

KANSAS REGISTER

State of Kansas

BILL GRAVES
Secretary of State

Vol. 6, No. 16

April 16, 1987

Pages 579-626

IN THIS ISSUE	Page
Employee Award Board	
Notice of Meeting	581
State Board of Accountancy	
Notice of Meeting	581
Kansas Insurance Department	
Notice of Hearing	581
Private Industry Council	
Notice of Meeting	581
Request for Proposals for Employment and Training Programs	581
State Employees Health Care Commission	
Notice of Meeting	582
Kansas Public Disclosure Commission	
Advisory Opinions No. 87-7 through 87-9	582
State Corporation Commission	
Notice of Hearing	583
Notice of Motor Carrier Hearings	586
Kansas Fish and Game Commission	
Notice of Meeting	583
Notice to Bidders for State Purchases	583
Attorney General	
Opinions No. 87-61 through 87-63	584
Legislative Bills Introduced April 2-8	585
Supreme Court Docket	588
Notice of Bond Sale	
U.S.D. 287, Franklin County	592
Reno County	594
City of Manhattan	597
City of Goddard	600

(continued)

Permanent Administrative Regulations	Page
Department of Revenue	602
New State Laws	
Senate Bill 172, concerning bonds; relating to nonlitigation certificates	618
Senate Bill 171, concerning cities; relating to the abatement of nuisances	618
House Bill 2402, relating to property tax; concerning time for payment thereof	619
Senate Bill 265, creating the Eisenhower centennial commission to commemorate the centennial of the birth of Dwight D. Eisenhower	620
Senate Bill 249, concerning libraries in certain counties; relating to tax levies and the issuance of bonds	621
Senate Bill 67, amending the Kansas venture capital company act	621
House Bill 2141, concerning scholarships available to medical students	622
House Bill 2010, concerning the crime of indecent liberties with a child	623
House Bill 2058, relating to fish and game; providing for the issuance of migratory waterfowl habitat stamps	624
Senate Bill 100, establishing the commission on travel and tourism	624

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Phone: (913) 296-3489

State of Kansas
DEPARTMENT OF ADMINISTRATION
EMPLOYEE AWARD BOARD

NOTICE OF MEETING

The Employee Award Board will meet at 1:30 p.m. Thursday, April 23, in the Division of Personnel Services, Room 951-S, Landon State Office Building, 900 S.W. Jackson, Topeka.

DEBRA L. MILLER
 Chairperson

Doc. No. 005233

State of Kansas
DEPARTMENT OF HUMAN RESOURCES
PRIVATE INDUSTRY COUNCIL

NOTICE OF MEETING

The Private Industry Council for Service Delivery Area II of the Job Training Partnership Act will meet at 1:30 p.m. Thursday, April 23, at the ESSI Building, 1309 Topeka Blvd., Topeka.

CHARLES J. HERNANDEZ, JR.
 SDA II PIC Manager

Doc. No. 005248

State of Kansas
BOARD OF ACCOUNTANCY

NOTICE OF MEETING

The Board of Accountancy will meet at 9 a.m. Thursday, April 30, in conference room 511, Landon State Office Building, 900 S.W. Jackson, Topeka. Persons interested in agenda items or in attending this meeting should contact the board office, Suite 907 at the address above, (913) 296-2162.

GLENDA SHERMAN
 Board Secretary

Doc. No. 005244

State of Kansas
DEPARTMENT OF HUMAN RESOURCES
PRIVATE INDUSTRY COUNCIL

REQUEST FOR PROPOSALS
FOR EMPLOYMENT AND
TRAINING PROGRAMS

The Kansas Private Industry Council for the Job Training Partnership Act in Service Delivery Area III seeks solicitation of comprehensive proposals to sub-contract with any group, agency or institution, public or private, to provide the various services and training needed to serve eligible participants in Johnson, Wyandotte and Leavenworth counties in the PIC's Title IIA Employment and Training Programs. The PIC's Title IIA Adult and Youth Employment and Training Programs provide eligible participants within the SDA with useful work experience and employment and training opportunities.

All services and training for the Title IIA Program are for the funding period July 1, 1987 through June 30, 1988, contingent upon availability of funds.

Agencies wishing to submit a proposal may receive a request for proposals packet from the Kansas Private Industry Council, SDA III, 827 Gateway Centre II, 4th and State Ave., Kansas City 66101, (913) 371-1607.

The deadline for submission of proposals is 4 p.m. Friday, May 8.

ANN CONWAY
 Planner/Coordinator
 Kansas Private Industry Council
 Service Delivery Area III

Doc. No. 005227

State of Kansas
KANSAS INSURANCE DEPARTMENT

NOTICE OF HEARING

A formal hearing will be held at 10 a.m. Tuesday, May 5, in the offices of the Kansas Commissioner of Insurance, 420 S.W. 9th, Topeka, to determine whether the application for the proposed acquisition of control of Cimarron Life Insurance Company, Cimarron, by Concord Financial Group, Inc. and Pioneer Savings and Loan Association, Prairie Village, should be approved by the Commissioner of Insurance in accordance with the provisions of K.S.A. 40-3301 *et seq.*

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

FLETCHER BELL
 Commissioner of Insurance

Doc. No. 005234

State of Kansas

**DEPARTMENT OF ADMINISTRATION
STATE EMPLOYEES HEALTH
CARE COMMISSION**

NOTICE OF MEETING

The Kansas State Employees Health Care Commission will meet at 10 a.m. Wednesday, April 22, in Room 220-S, State Capitol, Topeka.

H. EDWARD FLENTJE
Chairman

Doc. No. 005245

State of Kansas

PUBLIC DISCLOSURE COMMISSION

Advisory Opinion No. 87-7

Written March 17, 1987 to Peter E. Rinn, Chief Counsel, Department of Social and Rehabilitation Services, Docking State Office Building, Topeka, KS 66612.

This opinion is in response to your letter of February 12, 1987, in which you request an opinion concerning the state conflict of interest law.

We understand you request this opinion in your capacity as chief counsel for the Department of Social and Rehabilitation Services.

You advise us that Ms. Scheopner is an Income Maintenance Worker in the Goodland SRS office and her husband sometimes deals in real estate. One of her nursing home clients needs to sell her house to maintain eligibility for government support. The daughter of the client, who is a friend of the worker's family, asked the worker to contact her husband to see if he would purchase the house. The worker suggested several other alternatives, then did agree to mention the house to her husband. The worker is concerned that this factual scenario may violate the provisions of K.S.A. 46-241.

That section states:

"No state officer or employee shall disclose or use confidential information acquired in the course of his or her official duties in order to further his or her own economic interest or those of any other person."

Obviously, the threshold question is whether the request of the daughter to tell the worker's husband about the house is in some manner confidential information. You advise us that K.S.A. 39-709b is in point and that it is your opinion that the daughter's request does not constitute confidential information.

That section states in part:

"Information concerning applicants for and recipients of assistance from the secretary shall be confidential and privileged and shall only be available to the secretary and the officers and employees of the secretary except as set forth in this section."

Having reviewed the language of this situation, we concur with your view that the daughter's request was not confidential and, therefore, the factual situation does not violate K.S.A. 46-241.

We would caution that it would be inappropriate for the worker to mention the existence of such property absent the daughter's request or to in any manner solicit business using the confidential knowledge.

Advisory Opinion No. 87-8

Written March 17, 1987 to Michael K. Russell, Chairman, Kansas Public Employees Retirement System, Capitol Tower, 2nd Floor, 400 W. 8th, Topeka, KS 66603-3911.

This opinion is in response to your letter of February 19, 1987, in which you request an opinion from the Kansas Public Disclosure Commission.

We understand you request this opinion in your capacity as chairman of the Kansas Public Employees Retirement System.

You advise us that Pioneer Savings and Loan Association has submitted to Reimer & Koger Associates, Inc., as agent for KPERS, an application for financing. As a part of Reimer & Koger's due diligence, it requested from Pioneer Savings a potential conflicts checklist for KPERS financing. Pioneer Savings and Loan has identified a potential conflict with respect to two outstanding loans in which you were the only or one of the borrowers. The loans were made on July 15 and August 12, 1985, long before Pioneer Savings made application for financing from KPERS. Due to the nature of the loan transactions, you do not consider it feasible to refinance those loans at another institution.

Based on this factual situation, we understand you ask whether KPERS may enter into an agreement with Pioneer Savings & Loan during your service as chairman of KPERS.

As the loans from Pioneer Savings & Loan to you do not constitute a "substantial interest" under K.S.A. 46-229, it is our opinion that K.S.A. 46-215 *et seq.* does not prohibit the contemplated transactions.

Advisory Opinion No. 87-9

Written March 17, 1987 to Martin B. Dickinson, Attorney at Law, Barber, Emerson, Six, Springer & Zinn, Massachusetts Street at South Park, P.O. Box 666, Lawrence, KS 66044.

This opinion is in response to your letter of February 24, 1987, in which you request an opinion from the Kansas Public Disclosure Commission concerning the reporting of lobbyist expenditures.

We understand you request this opinion in your capacity as a lobbyist. You advise us that you are employed to lobby and also receive from your employer reimbursement for expenses.

You ask whether you are required to report your fee and reimbursements under K.S.A. 46-269.

You have correctly noted that K.A.R. 19-60-3 applies to your question. It is our opinion that your fees and reimbursements do not constitute "expenditures" for lobbying and, therefore, need not be reported.

LOWELL ABELDT
Chairman

Doc. No. 005235

State of Kansas

STATE CORPORATION COMMISSION**NOTICE OF HEARING**

The State Corporation Commission has issued an order which penalized Hinton Oil Co. and Silver Eagle Mines, Inc. for failure to renew their operator's or contractor's license as required by K.S.A. 55-155 and K.A.R. 82-3-120.

Pursuant to K.S.A. 55-164, the matter is set for hearing at 11 a.m. Tuesday, April 21, in the hearing room of the Conservation Division, 300 Colorado Derby Building, 202 W. 1st, Wichita.

JAMES E. BROWNE
Assistant General Counsel

Doc. No. 005246

State of Kansas

FISH AND GAME COMMISSION**NOTICE OF MEETING**

The Kansas Fish and Game Commission will meet at 7 p.m. Tuesday, April 21, in the convention center of the Best Western Mid-America Inn, 1846 N. 9th, Salina (exit 252 on I-70).

The agenda includes a public hearing on the following regulations: K.A.R. 23-1-8—Fall turkey season; 23-2-2—Squirrel season; 23-2-3—Rabbit and hare seasons; 23-2-5—Deer season; 23-2-12—Antelope season; 23-2-16—Coyote season; 23-2-17—Special deer seasons; 23-2-18—Elk season; and 23-6-1—Furbearer seasons. Also on the agenda will be a report on the 1987 legislative session and other commission business.

