERIES 1986-C**  
**OF THE**  
**CITY OF NEWTON, KANSAS**  
(general obligation bonds payable  
from unlimited ad valorem taxes)

**Sealed Bids**

Sealed bids will be received by the undersigned, city clerk of the city of Newton, Kansas, on behalf of the governing body at the City Hall, 120 E. 7th, Newton, KS 67114, until 7:30 p.m. C.S.T. on Wednesday, December 3, 1986, for the purchase of \$1,716,261.66 principal amount of general obligation bonds, series 1986-C, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter. No oral or auction bids will be considered.

**Bond Details**

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$6,261.66, dated December 15, 1986, and becoming due serially on September 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1987	\$111,261.66	1997	\$120,000.00
1988	110,000.00	1998	110,000.00
1989	110,000.00	1999	110,000.00
1990	110,000.00	2000	110,000.00
1991	110,000.00	2001	110,000.00
1992	110,000.00	2002	5,000.00
1993	115,000.00	2003	5,000.00
1994	115,000.00	2004	5,000.00
1995	120,000.00	2005	5,000.00
1996	120,000.00	2006	5,000.00

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 March 1, 1987.

**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 Southwest National Bank of Wichita, Wichita, Kansas (the paying agent and bond registrar), to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day of the month preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Attorney General of the State of Kansas.

The city will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the bondowners.

The number, 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 one bond per maturity registered in the name of the manager of the successful bidder. The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date. A certificate setting forth such initial reoffering price to the public shall be furnished to the city by the original purchaser at closing.

**Redemption of Bonds Prior to Maturity**

Bonds maturing in the years 1987 to 1994, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 1995, 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 city in such equitable manner as it may determine) on September 1, 1994, or on any interest payment date thereafter at the redemption price of 100 percent (expressed as a percentage of the principal amount), plus accrued interest to the redemption date:

Whenever the city 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 city shall elect to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, said notice to be



mailed by United States registered or certified mail addressed to the bond registrar, to the registered owners of said bonds, to the Treasurer of the State of Kansas, Topeka, 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. The difference between the highest rate specified and the lowest rate specified shall not exceed 3 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

#### Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted, and its determination shall be final. The city reserves the right to reject 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. 12-6a01 *et seq.*, as amended and supplemented, K.S.A. 12-685 *et seq.*, K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1736 *et seq.*, and K.S.A. 13-1024a, as amended by Charter Ordinance No. 11 of the city, for the purpose of paying the cost of various internal improvements. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special as-

sessments levied upon the property benefited by the construction of said improvements and, if not so paid, 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 city, 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 the city.

#### Legal Opinion and Tax Exemption

The bonds will be sold subject to the legal opinion of Gaar & Bell, Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

On October 22, 1986, the President of the United States signed into law H.R. 3838, the Tax Reform Act of 1986, which redesignates the Internal Revenue Code of 1954 as the Internal Revenue Code of 1986. The 1986 Code imposes certain additional requirements and restrictions which must be met subsequent to the issuance of state and local government obligations in order to maintain the exemption from federal income taxation of the interest on such obligations. The city will covenant in the bond ordinance to comply with the provisions of the Act and to take all action as may be necessary to comply with the Act and all applicable future law to preserve the tax-exempt status of the bonds, to the extent such actions can be taken by the governing body of the city.

In the opinion of Gaar and Bell, Wichita, Kansas, bond counsel, under existing law, statutes, regulations, rulings and judicial decisions, assuming continued compliance by the city with the terms of the bond ordinance, the bonds are exempt from intangible personal property taxes levied by Kansas counties, cities or townships, and the interest on the bonds is exempt from federal income taxation except as follows:

(a) For taxable years beginning in the years 1987, 1988 and 1989, the interest on the bonds will be included in the adjusted net book income of corporations. For purposes of computing the corporate alternative minimum tax, a corporation's alternative minimum taxable income must be increased by 50 percent of the amount by which such corporation's adjusted net book income exceeds such corporation's alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction). For taxable years beginning after 1989, the use of "book income" will be replaced by "adjusted current earnings," and "50%" will be substituted for "75%."

