

KANSAS REGISTER



State of Kansas

JACK H. BRIER
Secretary of State

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December 4, 1986

Pages 1561-1600

IN THIS ISSUE	Page
Division of Services for the Blind Advisory Committee	
Notice of Meeting	1562
Rehabilitation Services Advisory Committee	
Notice of Meeting	1562
Children and Youth Advisory Committee	
Notice of Meeting	1562
Secretary of State	
Usury Rate for December	1562
Public Disclosure Commission's Opinions No. 86-15 through 86-18	1584
Legislative Interim Committee Schedule	1563
Notice to Bidders for State Purchases	1564
Social and Rehabilitation Services	
Notice of Hearing on Proposed Administrative Regulations	1565
State Corporation Commission	
Notice of Hearing	1566
Notice of Motor Carrier Hearings	1581
Private Industry Council	
Request for Proposals	1566
Notice of Bond Redemption	
City of Kechi	1566
Notice of Bond Sale	
Metropolitan Topeka Airport Authority	1567
U.S.D. 325, Phillips County	1568
State Board of Regents	1571
City of Richmond	1573
City of Leavenworth	1576
City of Hays	1578
Department of Health and Environment	
Notice of Hearing on Proposed Administrative Regulations	1580
Temporary Administrative Regulations	
Kansas Fish and Game Commission	1587
Social and Rehabilitation Services	1587
Department of Economic Development	1597
State Department of Education	1598

State of Kansas
SOCIAL AND REHABILITATION SERVICES
DIVISION OF SERVICES FOR
THE BLIND ADVISORY COMMITTEE

NOTICE OF MEETING

The Division of Services for the Blind Advisory Committee will meet at 10 a.m. Tuesday, December 16, in the Kansas Rehabilitation Services conference room, third floor, Biddle Building, 2700 W. 6th, Topeka.

RICHARD A. SCHUTZ
 Director, Division of
 Services for the Blind

Doc. No. 004853

State of Kansas
SOCIAL AND REHABILITATION SERVICES
CHILDREN AND YOUTH
ADVISORY COMMITTEE

NOTICE OF MEETING

The Children and Youth Advisory Committee will meet at 1:30 p.m. Monday, December 8, in the Judicial Administrator's conference room, Judicial Center, 301 W. 10th, Topeka.

STEPHEN CLEGG, JR.
 Chairman, Children and Youth
 Advisory Committee

Doc. No. 004855

State of Kansas
SOCIAL AND REHABILITATION SERVICES
REHABILITATION SERVICES ADVISORY
COMMITTEE

NOTICE OF MEETING

The Rehabilitation Services Advisory Committee will meet from 1 p.m. to 3 p.m. Thursday, December 11, in the Alcohol and Drug Abuse Services conference room, second floor, Biddle Building, 2700 W. 6th, Topeka.

JOAN B. WATSON
 Commissioner

Doc. No. 004854

State of Kansas
SECRETARY OF STATE

NOTICE

TO ALL TO WHOM THESE PRESENTS SHALL
 COME, GREETING:

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that pursuant to the provisions of K.S.A. 1985 Supp. 16-207, the maximum effective rate of interest per annum for notes secured by all real estate mortgages and contracts for deed for real estate executed during the period of December 1, 1986 through December 31, 1986 shall be 10.88 percent.

In testimony whereof: I hereto set my hand and cause to be affixed my seal. Done at the City of Topeka, this 26th day of November, A.D. 1986.

JACK H. BRIER
 Secretary of State

Doc. No. 004856

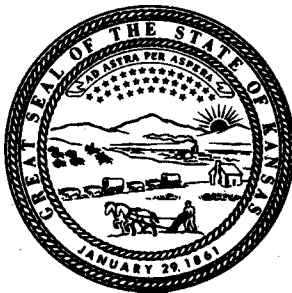
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PUBLISHED BY
 JACK H. BRIER
 Secretary of State
 State Capitol
 Topeka, KS 66612



PHONE: 913/296-3489

State of Kansas

LEGISLATURE

INTERIM AGENDA

The following committee meetings have been scheduled during the period of December 8 through December 19, 1986:

Date	Room	Time	Committee	Agenda
Dec. 8	514-S	9:00 a.m.	Legislative Post Audit	Legislative matters.
Dec. 8 Dec. 9	519-S 519-S	10:00 a.m. 9:00 a.m.	Legislative Commission on Economic Development	8th: Higher education. 9th: Business training.
Dec. 9 Dec. 10	Pittsburg Memorial Auditorium and Convention Center	10:00 a.m. 9:00 a.m.	Subcommittee on Radon—Special Committee on Energy and Natural Resources	Public hearing and consideration of report and recommendations.
Dec. 10	519-S	9:00 a.m.	Legislative Educational Planning Committee	Review of pending matters and of interim proposals on governance changes.
Dec. 11	519-S	10:00 a.m.	Shawnee County Legislative Delegation	Local legislative matters.
Dec. 11 Dec. 12	527-S 527-S	10:00 a.m. 9:00 a.m.	Joint Committee on Special Claims Against the State	Hearings on claims filed to date.
Dec. 11 Dec. 12	423-S 423-S	10:00 a.m. 9:00 a.m.	Joint Committee on State Building Construction	Agenda to be determined.
Dec. 11 Dec. 12	514-S 514-S	10:00 a.m. 9:00 a.m.	Special Committee on Federal and State Affairs	Proposal No. 14.
Dec. 15 Dec. 16	519-S 519-S	10:00 a.m. 9:00 a.m.	Legislative Committee on Economic Development	15th: Capital Markets and Taxation. 16th: Agriculture.
Dec. 17 Dec. 18 Dec. 19	514-S 514-S 514-S	10:00 a.m. 9:00 a.m. 9:00 a.m.	Joint Committee on Administrative Rules and Regulations	Agenda to be determined.

WILLIAM R. BACHMAN
Director of Legislative
Administrative Services

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 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. Interested bidders may call (913) 296-2377 for additional information.

MONDAY, DECEMBER 15, 1986

#27466

University of Kansas—PARKING DEPARTMENT GARMENTS

#27467

Kansas State Industrial Reformatory—PHARMACY SERVICE

TUESDAY, DECEMBER 16, 1986

#A-5114(a)

University of Kansas Medical Center—GENERAL CONSTRUCTION, Hospital Laundry Renovation

#A-5688(a)

Department of Administration—ASBESTOS REMOVAL, State Santa Fe Building

#27459

University of Kansas—FEBRUARY (1987) MEAT PRODUCTS

#27460

Kansas State University—JANUARY (1987) MEAT PRODUCTS

#27689

Winfield State Hospital and Training Center—DEODORANT

#67690

University of Kansas—VACUUM CLEANERS

#67691

University of Kansas—EXHAUST FANS

#67698

Kansas State University—SIMULATOR

#67699

University of Kansas—REGISTERS, GRILLES, ELBOWS, AND DAMPERS

#67700

Kansas Correctional Industries—COLD ROLLED STEEL SHEETS

#67702

Kansas Correctional Industries—ALUMINUM SHEETS

#67703

University of Kansas Medical Center—ELECTROPHORETIC EQUIPMENT

#67704

University of Kansas Medical Center—LAMINAR FLOW CABINET

WEDNESDAY, DECEMBER 17, 1986

#A-5247

Kansas State University—REPAIR HOT WATER STORAGE TANKS, Derby Food Center

#A-5542

Youth Center at Topeka—REPLACE EXISTING ENTRANCES, Mohawk, Pawnee and Shawnee cottages

#67707

Department of Revenue—RIBBONS AND TAPES

#67708

University of Kansas—CHROMATOGRAPHY SYSTEM

#67712

State Corporation Commission—OFFICE FURNITURE, Wichita

#67713

Wichita State University—WATER PUMP

#67736

Department of Revenue—MOVING SERVICES

THURSDAY, DECEMBER 18, 1986

#A-5613(a)

Kansas State University—ROOF REPLACEMENT, Lefene Student Health Facilities

#A-5613(b)

Kansas State University—ROOF REPLACEMENT, Military Science Building

#27462

Department of Social and Rehabilitation Services—RENTAL OF TRACTOR-TRAILER TRUCK

#27463

Kansas Neurological Institute—PEST CONTROL SERVICE

#27464

Department of Human Resources—JANITORIAL SERVICES, Overland Park

#27465

University of Kansas Medical Center—PAINTING SUPPLIES

#67715

Department of Social and Rehabilitation Services—ELECTRONIC COMMUNICATION MACHINES, various locations

#67716

Kansas State University—NUCLEAR EQUIPMENT

#67717

Kansas State Penitentiary—UNIFORM JACKETS

#67718

Winfield State Hospital and Training Center—X-RAY ROOM EQUIPMENT

#67719

Department of Social and Rehabilitation Services—ELECTRIC WHEELCHAIRS, various locations

#67731

Kansas State School for the Visually Handicapped—DISHWASHER

#67734

Kansas Technical Institute—SIGNS

#67735

University of Kansas Medical Center—REPLACEMENT OF ECT PROCESSOR

#67737

University of Kansas—LOGGING BOREHOLES AND INSTALLING OF PIEZOMETERS, various locations

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 004849

State of Kansas

SOCIAL AND REHABILITATION SERVICES**NOTICE OF HEARING
ON PROPOSED
ADMINISTRATIVE REGULATIONS**

The Department of Social and Rehabilitation Services will meet at 9 a.m. Friday, December 19, in the SRS board room, sixth floor, State Office Building, Topeka.

The scheduled agenda includes:

—Public hearing concerning proposed temporary administrative regulations. A summary of the proposed regulations is set forth below. The proposed changes are scheduled to become effective January 1, 1987.

—Adoption of proposed temporary administrative regulations.

A. Public Assistance Program

1. **30-4-91. Eligibility factors specific to the transitional GA (TGA) program.** This regulation is being amended to limit assistance to one month in a 12-month period of time.

2. **30-4-102. Standards for children in foster care.** This regulation is being amended to decrease the foster family care rates by 10 percent.

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

1. **30-5-70. Payment of medical expenses for eligible recipients.** This regulation is being amended to add the provision that the scope of services to adult medikan recipients will be limited to a maximum of \$500 per recipient per state fiscal year.

2. **30-5-81b. The basis of reimbursement for hospital services.** This regulation is being amended to:

(a) Delete the provision that each general hospital shall be reimbursed with a premium and the methodology for computing the premium; and

(b) change the reimbursement methodology for outpatient hospital services from the lesser of reasonable costs or customary charges to the fee for comparable services rendered by non-hospital providers.

3. **30-5-83a. Reimbursement for ambulatory surgical centers.** This regulation is being amended to delete the provision that the secretary shall negotiate a reimbursement rate.

4. **30-5-87a. Reimbursement for early and periodic screening, diagnosis and treatment (EPSDT).** This regulation is being amended to delete the provision that the secretary shall negotiate a reimbursement rate.

5. **30-5-100. Scope of dental services.** This regulation is being amended to eliminate services for non-EPSDT program participants.

6. **30-5-106a. Reimbursement for ambulance services.** This regulation is being amended to delete subsection (a) which limits reimbursement to the base charge, a charge per mile, stand-by or waiting charges, and approved ancillary services. Reimbursement will continue on the basis of fees as related to customary charges.

C. Medicaid/Medikan Program—Client Eligibility

1. **30-6-65. Automatic eligibles.** This regulation is being amended to:

(a) Eliminate medical assistance for recipients of TGA; and

(b) provide medical assistance for persons who are not eligible for ADC due to their failure to assign support or their failure to participate in CWEP or WIN.

2. **30-6-74. Persons whose needs are to be considered with the needs of the ADC child.** This regulation is being amended to eliminate medical coverage for parents and other caretaker relatives.

D. Medicaid/Medikan Program—Adult Care Homes.

1. **30-10-8. Rates of reimbursement.** This regulation is being amended to add that the agency may reduce all adult care home provider payment rates determined from historic cost reports by an amount not to exceed 4 percent for prospective reimbursement.

A copy of the proposed regulations and fiscal impact statement may be obtained prior to December 19 by contacting Mary Slaybaugh, Legal Division, State Department of Social and Rehabilitation Services, 6th Floor, State Office Building, Topeka 66612, (913) 296-3969. Written comments may be submitted prior to such date to Dr. Robert Harder, Secretary of Social and Rehabilitation Services, at the same address.

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

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

ROBERT C. HARDER
Secretary of Social and
Rehabilitation Services

Doc. No. 004858

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:

- Riley Oil Company
- Western Energy Development Co., Inc.

Pursuant to K.S.A. 55-164, the matter is set for hearing at 11 a.m. Friday, December 12, in the conference room of the Conservation Division, 200 Colorado Derby Building, 202 W. 1st, Wichita.

ANN T. RIDER
Assistant General Counsel

Doc. No. 004847

State of Kansas

DEPARTMENT OF HUMAN RESOURCES
PRIVATE INDUSTRY COUNCIL

REQUEST FOR PROPOSALS

The Kansas Private Industry Council for the Job Training Partnership Act in Service Delivery Area III is seeking solicitations of comprehensive proposals to subcontract with any group, agency or institution, public or private, to provide the various services and training needed to serve eligible youth in Johnson, Wyandotte and Leavenworth counties in the PIC Summer Youth Employment and Training Program. The PIC SDA III Summer Youth Employment and Training Program shall provide eligible youth ages 14-21, inclusive, within the SDA with useful work experience and employment training opportunities. The PIC seeks to subcontract the program with one provider who can handle intake, eligibility, complete distributed information systems functions, case management, development of worksites, placement of youth at worksites and payroll for the program clients.

All services and training for the program are for funding from October 1, 1986 through September 30, 1987.

Proposals must be presented with 10 copies. Proposals will be received through 4 p.m. Friday, January 2, 1987 at the office of the Private Industry Council, SDA III, 827 Gateway Centre II, 4th and State Ave., Kansas City 66101.

ANN CONWAY
Acting Executive Director
Kansas Private Industry Council, Inc.
Service Delivery Area III

Doc. No. 004851

(Published in the KANSAS REGISTER, December 4, 1986.)

NOTICE OF REDEMPTION
CITY OF KECHI, KANSAS
INDUSTRIAL DEVELOPMENT
REVENUE BONDS
SERIES A, 1974

(Leslie Rudd, Tenant)

(Standard Liquor Corporation, Subtenant)

Notice is hereby given pursuant to Section 3 of Ordinance No. 83 of the city of Kechi, Kansas, passed and approved on January 22, 1974, that the Series A, 1974 bonds numbered 45 to 100, inclusive, maturing in the years 1988 to 1994, have been called for redemption and payment on January 1, 1987 at the office of the State Treasurer of the State of Kansas, Topeka, Kansas.

On such redemption date there shall become due and payable a redemption price equal to the par value of each bond, plus accrued interest thereon to the redemption date of January 1, 1987, together with a premium equal to 2 percent of the par value of the principal amount of the bonds so called for redemption. Interest shall cease to accrue on the bonds so called for redemption from and after January 1, 1987, and interest coupons maturing after January 1, 1987 shall be void. All coupons maturing subsequent to January 1, 1987 must be attached and surrendered with said bonds.