Interested parties may request additional information from Kansas Fish and Game Commission headquarters in Pratt, (316) 672-5911.

JOE FOWLER
Chairman

Doc. No. 005238

State of Kansas

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

Sealed bids for the following items will be received by the Director of Purchases, Landon State Office Building, 900 Jackson, Room 102, Topeka, until 2 p.m. C.D.T. on the date indicated, and then will be publicly opened. Interested bidders may call (913) 296-2377 for additional information.

MONDAY, APRIL 27, 1987

#27114

University of Kansas Medical Center—RUBELLA
EIA KIT

#27412

University of Kansas Medical Center—FROZEN
EGGS

#27621

Kansas Correctional Industries—LIQUID BOWL
CLEANER CONCENTRATE

#27622

Kansas Correctional Industries—LIQUID
PROCELAIN CLEANER CONCENTRATE

#68761

University of Kansas—RESEARCH EQUIPMENT

#68762

University of Kansas—TISSUE CULTURE
EQUIPMENT

#68771

University of Kansas Medical Center—
CONTINUOUS FORMS

#68772

Department of Transportation—LUBRICATING
OIL, Salina

#68774

Kansas State University—WHEAT

#68792

Kansas State University—SOYBEAN MEAL

#68800

Department of Human Resources—CONTINUOUS
MAILERS

TUESDAY, APRIL 28, 1987

#A-5597

Osawatomie State Hospital—REROOF
MAINTENANCE COMPLEX, Warehouse and
Grounds Facility

#A-5693

Department of Human Resources—REPAVE
PARKING LOT, Job Service Center, Pittsburg

#27409 (Supplement)

Statewide—CATHETERS

#27521 (Re-bid)

Wichita State University—WAXED CORRUGATED
BOXES FOR TITE-WAD COMPACTORS

#68776

University of Kansas—HPLC EQUIPMENT

#68780

Kansas State University—GRAIN TEMPERATURE
DETECTOR

#68784

Kansas State University—PRINTER/
MICROCOMPUTER/PLOTTER

WEDNESDAY, APRIL 29, 1987

#A-5634

Department of Transportation—REROOF
(COMPLETE REPLACEMENT), Sub-Area Building,
Altamont

#A-5650

Department of Transportation—INSULATE AND
WEATHERPROOF, Sub-Area Building, Blaine

#68788

University of Kansas Medical Center—
COLONOSCOPE

#68790

Department of Transportation—COLD ASPHALTIC
CONCRETE MATERIAL, Kansas City area

#68791

University of Kansas—LAB INCUBATORS

THURSDAY, APRIL 30, 1987

#A-5630 (Re-bid)

Department of Transportation—REROOF
(COMPLETE REPLACEMENT) Sub-Area Building,
Alma

(continued)

#A-5724

Kansas State School for the Visually
Handicapped—REROOF LAUNDRY/MAINTENANCE
BUILDING

#68796

Kansas Technical Institute—MILLING MACHINE

#68798

University of Kansas—DISHWASHER

#68799

Youth Center at Atchison—KITCHEN
EQUIPMENT

FRIDAY, MAY 1, 1987

#27515

Statewide—FROZEN FOODS

#27516

Statewide—JUNE (1987) MEAT PRODUCTS

#27517

Statewide—SPICES AND MISCELLANEOUS
GROCERIES

#27524

University of Kansas—JUNE (1987) MEAT
PRODUCTS

#68773

Various state agencies—MOVING SERVICES

#68803

Emporia State University—DUPLICATING
EQUIPMENT

MONDAY, MAY 4, 1987

#68806

University of Kansas—TRACTOR

TUESDAY, MAY 5, 1987

#A-4065(c)

University of Kansas—EXTERIOR LIGHTING,
Haworth Hall

#A-5705

University of Kansas—INSTALL DIRECT DIGITAL
CONTROLS-HVAC, Nichols Hall

MONDAY, MAY 18, 1987

#27619

Kansas Fish and Game Commission—LEASE OF
HAY LAND, Glen Elder Wildlife Area

REQUEST FOR PROPOSALS**WEDNESDAY, MAY 13, 1987**

#68804

CONSULTATION, ELECTRONIC EQUIPMENT
AND RELATED SERVICES, AND INSTANT GAME
TICKETS

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 005247

State of Kansas

ATTORNEY GENERAL**Opinion No. 87-61**

State Boards, Commissions and Authorities—Coordinating Council on Early Childhood Developmental Services—P.L. 99-457. Representative Henry Helgeson, Jr., 86th District, Wichita, April 2, 1987.

The governor may not designate the Coordinating Council on Early Childhood Developmental Services (Council) as the lead agency for the purposes of Public Law 99-457. The lead agency and the State Interagency Coordinating Council are two separate and distinct requirements of P.L. 99-457. Furthermore, the current structure of the council, if designated as the State Interagency Coordinating Council, will require reorganization to remain in compliance with the requirements of P.L. 99-457. Cited herein: K.S.A. 1986 Supp. 74-7801 *et seq.*; P.L. 99-457. TRL

Opinion No. 87-62

State Boards, Commissions and Authorities—Public Employees Retirement Systems; Kansas Public Employees Retirement System—Investment of KPERs Funds; Divestiture of Investments in Companies Doing Business in the Republic of South Africa.

Constitution of the United States—Article Six; Miscellaneous Provisions—Supremacy Clause; Federal and State Legislation Concerning the Republic of South Africa. Representative Vernon L. Miller, 91st District, Wichita, April 3, 1987.

K.S.A. 74-4921(4)(a) provides that the Board of Trustees of the Kansas Public Employees Retirement System (KPERs) may “[dispose] of as investments of the fund every kind of investment which men of prudence, discretion and intelligence . . . dispose of for their own account.” It is our opinion that the prudent person standard does not permit the KPERs Board of Trustees to make divestiture decisions solely on the basis of moral or political beliefs.

The pre-emption doctrine, derived from the Supremacy Clause of the United States Constitution, invalidates state laws which conflict with or are contrary to the purpose of federal laws. For the reasons outlined in this opinion, we conclude that, even though federal legislation has been enacted applying sanctions to the Republic of South Africa, the pre-emption doctrine does not in this instance preclude state and local governments from taking action requiring divestiture of investments in companies doing business in South Africa. Cited herein: K.S.A. 17-5004; 58-1201; 74-4904; 74-4921; H.R. 4868, 99th Cong., 2d Sess., 100 Stat. 1086 (1986); U.S. Const., Art. VI, cl. 2. RLN

Opinion No. 87-63

Automobiles and Other Vehicles—Uniform Act Regulating Traffic; Rules of the Road—Serious Traffic Offenses; Driving Under the Influence is a Criminal Offense.

Laws, Journals and Public Information—Records

Open to Public—Criminal Investigation Records; Breath Test Machine Results. Joseph O'Sullivan, Reno County Attorney, Hutchinson, April 6, 1987.

Driving under the influence (DUI) is listed in the Kansas statutes as a "serious traffic offense" (K.S.A. 1986 Supp. 8-1567). Based on Kansas appellate case law, however, it is our opinion that DUI is a criminal offense. Therefore, absent a court order, a log of breath test machine results is a criminal investigation record which is not required to be disclosed to the public. Cited herein: K.S.A. 1986 Supp. 8-1567; K.S.A. 21-3108; 45-215; 45-217; 45-221; 45-222. RLN

ROBERT T. STEPHAN
Attorney General

Doc. No. 005249

State of Kansas

LEGISLATURE

LEGISLATIVE BILLS INTRODUCED

The following lists the numbers and titles of bills and resolutions recently introduced in the Kansas Legislature.

Copies of bills and resolutions are available free of charge from the Legislative Document Room, 145-N State Capitol, Topeka 66612, (913) 296-4096. There is a limit of 25 copies of any one item.

Bills introduced April 2-8:

House Bills

HB 2590, by Committee on Appropriations: An act concerning the Kansas public employees retirement system; relating to retirement benefits; post-retirement benefit adjustments; participating service credit; employer contributions; amending K.S.A. 74-4915 and K.S.A. 1986 Supp. 74-4902 and 74-4920 and repealing the existing sections.

HB 2591, by Committee on Taxation: An act relating to property taxation; concerning the taxation of certain personal property.

HB 2592, by Committee on Appropriations: An act relating to fees charged and collected by certain state agencies; exempting amounts collected to recover the cost of certain prepared examinations from credits to the state general fund; amending K.S.A. 1-204, 20-1a02, 20-1a03, 47-820, 65-1718, 65-1817a, 65-2011, 65-2855, 65-2911, 74-1405, 74-1503, 74-1609, 74-2704, 74-3903, 74-5905, 74-7009, 74-7506 and 75-1119b and K.S.A. 1986 Supp. 17-1271, 58-3074, 65-5413, 65-5513 and 74-1108 and repealing the existing sections.

HB 2593, by Committee on Federal and State Affairs: An act relating to noxious weeds; providing for the payment of eradicating and controlling noxious weeds on privately owned land; providing for cost share certificates; amending K.S.A. 2-1319 and 2-1322 and repealing the existing sections; also repealing K.S.A. 2-1314a and 2-1320.

HB 2594, by Committee on Appropriations: An act concerning the state park and resources authority; concerning park and recreation motor vehicle permits; amending K.S.A. 1986 Supp. 74-4509b and repealing the existing section.

HB 2595, by Committee on Appropriations: An act concerning the legislative division of post audit; relating to reimbursement for costs incurred for certain audits; creating the audit services fund; amending K.S.A. 46-1118 and 46-1121 and repealing the existing sections.

Senate Bills

SB 418, by Committee on Ways and Means: An act concerning emergency medical services; authorizing emergency medical services council to approve certain training programs; amending K.S.A. 65-2891a, 65-4301, 65-4305, 65-4316, 65-4319, 65-4320 and 65-4321 and repealing the existing sections.

SB 419, by Committee on Ways and Means: An act concerning artwork for construction and renovation projects for state agencies; providing procedures and funding therefor; prescribing powers, duties and functions for the Kansas arts commission.

SB 420, by Committee on Ways and Means: An act concerning special education for exceptional children; affecting the computation of the amount of state aid entitlement of school districts for the provision thereof; amending K.S.A. 1986 Supp. 72-978 and repealing the existing section.

SB 421, by Committee on Ways and Means: An act concerning a claim against the state; authorizing certain disbursements and procedures; amending section 17 of 1987 Senate Bill No. 58 and repealing the existing section.

SB 422, by Committee on Federal and State Affairs: An act concerning voice stress examiners; providing for the licensure and regulation thereof; establishing the Kansas board of voice stress examiners.

SB 423, Committee on Ways and Means: An act concerning acquisition of equipment for institutions under the state board of regents; increase of student fees; issuance of revenue bonds.