(b) For taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their deduction for losses incurred on insurance contracts by 15 percent of the amount of interest received or accrued on tax-exempt obligations acquired after August 7, 1986, including the bonds.

H.R. 2005, the Superfund Amendments and  
(continued)

Reauthorization Act of 1986, which was enacted on October 17, 1986, includes among its provisions the imposition of a new environmental tax. Calculation of the tax is to be based generally on a percentage of the corporate alternative minimum taxable income as defined in the 1986 Code that would include interest on tax-exempt obligations, including the bonds. The amount of tax is equal to 0.12 percent of excess of the alternative minimum taxable income (without regard to net operating losses and the deduction for the environmental tax) over \$2 million. The environmental tax is imposed whether or not the taxpayer is subject to the alternative minimum tax, but is deductible from gross income. The environmental tax is effective for taxable years beginning after 1991. The imposition of this environmental tax could result in additional taxation of interest on the bonds for certain bondowners.

A form of bond counsel's opinion is contained in the official statement of the city with respect to the bonds.

**Delivery and Payment**

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before December 31, 1986 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 city.

**Good Faith Deposit**

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America equal to 2 percent of the total amount of the bid payable to the order of the city. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

**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 city.

**Bid Forms**

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

**Submission of Bids**

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 7:30 p.m. C.S.T. on December 3, 1986.

**Official Statement**

The city has prepared an official statement dated November 10, 1986, copies of which may be obtained from the city clerk. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

**Assessed Valuation and Indebtedness**

The total assessed valuation of the taxable tangible property within the city, for the year 1986, is as follows:

Equalized assessed valuation of taxable tangible property .....	\$37,656,325
Tangible valuation of motor vehicles .....	\$ 9,192,738
Equalized assessed tangible valuation for computation of bonded debt limitations ..	\$46,849,063

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$9,261,261.66, which amount excludes all revenue bonds and general obligation bonds which have been refunded. In addition, the city has outstanding temporary improvement notes in the amount of \$2,291,000, all of which will be retired out of proceeds of the bonds and other available funds.

**Additional Information**

Additional information regarding the bonds may be obtained from the city clerk.

Dated November 5, 1986.

CITY OF NEWTON, KANSAS  
 By John Torline, City Clerk  
 City Hall, 120 E. 7th  
 Newton, KS 67114  
 (316) 283-6900

Doc. No. 004818

(Published in the KANSAS REGISTER, November 20, 1986.)

**REPUBLICATION OF NOTICE OF BOND SALE  
 ORIGINALLY HELD ON OCTOBER 13, 1986  
 NOTICE OF BOND SALE  
 \$107,000  
 GENERAL OBLIGATION BONDS  
 SERIES B, 1986  
 OF THE  
 CITY OF VICTORIA, KANSAS  
 (general obligation bonds payable  
 from unlimited ad valorem taxes)**

**Sealed Bids**

Sealed bids will be received by the undersigned, city clerk of the city of Victoria, Kansas, on behalf of the governing body at the City Hall, 1105 4th, Victoria, until 7:30 p.m. C.S.T. on Monday, December 1, 1986, for the purchase of \$107,000 principal amount of general obligation bonds, series B, 1986, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter. No oral or auction bids will be considered.

**Bond Details**

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$2,000, dated October 1, 1986, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount
1987	\$ 7,000
1988	10,000
1989	10,000
1990	10,000
1991	10,000
1992	10,000
1993	10,000
1994	10,000
1995	15,000
1996	15,000

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 April 1 and October 1 in each year, beginning on April 1, 1987.

**Place of Payment and Bond Registration**

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the paying agent and bond registrar), to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day of the month preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Attorney General of the State of Kansas.

The city will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of

the bond registrar, will be the responsibility of the bondowners.

The number 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.