OPTIONAL EARLY REDEMPTION. As a result of the 1986 Tax Reform Act changes in taxable rates on capital gains effective January 1, 1987, tenant offers to redeem any of the bonds called for payment on January 1, 1987, as of December 20, 1986, which will permit the redemption and receipt of call premium in the 1986 calendar year. Bonds numbered 45 to 100, inclusive, submitted for optional early redemption on December 20, 1986, will receive par plus accrued interest to December 20, 1986, plus a premium equal to 2 percent of the par value of the principal amount of the bonds. In addition, bonds numbered 39 to 44, inclusive, maturing on January 1, 1987, may be submitted for optional early redemption on December 20, 1986 also, and will receive par plus accrued interest to December 20, 1986. Bonds submitted for optional early redemption must be sent or delivered to the First Securities Company of Kansas, Inc., P.O. Box 1321, Wichita, KS 67201, Attention: Ralph B. Potts, Jr.

Dated November 25, 1986.

CITY OF KECHI, KANSAS

Doc. No. 004859

(Published in the KANSAS REGISTER, December 4, 1986.)

**NOTICE OF BOND SALE
METROPOLITAN TOPEKA
AIRPORT AUTHORITY
SHAWNEE COUNTY, KANSAS
\$2,500,000
GENERAL OBLIGATION
WATER SYSTEM IMPROVEMENT BONDS
SERIES 1987**

The Metropolitan Topeka Airport Authority, Shawnee County, Kansas, will receive sealed bids at the office of the authority, Forbes Field, Building 303, P.O. Box 19053, Topeka, KS 66619, until 3 p.m. local time on December 15, 1986, for \$2,500,000 par value general obligation water system improvement bonds, series 1987, of the authority, at which time and place such bids shall be publicly opened.

The bonds initially issued will be dated January 1, 1987 and will 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, each in the denomination of \$5,000 or integral multiples thereof not exceeding the principal amount of the bonds maturing in any year. Interest will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 1988. The principal of the bonds shall be payable in lawful money of the United States of America at the principal office of the Treasurer of the State of Kansas (the paying agent and bond registrar) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America by check or draft of the paying agent to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the calendar month next preceding the interest payment dates (the record dates). The fees of the bond registrar for the registration and transfer of the bonds shall be paid by the authority.

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

Principal Amount	Maturity Date September 1:
\$ 60,000	1988
65,000	1989
70,000	1990
75,000	1991
80,000	1992
85,000	1993
95,000	1994
105,000	1995
115,000	1996
120,000	1997
130,000	1998
140,000	1999
150,000	2000
155,000	2001
160,000	2002
165,000	2003
175,000	2004
180,000	2005

185,000
190,000

2006
2007

All bonds of this series maturing September 1, 1994 and thereafter shall be subject to redemption prior to maturity at the option of the authority on September 1, 1993 or on any interest payment date thereafter, as a whole or in part, in inverse order of maturity (and by lot and multiples of \$5,000 principal amount within a single maturity) at the principal amount thereof plus accrued interest to the date of redemption plus a premium of 1 percent of the principal, being \$50 for each \$5,000 bond called. If a bond is called for redemption and payment prior to maturity, the authority will cause written notice of its intention to redeem and pay the bond on a specified date, such bond being described by number, principal amount and maturity, said notice to be given by United States certified mail addressed to the paying agent and to the registered owner of each bond so called, each of such notices to be mailed at least 30 days prior to the redemption date. The authority shall also publish, once in the Kansas Register, a notice of its intention to call and pay the bond, describing it by its number, principal amount and maturity, which notice shall be published not less than 30 days prior to the date fixed for redemption.

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

Bids shall be submitted on the official bid form furnished by the authority, and shall be addressed to the authority at the above address, to the attention of David Stremming, secretary and clerk of the board of directors of the authority, and shall be marked "Bond Bid." All bids must state the total interest cost of the bid and the average annual interest rate, certified by the bidder to be correct, and the authority will be entitled to rely on the certificate of correctness. Bids 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 Metropolitan Topeka Airport Authority, Shawnee County, Kansas. In the event a bidder whose bid is accepted shall fail to carry out his contract of purchase, said deposit shall be retained by the authority as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

The bonds, duly printed, executed and registered,

(continued)

will be furnished and paid for by the authority, and the bonds will be sold subject to the approving opinion of Cosgrove, Webb & Oman, bond counsel of Topeka, Kansas, as to the validity of the bonds, whose opinion will be paid for by the authority. The opinion will state that it is counsel's opinion that, under existing law, and assuming compliance by the authority with the terms of the bond resolution, the interest on said bonds is exempt from present federal income taxation except as such interest may be included in the measure of income for computing alternative minimum taxes imposed on corporations, and the bonds are exempt from Kansas intangible personal property taxes, which opinion is subject, however, to the following information.

The Internal Revenue Code of 1986, signed by the President on October 22, 1986, imposes requirements and restrictions which must be satisfied in order for interest on obligations issued on behalf of local governments to be exempt from federal income taxation. The authority will covenant in the bond resolution to take all action (within their ability to do so) necessary to comply with the 1986 code in order to preserve the tax-exempt status of the bonds.

The number, denomination of bonds and names of the initial registered owners shall be submitted in writing by the successful bidder to the bond registrar not later than December 30, 1986.

The purchaser will be furnished with a complete transcription 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 funds which are immediately available for use by the authority. Delivery of the bonds will be made to the successful bidder on or about January 15, 1987 at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the authority; delivery elsewhere will be made at the expense of the purchaser.

The bonds will constitute general obligations of the authority payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable, tangible property within Shawnee County. The bonds are being issued for the purpose of paying the costs of repairing, replacing and improving the water distribution system and its appurtenances at Forbes Field, Shawnee County, Kansas, pursuant to K.S.A. 27-327 *et seq.* and 10-101 *et seq.*, as amended and supplemented.

Sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice. The authority reserves the right to reject any and all of the bids, and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the authority, and the net interest cost will be determined by deducting any amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities.

At the request of the successful bidder, CUSIP

identification numbers will be printed on said bonds, but neither the failure to print such numbers on any 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 said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds will be paid for by the authority. The CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and must be paid for by the purchaser.

The equalized assessed valuation of taxable tangible property within the authority for 1986 is \$631,362,460. The total general obligation bonded indebtedness of the authority, including the bonds, will be \$7,270,000.

Additional copies of this notice of bond sale and further information may be received from John C. McArthur, Beecroft, Cole & Company, One Townsite Plaza, Topeka, KS 66603, (913) 234-5671.

David Stremming, Secretary and Clerk
of the Board of Directors
Metropolitan Topeka Airport Authority,
Shawnee County, Kansas

Doc. No. 004848

(Published in the KANSAS REGISTER, December 4, 1986.)

NOTICE OF BOND SALE
\$200,000
GENERAL OBLIGATION
CAPITAL OUTLAY BONDS
SERIES 1986
OF
UNIFIED SCHOOL DISTRICT 325
PHILLIPS COUNTY, KANSAS (PHILLIPSBURG)
(general obligation bonds payable
from unlimited ad valorem taxes)

Sealed Bids

Sealed bids will be received by the undersigned, clerk of the Board of Education of Unified School District 325, Phillips County, Kansas, on behalf of the Board of Education at the district office, 240 S. 7th, Phillipsburg, KS 67661, until 4 p.m. C.S.T. on Monday, December 15, 1986, for the purchase of \$200,000 principal amount of general obligation capital outlay bonds, series 1986, of the district hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the Board of Education at its regular meeting held at 8 p.m. on said date. 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, dated January 1, 1987, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount
1988	\$45,000
1989	45,000

1990	50,000
1991	60,000

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

The district will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the 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 district and bond registrar at least two weeks prior to the closing date. In the absence of such information, the district 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 district 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 district by the original purchaser at closing.

Redemption of Bonds Prior to Maturity

The bonds shall mature without option of prior payment.

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 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 district during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the district on the basis of

such bid, all certified by the bidder to be correct, and the district will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the district on the basis of such bid.

Basis of Award

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

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 72-8801, as amended, for the purpose of paying the cost of certain school building improvements. The bonds and the interest thereon will constitute general obligations of the district, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the district.

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 district, 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 district will covenant in the bond resolution 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 Board of Education of the district.

In the opinion of Gaar & Bell, Wichita, Kansas, bond counsel, under existing law, statutes, regulations, rulings and judicial decisions, assuming continued compliance by the district with the terms of the bond resolution, 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,

(continued)

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.

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

Delivery and Payment

The district will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder within 30 days after the date of sale at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in federal reserve funds, immediately subject to use by the district.

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 district. If

a bid is accepted, said check, or the proceeds thereof, will be held by the district until the bidder shall have complied with all of the terms and conditions of this notice. If a bid is accepted but the district 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 district as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

Bid Forms

All bids must be made on forms which may be procured from the 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 district reserves the right to waive irregularities and to reject any and all bids.

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the district office and must be received by the undersigned prior to 4 p.m. C.S.T. on December 15, 1986.

Official Statement

The district has prepared an official statement dated December 1, 1986, copies of which may be obtained from the clerk. Upon the sale of the bonds, the district 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 district, for the year 1986, is as follows:

Equalized assessed valuation of taxable, tangible property	\$25,002,947
Tangible valuation of motor vehicles	\$ 116,726
Equalized assessed tangible valuation for computation of bonded debt limitations ...	\$25,119,673

The total general obligation indebtedness of the district as of the date of the bonds, including the bonds being sold, is \$200,000.

Additional Information

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

Dated November 10, 1986.

UNIFIED SCHOOL DISTRICT 325
PHILLIPS COUNTY, KANSAS (PHILLIPSBURG)

By Marjorie Link, Clerk
240 S. 7th

Phillipsburg, KS 67661
(913) 543-5281

Doc. No. 004844

(Published in the KANSAS REGISTER, December 4, 1986.)

OFFICIAL NOTICE OF BOND SALE
\$3,500,000
THE BOARD OF REGENTS OF
THE STATE OF KANSAS
TOPEKA, KANSAS
(THE UNIVERSITY OF KANSAS,
LAWRENCE, KANSAS)
STUDENT UNION RENOVATION
REVENUE BONDS
SERIES 1987

Sealed bids will be received by the executive director of the State Board of Regents at the office of the board, Suite 609, Capitol Tower, 8th and Harrison, Topeka, KS 66603, until 10:30 a.m. C.S.T. on December 18, 1986, for the purchase of \$3,500,000 principal amount of the Board of Regents (the University of Kansas, Lawrence, Kansas) Student Union renovation revenue bonds, series 1987, at which time and place said bids will be publicly opened.

Details of the Bonds

The series 1987 bonds will be dated as of January 1, 1987, and shall mature on January 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 integral multiples thereof not exceeding the principal amount of bonds maturing in each year. Interest will be payable semiannually commencing July 1, 1987, and on each January 1 and July 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 maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates (the record dates). The fees of the bond registrar for registration and transfer of the bonds shall be paid by the Board of Regents.

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

Principal Amount	Maturity Date
\$270,000	January 1, 1988
285,000	January 1, 1989
305,000	January 1, 1990
320,000	January 1, 1991
340,000	January 1, 1992
355,000	January 1, 1993
375,000	January 1, 1994
395,000	January 1, 1995
415,000	January 1, 1996
440,000	January 1, 1997

Redemption Provisions

Bonds maturing January 1, 1988 through January 1, 1994, inclusive, are noncallable.

Bonds maturing January 1, 1995 through January 1, 1997, inclusive, are callable at the option of the board prior to the stated maturities thereof, in whole or in part and in inverse numerical order, on any interest payment date on and after January 1, 1994, 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 a financial journal printed in the English language in New York, New York, 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 one 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 (December 15, 1986), plus 2 percent; and no bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

Bid Form and Good Faith Deposit

Bids shall be submitted on the official bid form furnished by the board and shall be addressed to the Board of Regents, Suite 609, Capitol Tower, 8th and Harrison, Topeka, KS 66603, Attn: Stanley Z. Koplik, Executive Director, 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 board 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 the Board of Regents of the State of 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 board as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

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

(continued)

bidder. The board 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 board, 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 Bonds

The bonds will be delivered to the purchaser on or about January 20, 1987, at any bank or trust company in the cities of Wichita, Kansas City or Topeka, Kansas or Kansas City, Missouri, as the purchaser shall specify in writing to the board not later than January 5, 1987. The number, denominations of bonds, and the names of the 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 January 5, 1987. Delivery of the bonds at any place other than in one of the specified cities shall be at the expense of the purchaser. Payment for the bonds must be made in federal reserve funds.

Purpose

The bonds are being issued for the purpose of providing funds to pay a portion of the costs of renovating Student Union facilities on the Lawrence, Kansas campus of the University of Kansas. The bonds are being issued under and in full compliance with the Constitution and laws of the state of Kansas, including K.S.A. 76-6a12 to 76-6a25, inclusive, and all acts amendatory and supplemental thereto, including Chapter 359, 1986 Kansas Session Laws, and a resolution of the board which is intended to be adopted by the board on December 18, 1986.

Legality

The bonds, duly printed, executed and registered in the office of the Treasurer of the State of Kansas, will be furnished to the purchaser by the board and will be sold subject to the approving opinion of Winton M. Hinkle, P.A., Attorney at Law, 125 N. Market, Suite 1250, Wichita, KS 67202, whose unqualified approving opinion will be furnished and paid for by the board. Bond counsel's opinion will also be printed upon each of the bonds. The purchaser will be furnished with a certified 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. A final delivery certificate, which will be executed by the chairman and executive director of the board and delivered to the successful bidder at the time and place of delivery of and payment for the bonds, will contain the following certification, among others:

"The Official Statement and Official Notice of Bond Sale, dated as of November 21, 1986, as of its date, as of the date of sale, December 18, 1986, and as of the date of the delivery of the Bonds, do not contain any untrue statement of a material fact or

omit to state a material fact necessary in order to make the statements made in the light of the circumstances in which they are made not misleading.

"No material adverse change has occurred in the financial condition of The Board of Regents of the State of Kansas, or of The University of Kansas, Lawrence, Kansas, since the date of the Official Statement and Official Notice of Bond Sale or since the date of the sale, December 18, 1986."

Security

The bonds are secured by and will be payable from a first lien on and irrevocable pledge of the gross revenues to be derived from a Student Union renovation fee which the board covenants will be levied upon all regularly enrolled students at the Lawrence, Kansas campus of the University of Kansas, and which Student Union renovation fee shall be sufficient to produce revenues sufficient to meet all debt service and reserve requirements on the bonds.

The bonds will constitute special obligations of the board and will be payable as to both principal and interest solely and only out of the gross revenues derived and to be derived from the Student Union renovation fee, and shall not be an indebtedness of the state of Kansas or of the board or a pledge of the full faith and credit of the state of Kansas or of the board or of any political subdivision thereof.

Tax Exemption

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 board 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 board. The failure of the board 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 board 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.

The opinion of bond counsel will state that under existing laws and regulations, subject to the assumptions and limitations contained therein, the interest on the bonds is exempt from federal income taxation and the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties and townships.