SB 424, by Committee on Federal and State Affairs: An act amending and supplementing the Kansas law enforcement training act; amending K.S.A. 74-5607, 74-5607a, 74-5616 and 74-5617 and repealing the existing sections.

SB 425, by Committee on Ways and Means: An act concerning county law libraries; amending K.S.A. 19-1315 and 19-1319 and K.S.A. 1986 Supp. 19-1322 and repealing the existing sections.

SB 426, by Committee on Ways and Means: An act concerning certain state scholarships; scholarships granted to students of certain health care professions; repayment requirements; amending K.S.A. 74-3267, 74-3269 and 74-3272 and K.S.A. 1986 Supp. 76-376 and repealing the existing sections.

Resolutions

HR 5028, by Representatives Adam, Charlton, Grotewiel, Hensley, Justice, Reardon, Roper and Solbach: A proposition to amend section 1 of article 10 of the constitution of the state of Kansas, relating to reapportionment of senatorial and representative districts.

HR 5029, by Committee on Governmental Organization: A concurrent resolution urging the Secretary of Revenue to effectuate a plan for closing certain motor carrier inspection stations.

HR 5030, by Representatives Baker, Adam, Aylward, Barkis, Blumenthal, Bowden, Branson, Chromister, Crowell, Douville, Dyck, Flottman, Fox, Freeman, Gross, Grotewiel, Harder, Harper, Hassler, Helgeson, Hensley, Jenkins, Johnson, Kennard, King, Laird, Larkin, Long, Mainey, Ott, Patrick, Peterson, Pottorff, Reardon, Roe, Sader, Sallee, Schauff, Sebelius, Shore, Solbach, Spaniol, Sughrue, Wagon and Williams: A concurrent resolution establishing a study commission on special education for exceptional children and providing for the composition, powers and duties thereof.

HR 6085, by Representative Baker: A resolution congratulating and commending Stephanie Wood, Lonnie Johansen, Ray Houchin, Samuel Sanders, Teresa Prince, Paul Raimey and Floyd Gellinger, who entered winning posters in the 9th Annual Statewide Paraprofessional Contest.

HR 6086, by Representatives Lacey and Shallenburger: A resolution congratulating and commending the Columbus High School wrestling team and its coach, Ken Jones, on winning the 1987 Class 4A State Wrestling Tournament in Kansas.

HR 6087, by Representatives Whiteman, Harder, O'Neal and Wunsch: A resolution congratulating and commending the Sky Riders of Hutchinson, Kansas, on being ranked ninth in the world by Drum Corps International.

HR 6088, by Representatives Aylward, Ott and Turnquist: A resolution congratulating and commending St. John's Military School in Salina, Kansas, on its 100th anniversary as a military school in the State of Kansas and empowering and encouraging the Governor to sign the diplomas of its future graduates.

HR 6089, by Representative Mollenkamp: A resolution congratulating the First United Methodist Church on its 100th anniversary.

HR 6090, by Representative Moomaw: A resolution congratulating and commending the Holcomb High School boys' basketball team and its coach, Dave Novack, on its outstanding 1986-1987 basketball season.

HR 6091, by Representative Fry: A resolution congratulating and commending the City of Lorraine on its Centennial Anniversary.

HR 6092, by Representative Fry: A resolution congratulating and commending the City of Kanopolis on its Centennial Anniversary.

HR 6093, by Representative Empson: A resolution commending Edwin L. Sink for his eleven years of service as the principal of Independence High School.

HR 6094, by Representative Mollenkamp: A resolution congratulating and commending Cory Channell on becoming an Eagle Scout.

HR 6095, by Representative Gross: A resolution recognizing and commending Dr. Gerald "Jerry" Wayne Tomanek for his eleven years of exemplary service as President of Fort Hays State University.

HR 6096, by Representative Rezac: A resolution in memory of Ferdinand C. Stuewe.

HR 6097, by Representative Fry: A resolution congratulating and commending the Kanopolis Drive-In Theatre and its owner, Anthony Blazina, on their 35th anniversary of showing movies to the Kanopolis community.

HR 6098, by Representatives Larkin, Barkis, Beauchamp, Bowden, Brady, Branson, Bryant, C. Campbell, K. Campbell, Dean, Eckert, Fry, Hamm, Harder, Hensley, Lacey, Leach, Mollenkamp, Moomaw, Rezac, Sallee, Shriver, Solbach, Teagarden and Wells: A resolution urging Congress to issue the 1986 final feed grain deficiency payments as soon as practicable.

HR 6099, by Representative Shore: A resolution congratulating and commending Stanton County on its Centennial anniversary.

SR 1860, by Senator Vidricksen: A resolution congratulating and commending St. John's Military School in Salina, Kansas, on its 100th anniversary as a military school in the State of Kansas and empowering and encouraging the Governor to sign the diplomas of its future graduates.

SR 1861, by Senator Vidricksen: A resolution congratulating and commending KSAL Radio, Salina, Kansas, on the observance of its 50th anniversary.

SR 1862, by Senator Norvell: A resolution recognizing and commending Dr. Gerald "Jerry" Wayne Tomanek for his eleven years of exemplary service as President of Fort Hays State University.

SR 1863, by Senator Martin: A resolution congratulating and commending the Columbus High School wrestling team and its coach, Ken Jones, on winning the 1987 Class 4A State Wrestling Tournament in Kansas.

SR 1864, by Senator Vidricksen: A resolution congratulating and commending the City of Kanopolis on its Centennial Anniversary.

SR 1865, by Senator Anderson: A resolution congratulating and commending Kareema Williams on being named to Parade magazine's All-America high school girls' basketball team.

SR 1866, by Senator Arasmith: A resolution congratulating St. George's Catholic Church on its 100th anniversary.

SR 1867, by Senator Norvell: A resolution commending and recognizing the firefighters of the State of Kansas.

SR 1868, by Senators Anderson, Daniels, Feleciano, Francisco, Morris and Yost: A resolution congratulating and commending the Wichita Southeast High School girls' basketball team and its coach, Doug Kinley, on winning the 1987 Class 6A State Basketball Championship in Kansas.

SR 1869, by Senators Daniels, Allen, Anderson, Arasmith, Bogina, Bond, Burke, Doyen, Ehrlich, Feleciano, Francisco, Frey, Gaines, Gannon, Harder, Hayden, Hoferer, Johnston, Karr, D., Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Warren, Werts, Winter and Yost: A resolution commending Major General Ralph T. Tice on his 37 years of service to the Kansas National Guard.

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, Docking 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, Docking State Office Building, Topeka 66612, (913) 296-3808 or 296-2110.

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

Applications set for April 30, 1987

Application for Certificate of Convenience and Necessity:

Eva T.G. Palmer, dba) Docket No. 154,854 M
Palmer Bus Service)
227 Kickapoo)
Leavenworth, KS 66048)

Applicant's Attorney: None

Persons and their baggage,

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

Application for Extension of Certificate of Convenience and Necessity:

Phillip Koelsch) Docket No. 144,189 M
Route 1)
St. John, KS 67576)

Applicant's Attorney: Robert Tilton, 1324 Topeka Blvd., P.O. Box 1337, Topeka, KS 66601

Grain, dry feed, dry feed ingredients, cattle, fertilizer and hay,

To, from and between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Double L Transport, Inc.) Docket No. 154,855 M
213 Highway 83)
P.O. Box 206)
Turpin, OK 73950)

Applicant's Attorney: Robert Tilton, 1324 Topeka Blvd., P.O. Box 1337, Topeka, KS 66601

Grain, processed feed, feed ingredients, lumber, hardware, finished cabinets, and all cabinet building materials and countertops,

To, from and between all points and places in the state of Kansas.

Application for Abandonment of Certificate of Convenience and Necessity:

Lee N. Barber, dba) Docket No. 145,868 M
Lee's Auto &)
Transmission Service)
7903 Metcalf)
Overland Park, KS 66204) MC ID No. 122248

Applicant's Attorney: None

Application for Abandonment of Certificate of Convenience and Necessity:

Robert W. Blow, Jr., dba) Docket No. 86,775 M
B. B. Automotive)
117 Leonard)
Onaga, KS 66521) MC ID No. 100954

Applicant's Attorney: None

Application for Extension of Certificate of Convenience and Necessity:

Thomas R. Robinson) Docket No. 29,970 M
Rural Route)
Lucas, KS 67648) MC ID No. 124083

Applicant's Attorney: None

Houses and buildings,

Between all points and places in Lincoln and Mitchell counties, Kansas.

Also,

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

Trailer houses,

Between all points and places in Osborne, Ellis, Barton, Ellsworth, Russell, Rush, Lincoln and Mitchell counties, Kansas.

Also,

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

Grain,

Between all points and places in Osborne, Ellis, Russell, Rush, Mitchell and Lincoln counties, Kansas.

Also,

Between all points and places in Osborne, Ellis, Russell, Rush, Mitchell and Lincoln counties, Kansas, on the one hand, and on all points and places in the state of Kansas, on the other.

Renoticed Application for Extension of Certificate of Convenience and Necessity:

Raymond Wurtz, dba) Docket No. 154,479 M
 Wurtz Trucking)
 Route 1, Box 109)
 Clifton, KS 66937)

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

Hay, grain, dry feed, dry feed ingredients, fertilizer (except anhydrous ammonia), and seeds,

Between points and places in Jewell, Republic, Washington, Marshall, Mitchell, Cloud, Clay, Riley, Pottawatomie, Jackson, Lincoln, Ottawa, Geary, Wabunsee, Shawnee, Wyandotte, Ellsworth, Saline, Morris, Lyon, Reno and Sedgwick 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.

Livestock,

Between points and places in Jewell, Republic, Washington, Marshall, Mitchell, Cloud, Clay, Riley, Pottawatomie, Jackson, Lincoln, Ottawa, Geary, Wabunsee, Shawnee, Ellsworth, Salina, Morris and Lyon 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 Certificate of Convenience and Necessity:

Gary Geist, dba) Docket No. 154,856 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 supplies, heavy machinery, buildings, pipeline materials, equipment and supplies,

Between all points and places in the state of Kansas.

Applications set for May 5, 1987

Application for Certificate of Convenience and Necessity:

Thomas L. Hiatt, dba) Docket No. 154,857 M
 Hiatt Grain and Feed)
 P.O. Box 58)
 Main Street)
 Munden, KS 66959)

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

Grain, livestock, hay, feed, feed ingredients, salt and fertilizer,

Between all points on and east of K-183 and north of I-70.

Also,

Between all points and places in said geographical area, on the one hand, and all points and places in the state of Kansas, on the other hand.