**Redemption of Bonds Prior to Maturity**

Bonds maturing in the years 1987 to 1991, inclusive, shall become due without option of prior payment. At the option of the city, 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 city in such equitable manner as it may determine) on October 1, 1991, or on any interest payment date thereafter at the redemption prices set forth below (expressed as percentages of the principal amount), plus accrued interest to the redemption date:

Redemption Dates	Redemption Price
1991	103%
1992	102%
1993	101%
1994	100.50%
1995 and thereafter	100%

Whenever the city 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 city shall elect to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds, to the Treasurer of the State of Kansas, Topeka, 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 bid of less than the

(continued)

entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

#### Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted, and its determination shall be final. The city reserves the right to reject 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. 12-614, as amended, for the purpose of paying the cost of certain street improvements. The bonds and the interest thereon will constitute general obligations of the city, 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 city.

#### Legal Opinion and Tax Exemption

The bonds will be sold subject to the legal opinion of Gaar & Bell, Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds and a supplemental opinion as to the tax exempt status of the bonds will be furnished and paid for by the city and delivered to the successful bidder as and when the bonds are delivered.

On October 22, 1986, the President of the United States signed into law H.R. 3838, the Tax Reform Act of 1986, which redesignates the Internal Revenue Code of 1954 as the Internal Revenue Code of 1986. The 1986 Code imposes certain additional requirements and restrictions which must be met subsequent to the issuance of state and local government obligations in order to maintain the exemption from federal income taxation of the interest on such obligations. The city will covenant in the bond ordinance to comply with the provisions of the Act and to take all action as may be necessary to comply with the Act and all applicable future law to preserve the tax-exempt status of the bonds, to the extent such actions can be taken by the governing body of the city.

In the opinion of Gaar & Bell, Wichita, Kansas, bond counsel, under existing law, statutes, regulations, rul-

ings and judicial decisions, assuming continued compliance by the city with the terms of the bond ordinance, the bonds are exempt from intangible personal property taxes levied by Kansas counties, cities or townships, and the interest on the bonds is exempt from federal income taxation except as follows:

(a) For taxable years beginning in the years 1987, 1988 and 1989, the interest on the bonds will be included in the adjusted net book income of corporations. For purposes of computing the corporate alternative minimum tax, a corporation's alternative minimum taxable income must be increased by 50 percent of the amount by which such corporation's adjusted net book income exceeds such corporation's alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction). For taxable years beginning after 1989, the use of "book income" will be replaced by "adjusted current earnings," and "50%" will be replaced by "75%."

(b) For taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their deduction for losses incurred on insurance contracts by 15 percent of the amount of interest received or accrued on tax-exempt obligations acquired after August 7, 1986, including the bonds.

H.R. 2005, the Superfund Amendments and Reauthorization Act of 1986, which was enacted on October 17, 1986, includes among its provisions the imposition of a new environmental tax. Calculation of the tax is to be based generally on a percentage of the corporate alternative minimum taxable income as defined in the 1986 Code which would include interest on tax-exempt obligations, including the bonds. The amount of tax is equal to 0.12 percent of excess of the alternative minimum taxable income (without regard to net operating losses and the deduction for the environmental tax) over \$2 million. The environmental tax is imposed whether or not the taxpayer is subject to the alternative minimum tax, but is deductible from gross income. The environmental tax is effective for taxable years beginning after 1991. The imposition of this environmental tax could result in additional taxation of interest on the bonds for certain bondowners.

#### Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before December 31, 1986, 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 city.

**Good Faith Deposit**

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America equal to 2 percent of the total amount of the bid payable to the order of the city. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

**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 city.

**Bid Forms**

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

**Submission of Bids**

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk, and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 7:30 p.m. C.S.T. on December 1, 1986.

**Official Statement**

The city has prepared an official statement dated October 1, 1986, copies of which may be obtained from the city clerk or from the financial adviser. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

**Assessed Valuation and Indebtedness**

The total assessed valuation of the taxable tangible property within the city, for the year 1985, is as follows:

Equalized assessed valuation of taxable tangible property .....	\$1,925,365
Tangible valuation of motor vehicles .....	\$ 837,437
Equalized assessed tangible valuation for computation of bonded debt limitations ...	\$2,762,802
The total general obligation indebtedness of the city	

as of the date of the bonds, including the bonds being sold, is \$508,419.34. Temporary notes in the principal amount of \$100,000 will be retired out of proceeds of the bonds and other available funds.