H.R. 2005, the Superfund Amendments and Reauthorization Act of 1986 that 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.

Additional Bonds

Provision will be made in the resolution of the board which authorizes the bonds for the board to issue additional revenue bonds, which additional bonds, if issued, would be equally and ratably secured by and payable from the gross revenues to be derived from the Student Union renovation fee which secures and will be irrevocably pledged to the payment of the bonds described herein, for the purpose of paying costs in connection with future contemplated additional renovations to the Student Union facilities (Phase II of the Student Union facilities renovation program); provided, however, that no such additional bonds could be issued unless at such time all debt service payments on the series 1987 bonds are fully current and not in default and that all reserve funds required for the series 1987 bonds are being maintained at the maximum required amounts therefor.

Investment in Bonds

The bonds will constitute a legal investment for any bank, trust or insurance company organized under the laws of the state of Kansas, and the bonds are approved as collateral security for the deposit of any public funds in the state of Kansas and for the investment of trust funds in the state of Kansas.

Official Statement

Additional copies of this notice of bond sale, copies of the preliminary official statement relating to the bonds, or further information may be received from Keith Nitcher, University Director of Business and Fiscal Affairs, University of Kansas, 225 Strong Hall, Lawrence, KS 66045.

On delivery of the bonds, the board will furnish to the purchaser of the bonds, without charge, 175 copies of the final official statement.

Dated November 21, 1986.

STANLEY Z. KOPLIK
Executive Director
Board of Regents of
the State of Kansas

Doc. No. 004845

(Published in the KANSAS REGISTER, December 4, 1986.)

NOTICE OF BOND SALE
\$123,000
GENERAL OBLIGATION STREET BONDS
SERIES A, 1987
OF THE
CITY OF RICHMOND, KANSAS

Date, Time and Place of Receiving Bids

The City Council, as governing body of the city of Richmond, Kansas, will receive sealed bids at the office of the City Clerk, City Hall, 207 E. Central, Richmond, until 7 p.m. C.S.T. on Tuesday, December 16, 1986, for \$123,000 par value general obligation street bonds, series A, 1987, 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 A, 1987 bonds will be dated as of January 1, 1987, and shall mature on October 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 on each April 1 and October 1, commencing April 1, 1988. 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

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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 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
\$ 3,000	October 1, 1988
10,000	October 1, 1989
10,000	October 1, 1990
10,000	October 1, 1991
10,000	October 1, 1992
15,000	October 1, 1993
15,000	October 1, 1994
15,000	October 1, 1995
15,000	October 1, 1996
20,000	October 1, 1997

Redemption Provision

Bonds maturing October 1, 1988 through October 1, 1992, inclusive, are noncallable.

Bonds maturing October 1, 1993 through October 1, 1997, 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 October 1, 1992, at a redemption price of 101 percent of the principal amount thereof, plus accrued interest to the date of redemption.

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, 207 E. Central, Richmond, KS 66080, Attention: Edith Hornberger, 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 the City Treasurer, City of Richmond, 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 January 5, 1987. 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 13, 1987, at any bank in the state of Kansas or in the City of 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 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 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 to pay a portion of the total costs of improving certain main trafficways in the city.

Assessed Valuation

Assessed valuation figures for the city of Richmond, Kansas, for the year 1986, are as follows:

Assessed valuation of taxable	
tangible property	\$575,314.00
Taxable value of motor vehicles	\$ 52,902.00
Equalized assessed tangible valuation for computation of bonded debt limitations ..	\$628,216.00

Bonded Indebtedness

The total outstanding general obligation indebtedness of the city of Richmond, Kansas, at the date hereof, including this \$123,000 proposed issue of bonds, is \$233,000.

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, 207 E. Central, Richmond, KS 66080, (913) 835-6425; or from the city's financial consultants, Mid-Continent Investments, Inc., 333 Century Plaza Building, Wichita, KS 67202, (316) 262-5161.

Dated November 20, 1986.

THE CITY OF RICHMOND, KANSAS
By Edith Hornberger
City Clerk

Doc. No. 004850

(Published in the KANSAS REGISTER, December 4, 1986.)

**NOTICE OF BOND SALE
CITY OF LEAVENWORTH, KANSAS
\$4,045,564
GENERAL OBLIGATION BONDS
SERIES B1986 AND C1986**

The city of Leavenworth, Kansas will receive sealed bids at the office of the City Clerk, City Hall, 5th and Shawnee, Leavenworth, until 11 a.m. C.S.T. on Tuesday, December 16, 1986, for the purchase of all, and not less than all, of each of the following two series of general obligation bonds of the city—\$545,564 par value series B1986 bonds and \$3,500,000 par value series C1986 bonds—in the aggregate principal amount of \$4,045,564, at which time and place such bids will be publicly opened. No oral or auction bids will be considered.

Details of the Bonds

The bonds will be dated as of December 1, 1986, and shall mature on December 1 in each of the years and in the amounts set forth below. Such bonds shall consist of fully registered certificated bonds, each in the denomination of \$5,000 (except one bond of the series B1986 bonds in the denomination of \$5,564) or integral multiples thereof not exceeding the principal amount of bonds maturing in each year. Interest will be payable semiannually on June 1 and December 1 of each year beginning December 1, 1988. The principal of, and premium, if any, on the bonds shall be payable in lawful money of the United States of America, at the principal office of the Treasurer of the State of Kansas (the paying agent and bond registrar) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America by check or draft of the paying agent to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the month next preceding each interest payment date. 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 schedules:

Series B1986 Bonds

Principal Amount	Maturity December 1
\$50,564	1988
55,000	1989
55,000	1990
55,000	1991
55,000	1992
55,000	1993
55,000	1994
55,000	1995
55,000	1996
55,000	1997

Series C1986 Bonds

Principal Amount	Maturity December 1
\$175,000	1988
175,000	1989

175,000	1990
175,000	1991
175,000	1992
175,000	1993
175,000	1994
175,000	1995
175,000	1996
175,000	1997
175,000	1998
175,000	1999
175,000	2000
175,000	2001
175,000	2002
175,000	2003
175,000	2004
175,000	2005
175,000	2006
175,000	2007

Redemption

The series B1986 bonds shall mature without option of prepayment by the city. At the option of the city, the series C1986 bonds maturing on and after December 1, 1998 will be subject to redemption and payment prior to maturity on December 1, 1997, or on any interest payment date thereafter, in whole or in part in inverse order of maturity, at a redemption price of 101 percent of the par value thereof together with accrued interest to the redemption date.

If the city shall elect to call any of the series C1986 bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to redeem and pay said bonds on a specified date, the same being described by number and maturity, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds, to the State Treasurer of Kansas, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed at least 30 days prior to the redemption date. If any of the series C1986 bonds shall be called for redemption and payment as aforesaid, all interest on such bonds shall cease from and after the date for which such call is made, provided funds are available for the payment of such bonds at the price specified herein.

Whenever bonds of less than a single maturity are to be redeemed, the paying agent and bond registrar shall select bonds by lot in multiples of \$5,000 principal amount in such equitable manner as it shall designate and shall, in the case of bonds in denominations greater than \$5,000, treat each \$5,000 of face value of each bond as though it were a separate bond of the denomination of \$5,000.

Interest Rates

Proposals will be received on the bonds bearing such rate or rates of interest, not exceeding eight different interest rates, as may be specified by the bidder. The repetition of a rate will not constitute one of said maximum number of rates. The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of one percent. The difference between the highest

and lowest interest rates specified in any bid shall not exceed 2 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being the 2 percent above the 20 bond index published in Credit Markets on the Monday next preceding the sale of the bonds, 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 at City Hall, 5th and Shawnee, Leavenworth, Kansas, Attention: Carol Sadler, 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 the order of the Treasurer of the City of Leavenworth, 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 returned promptly.

Legal Opinion

The bonds, duly printed, executed and registered, will be furnished and paid for by the city and sold subject to the unqualified approving opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose opinion will be paid for by the city.

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 regarding obligations of state and local units of government are generally effective for obligations such as the bonds issued after August 31, 1986. Certain of these provisions would impose requirements on the city which must be met subsequent to the issuance of the bonds by the city and, as a result, the city will and does hereby covenant that it will diligently undertake those steps necessary to maintain the tax-exempt status of the bonds. The city's failure to comply with such requirements could adversely effect the tax-exempt status of the bonds. Purchasers of the bonds should be aware that should the bonds lose their status as tax-exempt obligations as a result of the city's failure to comply with such requirements, the bonds are neither callable nor will the rate of interest on the bonds be adjusted to reflect such circumstances.

The code includes interest on tax-exempt obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years beginning after December 31, 1986, and includes, through 1989, in the calculation of alternative minimum taxable income one-half of the excess of a corporation's adjusted net book income over its alterna-

tive minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). After 1989, the use of "book income" will be replaced by "adjusted current earnings," with certain other adjustments. Furthermore, Section 59A of the Code, as added by the Superfund Amendments and Reauthorization Act of 1986, provides for a new environmental tax generally based on corporate alternative minimum taxable income. The amount of the tax is equal to 0.12 percent of the excess of alternative minimum taxable income, without regard to net operating losses and the deduction for this tax, over \$2 million. The environmental tax is imposed whether or not the taxpayer is subject to the alternative minimum tax. The environmental tax, which is effective for taxable years beginning after December 31, 1986, may subject certain bondowners to additional taxation for interest earned on the bonds.

The code also requires property and casualty insurance companies, for taxable years beginning on or after January 1, 1987, 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.

With the exception of certain "qualified tax-exempt obligations," the code provides that banks and thrift institutions may not deduct any portion of the interest cost of purchasing or carrying tax-exempt obligations such as the bonds if such interest cost is incurred in taxable years ending after December 31, 1986, with respect to obligations acquired after August 7, 1986. In accordance with the requirements of Section 265 of the code, the city intends to designate the bonds as "qualified tax-exempt obligations."

Identification of Initial Owners

The number, denomination of bonds and names of the initial registered owners shall be submitted in writing by the successful bidder to the bond registrar not later than January 5, 1987.

Delivery

The purchaser will be furnished with a complete transcript of proceedings evidencing authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or before January 15, 1987 at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the city. Delivery elsewhere will be made at the expense of the purchaser.

Purpose

The series B1986 bonds will constitute general obligations of the city, payable as to both principal and interest from the collection of special assessments which have been levied on benefited property; but if not so paid, then said principal and interest will be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the

(continued)

taxable, tangible property within the territorial limits of the city. The series C1986 bonds will constitute general obligations of the city payable as to both principal and interest from ad valorem taxes levied without limitation as to rate or amount upon all the taxable, tangible property within the territorial limits of the city. The bonds are being issued by the city to permanently finance and retire certain temporary notes issued by the city to finance certain street, sanitary sewer, internal improvements and public building projects of the city.

Award

The sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice. 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 any amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such number or assign a 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. All expenses incurred in connection with the printing of CUSIP numbers on the bonds and the expenses of the CUSIP Service Bureau for the assignment of said numbers shall be paid for by the city.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city (including motor vehicle valuation and motor vehicle dealers' inventory valuation), for the year 1986, is \$74,387,687. The total general obligation bonded indebtedness of the city, at the date hereof, including this proposed issue of bonds, is \$12,618,064. The city has temporary notes outstanding in the total amount of \$802,500, which will be redeemed and paid from the proceeds of this proposed issue of bonds and from other funds available to the city.

Additional copies of this notice of bond sale or further information may be received from the city.

Dated December 2, 1986.

CITY OF LEAVENWORTH, KANSAS
Carol Sadler, City Clerk

Doc. No. 004852

(Published in the KANSAS REGISTER, December 4, 1986.)

NOTICE OF BOND SALE
\$810,000
INTERNAL IMPROVEMENT BONDS
SERIES U
CITY OF HAYS, KANSAS
(general obligations, payable from
unlimited ad valorem taxes)

Pursuant to K.S.A. 10-106 as amended, written sealed bids will be received by the city clerk of the city of Hays, Kansas, in the office of the City Clerk, City Hall, P.O. Box 490, Hays, KS 67601, until 5 p.m. C.S.T. on Monday, December 15, 1986, at which time and place said bids will be publicly opened and read aloud for the purchase of \$810,000 aggregate principal amount of general obligation internal improvement bonds, series U. All bids received will be reported to the city commission for determination of the best bid at a meeting of the commission to be held at said time, date and place.

Details of the Bonds

The bonds will consist of an issue of \$810,000 principal amount of general obligation internal improvement bonds, series U. The bonds will consist of fully registered bonds in the denomination of \$5,000 each, or any integral multiple thereof, dated December 1, 1986, and becoming due serially on September 1 of each year in the principal amounts as follows:

\$85,000—September 1, 1987 and 1988,
inclusive

\$80,000—September 1, 1989 to 1996, inclusive

The bonds will bear interest 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 of each year, beginning March 1, 1987.

Both principal and interest on the bonds will be payable in lawful money of the United States of America at the office of the Treasurer of the State of Kansas in the city of Topeka, Kansas (the paying agent and the 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 in the office of the Kansas State Treasurer pursuant to a plan of registration approved by the city and the Attorney General of the State of Kansas, registered as either fully registered certificated bonds and uncertificated bonds. The successful bidder (the purchaser) may express his preference and the city will honor the successful purchaser's preference regarding the plan of registration.

The city will pay for all initial registration costs and for printing of a reasonable supply of registered bond blanks as determined by the registrar and paying agent. Any additional costs or fees that might be incurred in the secondary market will be the responsibility of the bondholder.

The type and denomination 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 by January 5, 1987.

Redemption of Bonds

None of said bonds shall be callable for redemption prior to its stated maturity.

Authority, Purpose and Security for the Bonds

The bonds are being issued pursuant to and in full compliance with the Constitution and laws of the state of Kansas, for the purpose of paying the cost of certain street and storm sewer improvements.

General obligation internal improvement bonds, series U, will be 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 on all the taxable tangible property within the city.

Conditions of Bids

Bids 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 maturing in the same year. 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 Monday next preceding the day on which the bonds are sold, plus 2 percent, and the difference between the highest and lowest rate specified in any bid shall not exceed 2 percent. No bid of less than the principal amount of the bonds, plus accrued interest thereon to the date of their delivery, will be considered. Each bid shall specify the total interest cost to the city on the basis of such bid, and the average annual net interest rate on the basis of such bid.

Basis of Award

The award of the bonds shall be made on the basis of the lowest net interest cost to the city, which shall 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 said 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 that provide for identical amounts for the lowest net interest cost are received, the city shall determine which bid, if any, shall be accepted, and its determination shall be final.

Delivery of and Payment for the Bonds

The city will pay for printing and registering the bonds and will deliver the same properly prepared, executed and registered to the successful bidder within 45 days after the date of sale at such bank or trust company located in the contiguous United States of America, as may be specified by the successful bidder, without cost to the successful bidder. Payment for the bonds shall be made in federal reserve funds or other funds which shall be available to the city on the same day the bonds are delivered to the successful bidder. The successful bidder will be furnished with a certified transcript 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 the delivery of the bonds affecting their validity.