Application for Transfer of Certificate of Convenience and Necessity:

Sabre Trucking, Inc.) Docket No. 142,188 M
 310 W. Central)
 Suite 214)
 Wichita, KS 67202) MC ID No. 119718

TO:

Fritzler Trucking, Inc.
 West Ash
 Ness City, KS 67560

Applicant's Attorney: Paul Dugan, 10222 W. Central, American National Bank Building, Wichita, KS 67212

Crude oil, used in and for production, processing, treating, salvage, construction and for roads and drives on mineral lease premises, fresh water, salt water,

Between all points and places in Ness, Hodgeman, Trego, Ellis, Graham, Gove, Barton, Rush, Lane, Logan, Pawnee, Stafford, Pratt, Kiowa, Edwards, Kingman, Harper, Barber, Comanche, Clark, Meade, Ford, Rooks, Russell, Finney, Scott, Rice, Ellsworth, Sheridan and Thomas counties.

Oil field equipment, machinery, materials and supplies, iron and steel products, and oil field drilling rigs,

Between all points and places in Ness, Hodgeman, Trego, Ellis, Graham, Gove, Barton, Rush, Lane, Logan, Pawnee, Stafford, Pratt, Kiowa, Edwards, Kingman, Harper, Barber, Comanche, Clark, Meade, Ford, Rooks, Russell, Finney, Scott, Rice, Ellsworth, Sheridan and Thomas counties, Kansas.

Also,

Between all points and places in Ness, Hodgeman, Trego, Ellis, Graham, Gove, Barton, Rush, Lane, Logan, Pawnee, Stafford, Pratt, Kiowa, Edwards, Kingman, Harper, Barber, Comanche, Clark, Meade, Ford, Rooks, Russell, Finney, Scott, Rice, Ellsworth, Sheridan and Thomas counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other hand.

Fresh water,

Between all points and places in Wallace, Greeley, Wichita, Hamilton, Kearny, Stanton, Grant, Haskell, Gray, Morton, Stevens and Seward counties, Kansas, on the one hand, and all points and places in the state of Kansas, on the other hand.

(continued)

*Application for Certificate of Convenience
and Necessity:*

Hyman Freightways, Inc.) Docket No. 154,858 M
2380 Wycliff)
St. Paul, MN 55164)
Applicant's Attorney: James Fluker, 20 E. Franklin,
Liberty, MO 64068

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

*Application for Certificate of Convenience
and Necessity:*

Robert Pittman, dba) Docket No. 154,860 M
Robert Pittman Moving)
& Storage Co.)
5820 Merriam Drive)
Merriam, KS 66203)

Applicant's Attorney: None
*Household goods,
Between all points and places in the state of Kansas.*

ALFONZO A. MAXWELL
Administrator
Transportation Division

Doc. No. 005242

State of Kansas

**OFFICE OF JUDICIAL ADMINISTRATION
SUPREME COURT DOCKET**

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

Monday, April 27, 1987

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,564	Floyd W. Piper, Appellee, v. Sigma Tek, Inc., et al., Appellants.	G. Gordon Atcheson John W. Johnson Richard D. Greene John L. Carmichael	Sedgwick
59,567	Wood River Pipeline Company, a Delaware Corporation, Appellant, v. Willbros Energy Services Company, Appellee.	Terry C. Cupps Steven D. Gough	Sedgwick
59,984	In the Matter of the Appeal of AirCapital Cablevision, Inc., Taxpayer, from an Order of the Board of Tax Appeals Relating to Assessment of Property for Ad Valorem Tax Purposes, and Consolidated Appeals.	David P. Troup Carol Bonebrake Constance M. Achterberg Norman Manley John M. Duma	Sedgwick
59,510	State of Kansas, Appellee, v. Kenneth Bratton, Appellant.	Robert T. Stephan, Attorney General Paul Morrison, Assistant District Attorney Benjamin C. Wood	Johnson
59,189	State of Kansas, Appellee, v. Robert D. Corby, Appellant.	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney Benjamin C. Wood	Sedgwick On Petition for Review

1:30 p.m.

56,940	State of Kansas, Appellee,	Robert T. Stephan, Attorney General Geary N. Gorup, Assistant District Attorney James Z. Hernandez.	Sedgwick
	v.		
	Elmo Dean Dressel, <i>et al.</i> , Appellants.	Charles A. O'Hara Daniel H. Phillips Roger L. Falk	On Petition for Review
59,615	Larry J. Baxter, Appellant,	Thomas Brooks	Johnson
	v.		
	L. T. Walls Construction Company and State Farm Fire and Casualty Company, and Workers' Compensation Fund, Appellees.	J. Paul Maurin Arthur W. Douville	On Petition for Review

Tuesday, April 28, 1987

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,087	In the Matter of the Estate of Rory Lane Hanschu, Deceased.	Robert C. Johnson Doug Thompson Robert L. Adrian Joseph R. Ebbert	Dickinson
60,065	Corning Glass Works, Appellant, v. Fred P. Schoenfeld, Appellee.	J. Charles Droege Edward M. Boyle	Johnson
59,617	Oak Park Apartments, Ltd., Appellee, v. Oak Park Associates, Ltd., <i>et al.</i> , Appellants.	Paul D. Sinclair Bernis G. Terry J. Nick Badgerow Thomas M. Welsch Ron Bodinson	Johnson
59,895	State of Kansas, Appellee, v. Daniel Mays, Appellant.	Robert T. Stephan, Attorney General Jerome A. Gorman, Assistant District Attorney Benjamin C. Wood	Wyandotte

1:30 p.m.

60,044	Americare Properties, Inc., dba Russell Kare Center and Alafern Nursing Home, Appellees, v. State Appeals Committee, Kansas State Department of Social and Rehabilitation Services, Appellant.	Eugene T. Hackler Bruce A. Roby	Shawnee
60,125	The Board of County Commissioners of the County of Johnson, Appellee, v. St. Joseph Hospital of Kansas City, Missouri, Appellant.	Bernis G. Terry Philip S. Harness Linda Ann Terrill	Shawnee

(continued)

Wednesday, April 29, 1987

9:30 a.m.

Case No.	Case Name	Attorneys	County
60,242	In the Matter of the Estate of Will Florence Robbins, Deceased.	LaVone A. Daily Hosea Ellis Sowell	Wyandotte
58,960	The Garden National Bank of Garden City, Kansas, Appellee, v. Mary Cada, aka Mary Banda, <i>et al.</i> , Appellants.	Gerald O. Schultz Gerald C. Golden	Kearny On Petition for Review
59,453	Guaranty State Bank & Trust Company, Beloit, Kansas, Appellee, v. Richard E. Willmeth, <i>et al.</i> , Appellants, v. Harry W. Gantenbein, <i>et al.</i>	James T. Graves Don W. Noah Robert M. Adrian	Jewell
59,184	Janice Moore, aka Janice I. Moore, Appellee, v. R. Z. Sims Chevrolet-Subaru, Inc., <i>et al.</i> , Appellants.	John W. Johnson Michael T. Mills Richard A. Benjes	McPherson

1:30 p.m.

59,647	A. B. Busch, M.D., <i>et al.</i> , Appellees, v. Michael McGinnis, M.D., Appellant.	Camilla Haviland Craig Shultz	Ford
59,497	Ione Monroe, dba Rim Oil Company, Appellant, v. D. L. Westhusin, <i>et al.</i> , Appellees.	Mark Arthur, Jr. Jeffrey A. Shadwick Leonard Dix	Rooks

Thursday, April 30, 1987

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,387	In the Matter of the Appeal of Allied Cementing Company, Inc., from a sales tax dated June 24, 1981, in the amount of \$27,881.00 tax and interest in the amount of \$4,822.27, for a total assessment of \$32,763.27, <i>et al.</i>	Michael S. Holland Nancy E. Freund David Waters	Tax Appeal
59,149	Thomas Slaymaker, Appellant, v. Westgate State Bank and Tom Rose, Appellees.	Mary D. Wright Bernard E. Brown James A. Foster David E. Martin R. Pete Smith	Wyandotte

59,226 State of Kansas, Appellee, Robert T. Stephan, Attorney General Cowley
 Natalie G. Wallisch
 v. On Petition for Review
 William Mayfield, Appellant. Jim Lawing

59,742 State of Kansas, Appellee, Robert T. Stephan, Attorney General Pratt
 Phil D. Lunt, County Attorney
 v.
 Ron Cathey, Appellant. Benjamin C. Wood

1:30 p.m.

59,370 Kenneth Burkhardt, Jr., an incapacitated Michael J. Friesen Edwards
 person by J. Byron Meeks, Conservator,
 Appellant,
 v.
 Philsco Products Company, Inc., a Tom Berscheidt
 Kansas Corporation, *et al.*, Appellees. Jerry G. Elliott
 Robert Siefken
 Rae E. Batt
 Lee Turner

Friday, May 1, 1987

9:30 a.m.

Case No.	Case Name	Attorneys	County
59,815	Lloyd D. Richardson, <i>et al.</i> , Appellees, v. Northwest Central Pipeline Corporation, Appellant.	Douglas S. Pringle Jeffrey Spahn H. Lee McGuire James L. Grimes Charles T. Engel J. D. Steelman	Leavenworth
58,548	Mr. and Mrs. R. J. Thomas, Appellees, v. Xavier Investments, Inc., and Delaware Land Development, Inc., Appellants.	Donald C. Long Marvin G. Stottlemire	Leavenworth
59,562	In the Matter of John E. Wilkinson, Respondent.	Bruce Miller John E. Wilkinson, <i>pro se</i> Barton Brown	Original

LEWIS C. CARTER
 Clerk of the Appellate Courts

(Published in the KANSAS REGISTER, April 16, 1987.)

NOTICE OF BOND SALE
\$133,000
GENERAL OBLIGATION
CAPITAL OUTLAY BONDS
SERIES 1987
OF
UNIFIED SCHOOL DISTRICT 287
FRANKLIN COUNTY, KANSAS (POMONA)
(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 287, Franklin County, Kansas (Pomona), on behalf of the Board of Education at its office P.O. Box 38, Pomona, until 1:30 p.m. C.D.T. on Friday, April 24, 1987, for the purchase of \$133,000 principal amount of general obligation capital outlay bonds, Series 1987, 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 governing body immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$3,000, dated April 1, 1987, and becoming due serially as follows:

Date	Principal Amount
April 1, 1988	\$18,000
October 1, 1988	20,000
April 1, 1989	25,000
October 1, 1989	20,000
April 1, 1990	25,000
October 1, 1990	25,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning on April 1, 1988.

Redemption of Bonds Prior to Maturity

The bonds shall become due without option of prior payment.

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, 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.

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 governing body 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 *et seq.*, 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 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 governing body 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, 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.

Qualified Tax Exempt Obligations

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 certain "qualified tax-exempt obligations" as defined in Section 902(b)(3) will be treated as having been acquired on August 7, 1986. The district will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" described above.

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 on or before May 15, 1987, 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.

(continued)

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 Hall and must be received by the undersigned prior to 1:30 p.m. C.D.T. on April 24, 1987.