**Additional Information**

Additional information regarding the bonds may be obtained from the city clerk or from the financial adviser, Mid-Continent Municipal Investments, Inc., 333 Century Plaza Building, Wichita, KS 67202, Attention: Eric A. Hartenstein, (316) 262-5161.

Dated November 10, 1986.

CITY OF VICTORIA, KANSAS  
By Alice K. Sander, City Clerk  
City Hall  
1005 4th  
Victoria, KS 67671  
(913) 735-2259

Doc. No. 004806

(Published in the KANSAS REGISTER, November 20, 1986.)

**NOTICE OF BOND SALE**  
**\$203,000**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 1986**  
**OF THE CITY OF LAHARPE, KANSAS**

**Date, Time and Place of Receiving Bids**

The City Council, as governing body of the city of LaHarpe, Kansas, will receive sealed bids at the office of the City Clerk, City Hall, Main Street, LaHarpe, until 7 p.m. C.S.T. on Wednesday, December 3, 1986, for \$203,000 par value general obligation refunding bonds, series 1986, of the city, at which time the city council will meet in the city council meeting room to publicly open the bids. No oral or auction bids will be considered.

**Description of Bonds**

The series 1986 bonds will be dated as of December 1, 1986, and shall mature on September 1 in each of the years and in the amounts set forth below. The bonds shall consist of fully registered certificated bonds in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of bonds maturing in each year, except for one bond which shall be in the denomination of \$3,000. Interest on the bonds will be payable semiannually, commencing September 1, 1987, and each March 1 and September 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 mailing of check or draft of the paying agent to the registered owners thereof as their names appear on the registration books of the city maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates (the record

(continued)

dates). The fees of the bond registrar for registration and transfer of the bonds shall be paid by the city.

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

Principal Amount	Maturity Date
\$18,000	September 1, 1987
30,000	September 1, 1988
30,000	September 1, 1989
30,000	September 1, 1990
30,000	September 1, 1991
25,000	September 1, 1992
25,000	September 1, 1993
15,000	September 1, 1994

#### Redemption Provisions

Bonds maturing September 1, 1987 through September 1, 1990, inclusive, are noncallable.

Bonds maturing September 1, 1991 through September 1, 1994, inclusive, are callable at the option of the city prior to the stated maturities thereof, in whole or in part and in inverse numerical order, on any interest payment date on and after September 1, 1990, at the principal amount thereof plus accrued interest to the date of redemption and without premium.

Notice of any such call for redemption and payment shall be published at least once in the official newspaper of the state of Kansas and in the official newspaper of the city, not less than 30 days before the date fixed for such redemption and payment; and 30 days prior notice in writing shall be given to the bond registrar and paying agent before the date so fixed for such redemption. Prior to the date fixed for redemption, funds shall be deposited with the paying agent sufficient to pay the bonds so called and all unpaid and accrued interest thereon to the redemption date. Upon the happening of the above conditions, such bonds thus called for redemption shall not thereafter bear interest.

#### 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. 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 date 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

Bids shall be submitted on the official bid form furnished by the city, and shall be addressed to the City Council, City Hall, Main Street, P.O. Box 121, LaHarpe, KS 66751, Attention: Mignonette L. Kelley, City 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 city 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 amount of the bid, and shall be payable to "City Treasurer, City of LaHarpe, Kansas." In the event a bidder whose bid is accepted shall fail to carry out his contract of purchase, said deposit shall be retained by the city as liquidated damages. The checks of unsuccessful bidders will be promptly returned.

#### Award of Bonds

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 city reserves the right to reject any and all 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 city, 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.

#### Delivery of the Bonds

The bonds, duly printed, executed and registered, will be furnished and paid for by the city, and the bonds will be sold subject to the approving opinion of Winton M. Hinkle, P.A., bond counsel, of Wichita, Kansas. The number, denomination of bonds, and the names 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 December 16, 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 about January 5, 1987 at any bank in the state of Kansas or in Kansas City, Missouri, at the expense of the city. Delivery elsewhere will be made at the expense of the purchaser.