Tax Reform Act of 1986

The Tax Reform Act of 1986, H.R. 3838, became effective on October 22, 1986. The provisions of the Act 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 Act and all other applicable federal law, 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. The 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 Act subjects 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 (determined without regard to this adjustment and prior to reduction for certain net operating losses). In addition, the Act 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) if such interest costs are incurred in taxable years ending after December 31, 1986, with respect to bonds acquired after August 7, 1986.

The Act 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 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 the excess of the alternative deduction for the environmental tax

(continued)

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 environment 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.

With respect to Section 902 of the act relating to interest incurred by financial institutions to carry tax-exempt bonds, the city intends to designate the bonds as qualified project bonds for purposes of Section 902(e) of the act. The city does not intend to issue bonds in excess of \$10 million during this calendar year.

Legal Opinion and Tax Exemption

The bonds will be sold subject to the legal opinion of Fred W. Rausch, Jr., Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered. Said opinion will state that in the opinion of bond counsel, under existing law, and subject to the assumptions and limitations contained therein, the interest on the bonds is exempt from federal income taxation and the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties and townships.

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 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 successful bid and this notice of bond sale. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid for by the city.

Good Faith Deposit

Each bid must be accompanied by a good faith deposit in the form of a cashier's certified check drawn on a bank located in the United States of America in the amount of 2 percent of the total par value of the bonds, made payable to the order of the Treasurer of the City of Hays, Kansas, to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. No interest will be paid on the deposit made by the successful bidder. Said check will be returned to the bidder if the bid is not accepted. If a bid is accepted, said check may be deposited by the city or held by the city until the bidder has complied with all the terms and conditions of this notice, at which time the check will be deposited and credited to the order of the bidder. 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 of the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder shall default 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.

Bid Forms

All bids shall be subject to the terms and conditions contained in this notice of bond sale and must be made on the bid forms which may be obtained from the city clerk, or upon equivalent forms. No additions or alterations may be made to such forms 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 and addressed to the undersigned, City Clerk, City Hall, P.O. Box 490, Hays, KS 67601, and marked "Bid for the Purchase of Bonds." Bids may be submitted by mail or delivered in person and must be received by the undersigned prior to 7:30 p.m. C.S.T. on December 11, 1986.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city for the year 1986 is \$49,022,353. In addition, the motor vehicle valuation is \$13,006,969. The total general obligation bonded indebtedness of the city as of December 1, 1986 was \$6,600,000, with \$1,275,000 to be paid in 1987.

Bond Ratings

The outstanding general obligation bonds of the city have not been rated and the city has not applied for a rating on the bonds herein offered for sale.

Dated November 24, 1986.

DOROTHY SODERBLOM
City Clerk
Hays, KS 67601
(913) 625-3465

Doc. No. 004861

State of Kansas

DEPARTMENT OF HEALTH AND ENVIRONMENT

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

The Kansas Department of Health and Environment will conduct a public hearing at 2 p.m. Thursday, December 30, in the auditorium of the Shawnee County Health Department, 1615 W. 8th, Topeka, to receive oral and written testimony concerning adoption of Kansas Administrative Regulations 28-35-399 through 28-35-423. These proposed temporary regulations will establish the licensing requirements for land disposal of radioactive waste. Included in the regulations are the technical, financial and environmental monitoring requirements, which must be complied with during a low level waste disposal facility's pre-operational, operational and closure phase.

Persons wishing to present testimony may do so at the hearing either orally or by presenting written

testimony to the hearing officer. The written testimony will not be read aloud to those in attendance at the hearing. Written testimony will also receive consideration if mailed and received by the department by December 30.

Copies of the proposed regulations and a fiscal impact statement may be obtained or reviewed at the Bureau of Air Quality and Radiation Control, Building 321, Forbes Field, Topeka 66620, (913) 862-9360, ext. 288.

The following is a brief summary of the proposed regulations:

K.A.R. 28-35-399 establishes the applicability of the regulations to department licenses for waste disposal facilities. Identifies the types of radioactive waste the regulations do not apply to.

K.A.R. 28-35-400 concerns the definitions of terms used within the regulations.

K.A.R. 28-35-401 through 28-35-405 pertain to the requirements for issuing a license and the contents of a license application.

K.A.R. 28-35-406 through 28-35-409 establish the requirements for site closure, maintenance and termination or renewal of a license.

K.A.R. 28-35-410a, 28-35-410b and 28-35-410c concern the protection of the general population, inadvertent intruders and individuals during the facility's operation.

K.A.R. 28-35-411 through 28-35-413 pertain to the facility's design, operation and stability for closure requirements.

K.A.R. 28-35-414 requires an environmental monitoring program to be conducted during the pre-operational, operational and closure phase.

K.A.R. 28-35-415 and 28-35-416 allows the department to authorize alternate provisions for waste segregation, disposal and classification.

K.A.R. 28-35-417 permits land disposal of radioactive waste only on state-owned land. Requires the land owner to physically control access to the disposal site following transfer of control from the site operator.

K.A.R. 28-35-418, 28-35-419 and 28-35-420 concern the financial qualifications and assurances for operating, closing and stabilizing the disposal site.

K.A.R. 28-35-421 requires the licensee to maintain documentation as required by license conditions or the department.

K.A.R. 28-35-422 requires the licensee to perform any test the department deems necessary.

K.A.R. 28-35-423 authorizes department inspections of the land disposal facility and its records.

BARBARA J. SABOL
Secretary of Health
and Environment

Doc. No. 004862

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."

Application set for December 18, 1986

Application for Transfer of Certificate of Convenience and Necessity:

Mayflower Transit, Inc.,)	Docket No. 19,975 M
dba Aero Mayflower)	
Transit Co., Inc.)	
9998 N. Michigan Road)	
Carmel, IN 46032)	MC-ID No. 106953

TO:
M.G. Transit, Inc. whose name is to be changed to Mayflower Transit, Inc., dba Aero Mayflower Transit Co., Inc.
9998 N. Michigan Road
Carmel, IN 46032

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

Household goods,

From, to and between all points in the state of Kansas. That said transfer is necessary because of certain corporate restructuring.

That there will be no change in the management team, the training programs, the safety programs and the drivers and owner-operators used by Transferee will be the same as before the corporate restructuring.

Application set for December 23, 1986

Renoticed Application for Extension of Certificate of Convenience and Necessity:

The Big Six)	Docket No. 54,389 M
Transport Co., Inc.)	
Route 2, Box 66)	
Galva, KS 67443)	MC ID No. 100494

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

(continued)

Livestock,

Between all points and places in Harvey, McPherson, Pawnee and Reno counties, Kansas.

Also,

Between all points and places in Harvey, McPherson, Pawnee and Reno counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other hand.

Feeds, grain, hay, straw and seed,

Between all points and places in Harvey County, Kansas.

Also,

Between all points and places in Harvey County, Kansas, on the one hand, and all points and places in the state of Kansas, on the other.

Processed mill feeds,

Between all points and places in Sedgwick and Harvey counties, Kansas.

Also,

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

Farm machinery,

Between all points and places in Sedgwick, Reno and Harvey counties, Kansas.

Also,

Between all points and places in Sedgwick, Reno and Harvey counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other.

Building materials,

Between all points and places in Sedgwick and Harvey counties, Kansas.

Gasoline, diesel fuel and liquid fertilizer,

Between all points and places in Saline, Reno, Sedgwick, Butler, McPherson and Barton counties, Kansas.

Also,

Between all points and places in Saline, Reno, Sedgwick, Butler, McPherson and Barton counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other.

Applications set for December 30, 1986

Application for Abandonment of Certificates of Convenience and Necessity:

Duane Wilson) Docket No. 26,181 M
 Netawaka, KS 66516) Docket No. 28,844 M
) Docket No. 29,642 M
) MC ID No. 100146

Applicant's Attorney: None

Application for Transfer of Certificate of Convenience and Necessity:

Northwest Auto Salvage,) Docket No. 141,222 M
 Inc.)
 3059 N. Hoover)
 Wichita, KS 67205) MC ID No. 112355
 TO:

Harold L. Burkholder, dba
 Interstate Wrecker Service
 1026 N. Mosley
 Wichita, KS 67214

Applicant's Attorney: None

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

Between all points in Sedgwick, Harvey, Butler, Sumner, Kingman, Reno and Marion counties.

Also,

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

Application for Certificate of Convenience and Necessity:

Sundance Transportation,) Docket No. 152,948 M
 Inc.)
 P.O. Box 13025)
 Wichita, KS 67213)

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

General commodities (except household goods, classes A and B explosives, liquid bulk materials, commodities requiring temperature control and flour in bulk),

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

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 Abandonment of Certificate of Convenience and Necessity:

Raymond Vogts) Docket No. 147,060 M
 Route 2, Box 11)
 Canton, KS 67428) MC ID No. 122284

Applicant's Attorney: None

Application for Certificate of Convenience and Necessity:

Alandon Rebuilders) Docket No. 152,947 M
 and Equipment, Inc.)
 6224 Kansas Ave.)
 Kansas City, KS 66111) MC ID No. 124780

Applicant's Attorney: None

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

Between all points and places in Johnson, Wyandotte and Leavenworth counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other.

Application for Certificate of Convenience and Necessity:

Duane Johnson) Docket No. 152,949 M
Route 2, Box 145)
Chanute, KS 66720) MC ID No. 114216

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

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

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

Also,

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

Application for Transfer of Certificate of Convenience and Necessity:

C. Maxwell Trucking, Co.,) Docket No. 136,482 M
Inc.)
1400 Kansas Ave.)
Kansas City, KS 66105) MC ID No. 103410

TO:
ARA Trailblazer, Inc.
P.O. Box 11-109
Carrollton, TX 75001

Applicant's Attorney: Frank W. Taylor, Jr., 6th Floor, Midland Building, 1221 Baltimore Ave., Kansas City, MO 64105-1961

General commodities (except classes A and B explosives, household goods, commodities in bulk and commodities which, because of size and weight, require the use of special equipment),

Between Johnson, Wyandotte and Leavenworth counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

Applications set for January 6, 1987

Application for Certificate of Convenience and Necessity:

Tom Terrono, Inc.) Docket No. 152,951 M
4550 W. 109th, Suite 208)
Overland Park, KS 66211) MC ID No. 121353

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

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

Between all points and places in the state of Kansas.

Application for Extension of Certificate of Convenience and Necessity:

Becker Corporation) Docket No. 34,414 M
P.O. Box 1050)
1004 E. Central)
El Dorado, KS 67042) MC ID No. 106971

Applicant's Attorney: Rodney Peake, 1836 M St., Belleville, KS 66935

Commodities in bulk,

Between all points and places in Kansas.

Application for Certificate of Convenience and Necessity:

Transervice, Inc.) Docket No. 152,952 M
425 E. 61st North)
Wichita, KS 67219)

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

General commodities (except household goods, classes A and B explosives, and commodities in bulk),

Between points in the Kansas counties of Cowley, Butler, Sedgwick, Harvey, Reno, Kingman, Harper and Sumner.

Also,

Between said counties, on the one hand, and on the other, points in Kansas.

Application for Certificate of Convenience and Necessity:

ComTran, Inc.) Docket No. 152,955 M
785 Crossover Lane)
Suite 116)
Memphis, TN 38117)

Applicant's Attorney: Richard Ralls, 11900 87th St. Parkway, Suite 200, Lenexa, KS 66215

Grain, feed and feed ingredients,

Between all points and places in Kansas.

(continued)

**Application for Certificate of Convenience
and Necessity**

Jeffrey Huggins, dba) Docket No. 152,953 M
Huggins Water and)
Pipe Transport)
Box 146)
Easton, KS 66020)

Applicant's Attorney: H. Lee McGuire, Jr., 400 Shaw-
nee St., P.O. Box 69, Leavenworth, KS 66048

Salt water, crude oil and pipe,

Between all points and places in Leavenworth and
Jefferson counties, Kansas.

Applications set for January 8, 1987

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

Kenneth Denning, dba) Docket No. 152,954 M
Denning Trucking)
301 W. 20th)
Hays, KS 67601)

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

Livestock,

Between points in the Kansas counties of Ellis,
Trego, Neosho, Rush, Barton, Russell, Osborne, Rooks
and Graham.

Also,

Between points and places in above named coun-
ties, on the one hand, and on the other, points in
Kansas.

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

C. R. Porter Trucking) Docket No. 18,459 M
Service, Inc.)
108 N. Washington)
Plainville, KS 67663) MC ID No. 100042

TO:
Gary Geist, dba
Geist Cattle and Grain
Box 1043
Hays, KS 67601

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

*Oilfield machinery, equipment, materials and
supplies, heavy machinery and buildings,*

Within and between oilfields and between oilfields
and supply points.

Pipeline materials, equipment and supplies,

Within the state of Kansas.

**Application for Extension of Certificate of
Convenience and Necessity to
Re-describe the Authority:**

Gary Geist, dba) Docket No. 18,459 M
Geist Cattle and Grain)
Box 1043)
Hays, KS 67601)

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

*Oilfield machinery, equipment, materials and sup-
plies, heavy machinery, buildings, pipeline materials,
equipment and supplies,*

Between all points and places in the state of Kansas.

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

Dean E. DeCoudres, dba) Docket No. 152,956 M
Wagon Wheel Trucking)
Box 487)
Winfield, KS 67156)

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

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

Between points and places in Wyandotte, Shawnee,
Saline, Dickinson, McPherson, Marion, Chase, Lyon,
Stafford, Reno, Harvey, Pratt, Kingman, Sedgwick,
Butler, Greenwood, Woodson, Allen, Bourbon, Elk,
Wilson, Neosho, Barber, Harper, Sumner, Cowley,
Chautauqua, Montgomery and Labette counties, Kan-
sas.

Also,

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

WILLIAM E. GREEN
Administrator
Transportation Division

Doc. No. 004857

State of Kansas

**SECRETARY OF STATE
KANSAS PUBLIC
DISCLOSURE COMMISSION**

Advisory Opinion No. 86-15

Written November 19, 1986 to Warren M. Pugh,
6425 S.W. 6th, Topeka, KS 66615-1099.

This opinion is in response to your letter of October
2, 1986, in which you request an opinion from the
Kansas Public Disclosure Commission concerning the
state level conflict of interest law (K.S.A. 46-215 *et
seq.*).

You advise us that you are employed as the Physical

Plant Supervisor at the State Historical Museum. You indicate that there is an old school house on the museum grounds which is being repaired on a bid basis.

You and three other employees at the museum are interested in submitting a bid for a portion of the work. Currently the funding for the project comes from private funds, but it is possible that state funds will be used on later portions of the project.

Based on this factual situation, you ask whether you and the other employees may submit bids on the school house project.

It is our opinion that so long as none of you participate in the making of the contract in your official positions with the state and will not be involved in inspections of the work in your official capacities, that you may submit bids to do the work you have described on non-state time.

Advisory Opinion No. 86-16

Written November 19, 1986 to Douglas F. Martin, Shawnee County Counselor, Shawnee County Courthouse, Room 203, 200 E. 7th, Topeka, KS 66603-3922.