Official Statement

The district has prepared an official statement dated April 6, 1987, copies of which may be obtained from the clerk or from the financial adviser. 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 city, for the year 1986, is as follows:

Equalized assessed valuation of taxable tangible property	\$12,895,710
Tangible valuation of motor vehicles	\$ 2,451,108
Equalized assessed tangible valuation for computation of bonded debt limitations	\$15,346,818

The total general obligation indebtedness of the district as of the date of the bonds, including the bonds being sold, is \$133,000.

Additional Information

Additional information regarding the bonds may be obtained from the clerk or from the financial adviser, Kenneth E. Smith, Municipal Bond Consultant, 150 N. Parkwood, Wichita, KS 67208, (316) 683-6338.

Dated April 6, 1987.

UNIFIED SCHOOL DISTRICT 287
Franklin County, Kansas (Pomona)
By Eileen Bowman, Clerk
Office of the Board of Education
P.O. Box 38
Pomona, KS 66076
(913) 566-3396

Doc. No. 005230

(Published in the KANSAS REGISTER, April 16, 1987.)

NOTICE OF BOND SALE
\$250,000
GENERAL OBLIGATION BONDS
SERIES B, 1987
OF
RENO COUNTY, KANSAS
(general obligation bonds payable from unlimited ad valorem taxes)

Sealed Bids

Sealed bids will be received by the undersigned, county clerk of Reno County, Kansas, on behalf of the Board of County Commissioners at the office of the County Clerk, Reno County Courthouse, Hutchinson, until 10 a.m. C.D.T. on Wednesday, April 22, 1987, for the purchase of \$250,000 principal amount of general obligation bonds, Series B, 1987, of the county hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the Board of County Commissioners immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, dated May 1, 1987, and becoming due serially on November 1 in the years as follows:

Year	Principal Amount
1988	\$30,000
1989	40,000
1990	40,000
1991	45,000
1992	45,000
1993	50,000

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 May 1 and November 1 in each year, beginning on May 1, 1988.

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 county and the Attorney General of the State of Kansas.

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

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

county and bond registrar at least two weeks prior to the closing date.

Redemption of Bonds Prior to Maturity

The bonds shall become due 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. The difference between the highest rate specified and the lowest rate specified shall not exceed 2.5 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 county 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 county on the basis of such bid, all certified by the bidder to be correct, and the county 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 county 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 county, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the county. 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 County Commissioners shall determine which bid, if any, shall be accepted, and its determination shall be final. The county 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. 19-4004 *et seq.*, as amended, for the purpose of paying a portion of the cost of building, equipping and furnishing a facility for mental health and for the mentally retarded (the Early Education Center). The balance of the costs will be paid from available funds of the county and proceeds of a federal grant. The bonds and the interest thereon will constitute general obligations of the county, 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 county.

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 county, 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 county 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 governing body of the county.

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

(continued)

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 county with respect to the bonds.

Qualified Tax Exempt Obligations

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 certain "qualified tax-exempt obligations" as defined in Section 902(b)(3) of the code will be treated as having been acquired on August 7, 1986. The county will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" described above.

Delivery and Payment

The county will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before June 1, 1987, 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 county.

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

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on certificated bonds or assigned to uncertificated bonds, but neither the failure to print

such number on or assign such number to any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the county.

Bid Forms

All bids must be made on forms which may be procured from the county clerk. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid. The county 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 county clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the County Courthouse and must be received by the undersigned prior to 10 a.m. C.D.T. on April 22, 1987.

Official Statement

The county has prepared an official statement dated April 10, 1987, copies of which may be obtained from the county clerk. Upon the sale of the bonds, the county 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 county, for the year 1986, is as follows:

Equalized assessed valuation of taxable tangible property	\$246,895,423
Tangible valuation of motor vehicles	\$ 40,980,924
Equalized assessed tangible valuation for computation of bonded debt limitations	\$287,876,347

The total general obligation indebtedness of the county as of the date of the bonds, including the bonds being sold, is \$4,875,000.

Additional Information

Additional information regarding the bonds may be obtained from the County Clerk, Reno County Courthouse, Hutchinson, KS 67501.

Dated March 30, 1987.

RENO COUNTY, KANSAS
By Jerry L. Franklin, County Clerk
Reno County Courthouse
Hutchinson, KS 67501
(316) 665-2934

Doc. No. 005231

(Published in the KANSAS REGISTER, April 16, 1987.)

NOTICE OF BOND SALE
\$778,000
GENERAL OBLIGATION BONDS
SERIES 178
OF THE
CITY OF MANHATTAN, KANSAS
 (general obligation bonds payable
 from unlimited ad valorem taxes)

Sealed Bids

Sealed bids will be received by the undersigned, city clerk of the city of Manhattan, Kansas, on behalf of the governing body at the City Hall, 11th and Poyntz, P.O. Box 748, Manhattan, until 4 p.m. C.D.T. on Tuesday, May 5, 1987, for the purchase of \$778,000 principal amount of general obligation bonds, Series 178, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body at its regular meeting commencing at 7 p.m. on such 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, except one bond in the denomination of \$8,000, dated May 1, 1987, and becoming due serially on November 1 in the years as follows:

Year	Principal Amount
1988	\$28,000
1989	35,000
1990	35,000
1991	35,000
1992	35,000
1993	40,000
1994	40,000
1995	40,000
1996	40,000
1997	45,000
1998	30,000
1999	30,000
2000	35,000
2001	35,000
2002	40,000
2003	40,000
2004	45,000
2005	45,000
2006	50,000
2007	55,000

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 May 1 and November 1 in each year, beginning on November 1, 1988.

Place of Payment and Bond Registration

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

The city will pay for the fees of the bond registrar for

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

The number, denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar at least two weeks prior to the closing date. In the absence of such information, the city will deliver one bond per maturity registered in the name of the manager of the successful bidder. The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date. A certificate setting forth such initial reoffering price to the public shall be furnished to the city by the original purchaser at closing.

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1988 to 1999, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 2000 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on November 1, 1999, or on any interest payment date thereafter at the redemption price of 100 percent (expressed as a percentage of the principal amount), plus accrued interest to the redemption date.

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

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

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20

(continued)

of 1 percent. No interest rate shall exceed a rate equal to the 20 bond index of tax-exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified shall not exceed 3 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

Basis of Award

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

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-110(c) and K.S.A. 12-6a01 *et seq.*, as amended and supplemented, for the purpose of paying the cost of acquiring certain fire fighting equipment and certain street improvements. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special assessments levied upon the property benefitted by the construction of said improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the city, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.

Legal Opinion and Tax Exemption

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

On October 22, 1986, the President of the United States signed into law H.R. 3838, the Tax Reform Act of 1986, which redesignates the Internal Revenue

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

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

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

(c) For taxable years ending after December 31, 1986, banks and thrift institutions will be unable to deduct any portion of their interest expense allocable to purchasing and carrying 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 city with respect to the bonds.

Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before June 18, 1987, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in federal reserve funds, immediately subject to use by the city.

Good Faith Deposit

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

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on certificated bonds or assigned to uncertificated bonds, but neither the failure to print such number on or assign such number to any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

Bond Rating

The outstanding general obligation bonds of the city are rated "Aa" by Moody's Investor Service, Inc., and AA- by Standard & Poor's Corporation, and the city has applied for rating on the bonds herein offered for sale.

Other Pending Bond and Temporary Note Issues

Within the next 45 days, the city plans to sell approximately \$8,650,000 of renewal federal grant anticipation notes to be dated May 1, 1987, and approximately \$3,700,000 in bond anticipation notes to be dated June 1, 1987.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 4 p.m. C.D.T. on Tuesday, May 5, 1987.

Official Statement

The city has prepared an official statement dated as of April 15, 1987, copies of which may be obtained from the city clerk or from the financial advisers. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

Assessed Valuation and Indebtedness

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

Equalized assessed valuation of taxable tangible property	\$79,794,818
Tangible valuation of motor vehicles	\$17,585,645
Equalized assessed tangible valuation for computation of bonded debt limitations	\$97,380,463

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$16,105,500. In addition, the city has outstanding temporary notes in the amount of \$15,223,572 (\$9,000,000 of which are federal grant anticipation notes). Temporary notes in the principal amount of \$325,000 will be retired out of proceeds of the bonds and other available funds.

Additional Information

Additional information regarding the bonds may be obtained from Director of Finance Curt Wood or from the financial advisers, Stern Brothers & Co., Suite 810, One Main Place, Wichita, KS 67202, Attention: Charles M. Bouilly, (316) 265-8622; and First Securities Company of Kansas, Inc., Suite 200, One Main Place, Wichita, KS 67202, Attention: Larry L. McKown, (316) 262-4411.

Dated April 15, 1987.

CITY OF MANHATTAN, KANSAS
 By Heide Clark, City Clerk
 City Hall
 11th and Poyntz
 P.O. Box 748
 Manhattan, KS 66502
 (913) 537-0056

Doc. No. 005243

(Published in the KANSAS REGISTER, April 16, 1987.)

NOTICE OF BOND SALE
\$285,011.49
GENERAL OBLIGATION
INTERNAL IMPROVEMENT BONDS
SERIES A, 1987
OF THE
CITY OF GODDARD, KANSAS

Sealed Bids

Sealed bids will be received at the office of the City Clerk, City Hall, 122 N. Main, Goddard, KS, until 7:30 p.m. C.D.T. on Monday, April 27, 1987, for the purchase of \$285,011.49 principal amount of general obligation internal improvement bonds, Series A, 1987, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body at 7:30 p.m. April 27, 1987. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, except one bond in the amount of \$5,011.49, dated May 1, 1987, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount
1988	\$25,011.49
1989	25,000.00
1990	25,000.00
1991	30,000.00
1992	30,000.00
1993	30,000.00
1994	30,000.00
1995	30,000.00
1996	30,000.00
1997	30,000.00

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning on April 1, 1988.

Place of Payment and Bond Registration

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

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

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

city and bond registrar at least two weeks prior to the closing date. In the absence of such information, the city will deliver one bond per maturity registered in the name of the manager of the successful bidder. The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date. A certificate setting forth such initial reoffering price to the public shall be furnished to the city by the original purchaser at closing.

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1988 to 1994, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 1995 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on October 1, 1994, or on any interest payment date thereafter at the redemption price of 100 percent (expressed as a percentage of the principal amount), plus accrued interest to the redemption date.

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

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

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed a rate equal to the 20 bond index of tax-exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified shall not exceed 2.5 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest

cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

Basis of Award

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

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-6a01 *et seq.*, as amended and supplemented, for the purpose of paying the cost of certain street improvements within the city. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special assessments levied upon the property benefitted by the construction of said improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.