#### The Internal Revenue Code of 1986

The Internal Revenue Code of 1986 was signed into law by the President of the United States on October 22, 1986. The provisions of the code relating to obligations of state and local governments would generally be effective for obligations issued after August 15, 1986. Certain of these provisions would impose requirements which must be met subsequent to the issuance and delivery of such obligations, including the bonds, in order for the interest thereon to remain exempt from federal income taxation. The city will covenant to comply with the provisions of the code and all other applicable federal laws, regulations, published rulings and court decisions, in order to preserve the tax-exempt status of the bonds to the extent such actions can be taken by the governing body of the city. The failure of the city to comply with

such covenants could adversely affect the tax-exempt status of the bonds. A purchaser of the bonds 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 federal tax exemption.

The code includes interest on certain obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years after 1986 and would include in the calculation of alternative minimum taxable income 50 percent of the excess of a corporation's adjusted net book income over its pre-book alternative taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). In addition, the code provides that banks and thrift institutions would be unable to deduct any portion of the interest cost of purchasing or carrying tax-exempt obligations (with certain exceptions described below) if such interest costs are incurred in taxable years ending after December 31, 1986 with respect to bonds acquired after August 7, 1986. The code provides that certain "qualified tax-exempt obligations" as defined in Section 265(b)(3) will be treated as having been acquired on August 7, 1986. The city will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" as described above.

The code provides that property and casualty insurance companies would be required for taxable years beginning on or after January 1, 1986 to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income.

**Superfund Amendments and Reauthorization Act of 1986**

H.R. 2005, the Superfund Amendments and Reauthorization Code of 1986, which was enacted on October 17, 1986, includes among its provisions the imposition of a new environmental tax. Calculation of the tax is to be based generally on a percentage of the corporate alternative minimum taxable income as defined in the 1986 Code which would include interest on tax-exempt obligations, including the bonds. The amount of tax is equal to 0.12 percent of the excess of the alternative minimum taxable income (without regard to net operating losses and the deduction for the environmental tax) over \$2 million. The environmental tax is imposed whether or not the taxpayer is subject to the alternative minimum tax, but is deductible from gross income. The environmental tax is effective for taxable years beginning after 1991. The imposition of this environmental tax could result in additional taxation of interest on the bonds for certain bondowners.

**Legal Opinion**

Bids shall be conditioned upon the approving opinion of Winton M. Hinkle, P.A., 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 city. Said legal opinion will state in part that the bonds will constitute general obligations of the city, 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 city, and that, under existing laws and regulations, subject to the assumptions and limitations contained therein, 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.

Reference is also made to the section entitled "The Internal Revenue Code of 1986."

**Purpose of Issue**

The bonds are being issued for the purpose of providing funds, which will be used with other available funds of the city, to redeem and pay the principal amount of and all accrued interest on the city's outstanding general obligation sewer system bonds, series A, 1982, dated March 1, 1982.

**Assessed Valuation**

Assessed valuation figures for the city of LaHarpe, Kansas, for the year 1985, are as follows:

Assessed valuation of taxable tangible property . . . . .	\$494,780
Taxable value of motor vehicles . . . . .	226,597
Equalized assessed tangible valuation for computation of bonded debt limitations . . . . .	\$721,377

**Bonded Indebtedness**

The total outstanding general obligation indebtedness of the city of LaHarpe, Kansas, at the date hereof, including this \$203,000 proposed issue of bonds, is \$293,000. This amount does not include the \$195,000 outstanding principal amount of the city's general obligation sewer system bonds, series A, 1982, which will be redeemed and paid from the proceeds of the bonds described herein and certain other funds.

**Official Statement**

Additional copies of this notice of bond sale, copies of the city's official statement relating to the bonds, or further information may be received from the office of the City Clerk, City Hall, Main Street, P.O. Box 121, LaHarpe, KS 66751, (316) 496-2241, or from the city's financial consultants, Mid-Continent Investments, Inc., 333 Century Plaza Building, Wichita, KS 67202, (316) 262-5161.

Dated November 12, 1986.

THE CITY OF LAHARPE, KANSAS  
By Mignonette L. Kelley  
City Clerk

Doc. No. 004814

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