This opinion is in response to your letter of October 31, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning the local conflict of interests statute (K.S.A. 75-4301 *et seq.*).

We understand you request this opinion in your capacity as Shawnee County Counselor on behalf of Tom Hanna, a Shawnee County Commissioner.

You advise us that Shawnee County authorized the issuance of \$16,000,000.00 in Single Family Mortgage Revenue Bonds in 1985. Pursuant to the issuance of those bonds, the Topeka Board of Realtors were guarantors of those bonds by way of "commitment fees" in the amount of \$450,000.00. If all the bond monies were loaned at the original interest rate of 10.25%, the Topeka Board of Realtors would not be responsible for providing any funding for the ultimate repayment of the bonds. Since the issuance of those bonds, interest rates have declined, and it appears that all the money available from the issuance of the bonds will not be loaned at 10.25%. The Topeka Board of Realtors will likely have to provide approximately \$450,000.00 to cover their commitment fees on or around April 1, 1987.

By means of a separate transaction, Shawnee County will have available approximately \$3,000,000.00 due to restructuring the Shawnee County 1980 Mortgage Revenue Bonds. By way of background, these funds have become available due to a certain restructuring of the 1985 Mortgage Revenue Bond money.

Commissioner Tom Hanna is a member of the Topeka Board of Realtors and works as a real estate salesperson with Griffith & Blair Realtors in Topeka, Kansas. Approximately three months ago, the Topeka Board of Realtors began charging its members \$30.00 per month in order to accumulate sufficient funds to cover their commitment fees associated with the 1985 Mortgage Revenue Bonds. These \$30.00 monthly

payments will continue for approximately another 33 months for continuing members of the Topeka Board of Realtors. Thus, Commissioner Tom Hanna will be responsible for paying approximately \$1,080.00 as his portion of the commitment fees for unoriginated 1985 Mortgage Revenue Bond money.

Based on this factual situation you ask the following questions:

1. Would Commissioner Hanna be prohibited from voting for a Shawnee County resolution reimbursing the Topeka Board of Realtors for their payment of commitment fees on unoriginated 1985 Mortgage Revenue Bonds?

2. Would Commissioner Hanna be prohibited from voting for Mortgage Revenue Bonds that provide funds for home buyers who purchase their homes through Commissioner Hanna?

K.S.A. 75-4304 states: "Public officers and employees prohibited from making certain contracts; abstaining from action, effect; exceptions. (a) No public officer or employee shall in his or her capacity as such officer or employee, make or participate in the making of a contract with any person or business by which he or she is employed or in whose business he or she has a substantial interest, and no such person or business shall enter into any contract where any public officer or employee, acting in such capacity, is a signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business. A public officer or employee does not make or participate in the making of a contract if he or she abstains from any action in regard to the contract.

This section shall not apply to the following:

(1) Contracts let after competitive bidding has been advertised for by published notice; and

(2) Contracts for property or services for which the price or rate is fixed by law.

(b) Any public officer or employee who is convicted of violating this section shall forfeit his or her office or employment."

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

In addition, "substantial interest" is defined in K.S.A. 75-4301 as follows: "The ownership by an individual or his or her spouse, either individually or

(continued)

collectively of a legal or equitable interest exceeding five thousand dollars (\$5,000) or five percent (5%) of any business, whichever is less, and also including the receipt by an individual or his or her spouse directly or indirectly of any salary, gratuity, other compensation or remuneration or a contract for or promise or expectation of any such salary, gratuity, other compensation or remuneration having a dollar value of one thousand dollars (\$1,000) or more in the current or immediately preceding or succeeding calendar year from any such business or combination of businesses, and also including the holding of the position of officer or director of any business, irrespective of the amount of compensation or remuneration received by the person holding any such position. If a person's salary, compensation or other remuneration is a portion or percentage of a fee paid to a business or combination of businesses, a person shall have a substantial interest in any client who pays a fee to such business or combination of businesses from which fee such person receives one thousand dollars (\$1,000) or more in the current or immediately preceding calendar year."

The initial issue is whether the commissioner holds a substantial interest in the Topeka Board of Realtors. We assume he is not an officer or director thereof and does not own an interest therein or receive an income therefrom. If these assumptions are correct, then he does not hold a "substantial interest" in the Board and so long as he is not employed thereby, neither K.S.A. 75-4304 nor K.S.A. 75-4305 apply to your first question. There being no other provision of the local conflict act that might apply to your first question, it is our opinion that under that act the commissioner may vote for a resolution reimbursing the Topeka Board of Realtors.

Turning to the second question, in Opinion No. 77-1 we dealt with an analogous situation. There we determined that under K.S.A. 75-4304 the vote by a city commissioner to issue industrial revenue bonds does not constitute participation in a contract later entered into between the recipient of bond funding and the city commissioner's construction business. Instead, in such situations, K.S.A. 75-4305 controls.

Under that section, so long as the disclosure statement is filed, participation in the vote on the issuance of the bonds is permitted.

We incorporate Opinion No. 77-1 herein by reference and hold that K.S.A. 75-4301 does not apply to your second question. As long as the disclosure statement is on file, the requirements of K.S.A. 75-4301 *et seq.* will have been met.

Advisory Opinion No. 86-17

Written November 19, 1986 to Frank A. McCoy, Director, Riley County Community Corrections, 320 Sunset, Manhattan, KS 66502.

This opinion is in response to your letter of October 17, 1986 in which you request an opinion from the Kansas Public Disclosure Commission concerning the local conflict of interest law (K.S.A. 75-4301 *et seq.*).

We understand you request this opinion in your

capacity as Director of Riley County Community Corrections. We are advised that this entity, while state funded, is a local agency and its employees are paid by the county. The agency has an advisory board which does wield substantial discretion and has oversight functions.

You advise us that the agency has in the past purchased services from a member of the Advisory Board in that person's capacity as a private vendor. These were non-bid purchases but it is possible bid procedures will be used in the future. You also indicate that some businesses may be referred to the board member's private business.

Based on this factual situation, you ask for guidance to avoid conflict of interest difficulties.

K.S.A. 75-4304 and K.S.A. 75-4305 are in point. Those sections state:

"Public officers and employees prohibited from making certain contracts; abstaining from action, effect; exceptions. (a) No public officer or employee shall in his or her capacity as such officer or employee make or participate in the making of a contract with any person or business by which he or she is employed or in whose business he or she has a substantial interest, and no such person or business shall enter into any contract where any public officer or employee, acting in such capacity, is a signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business. A public officer or employee does not make or participate in the making of a contract if he or she abstains from any action in regard to the contract.

"This section shall not apply to the following: (1) Contracts let after competitive bidding has been advertised for by published notice; and (2) Contracts for property or services for which the price or rate is fixed by law. (b) Any public officer or employee who is convicted of violating this section shall forfeit his or her office or employment.

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

Neither section prohibits a public entity from doing business with a private business or an officer of the public entity. However, in non-bid situations under

K.S.A. 75-4304, the public official may not participate in any manner in the making of the contract on behalf of the public agency. Thus, the public officer in non-bid situations may not make recommendations concerning any such contracts, participate in the drafting of specifications, vote on any relevant matter, or otherwise be involved in the contracting process.

In the bid situation, K.S.A. 75-4304 does not apply (see K.S.A. 75-4304 (a)(1)). However, K.S.A. 74-4305 does apply. Under that section, so long as the public officer files the disclosure statement, he or she may participate in all discussions and actions related to a bid contract. If the statement is not filed in a timely fashion, the prohibitions of non-participation discussed above still apply.

Advisory Opinion No. 86-18

Written November 19, 1986 to Monty D. Longacre, Voc. Rehab. Counselor, Junction City Area Social and Rehabilitation Services, P.O. Box 1027, Junction City, KS 66441.

This opinion is in response to your letter of October 30, 1986, in which you request an opinion from the Kansas Public Disclosure Commission concerning the state conflict of interests law (K.S.A. 46-215 *et seq.*).

We understand you request this opinion in your capacity as a Vocational & Rehabilitation Counselor I. During your off-duty hours, you operate a private counseling practice. You state that the people you have worked with have never been approached by you while a client of Vocational Rehabilitation and this is a matter of record. Furthermore, all your clients learned of you from advertising or word-of-mouth from other people you have served. Furthermore, you have never used any information gathered while these people were clients of Vocational Rehabilitation.

Based on this factual situation we understand you to ask the following questions:

1. Is it a conflict of interest for you to conduct a private counseling business during your service as a state employee?

2. In serving your private clients, is it a breach of the confidentiality provisions of K.S.A. 46-241 to obtain, with your client's permission, confidential records of your client from the state or any other service?

On the first issue, so long as the state does not contract with your private business and your agency does not license, inspect, administer or enforce any regulations in regard to your private business, we can foresee no prohibitions to operating the private business.

On the second issue, we have reviewed K.S.A. 46-241 and it is our opinion that that section does not prohibit obtaining by release from your client confidential information held by the state or any other source.

LOWELL ABELDT
Vice-Chairman

By Direction of the Commission

Filed with the Secretary of State November 21, 1986.

Doc. No. 004846

State of Kansas

FISH AND GAME COMMISSION

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 6.—FURBEARERS

23-6-1. (Authorized by K.S.A. 1967 Supp. 32-158, 32-164; effective January 1, 1966; amended January 1, 1968; revoked T-87-31, Oct. 22, 1986.)

23-6-9. Bobcat carcasses and pelts tagging. Each bobcat carcass and pelt shall be presented to Kansas fish and game personnel for tagging within 48 hours following closure of the bobcat hunting or trapping season. Bobcat pelts so tagged may be possessed without limit in time. (Authorized by and implementing K.S.A. 32-164, effective T-87-31, Oct. 22, 1986.)

BILL HANZLICK

Director

Fish and Game Commission

Doc. No. 004795

State of Kansas

SOCIAL AND REHABILITATION SERVICES

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 2.—GENERAL

30-2-16. Permanency planning goals for title IV-E of the federal social security act. (a) The agency's permanency planning goal for the federal fiscal year commencing on October 1, 1986 shall be to have no more than 450 children who have been in foster care placements in excess of 24 consecutive months receive federal funding during the course of the year.

(b) The agency shall take the following steps to achieve the above stated goal. The agency shall:

(1) Make a reasonable effort to make adoption assistance available on behalf of eligible children; and

(2) initiate a case review and develop a plan for each child in the custody of the agency. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective, T-83-26, Sept. 22, 1982; effective May 1, 1983; amended, T-85-24, Sept. 18, 1984; amended May 1, 1985; amended, T-87-5, May 1, 1986; amended, T-87-29, Oct. 22, 1986.)

Article 4.—PUBLIC ASSISTANCE PROGRAM

30-4-106. General rules for consideration of resources, including real property, personal property, and income. (a) Ownership for assistance purposes shall be determined by legal title. In the absence of a legal title, ownership shall be determined by possession.

(b) Resources shall be real and of a nature that the value can be defined and measured. Value of resources shall be established by the objective measurements set forth in paragraphs (1) and (2) below.

(1) Real property. The value of real property shall

(continued)

be initially determined by the latest uniform statewide appraisal value of the property which shall be adjusted to reflect current market value. If the property has not been appraised or if the market value as determined above is not satisfactory to the applicant or recipient or the agency, an estimate or appraisal of its value shall be obtained from a disinterested real estate broker. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(2) Personal property. The market value of personal property shall be initially determined by a reputable trade publication. If a publication is not available, or if there is a difference of opinion regarding the value of the property between the applicant or recipient or the agency, an estimate from a reputable dealer shall be used. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(c) Resources shall be considered available both when actually available and when the applicant or recipient has the legal ability to make them available. A resource shall be considered unavailable when there is a legal impediment that precludes the disposal of the resource. The applicant or recipient shall pursue reasonable steps to overcome the legal impediment unless it is determined that the cost of pursuing legal action would be more than the applicant or recipient would gain or the likelihood of succeeding in the legal action would be unfavorable to the applicant or recipient.

(d) The resource value of property shall be that of the applicant's or recipient's equity in the property. Unless otherwise established, the proportionate share of jointly-owned real property and the full value of jointly-owned personal property shall be considered available to the applicant or recipient.

(e) Resources of all persons in the assistance plan shall be considered.

(f) The combined resources of husband and wife, if they are living together, shall be considered in determining eligibility of either or both for assistance, unless otherwise prohibited by law. A husband and wife shall be considered to be living together if they are regularly residing in the same household. Temporary absences of one of the couple for education or training, working, securing medical treatment, or visiting shall not be considered to interrupt the couple's living together.

(g) The resources of an ineligible parent, the income of a stepparent, or the income of a parent of a minor parent shall be considered in determining the eligibility of a minor child for assistance if the individual and child are living together.

(h) When any individual in the household, other than a stepparent or a parent of a minor parent, who does not have the legal responsibility to support a person in the plan voluntarily and regularly contributes cash to the recipient toward household expenses (including maintenance costs) only that amount over the appropriate assistance standard for one person shall be counted as income in the assistance plan.

(i) Despite subsections (f), (g), and (h) above, the resources of an SSI beneficiary shall not be consid-

ered in the determination of eligibility for assistance of any other person, except for burial assistance.

(j) The resources of an alien sponsor shall be considered in determining eligibility for the alien as prescribed by the secretary of health and human services pursuant to 45 CFR 233.51, effective September 21, 1981, which is adopted by reference. "Sponsor" shall include a public or private agency or organization.

(k) A conversion of real or personal property from one form to another shall not be considered as income to the applicant or recipient except for the proceeds from a contract for the sale of property.

(l) Income shall not be considered both as income and as property in the same month. The effective date of this regulation shall be September 1, 1986. (Authorized by K.S.A. 1985 Supp. 39-708c; implementing K.S.A. 1985 Supp. 39-708c, 39-709, as amended by L. 1986, Ch. 137, Sec. 23; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-20, Sept. 1, 1986.)

Article 5.—PROVIDER PARTICIPATION, SCOPE OF SERVICES, AND REIMBURSEMENTS FOR THE MEDICAID (MEDICAL ASSISTANCE) PROGRAM

30-5-71. Co-pay requirements. (a) Except as set forth in paragraph (b), program recipients shall be obligated to the provider for the indicated amount of reimbursement that would otherwise be due from the agency for the following services:

- (1) Psychologist services—\$1.00 per visit;
- (2) chiropractic services—\$1.00 per visit;
- (3) dental services—\$1.00 per visit;
- (4) non-emergency ambulance services—\$1.00 per trip;
- (5) optometric services—\$1.00 per visit;
- (6) pharmacy services—\$1.00 per prescription, new and refill;
- (7) physician office visits—\$1.00 per visit;
- (8) outpatient general hospital services—\$10.00 per visit;
- (9) ambulatory surgery center services—\$10.00 per visit;
- (10) inpatient general hospital services—\$25.00 per admission; and
- (11) inpatient free-standing psychiatric facility services provided by a non-state facility—\$25.00 per admission.