Legal Opinion and Tax Exemption

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

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

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

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

Qualified Tax-Exempt Obligations

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 certain "qualified tax-exempt obligations" as defined in Section 902(b)(3) will be treated as having been acquired on August 7, 1986.

(continued)

The city will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" described above.

Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed, and registered without cost to the successful bidder on or before May 21, 1987 at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in federal reserve funds, immediately subject to use by the city.

Good Faith Deposit

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

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such number on or assign such number to any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the city at the City of Goddard, City Hall, 122 N. Main, Goddard, KS 67052, Attention: Jackilyn A. Rundell, City Clerk, and marked "Bond Bid." Bids

may be submitted by mail or delivered in person at City Hall and must be received prior to 7:30 p.m. C.D.T. April 27, 1987.

Official Statement

The city has prepared an official statement dated as of April 13, 1987, copies of which may be obtained from the city clerk or the financial adviser. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

Assessed Valuation and Indebtedness

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

Equalized assessed valuation of taxable tangible property	\$6,107,223
Tangible valuation of motor vehicles	<u>\$1,274,241</u>
Equalized assessed tangible valuation for computation of bonded debt limitations	\$7,381,464

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$1,444,011.49. Temporary notes in the principal amount of \$305,000 will be retired out of proceeds of the bonds and other available funds.

Additional Information

Additional information regarding the bonds may be obtained from the city clerk, Jackilyn A. Rundell, or from the financial adviser, First Securities Company of Kansas, Inc., Suite 200, One Main Place, Wichita, KS 67202, Attention: David H. Perkins, (316) 262-4411.

Dated April 13, 1987.

CITY OF GODDARD, KANSAS
By Jackilyn A. Rundell, City Clerk
City Hall
122 N. Main
Goddard, KS 67052

Doc. No. 005232

State of Kansas

DEPARTMENT OF REVENUE

PERMANENT ADMINISTRATIVE REGULATIONS

(Effective May 1, 1987)

Article 3.—MOTOR FUEL TAX AND TRANSPORTATION OF LIQUID FUEL

92-3-20. Refunds, books and records. (a) Each person claiming a refund of motor fuel tax for non-highway usage shall substantiate the claim with adequate records. An officer, partner, or owner shall verify each return as to the accuracy of the information included on the return.

(b) An adequate record includes:

(1) An account of all motor fuel purchases that lists each supplier and whether fuel was purchased for exempt or taxable use;

(2) an account of non-highway usage either by an

actual record of use or a standard approved by the director;

(3) an account of loss of non-highway fuel due to pilferage, spillage or diversion to nonexempt use; and

(4) a perpetual inventory which uses a system of metered withdrawals or a physical inventory which includes at least a monthly actual inventory and an inventory taken at the close of each period for which a claim is filed.

(c) If a claimant for motor-vehicle fuel tax refund uses storage facilities which contain both fuels for highway and non-highway use, the claimant shall support the return with an accurate record of fuel used for highway and non-highway use. The claimant shall document the usage by:

(1) Different meters attached to a single tank, if one meter is used exclusively for highway fuel and another meter is used exclusively for non-highway fuel;

(2) a single meter capable of recording the type of withdrawal; or

(3) an accurate account that records each withdrawal and its use at the time of withdrawal.

(d) Fuel used shall be presumed to be for highway use unless it is accurately documented for non-highway use.

(e) Highway use of motor fuel includes:

(1) Consumption of motor fuel by a motor vehicle while in a stationary or parked position on the public highways and streets of this state;

(2) using fuel from a motor vehicle's fuel supply tank to power a secondary motor while operating on the public highways or streets of this state. (Authorized by K.S.A. 79-3419; implementing K.S.A. 79-3458; effective May 1, 1986; amended May 1, 1987.)

Article 8.—CEREAL MALT BEVERAGE TAX

92-8-1. (Authorized by K.S.A. 1982 Supp. 79-3835; implementing K.S.A. 41-2713; effective Jan. 1, 1966; amended July 1, 1974; amended May 1, 1983; revoked May 1, 1987.)

92-8-2. (Authorized by K.S.A. 79-3835, 79-3837; effective Jan. 1, 1966; amended Jan. 1, 1969; revoked May 1, 1987.)

92-8-3. (Authorized by K.S.A. 79-3835, 79-3939; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-4. (Authorized by K.S.A. 17-2802, 79-3835; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-5. (Authorized by K.S.A. 79-3828, 79-3837; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-6. (Authorized by K.S.A. 79-3835, 79-3837; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-7. (Authorized by K.S.A. 79-3824, 79-3835; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-8. (Authorized by K.S.A. 1973 Supp. 79-3825, 79-3835; effective Jan. 1, 1966; amended Jan. 1, 1974; revoked May 1, 1987.)

92-8-9a. (Authorized by K.S.A. 41-209(2); imple-

menting K.S.A. 41-209(2); effective May 1, 1985; revoked May 1, 1987.)

92-8-10. (Authorized by K.S.A. 79-3827, 79-3828, 79-3835; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-11. (Authorized by K.S.A. 41-211, 41-2717; implementing L. 1985, ch. 168, § 5, K.S.A. 41-401, K.S.A. 41-2712; effective Jan. 1, 1966; amended May 1, 1980; revoked May 1, 1987.)

92-8-12. (Authorized by K.S.A. 27-102a, 79-3824, 79-3835; effective Jan. 1, 1966; amended Jan. 1, 1969; revoked May 1, 1987.)

92-8-13. (Authorized by K.S.A. 79-3828, 79-3835; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-14. (Authorized by K.S.A. 1981 Supp. 79-3835; implementing K.S.A. 1981 Supp. 41-2705, 41-2713; effective Jan. 1, 1966; amended, E-74-37, July 1, 1974; amended May 1, 1975; amended May 1, 1982; revoked May 1, 1987.)

92-8-15. (Authorized by K.S.A. 79-3828, 79-3835; effective Jan. 1, 1966; revoked May 1, 1987.)

92-8-16. (Authorized by K.S.A. 79-3819; K.S.A. 1973 Supp. 79-3824, 79-3835; effective, E-73-21, Oct. 6, 1972; effective Jan. 1, 1974; revoked May 1, 1987.)

92-8-17. (Authorized by K.S.A. 1973 Supp. 79-3825, 79-3835; effective Jan. 1, 1974; revoked May 1, 1987.)

92-8-18. (Authorized by K.S.A. 79-3835; implementing L. 1985, ch. 168, sec. 5; effective May 1, 1986; revoked May 1, 1987.)

92-8-19. (Authorized by K.S.A. 41-2717; implementing K.S.A. 41-2705(b)(1)(D); effective May 1, 1985; revoked May 1, 1987.)

Article 12.—INCOME TAX

92-12-52. Consolidated returns. Corporations which are members of an affiliated group which do not derive their entire income from sources within Kansas and have filed a federal consolidated return for federal income tax purposes, may file a consolidated return for purposes of determining their Kansas income tax liability. The director may permit or require this group of affiliated corporations to file consolidated returns provided they are permitted to file a federal consolidated return and when in the director's opinion this consolidated return is necessary to clearly reflect the Kansas taxable income of the affiliated group. Once a consolidated return is filed for a taxable year, consolidated returns shall be filed for all future years unless the group is not permitted to file a consolidated federal return. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-32,142; effective Jan. 1, 1968; amended May 1, 1982; amended May 1, 1987.)

92-12-110. Combined income method of reporting; surtax exemption. Each corporation filing a Kansas income tax return using the combined income method of reporting with more than one entity of the combined group doing business in Kansas, may report the total Kansas combined income and pay the tax due

(continued)

by filing one Kansas income tax return. When a corporation uses this method for a taxable year, the corporation shall continue to use this method for all future years or as long as the Kansas combined return is utilized. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3220; effective May 1, 1987.)

92-12-111. Special rules; airlines. (a) Apportionment of business income. When an airline has income from sources both within and without the state of Kansas, the amount of business income from sources within the state of Kansas shall be determined pursuant to this regulation.

(b) The following definitions are applicable to the terms used in the apportionment factor descriptions:

(1) "Value of owned real and tangible personal property" shall mean its original cost.

(2) "Cost of aircraft by type" means the average original cost or value of aircraft by type which are ready for flight.

(3) "Original cost" means the initial federal tax basis of the property plus the value of capital improvements to such property, except, for this purpose, it shall be presumed that safe harbor leases are not true leases and do not affect the original initial federal tax basis of the property.

(4) "Average value" of property means the amount determined by averaging the values at the beginning and end of the income year. However, the department of revenue may require the averaging of monthly values during the income year if averaging is necessary to reflect properly the average value of the airline's property.

(5) The "value of rented real and tangible personal property" means the product of eight times the net annual rental rate.

(6) "Net annual rental rate" means the annual rental rate paid by the taxpayer.

(7) "Property used during the income year" includes property which is available for use in the taxpayer's trade or business during the income year.

(8) "Aircraft ready for flight" means aircraft owned or acquired through rental or lease, except for an interchange, which are in the possession of the taxpayer and are available for service on the taxpayer routes.

(9) "Revenue service" means the use of aircraft ready for flight for the production of revenue.

(10) "Transportation revenue" means revenue earned by transporting passengers, freight and mail as well as revenue earned from such things as liquor sales and pet crate rentals.

(11) "Departures" means all takeoffs, whether they are regularly scheduled or charter flights, that occur during revenue service.

(c) Property factor. (1) Owned aircraft shall be valued at its original cost and rented aircraft shall be valued at eight times the net annual rental rate. The use of the taxpayer's owned or rented aircraft in an interchange program with another air carrier will not constitute a rental of the aircraft by the airline to the other participating airline. The aircraft used in an interchange program shall be accounted for in the

property factor of the owner. Parts and other expendables, including parts for use in contract overhaul work, shall be valued at cost.

(2) The denominator of the property factor shall be the average value of all of the taxpayer's real and tangible personal property owned or rented and used during the income year. The numerator of the property factor shall be the average value of the taxpayer's real and tangible property owned or rented and used in the state of Kansas during the income year. To determine the numerator of the property factor, all property except aircraft ready for flight shall be included in the numerator of the property factor. Aircraft ready for flight shall be included in the numerator of the property factor in the ratio calculated as follows: Departures of aircraft from locations in the state of Kansas weighted as to the cost and value of aircraft by type compared to total departures similarly weighted.

(d) Payroll factor. (1) The denominator of the payroll factor is the total compensation paid everywhere by the taxpayer during the income year. The numerator of the payroll factor is the total amount paid in the state of Kansas during the income year by the taxpayer for compensation.

(2) Compensation paid to non-flight employees shall be included in the numerator as provided in K.A.R. 92-12-93 and 92-12-94. Compensation to flight personnel, including the air crew aboard an aircraft which assist in the operations of the aircraft or the welfare of the passengers while in the air, shall be included in the ratio that departures of aircraft from locations in the state of Kansas, weighted as to the cost and value of aircraft by type compared to total departures similarly weighted, multiplied by the total flight personnel compensation.