(b) The provisions of paragraph (a) shall not apply to services provided:

- (1) To residents in intermediate care facilities, intermediate care facilities for the mentally retarded, intermediate care facilities for mental health, skilled nursing facilities, and to recipients participating in the home and community based services program;
- (2) to recipients under 18;
- (3) to recipients enrolled in a health maintenance organization;
- (4) for family planning purposes; and

(5) that are related to pregnancy. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective May 1, 1981; amended May 1, 1982; amended, T-83-38, Nov. 23, 1982; amended May 1, 1983; amended, T-84-36, Jan. 1, 1984; amended May 1, 1984; amended May 1, 1986; amended, T-87-20, Sept. 1, 1986.)

30-5-86. Scope of services by community mental health centers. (a) Community mental health center services shall be available to program recipients in:

(1) Outpatient treatment programs provided at the clinic, a satellite facility, or on-site locations licensed by mental health/retardation services, provided the on-site services are of a kind that would be covered if furnished at the clinic site;

(2) approved inpatient treatment programs; and

(3) partial hospitalization units approved by mental health/retardation services pursuant to K.A.R. 30-5-110.

(b) (1) During a calendar quarter, outpatient psychotherapy shall not exceed a total number of units specified by the secretary. One hour of individual therapy shall equal 20 units, and one hour of group therapy shall equal four units.

(2) Drug and alcohol treatment shall not exceed 800 units during a lifetime.

(3) Psychological testing and evaluation shall be prior authorized and shall not exceed six hours in any two consecutive calendar years. The first three hours of testing associated with admission to a community mental health center treatment program, intermediate care facility for the mentally retarded, hospital, or a residential treatment facility for children shall not require prior authorization. Admission evaluations shall not exceed five hours per calendar year and may include a physical examination.

(4) Inpatient psychotherapy shall be available pursuant to K.A.R. 30-5-81. Case conferences may be considered as individual therapy if the definition in K.A.R. 30-5-58 is met. Group therapy shall be reimbursable only if it is rendered on a day when group therapy has not been a part of partial hospitalization.

(c) Services shall be provided by a psychiatrist, a psychologist with a doctoral or a master's degree in clinical psychology, master's degree social worker, master's degree psychiatric nurse, or individuals certified by the Kansas association of community mental health center directors' professional standards committee and approved by the agency, unless the approval would be contrary to law or regulation. The effective date of this regulation shall be November 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective May 1, 1981; amended May 1, 1982; amended May 1, 1983; modified, 1983 HCR 5015, May 1, 1983; amended May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-29, Nov. 1, 1986.)

30-5-150. Co-pay requirements for adult medikan program recipients. (a) Program recipients shall be obligated to the provider for the indicated amount of

reimbursement that would otherwise be due from the agency for the following services:

(1) Psychologist services—\$1.00 per visit;

(2) chiropractic services—\$1.00 per visit;

(3) pharmacy services—\$1.00 per prescription, new and refill;

(4) physician office visits—\$1.00 per visit;

(5) ambulatory surgical center services—\$10.00 per visit;

(6) outpatient general hospital services—\$10.00 per visit;

(7) inpatient general hospital services—\$25.00 per admission; and

(8) inpatient free standing psychiatric facility services provided by a non-state facility—\$25.00 per admission.

(b) The provisions of paragraph (a) shall not apply to services provided:

(1) To residents in intermediate care, intermediate care for mentally retarded, intermediate care for mental health, and skilled nursing facilities;

(2) to recipients participating in the home and community based services program;

(3) to recipients enrolled in a health maintenance organization;

(4) for family planning purposes; and

(5) that are related to pregnancy. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective, T-84-8, April 1, 1983; effective May 1, 1984; amended, T-87-20, Sept. 1, 1986.)

30-5-162. Scope of psychological services for adult medikan program recipients. The scope of psychological services for adult medikan program recipients shall be identical to the psychological services covered for adult medicaid program recipients, except that psychological testing and evaluation shall be limited to six hours per three consecutive calendar years. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective, T-84-8, April 1, 1983; effective May 1, 1984; amended May 1, 1986; amended, T-87-5, May 1, 1986; amended, T-87-20, Aug. 21, 1986.)

Article 6.—MEDICAL ASSISTANCE PROGRAM—CLIENTS' ELIGIBILITY FOR PARTICIPATION

30-6-65. Automatic eligibles. To be automatically eligible for medical assistance, each person shall meet the general eligibility requirement of K.A.R. 30-6-63 and shall be: (a) Legally entitled to and receiving SSI benefits and shall meet the general eligibility requirements of residence;

(b) legally entitled to and receiving state (Kansas) supplemental payments related to SSI;

(c) determined by SSA to retain recipient status, although not currently receiving an SSI benefit;

(d) receiving public assistance (excepting emergency assistance) pursuant to article 4 of this chapter. Such recipients shall meet the general eligibility requirement of K.A.R. 30-6-55(d);

(e) not receiving public assistance for one of the following reasons:

(continued)

(1) The person is eligible for less than \$10.00 of public assistance;

(2) the amount of recovery of an overpayment is greater than the budget deficit;

(3) the person is eligible using prospective budgeting, but ineligible due to retrospective accounting of income; or

(4) the person is not receiving TGA due to the four-month time limitation provision of K.A.R. 30-4-91(b);

(f) included in the assistance plan of a family which was receiving ADC, ADC-FC, or APW in at least three of the six months immediately preceding the month in which the family became ineligible for ADC, ADC-FC, or APW and which became ineligible solely because of increased earned income or increased hours of employment. Such recipients shall meet the general eligibility requirement of K.A.R. 30-6-55(d). Automatic eligibility for the medical assistance program shall continue for the four months immediately subsequent to the last month in which the family was eligible (legally entitled) to receive ADC, ADC-FC, or APW as long as a family member is employed and the family and the person remains ineligible for ADC, ADC-FC, or APW solely because of increased earned income or increased hours of employment. The receipt of an extra pay check due to an additional pay period within a calendar month shall not constitute an increase in earnings;

(g) included in the assistance plan of a family which was receiving ADC, ADC-FC, or APW in at least three of the six months immediately preceding the month in which the family became ineligible for ADC, ADC-FC, or APW as a result (in whole or in part) of collection or increased collection of support. Such recipients shall meet the general eligibility requirement of K.A.R. 30-6-55(d). Automatic eligibility for the medical assistance program shall continue for the four months immediately subsequent to the last month in which the family was eligible (legally entitled) to receive ADC, ADC-FC, or APW as long as the family remains ineligible for ADC, ADC-FC, or APW due to such collection or increased collection of support;

(h) mandated to receive inpatient treatment for tuberculosis;

(i) one who is not a public assistance recipient but is receiving maintenance payments from youth services;

(j) included in the assistance plan of a family which became ineligible for ADC, ADC-FC, or APW solely because of the termination of the earned income disregards as provided in K.A.R. 30-4-111(e). Automatic eligibility for the medical assistance program shall continue for the nine months immediately subsequent to the last month in which the family was eligible (legally entitled) to receive ADC, ADC-FC, or APW;

(k) a non-ADC eligible child who is under 18 years of age and who meets the ADC income and resource requirements pursuant to article 4 of this chapter;

(l) a child born to a mother eligible for and receiving medicaid at the time of birth for a period of up to one

year. The child shall remain eligible so long as such mother remains eligible for medicaid and the child remains in the same household with the mother;

(m) a child receiving foster care payments under title IV-E, regardless of the state making payment; or

(n) a child for whom an adoption assistance agreement under title IV-E is in effect, even if assistance payments are not being made or the adoption assistance agreement was entered into with another state. Automatic eligibility begins when the child is placed for adoption even if an interlocutory decree of adoption or a judicial decree of adoption has not been issued. The effective date of this regulation shall be November 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, 39-709, as amended by L. 1986, Ch. 137, Sec. 23; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended, T-84-8, March 29, 1983; amended May 1, 1983; amended, T-84-9, March 29, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended, T-85-34, Dec. 19, 1984; amended May 1, 1985; amended, T-86-19, July 1, 1985; amended May 1, 1986; amended, T-87-5, May 1, 1986; amended, T-87-15, July 1, 1986; amended, T-87-29, Nov. 1, 1986.)

30-6-106. General rules for consideration of resources, including real property, personal property, and income. (a) Ownership for assistance purposes shall be determined by legal title. In the absence of legal title, ownership shall be determined by possession.

(b) Resources, to be real, shall be of a nature that the value can be defined and measured. Value of resources shall be established by the objective measurements set forth in paragraphs (1) and (2) below.

(1) Real property. The value of real property shall be initially determined by the latest uniform statewide appraisal value of the property which shall be adjusted to reflect current market value. If the property has not been appraised or if the market value as determined above is not satisfactory to the applicant or recipient or the agency, an estimate or appraisal of its value shall be obtained from a disinterested real estate broker. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(2) Personal property. The market value of personal property shall be initially determined by a reputable trade publication. If a publication is not available, or if there is a difference of opinion regarding the value of the property between the agency and the individual, an estimate from a reputable dealer shall be used. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(c) (1) Resources shall be considered available both when actually available and when the applicant or recipient has the legal ability to make them available. A resource shall be considered unavailable when there is a legal impediment that precludes the disposal of the resource. The applicant or recipient shall pursue reasonable steps to overcome the legal impediment unless it is determined that the cost of pursuing legal action would be more than the applicant or

recipient would gain or the likelihood of succeeding in the legal action would be unfavorable to the applicant or recipient.

(2) For the purpose of this subsection, a revocable or irrevocable trust, established by an applicant or recipient or their spouse, shall be considered available to the applicant or recipient up to the maximum value of the funds which may be made available under the terms of the trust in behalf of the applicant or recipient if:

(A) That applicant or recipient is a beneficiary; and

(B) the trustees are permitted to exercise any discretion with respect to distribution to the applicant or recipient.

(d) The resource value of property shall be that of the applicant's or recipient's equity in the property. Unless otherwise established, the proportionate share of jointly-owned real property and the full value of jointly-owned personal property shall be considered available to the applicant or recipient.

(e) Resources of all persons in the assistance plan shall be considered.

(f)(1) The combined resources of husband and wife, if they are living together, shall be considered in determining eligibility of either or both for the medical assistance program, unless otherwise prohibited by law.

(2) A husband and wife shall be considered to be living together if they are regularly residing in the same household. Temporary absences of either the husband or the wife for education or training, working, securing medical treatment or visiting shall not be considered to interrupt the couple's living together.

(3) A husband and wife shall not be considered as living together when they are physically separated and not maintaining a common life, or when one or both enter into a care situation, including either a medicaid-approved or non-approved care facility or a home- and community-based services care arrangement. If only one spouse is an applicant or recipient and one or both enter a care situation, their resources shall be considered available to each other in the month in which the care arrangement begins. Thereafter, only the resources that are actually made available to the applicant or recipient shall be considered. If both spouses are applicants or recipients and one or both enter a care situation, the following provisions apply:

(A) Income shall be considered available to each other for the month in which the care situation begins. Their income shall continue to be considered available to each other for the following six months if they share the same room in a care situation; and

(B) real and personal property shall be considered available to each other for the month in which the care situation begins and the six following months.

(g) The resources of an ineligible parent, the income of a stepparent, or the income of a parent of a minor parent shall be considered in determining the eligibility of a minor child for the medical assistance program if the individual and child are living together.

(h) When any individual in the household, other than a stepparent or a parent of a minor parent, who

does not have the responsibility to support a person in the plan voluntarily and regularly contributes cash to the recipient toward household expenses (including maintenance costs) only that amount over that person's pro rata share of the protected income level for the household shall be counted as income in the assistance plan.

(i) Despite subsections (f), (g), and (h) above, the resources of an SSI beneficiary shall not be considered in the determination of eligibility for medical assistance of any other person.

(j) The resources of an alien sponsor shall be considered in determining eligibility for the alien as prescribed by the secretary of health and human services and as approved by the secretary of social and rehabilitation services. "Sponsor" shall include a public or private agency or organization.

(k) The conversion of real and personal property from one form to another shall not be considered as income to the applicant or recipient except for the proceeds from a contract for the sale of property.

(l) Income shall not be considered both as income and as property in the same month. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, 39-709, as amended by L. 1986, Ch. 137, Sec. 23; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-15, July 1, 1986; amended, T-87-20, Sept. 1, 1986.)

30-6-108. Real property. (a) Definitions.

(1) "Home" means the house or shelter in which the applicant or recipient is living or from which the applicant or recipient is temporarily absent, and the tract of land and contiguous tracts of land upon which the house and other improvements essential to the use or enjoyment of the home are located. Tracts of land are contiguous if lying side by side, except for streets, alleys, or other easements. Pieces of property that touch only at the corners shall not be considered to be contiguous. For non-SSI, the total acreage comprising a home shall not exceed 40 acres.

(2) For non-SSI, "other real property" means:

(A) Real property other than a home;

(B) a home from which an applicant or recipient has been temporarily absent for at least 12 months; or

(C) a home to which an applicant or recipient will be unable to return.

(3) For SSI, "other real property" means:

(A) Real property other than a home; or

(B) a home from which an applicant or recipient has been absent and does not intend to return.

(4) For persons entering institutional living situations, the home shall become other real property after three months unless the absence is determined to be temporary, or a spouse, dependent child, or another dependent relative remains in the home.

(b) Treatment of real property. The equity value of nonexempt real property shall be considered as a resource.

(continued)

(c) Exempted real property. The equity value of the following classifications of real property shall be exempt:

- (1) The home; and
- (2) for SSI, income-producing real property, if:

(A) The equity, combined with equity in any income-producing, non-cash personal property asset exempted under K.A.R. 30-6-109, does not exceed \$6,000.00; and

(B) there is a net annual return of at least 6%. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, 39-709, as amended by L. 1986, Ch. 137, Sec. 23; effective May 1, 1981; amended, E-82-11, June 17, 1981; amended, E-82-19, Oct. 29, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-20, Sept. 1, 1986.)

Article 10.—ADULT CARE HOME PROGRAM OF THE MEDICAID (MEDICAL ASSISTANCE) PROGRAM

30-10-18. Rates of reimbursement. (a) Rates for existing adult care homes.

(1) The agency shall, at least annually, on the basis of the cost information supplied by the provider and retained for cost auditing, determine per diem rates. The agency shall compare the cost information for each provider with other providers that are similar in size, scope of service and other relevant factors to determine the allowable per diem cost.

(2) Per diem rates shall be limited by percentile maximums.

(3) To establish a per diem rate for each provider, the agency shall add to the allowable per diem cost a factor for historical and estimated inflation and efficiency. After the rate is established for a provider, the agency shall provide a detailed listing of the computation of that rate to the provider. The effective date of the rate for existing facilities shall be in accordance with subsection (a) of K.A.R. 30-10-19.

(b) Comparable service rate limitations.

(1) Skilled and intermediate care. The per diem rate for skilled nursing care or intermediate care shall not exceed the rate or rates charged to patients or residents not under the medicaid/medikan program for the same level of care in the adult care home and for the same types of services.

(2) Intermediate care facilities for the mentally retarded and persons with related conditions. The per diem rate for intermediate care for the mentally retarded and persons with related conditions shall not exceed the rate or rates charged to patients or residents not under the medicaid/medikan program for the same level of care in the adult care home and for the same types of services.

(3) Intermediate care facilities for mental health. The per diem rate for intermediate care for mental health shall not exceed the rate or rates charged to patients or residents not under the medicaid/medikan

program for the same level of care in the adult care home and for the same types of services.

(c) Rates for new construction or bed additions. The per diem rate or rates for newly constructed adult care homes and for adult care homes with bed additions of more than 25% shall be based on a projected cost report filed within 90 days after the opening of the newly constructed facility and submitted in accordance with subsection (f) of K.A.R. 30-10-17. A projected cost report shall be filed including only the costs of the new construction which are normally reported in the property cost center, if the number of beds increases by 10% but less than 25%. Limitations established for existing facilities providing the same level of care shall apply to the new facility. The effective date of the per diem rate for new providers shall be in accordance with subsection (b) of K.A.R. 30-10-19.

(d) Rates for existing facilities which have received certification for a different level of care.

(1) The per diem rate for skilled care providers who were participants in the program as an intermediate care facility shall be computed as follows:

(A) If the remaining portion of the provider's fiscal year is equal to or greater than six months, the provider shall file a projected cost report for the remaining period within 30 days of the date of change in the certification level. This projected cost report shall be used to compute the skilled care rate only for the period from the change in certification level to the effective date of a new rate based on the historical cost report filed for the provider's current fiscal year. The intermediate care rate shall continue to be based on the provider's cost report for the prior fiscal year.

(B) (i) If the remaining portion of the provider's current fiscal year is less than six months, the provider shall file a projected cost report which coincides with the provider's next full fiscal year. This projected cost report shall be used to compute only the skilled care rate.

(ii) The projected skilled care rate shall be in effect from the effective date of the new rate, as determined under subsection (a) of K.A.R. 30-10-19, to the effective date of the rate from the historical cost report filed for the projection period. The interim rate for skilled care for the period from the change in certification level to the effective date of the rate based on the projected cost report shall be equal to the current hospital swing bed rate for skilled care.

(iii) The provider shall also be required to file a historical cost report at the end of the provider's current fiscal year for the purpose of computing an intermediate care rate in accordance with subsection (a) of K.A.R. 30-10-17 and subsection (a) of K.A.R. 30-10-19.

(2) The per diem rate or rates for intermediate care providers that were participants in the program as a skilled nursing facility shall be determined by using the existing cost report for the facility and applying the limitation applied to the intermediate care facilities.

(3) Per diem rates computed in accordance with this subsection shall be limited by applicable limitations for skilled and intermediate care facilities.

(e) Change of ownership.

(1) When a new owner or provider makes no change in the facility, number of beds or operations, the interim payment rate for the first 12 months of operation shall be based on the historical cost data of the previous owner or provider. The new owner or provider shall file a historical cost report within 90 days after the end of the 12-month period and again within 90 days after the end of the provider's fiscal year established for tax or accounting purposes. The rates determined from these cost reports shall be effective in accordance with subsection (c) of K.A.R. 30-10-19.

(2) The new owner shall file a projected cost report when:

(A) The new owner increases the number of beds by more than 25%;

(B) the new owner increases the number of beds by more than 10%, but less than 25%. The projected cost report shall be restricted to the construction costs normally included in the property cost center;

(C) the new owner makes capital improvements to the facility that are in excess of \$100,000.00 and that benefit patient care, are required for recertification of the facility or that will substantially reduce operating costs; or

(D) the care of the residents may be at risk because the per diem rate of the previous provider will jeopardize the ability of the new provider to provide care and services in conformity with applicable state and federal laws, regulations, and quality and safety standards. The provisions of this subparagraph shall not apply when capital improvements, applicable to all providers, are required by new state or federal regulations.

(f) (1) When per diem rates, whether based upon projected or historical cost data, are audited by the agency and are found to contain errors, a direct cash settlement shall be required between the agency and the provider for the amount of money overpaid or underpaid.

(2) Per diem rates for providers may be increased or decreased as a result of a desk review or field audit on the provider's cost reports. Written notice of these per diem rate changes and of the audit findings due to a field audit shall be sent to the provider. Retroactive adjustments of rates paid during any projection period shall apply to the same period of time covered by the projected rates, except that no adjustment shall be made for the period of time that the lowest rate, or other penalty-reduced rate, is in effect.

(3) Providers have 30 days from the date of the audit report cover letter to request an administrative review of the audit adjustments that result in an overpayment or underpayment. The request shall specify the finding or findings that the provider wishes to have reviewed.

(g) Out-of-state providers. Rates for out-of-state providers certified to participate in the Kansas medicaid/medikan program shall be the rate or rates reimbursed by the state of location, subject to the rate limitations of the Kansas medicaid/medikan program.

(h) Projected cost reports to meet survey requirements.

(1) State intermediate care facilities for the men-

tally retarded (ICF-MR) required by a state or federal certification survey to incur additional operating costs for active treatment in excess of \$200,000.00, to meet certification requirements, shall be allowed to file a projected cost report.

(2) Private intermediate care facilities for the mentally retarded (ICF-MR) required by a state or federal certification survey to incur additional operating costs for active treatment in excess of \$125,000.00, for facilities larger than 15 beds and \$40,000.00, for facilities with 15 beds or less to meet certification requirements, shall be allowed to file a projected cost report. A one time projection shall be allowed for a 12-month period. Projected cost reports shall be processed in accordance with K.A.R. 30-10-17(f).

(3) The adjustment resulting from the projected costs of the findings of the state and federal survey shall be treated as a pass-through for the period of the projection. The pass-through shall not exceed \$55.00 per day for an ICF-MR with 16 beds or more. The pass-through shall not exceed the lowest state ICF-MR rate for an ICF-MR with 15 beds or less. The effective date of this regulation shall be November 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c; effective May 1, 1985; amended May 1, 1986; amended, T-87-29, Nov. 1, 1986.)

Article 42.—LICENSING OF NON-MEDICAL RESIDENT CARE FACILITIES

30-42-6. Definitions. (a) "Applicant" means any facility which applies for a license issued by the department to provide residential care.

(b) "Department" means the Kansas state department of social and rehabilitation services.

(c) "Facility" means any private person, group, association or corporation, or any community or local government department undertaking to provide residential care within the meaning of these regulations.

(d) "Handicapped" means a physical, mental, or emotional impairment which limits one or more major life activities.

(e) "Mental or emotional abuse" means any method of inflicting or causing mental injury or causing deterioration of the individual. Mental or emotional abuse includes failure to maintain reasonable care or treatment to such an extent that the individual's emotional well-being is in danger.

(f) "Secretary" means the secretary of the department of social and rehabilitation services.

(g) "Staff" means employees of the facility who spend a majority of their work time in the supervision of residents. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-7. Licensing procedures. (a) Each facility shall apply for a license on application forms provided by the department.

(b) Each application for renewal of a license shall be

(continued)

submitted by the licensed facility to the department at least 60 days before expiration of the license. This provision may be waived by the department upon a showing of good cause by the facility.

(c) At the discretion of the department, a provisional license may be issued to any facility that is substantially in compliance with the licensing regulations, if the facility presents evidence that any deficiency is temporary and if efforts to correct the deficiency are agreed to or are in progress. Each provisional license shall become a regular license at the end of a period of 180 days if the department agrees, in writing, that the previously noted deficiencies have been corrected. If the deficiencies have not been corrected, the provisional license shall automatically lapse at the end of the 180-day period.

(d) Each license issued shall specify and shall be valid only for the facility and the operator named on the license. A new application shall be required for each change of operator. A facility which changes operators may continue to provide the same care which it was licensed to provide under its last prior operator for the period of time that is required for the facility to pursue all administrative avenues available under these regulations for obtaining licensure under the facility's new operator.

(e) The license shall be issued for a specified period of time not to exceed one year.

(f) The department, upon request, may waive any specific licensing standard for good cause if such waiver does not effect the health, safety or welfare of a facility's residents. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-8. Capacity. Each license shall specify the maximum number of residents who may be served at any one time in the facility. That maximum number shall not be less than five nor more than 40. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-9. Suspension or revocation of license. (a) The license of any facility shall be suspended or revoked according to the provisions of this subsection (a) whenever:

(1) The department finds that the facility has failed to comply with the provisions of K.A.R. 30-2-15 or of any licensing regulations set forth in this article and there is reason to believe that the facility will be in further non-compliance; or

(2) the department finds that the facility is in continuing non-compliance with K.A.R. 30-2-15 or of any licensing regulations set forth in this article.

(b) Procedures for the suspension or revocation of a license.

(1) Subject to the provisions of paragraph (2) of this subsection, when the department finds that a licensed facility is not in compliance with the provisions of any licensing regulations set forth in this article, the de-

partment shall informally advise the facility's operator or chief officer in person or by telephone of a finding of non-compliance. This informal communication shall be confirmed in writing within five working days of the informal advice. The written confirmation of the advice shall:

(A) Specify in detail the noted items of non-compliance;

(B) inform the facility of the action required to correct the non-compliance;

(C) inform the facility that failure to provide evidence that the non-compliance has been corrected will result in suspension or revocation of the facility's license;

(D) inform the facility of the time period within which the item of non-compliance can be corrected without temporary or permanent loss of license. This time period shall not be less than 45 days from the date of written confirmation; and

(E) inform the facility of the name and address of the person within the department to whom evidence must be provided demonstrating that the item of non-compliance has been corrected.

(2) The department shall immediately suspend the license of any facility whose non-compliance with these regulations is of a nature so serious that such non-compliance will constitute an immediate threat to the health, safety or welfare of the facility's residents. The department shall immediately initiate an action to revoke such a license according to these regulations.

(3) Whenever a facility has failed to satisfy the department that an item of non-compliance has been corrected as provided in paragraph (1) of this subsection, or whenever the department has suspended a facility's license under paragraph (2) of this subsection, action shall be commenced to revoke the facility's license. Prior to revocation of a facility's license, the department shall send to the facility a written notification of the proposed revocation and the reasons therefor. The notice shall state whether the facility's license has been suspended pending further proceedings. If the decision is to revoke the facility's license as herein provided, the department shall issue a written order of revocation setting forth the effective date of such revocation and the basic underlying facts supporting the order. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-10. Prerequisites for license. (a) Any applicant for licensure shall be at least 18 years of age at the time of application.

(b) Each facility for eight or more persons shall be approved by the Kansas department of health and environment as meeting the standards for a lodging establishment under the food service and lodging act.

(c) Each facility shall meet the legal requirement of the community for zoning, fire protection, water supply and sewage disposal.

(d) Each facility shall obtain and retain on file a fire life safety code report issued within the previous 12

months by the state fire marshal, or persons designated in K.S.A. 31-137 and amendments thereto. Deficiencies noted on the report shall be the subject of an acceptable plan of correction submitted to the state fire marshal within the time-frame established by the state fire marshal. The facility shall adhere to the plan of correction as well as the date, if any, by which the correction is to be made.

(e) Each facility shall provide and maintain fire protection equipment. This equipment shall be approved as adequate by the state fire marshal.

(f) Each facility shall employ at least one staff person certified in the administration of first-aid. All other staff shall receive training in the administration of first-aid within 30 days of employment and every two years thereafter. The date of that training shall be recorded for each staff person and retained on file.

(g) Each facility shall provide adequate care of residents and shall not exceed a maximum ratio of 20 residents to one staff person.

(h) Each facility shall allow residents the right of privacy and the right to see relatives, friends and participate in regular community activities.

(i) Corporal punishments, restraints or punitive measures shall not be used by any facility.

(j) Each facility shall develop a current, written grievance procedure for residents.

(k) Each facility shall see that arrangements are made for emergency and regular medical care for residents.

(l) Each facility shall allow the secretary and authorized representatives of the secretary access to the home, grounds, residents and to records related to residents.

(m) Each facility shall maintain official policies and make them available for review by the department, staff, residents, and guardians and relatives of residents.

The official policies of each facility shall contain statements regarding the provisions of subsections (g), (h), (i), (j) and (k) set forth above. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-11. Admission and discharge policies. (a) Each facility shall have on file and shall provide to the department an admissions policy. At a minimum, the admissions policy shall indicate the types of residents the facility will accept indicating:

- (1) Age range;
- (2) sex;
- (3) type of disability; and
- (4) the types of residents the facility will not accept.

(b) The facility shall make an inventory of each resident's major personal items within 24 hours of the resident's admission to the facility. Documentation of the inventory shall be retained on file.

(c) Prior to or within 24 hours of admission, the facility shall obtain and retain on file a document signed by the resident and guardian, if any, verifying that they have received in writing the phone number

which they may call at any time to complain about exploitation, neglect, or abuse, including mental or emotional abuse.

(d) The facility shall be responsible for encouraging residents to seek and utilize available services when needed.

(e) The facility shall agree to refer a resident to other appropriate residential facilities as soon as it determines that the needs of a resident can no longer be met by the facility.

(f) The resident shall not be involuntarily transferred or discharged from the facility except:

(1) For medical or behavioral reasons which render the facility an inappropriate placement;

(2) for the welfare of the resident or others; or

(3) for non-payment of the rates and charges imposed by the facility.

(g) Except in emergencies, the resident and legal guardian, if any, shall be given written notice at least seven days in advance of a transfer or discharge of the resident. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-12. Disaster policies. The facility shall, in consultation with the fire inspector or other appropriate resources, develop a written disaster plan to provide for the care and safety of residents and employees in emergencies and in occurrences of serious illness or injury. The residents and employees shall be informed of the disaster plan and the plan, including an exit diagram, shall be posted. Evacuation drills shall be conducted each quarter and the date and the length of time for evacuation shall be recorded. A telephone shall be located on the premises and readily available. Emergency numbers shall be posted by each phone. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-13. Health policies. (a) The facility may assist with the taking of medication when the medication is in a labeled bottle dispensed by a pharmacist which clearly shows a physician's orders and when the resident requires assistance because of tremor, visual impairment, or similar health conditions. The facility may assist the residents with such physical activities as eating, bathing, dressing, help with brace or walker, and transferring from wheelchairs.

(b) Each facility shall provide a sanitary environment and shall follow proper techniques of asepsis and isolation for residents with infections and contagious diseases.

(c) All outdated or discontinued medication shall be discarded in the presence of the supervisor.

(d) Each employee infected with a disease in a communicable form or having communicable skin lesions shall be restricted from work until the disease is no longer communicable. The effective date of this regulation shall be September 1, 1986. (Authorized by

(continued)

and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-14. Financial policies. The personal money of each resident shall be kept in the resident's individual account. The individual account shall be separate from the funds of the facility, owner, operator, employees, and other residents. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-15. Adult residential sleeping quarters. (a) Sleeping quarters shall have a minimum of 70 square feet per person of free floor space in single rooms and an average of not less than 55 square feet per person in rooms accommodating more than one person.

(b) Rooms used as sleeping quarters shall have windows that are operable without a tool. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

30-42-16. Environmental standards. (a) Each facility shall comply with the standards set forth below. The department may consider, but need not accept, written statements of compliance with environmental requirements from other authorized licensing agencies or groups.

(b) The building shall be clean, in good state of repair, and free from accumulated dirt or trash and vermin infestation.