(e) Sales factor. (1) The transportation revenue derived from transactions and activities in the regular course of the trade or business of the taxpayer and miscellaneous sales of merchandise are included in the denominator of the revenue factor. Passive income items, including but not limited to items such as interest, rental income, dividends, and proceeds, shall not be included in the denominator. Proceeds and net gains or losses from sales of an aircraft shall not be included in the denominator.

(2) The numerator of the revenue factor is the total revenue of the taxpayer in the state of Kansas during the income year. The total revenue of the taxpayer in Kansas during the income year is the result of the following calculation: The ratio of departures of aircraft in Kansas weighted as to the cost and value of aircraft by type, as compared to total departures similarly weighted multiplied by the total transportation revenue. The product of this calculation is to be added to any non-flight revenues directly attributable to the state of Kansas.

(f) The taxpayer shall maintain the records necessary to arrive at departures by type of aircraft as used in these regulations. These records are subject to review by the department of revenue. (Authorized by K.S.A. 79-3236; implementing K.S.A. 79-3288; effective May 1, 1987.)

Article 13.—INTERSTATE MOTOR FUEL USE TAX

92-13-11. Presumption, evidence. In the absence of records or other information showing the number of miles actually traveled per gallon of fuel, it shall be presumed that one gallon of motor vehicle fuel was consumed for every three miles traveled; that one gallon of special fuel was consumed for every 3.5 miles traveled and that one gallon of liquefied petroleum fuel was consumed for every 2.5 miles traveled. (Authorized by K.S.A. 79-34,123; implementing K.S.A. 79-34,109, 79-34,124; effective Jan. 1, 1972; amended May 1, 1987.)

92-13-12. Record requirements; presumption. (a) Each interstate motor fuel user shall maintain detailed records for each trip for a minimum of three years. The records shall be summarized monthly and include miles traveled and fuel purchased over the road for each vehicle. These records shall also disclose:

- (1) trip origin and destination;
- (2) route of travel;
- (3) sales invoices, including:
 - (A) name and station address of seller;
 - (B) name and address of purchaser;
 - (C) date of sale;
 - (D) number of gallons purchased;
 - (E) type of product; and
 - (F) company unit number or motor vehicle unit license number; and
- (4) number of gallons purchased for over the road purposes.

Each interstate motor fuel user shall preserve these records, together with all fuel purchase invoices, in a manner to insure their security and availability for inspection by agents or representatives of the director.

(b) If an interstate motor fuel user fails to comply with any record keeping requirement, the director, or the director's authorized agent, shall make a jeopardy assessment based on any available information. An assessment made pursuant to this regulation shall be presumed to be correct. The burden shall be on the interstate motor fuel user to establish, by a preponderance of evidence, that an assessment is inaccurate. (Authorized by 79-34,123; implementing K.S.A. 79-34,113, effective May 1, 1987.)

Article 18.—SPECIAL FUEL TAX

92-18-7. Use of special fuels by motor vehicles; burden of proof; records. (a) The receipt, delivery or placing of special fuel, by a special fuel user from bulk storage or by a special fuel dealer, into the fuel supply tank of any motor vehicle required to be registered in this state is presumed to be taxable. Highway use of special fuel includes:

- (1) Consumption of fuel by a motor vehicle while in a stationary or parked position on the public highways or streets of this state; and
 - (2) using fuel from a motor vehicle's fuel supply tank to power a secondary motor while operating on the public highways or streets of this state.
- (b) Non-taxable use of special fuel includes operat-

ing a motor vehicle off the public highways or streets of this state. Each special fuel user or special fuel dealer shall have the burden of proving special fuel was used for non-highway use through detailed and accurate records. If the director determines the records are not adequate, the director shall presume the special fuel was used on the public highways or streets of this state and is taxable. (Authorized by K.S.A. 79-3483; implementing K.S.A. 79-3481, 79-3483; effective May 1, 1987.)

Article 19.—KANSAS RETAILERS' SALES TAX

92-19-1. (Authorized by K.S.A. 79-3618, 79-3619; implementing K.S.A. 79-3619, K.S.A. 1982 Supp. 79-3603; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1983; revoked May 1, 1987.)

92-19-1a. Bracket system for adding and collecting state sales tax. The following bracket system is adopted for use by retailers in adding and collecting state retailers' sales tax. The amount of tax corresponding to the lower figure in the sale column shall be added and collected when the gross receipts from a sale fall between that figure and the next higher figure in that column.

Sale	Tax	Sale	Tax	Sale	Tax	Sale	Tax
.01	.00	10.88	.44	21.88	.88	32.88	1.32
.13	.01	11.13	.45	22.13	.89	33.13	1.33
.38	.02	11.38	.46	22.38	.90	33.38	1.34
.63	.03	11.63	.47	22.63	.91	33.63	1.35
.88	.04	11.88	.48	22.88	.92	33.88	1.36
1.13	.05	12.13	.49	23.13	.93	34.13	1.37
1.38	.06	12.38	.50	23.38	.94	34.38	1.38
1.63	.07	12.63	.51	23.63	.95	34.63	1.39
1.88	.08	12.88	.52	23.88	.96	34.88	1.40
2.13	.09	13.13	.53	24.13	.97	35.13	1.41
2.38	.10	13.38	.54	24.38	.98	35.38	1.42
2.63	.11	13.63	.55	24.63	.99	35.63	1.43
2.88	.12	13.88	.56	24.88	1.00	35.88	1.44
3.13	.13	14.13	.57	25.13	1.01	36.13	1.45
3.38	.14	14.38	.58	25.38	1.02	36.38	1.46
3.63	.15	14.63	.59	25.63	1.03	36.63	1.47
3.88	.16	14.88	.60	25.88	1.04	36.88	1.48
4.13	.17	15.13	.61	26.13	1.05	37.13	1.49
4.38	.18	15.38	.62	26.38	1.06	37.38	1.50
4.63	.19	15.63	.63	26.63	1.07	37.63	1.51
4.88	.20	15.88	.64	26.88	1.08	37.88	1.52
5.13	.21	16.13	.65	27.13	1.09	38.13	1.53
5.38	.22	16.38	.66	27.38	1.10	38.38	1.54
5.63	.23	16.63	.67	27.63	1.11	38.63	1.55
5.88	.24	16.88	.68	27.88	1.12	38.88	1.56
6.13	.25	17.13	.69	28.13	1.13	39.13	1.57
6.38	.26	17.38	.70	28.38	1.14	39.38	1.58
6.63	.27	17.63	.71	28.63	1.15	39.63	1.59
6.88	.28	17.88	.72	28.88	1.16	39.88	1.60
7.13	.29	18.13	.73	29.13	1.17	40.13	1.61
7.38	.30	18.38	.74	29.38	1.18	40.38	1.62
7.63	.31	18.63	.75	29.63	1.19	40.63	1.63
7.88	.32	18.88	.76	29.88	1.20	40.88	1.64
8.13	.33	19.13	.77	30.13	1.21	41.13	1.65
8.38	.34	19.38	.78	30.38	1.22	41.38	1.66
8.63	.35	19.63	.79	30.63	1.23	41.63	1.67
8.88	.36	19.88	.80	30.88	1.24	41.88	1.68
9.13	.37	20.13	.81	31.13	1.25	42.13	1.69
9.38	.38	20.38	.82	31.38	1.26	42.38	1.70
9.63	.39	20.63	.83	31.63	1.27	42.63	1.71
9.88	.40	20.88	.84	31.88	1.28	42.88	1.72
10.13	.41	21.13	.85	32.13	1.29	43.13	1.73

(continued)

10.38	.42	21.38	.86	32.38	1.30	43.38	1.74
10.63	.43	21.63	.87	32.63	1.31	43.63	1.75

Sales over \$43.63 to be computed at 4%. (Authorized by K.S.A. 79-3618, 79-3619; implementing K.S.A. 79-3619, K.S.A. 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective May 1, 1987.)

92-19-3. Credit, conditional and installment sales.

When the retailer makes credit, conditional or installment sales, the retailer may pay tax on the collections made during each month or, if the retailer's books are regularly kept on an accrual basis, on the full amount of the sale. When the retailer adopts one basis of reporting credit, conditional, or installment sales and paying the tax, the retailer shall not change from that basis without first obtaining the permission of the director of taxation.

If the retailer adopts the accrual basis for reporting in order that the tax liability will not be in excess of four percent of the retailer's actual gross receipts from taxable sales, the retailer may deduct any bad debts or uncollectibles actually written off the retailer's books from the gross receipts accrued, however but, a deduction for bad debts or uncollectibles shall not be allowed unless the amount was previously reported as taxable gross receipts. If any amount of the bad debts or uncollectibles are subsequently recovered, the retailer shall include the recovery and tax in the next sales tax return.

When tangible personal property and services taxable under K.S.A. 79-3603 and amendments are sold on deferred payments and the deferred payments are covered by a negotiable note or notes, or an assignable conditional sales contract, the retailer shall remit the tax on the total amount of the selling price of the property at the time the sale is made and report it in the retailer's next monthly report.

Interest, finance, or carrying charges on installment sales are not taxable when these charges are separately made and shown by the retailer on bills rendered to the customer. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3607 as amended by L. 1986, Ch. 386, Sec. 2, 79-3609; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-4. (Authorized by K.S.A. 79-3609, 79-3618; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; revoked May 1, 1987.)

92-19-4a. Record keeping sales and use tax action. (a) Every person doing business in the state of Kansas, or storing, using, or otherwise consuming tangible personal property purchased from a retailer, and every lessor and lessee of tangible personal property for use in this state shall keep complete and adequate records as are necessary for the director to determine the liability of each retailer for sales and use tax pursuant to K.S.A. 79-3603, 79-3703 and amendments thereto. Unless the director authorizes an alternative method of record keeping in writing, these records shall show:

(1) Gross receipts from sales, or rental payments from leases, of tangible personal property in the state

of Kansas, including any services that are a part of the sale or lease, regardless of whether the retailer believes the receipts to be taxable or non-taxable;

(2) all deductions allowed by law and claimed in filing returns;

(3) total purchase price of all tangible personal property purchased for sale, consumption or lease in the state of Kansas;

(4) all exemption certificates; and

(5) a true and complete inventory taken at least once a year.

Each record shall consist of the normal books of account ordinarily maintained by the average prudent person engaged in the activity in question, including bills, receipts, invoices, cash register tapes, or other documents of original entry supporting the entries in the books of account, and all schedules or working papers used in connection with the preparation of tax returns.

(b) Each record may be microfilmed or microfiched, as long the microfilmed or microfiched records are authentic, accessible, and readable, and the following requirements are fully satisfied:

(1) Each taxpayer shall provide transcriptions of any information concerning sales or use tax liability on microfilm or microfiche which may be required to verify liability. The taxpayer shall also provide appropriate facilities for preservation of the microfilm or microfiche for the periods required.