(c) Aisles, hallways, stairways, and main routes of travel shall be maintained free of obstacles and stored materials.

(d) Furniture shall be clean and in good state of repair.

(e) Rooms shall be well-ventilated, adequately lighted, and appropriately heated or cooled.

(f) Each resident shall have a separate bed with a level, flat mattress in good condition, and sufficient and clean bedding.

(g) Bathroom fixtures shall be accessible, clean, and in good state of repair.

(h) Kitchenware and tableware shall be clean and in good condition.

(i) Meals and snacks, when provided, shall be appropriate to the nutritional needs of the residents. Menus shall follow the basic food group requirements.

(j) The outside area shall be free of physical hazards and be free of accumulated garbage and trash. The effective date of this regulation shall be September 1, 1986. (Authorized by and implementing K.S.A. 1985 Supp. 75-3307b, as amended by L. 1986, Ch. 324, Sec. 2; effective, T-87-20, Sept. 1, 1986.)

Article 45.—YOUTH SERVICES

30-45-10. Definitions. (a) "Medical neglect" includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition.

(b) "Withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by failing to provide treatment, which in the treating physician's reasonable medical judgment, is most likely to ameliorate or correct all life-threatening conditions, except when the treatment would be futile in terms of survival of the infant and the treatment itself under such circumstances would be inhumane. In all circumstances "withholding of medically indicated treatment" shall always include the failure to provide appropriate nutrition, hydration or medication.

(c) "Reasonable medical judgment" means a medical judgment made by a reasonably prudent physician who is knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved.

(d) "Infant" means an infant less than one year of age. The reference to less than one year of age shall not be construed to imply that treatment should be changed or discontinued when an infant reaches one year of age. The standards set forth in subsection (b) of this regulation should be consulted thoroughly in the evaluation of any issue of medical neglect involving an infant older than one year of age who has been continuously hospitalized since birth, whose birth was extremely premature, or who has a long-term disability.

(e) "Designated hospital liaison" means the individual designated by the hospital administrator as the person to be contacted by agency personnel upon a report of medically indicated treatment being withheld from a disabled infant. Names of liaisons shall be furnished to the agency annually by each hospital.

(f) "Hospital medical ethics review committee" means the group established by the hospital to review medical treatment and make recommendations to the appropriate medical personnel involved in the case. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, K.S.A. 75-5321; effective, T-87-29, Oct. 22 1986.)

30-45-11. Reports of medically neglected infants.

(a) Reports of medical neglect of a disabled infant shall be made to the local social and rehabilitation services office. Receipt of the report and subsequent initiation of an investigation will follow the emergency procedures established under the Kansas code for care of children. Upon receiving notification of withholding of medically indicated treatment from a disabled infant, an agency social worker shall:

(1) Contact the designated hospital liaison at the facility where the infant is located;

(2) contact the hospital medical ethics review committee at the facility housing the infant to obtain the committee's findings or the perinatal medical council if no hospital medical ethics review committee exists; and

(3) include as a part of the investigative report, information from and reports to the designated hospital liaison and the hospital medical ethics review committee or the perinatal medical council if no hospital medical ethics review committee exists.

(b) Subsequent to the initial investigation of a report of medical neglect of a disabled infant, the agency personnel shall follow the procedures established under the Kansas code for care of children and all due process rights contained therein shall apply. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, K.S.A. 75-5321; effective, T-87-29, Oct. 22, 1986.)

30-45-12. Responsible reporters. (a) Physicians, nurses, hospital administrators, and others listed in K.S.A. 1985 Supp. 38-1522 shall be required to report cases of medical neglect of disabled infants.

(b) Reports to social and rehabilitation services of medical neglect of disabled infants can be initiated by any concerned citizen. The reporter will remain anonymous unless the reporter agrees to the use of the reporter's identity by the agency. The reporter is not liable to prosecution for reports made in good faith pursuant to K.S.A. 1985 Supp. 38-1525 and 38-1526. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, K.S.A. 75-5321; effective, T-87-29, Oct. 22, 1986.)

30-45-14. Public information. The agency shall annually inform the medical community of the need to report cases of alleged medical neglect of disabled infants pursuant to these regulations. (Authorized by and implementing K.S.A. 1985 Supp. 39-708c, K.S.A. 75-5321; effective, T-87-29, Oct. 22, 1986.)

ROBERT HARDER
Secretary of Social and
Rehabilitation Services

Doc. No. 004808

State of Kansas

DEPARTMENT OF ECONOMIC DEVELOPMENT

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 1.—VENTURE CAPITAL COMPANY CERTIFICATION

110-1-1. Application process. (a) Application to become a certified Kansas venture capital company shall be made upon the application form furnished by the secretary of the department of economic development on or before January 12, 1987 and the secretary of the department of commerce after January 12, 1987.

(b) The application form shall be signed by an authorized officer, or partner, and shall contain, as a minimum, the following information and evidence:

- (1) the full, legal name of the company;
- (2) the address of the applicant's principal office in the state;
- (3) the names and addresses of the applicant's directors, officers, general partners and managing partners;
- (4) a certified copy of the certificate of incorporation and articles of incorporation, or a certified copy of the certificate of formation of a limited partnership, or trust documents, or other evidence that the company is organized and existing under the laws of Kansas;

(5) information and evidence that the applicant's purpose is to encourage and assist in the creation, development, and expansion of Kansas businesses and to provide maximum opportunities for the employment of Kansans;

(6) adequate proof of a minimum level of equity capitalization of \$1,500,000 as required by L. 1986 Chapter 285 Section 6(b) and the level of capitalization the company expects to qualify for tax credits, within the current and immediately succeeding calendar year;

(7) information and evidence that the applicant has disclosed or will disclose to all investors that the state of Kansas is not liable for damages as provided in L. 1986 Chapter 285 Section 11;

(8) a statement that the company will comply with all requirements of L. 1986 Chapter 285 Section 8, including the filing of annual reports; and

(9) the business history of the applicant.

(c) If an application is incomplete, the applicant shall submit the required information upon notification by the department. (Authorized and implementing L. 1986 Chapter 285 Section 6; effective T-87-27, Oct. 1, 1986.)

110-1-2. Annual report. (a) To determine program compliance and status for continuing certification, each certified Kansas venture capital company shall report annually to the secretary on forms provided by the department. Information reported shall include as a minimum:

(1) the name, address, and taxpayer identification number of each taxpayer who has invested in such company and amounts invested by each;

(2) the name and location of each business in which the company has invested and the type and amount of investment. The names of the business owners shall be provided if required to determine qualification for equity or tax credit purposes;

(3) the number of jobs created or preserved in each business; and

(4) a certification that all businesses in which the company has invested are eligible in accordance with L. 1986 Chapter 285 Section 7(d) if required to determine qualification for equity or tax credit purposes.

(b) The cost of the annual review for each Kansas venture capital company shall be \$100. The fee shall be paid by the Kansas venture capital company following submission of the annual report and upon completion of the annual review by the secretary. (Authorized by and implementing L. 1986 Chapter 285 Section 8; effective T-87-27, Oct. 1, 1986.)

CHARLES J. SCHWARTZ
Secretary of Economic Development

Doc. No. 004796

State of Kansas

DEPARTMENT OF EDUCATION

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 12.—SPECIAL EDUCATION

91-12-23. State approval of special education services. (a) *General criteria for state approval.* State approval of any special education services to be offered shall require that the agency proposing to provide the services has made provision for:

(1) The employment of personnel properly certificated and endorsed in their assigned categories of exceptionality and level of instruction;

(2) compliance with pupil-teacher ratios;

(3) the development and offering of curricula appropriate to student needs;

(4) facilities comparable to those provided non-exceptional children;

(5) compliance with identification, individualized education program, placement, and review procedures;

(6) appropriate licensed or certificated support personnel;

(7) other necessary related services; and

(8) an approvable delivery model or models. The following plans for delivering special education services may be approved:

(A) Home-based instruction;

(B) regular education with support services only;

(C) consulting teacher plan;

(D) itinerant teacher plan;

(E) resource room plan;

(F) self-contained special class;

(G) special day school;

(H) residential school;

(I) hospital instruction; or

(J) homebound instruction.

With the exception of home-based and homebound instruction, these models may be implemented through either categorical or interrelated service units. Combinations of delivery models also may be approved.

(b) *Request for approval of innovative delivery models.* Local education agencies shall submit a written plan to the special education administration section for review and approval, or disapproval, of innovative delivery models for which there are no standards. Each plan shall include:

(1) The name by which the model may be identified;

(2) a statement of the specific purpose or special education need or needs to which this delivery model will respond;

(3) a description of the type of special education services to be provided and the projected length of time the services will be provided;

(4) the procedures for selecting students to be served;

(5) the number of children to be served; and

(6) the instructional level or levels to be included.

(c) Requests for waiver.

(1) Requests for a waiver of any requirement in regard to class size, caseload, age range, or personnel provided in article 12 of these regulations may be granted or denied by the director of the special education administration section, subject to confirmation or rejection by the state board of education at its next meeting. Requests for a waiver shall be made, in writing, to the director of the special education administration section of the department of education. The local education agency shall show good cause for the granting of such a waiver and shall present an alternative to the requirement which will ensure that the objectives of these regulations will be achieved. Written notice of the director's decision to grant or deny the request shall be given to the local education agency requesting the waiver. If the request is denied, the notice shall specify the reason or reasons for the denial of the request and advise the local education agency of the appeal procedure provided for in paragraph two of this subsection.

(2) Any local education agency may appeal the director's denial of its request for a waiver to the state commissioner of education within 15 calendar days of the day written notice was sent to the local education agency. Upon receiving an appeal, an appeal committee of at least three department of education members, shall be appointed by the commissioner to review the denial of the request and to consider the information from the local education agency. The appeal process shall be completed within 30 calendar days of the appeal request from the local education agency and a recommendation shall be given to the state board of education within 15 days after the appeal process has been completed. The state board of education shall consider the recommendation at its next meeting.

(3) If the director grants the request for waiver, such action shall be subject to confirmation or rejection by the state board of education at its next meeting.

(4) Any waiver shall be granted for a period not exceeding 12 months. (Authorized by and implementing K.S.A. 72-963; effective May 1, 1983; amended, T-87-23, Oct. 1, 1986.)

91-12-43. Procedural due process in state institutions.

(a) The admission or refusal of admission to a state institution for treatment and rehabilitation in and of itself is not a special education action.

(b) If any child is admitted to a state youth center the child shall be placed in an age appropriate education program until a determination is made as to the need for a comprehensive evaluation. If any child is evaluated and determined to be in need of special education services, an individualized education program conference shall be held no more than 30 days from the date the comprehensive evaluation is completed. Parental consent for a preplacement evaluation shall be required for any child placed in a state youth center. Because a comprehensive evaluation is part of the admission process for other state institutions, parental consent for preplacement evaluation shall not be required in those facilities.

(c) All other procedural safeguards of due process

and confidentiality and evaluation procedures shall be extended to all school age exceptional children housed and maintained in state institutions. (Authorized by and implementing K.S.A. 72-963; effective May 1, 1983; amended, T-87-23, Oct. 1, 1986.)

91-12-58. Specific learning disabilities. (a) Identification. In addition to meeting the requirements of K.A.R. 91-12-40, each local education agency shall include the following in their procedures for identifying learning disabled children:

(1) If a specific learning disability is suspected, a teacher endorsed by the state board to teach learning disabled children shall be included on the multidisciplinary team. Each child's regular teacher or a regular teacher qualified to teach a child of that age also shall be included on the evaluation team.

(2) Any child whose intellectual functioning is more than two standard deviations below the mean of the standardized, individual test of intellectual functioning administered to the child shall not be identified as learning disabled. A total or full-scale score shall be used in applying the intellectual criterion. If the measured intellectual functioning of a child does not meet this criterion, but the results of the test are suspect and the child's level of intellectual functioning is believed to be within the stated criterion, the individual responsible for assessing intellectual functioning shall state in writing the specific data which support that supposition.

(3) At least one evaluation team member, other than the child's regular teacher, shall observe the child's academic performance in the regular classroom setting. In the case of a preschool age or out-of-school child, the observation shall be made in an age-appropriate environment. Observations concerning the child's behavior and learning shall be recorded. The individual responsible for the observation shall be trained to use observation as a diagnostic procedure.

(4) In determining whether a significant discrepancy exists, the team shall employ procedures that use a standard score comparison in which current achievement and aptitude scores are converted to the same standard score scale so they can be directly compared. The results of the comparison shall be considered in combination with other identification factors.

(A) The regression formula for predicting the discrepancy between aptitude and achievement, as prescribed in Appendix G of "Kansas Guidelines for Identifying Children and Youth with Specific Learning Disabilities," 1986, published by the Kansas department of education, is adopted by reference, and shall be used to determine whether a significant discrepancy exists.

(B) The simple standard score difference between aptitude and achievement, as prescribed in Appendix G of "Kansas Guidelines for Identifying Children and Youth with Specified Learning Disabilities," 1986, published by the Kansas department of education, is adopted by reference, and shall be used to determine whether a significant discrepancy exists if the techni-

cal data necessary to apply the regression formula are not available.

(5) In cases where significant discrepancy criteria have not been met, but the multidisciplinary team believes there is a significant discrepancy, the team shall state, in writing, the assessment procedures used, the assessment results, the criteria applied to judge the importance of any difference between expected and current achievement, and its reasons for believing that a severe discrepancy is present that is not correctable without the provision of special education.

(6) The multidisciplinary team shall prepare a written report of the results of each evaluation which shall include the following:

(A) Whether the child has been provided with learning experiences in an environment which is appropriate for the child's age and ability levels, and a statement that the child has failed to learn in that environment;

(B) whether the child has a significant discrepancy between achievement and aptitude;

(C) the relevant behavior noted during the observation of the child;

(D) the relationship of that behavior to the child's academic functioning;

(E) the determination of the team concerning the effects of environmental, cultural, or economic disadvantage;

(F) any educationally-relevant medical findings;

(G) whether the child has a specific learning disability which is not correctable without special education or related services or both; and

(H) a written statement for each evaluation team member certifying that the report reflects that member's conclusions. If it does not, the team member shall submit a separate, written statement presenting the member's conclusions. This statement shall be included in the team report.

(b) Class size and caseload limitations are given in Table IX.

TABLE IX

Class Size and Caseload for Learning Disability Programs

Program Level	Administrative Plan	Maximum Caseload
All Levels	Consulting Teacher	No more than 1/3 time to be spent with students.
	Itinerant Teacher	18
	Shall not be assigned to more than 5 attendance centers	Increase to 24 (2 for each paraprofessional up to 3 paraprofessionals)
	Resource Room	18
		No more than 10 at one time. Increase to 22 (2 per each paraprofessional up to 2 paraprofessionals)
	Special Classroom	10
		Increase to 14 (2 per each paraprofessional up to 2 paraprofessionals)

(Authorized by and implementing K.S.A. 72-963; effective May 1, 1983; amended May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-23, Oct. 1, 1986.)

DR. HAROLD BLACKBURN
Commissioner of Education

Doc. No. 004809

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