(2) All microfilmed and microfiched data shall be indexed, cross-referenced and labeled to show beginning and ending alphabetical listing of documents, and beginning and ending numbers. All microfilm and microfiched data shall be systematically filed to permit ready access.

(3) Each taxpayer shall make available upon request of the director or the director's authorized agent, a reader or printer in good working order, at the examination site, for reading, locating and reproducing any record concerning sales or use tax liability maintained on microfilm or microfiche.

(4) Each taxpayer shall set forth in writing the procedures governing the microfilm or microfiche system and the individual or individuals responsible for maintaining and operating the system.

(5) Each taxpayer shall maintain a complete microfilm or microfiche system and shall consistently use the system in the regular course of business.

(6) Each taxpayer shall establish appropriate documentation of procedures so that the original document can be followed through the microfilm or microfiche system.

(7) Each taxpayer shall establish internal procedures for microfilm or microfiche inspection and quality assurance.

(8) Each taxpayer shall be responsible for the effective identification, processing, storage, and preservation of microfilm or microfiche for a period of three years from the last day of the year to which they pertain.

(9) Each taxpayer shall keep a record identifying the persons or business entities that produced the microfilm or microfiche records.

(10) When displayed on a microfilm or microfiche reader or viewer, or reproduced on paper, the material shall exhibit a high degree of legibility. For this purpose, legibility is defined as the quality of a letter or numeral that enables the observer to identify it positively and quickly to the exclusion of all other letters or numerals being recognizable as words or complete numbers.

(11) All production of microfilm or microfiche and processing duplication, quality control, storage, identification, and inspection shall meet industry standards.

(c) An automated data processing tax accounting system may be used by the taxpayer to preserve sale and use tax records required for the verification of tax liability. An automated data processing system shall include a method of producing legible records which will provide the necessary information for verifying tax liability. Each taxpayer maintaining records on an automated data processing system shall satisfy the following requirements:

(1) Automated data processing records shall provide an opportunity to trace any transaction back to the original source or forward to a final total. If detailed printouts are not made of transactions at the time they are processed, the systems shall have the ability to reconstruct these transactions.

(2) A general ledger, with source references, shall be written out to coincide with financial reports for tax reporting periods. When subsidiary ledgers are used to support the general ledger accounts, the subsidiary ledgers shall also be written out periodically.

(3) An audit trail shall be designed so that the details underlying the summary accounting data may be identified and made available to the director or the director's authorized agent. The system shall be designed so that supporting documents, such as sales invoices, purchase invoices, and credit memoranda are readily available.

(4) Each taxpayer shall make available a description of the automated data processing portion of the accounting system. The statements and illustrations as to the scope of operations shall be sufficiently detailed to indicate:

(A) the application being performed;

(B) the procedures employed in each application, such as flow charts or block diagrams; and

(C) the controls used to insure accurate and reliable processing. Important changes, together with their effective dates, shall be noted in order to preserve an accurate chronological record.

(5) Adequate record retention facilities shall be available for storing tapes and printouts, as well as all supporting documents as may be required by this act.

(d) All records of a registered retailer or consumer pertaining to transactions involving sales or use tax liability shall be preserved for a period of not less than three years from the last day of the calendar year or of the fiscal year of the registered retailer or consumer, whichever comes later.

(e) All of the foregoing records shall be available for and subject to inspection by the director of taxation or

the director's authorized agents and employees, at all times during business hours of the day.

(f) If any taxpayer fails to substantially comply with the requirements of this rule and regulation, the director shall impose penalties and interest pursuant to K.S.A. 79-3615 and 79-3706 and amendments thereto. (Authorized by K.S.A. 79-3618, 79-3707, implementing K.S.A. 79-3609, 79-3706, effective May 1, 1987.)

92-19-13. Florists, nurserymen; and greenhouses. When a Kansas florist takes an order and gives telegraphic instructions to a second florist located in Kansas for delivery of flowers, the florist sending the telegram shall collect and remit the tax on the total selling price of the flowers to the customer.

When a Kansas florist takes an order and gives telegraphic instructions to a second florist located outside of Kansas for delivery of flowers, the Kansas florist is deemed to be making a sale in interstate commerce and the sale shall not be taxable. A Kansas florist receiving a telegram from another florist located in or outside of Kansas is deemed to be selling the flowers to the sending florist for resale and the sale shall not be taxable, if the sending florist has a valid Kansas retailers' sales or compensating tax registration certificate. If the sending florist does not have a valid registration certificate, the Kansas florist shall collect and remit the appropriate amount of tax.

Sales of gas, electricity, heat service, including coal and fuel oil for heating or lighting of greenhouses are taxable. Sales of water used in irrigating seeds, plants and agricultural products for resale are exempt from taxation. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1, K.S.A. 1985 Supp. 79-3606 as amended by L. 1986, Ch. 384, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-15. Undertakers and funeral directors. Each funeral director who charges a lump sum for a funeral service that covers the total funeral charge, including services and tangible personal property, is required to collect, report, and remit sales tax on 50% of the entire amount charged for each funeral including embalming, casket, and usual services. When a funeral director charges separately for the sale of tangible personal property and for required services, the sales tax shall be collected only on an amount equal to the retail sales price of the tangible personal property if charges for tangible personal property are segregated from those for services rendered on the invoice furnished to the purchaser.

Cash advanced by the funeral director for the purchase of a cemetery lot or grave, associated cemetery expenses, remuneration to the minister and choir, use of the church, and press notices shall not be subject to sales tax.

Each funeral director shall collect and remit four percent on the full retail price of the sale of vaults, clothing, flowers and other special merchandise. Sales of hearses, furniture, instruments, and other equipment to a funeral director are taxable.

(continued)

Each funeral director shall not collect and remit sales tax on a charge for embalming services when the services are not a part of a regular funeral service. Sales to a funeral director of embalming fluid and other material used in an embalming service are taxable.

When articles of personal property are ordered by the family from a merchant to be delivered to the funeral home, the merchant actually making the sale shall collect and remit the sales tax.

When bodies are shipped or delivered from one funeral director to another within the state of Kansas, the funeral director furnishing the merchandise shall collect and remit the sales tax.

When burial vaults or other items of personal property are sold in Kansas for ship-in cases, tax shall be charged and collected on the actual selling price of the merchandise.

Sales tax shall not be charged when the state of Kansas or another political subdivision pays for a burial. (Authorized by K.S.A. 79-3618, implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-16. Gifts, premiums, prizes, trading stamps, coupons. Each person who gives away or donates tangible personal property or who renders or furnishes without charge services taxable under the sales tax act is deemed for tax purposes to be the final user or consumer.

The taxing of tangible personal property used as prizes, premiums or gifts shall depend on the condition under which the property is given away.

(a) When a retailer gives a prize, premium or gift while making a sale of tangible personal property which is taxable or renders or furnishes a service which is taxable, the transaction is regarded as a sale of both items to the purchaser if the attaining of the prize, premium, or gift by the purchaser is certain and does not depend on chance.

(b) Property to be awarded as a prize, premium or gift is taxable if:

(1) The retailer purchases the property for the purpose of resale, but subsequently gives it away as a prize, premium or gift; or

(2) winning the prize, premium, or gift depends on chance or skill. The retailer shall include the cost of the prize, premium, or gift on line 2 of the sales tax return.

A deduction is not allowed for the value of trading stamps or coupons when a purchaser gives the retailer a trading stamp or coupon to use towards the stated price of any item of tangible personal property and the retailer is later reimbursed for the stated value from a third person.

When the retailer is not reimbursed but only accepts the coupons or trading stamps as an inducement to increase sales, the tax shall not apply to the value thereof.

Each person engaged in selling a taxable commodity or service shall not collect tax when selling meal

tickets, coupon books, merchandise cards, or certificates. The tax shall apply when the meal tickets, coupon books, merchandise cards, or certificates are redeemed for taxable services or tangible personal property. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-18. Signs. Each person engaged in the business of selling or leasing to users or consumers, signs or bulletins, whether illuminated or manufactured by themselves or others, are engaged in a taxable business. Gross receipts from the sale or lease of a sign or bulletin shall be taxable. (Authorized by K.S.A. 79-3618, implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-19. Telephone and telegraph services. (a) Telephone and telegraph services shall be exempt from tax if the services are used exclusively for their respective purposes and are rendered to:

(1) The state of Kansas and its political subdivisions;

(2) a public or private nonprofit hospital;

(3) a public or private elementary or secondary school; or

(4) a public or private nonprofit educational institution;

(5) a non-profit blood bank. Telephone and telegraph services shall be taxable when the purchaser of the service is engaged in a business specifically subject to the sales tax and the telegraph or telephone service is used in the business. Each telegraph or telephone company shall secure an exemption certificate from any person or institution claiming an exemption from the tax.

(b) Taxable sales of service by telegraph companies include the transmission of all telegrams originating and terminating within the state of Kansas when a charge is made therefor.

(c) Taxable telephone service shall include, in addition to ordinary exchange and toll service, charges for intrastate and interstate access, and charges for the use of equipment and facilities furnished in connection with or as a supplement to, telephone usage. Telephone usage shall include hand sets, wiring plans, deaf sets, extensions, extra listings and joint-user service. Revenues received from rentals of circuits and private lines used for intrastate telephone or telegraph services are taxable unless the circuits and lines are used by others in making retail sales of telephone or telegraph service to the public.

The sale of telephone directories or directory covers to Kansas customers by a telephone company who collects the purchase price shall be taxable.

Sales of switching service and toll service to service station customers shall be considered sales of telephone service to consumers. The tax shall be billed by the telephone company furnishing the switching service.

(d) Each toll call originating and terminating within the state of Kansas shall be deemed intrastate service and shall be taxable. When a charge is made to a resident of Kansas for both intrastate and interstate exchange service through terminals located in or outside of Kansas, the tax shall be billed in the total charge at four percent. Each telephone company shall have the burden of proving that any or all of the service is not taxable.

(e) Gross receipts from a coin telephone shall be taxable at the rate of four percent.

(f) Each company furnishing telephone or telegraph services shall pass the tax on to the consumers. When taxable telephone service is furnished over the joint or combined lines of two or more companies, the company collecting the charge for the taxable service shall collect the total amount of the tax from the consumer. Each collecting company shall include in their tax return the total amount of the taxable service and the tax due, regardless of the fact that the receipts from the service may be shared with another company. Charges made to hotels by telephone companies for telephone service are taxable.

(g) Telegrams charged to the account of telephone subscribers and billed by the telephone company shall include the tax as computed by the telegraph company and shall appear on the bill in an amount equal to the regular charge for the telegrams plus the sales tax. Each telegraph company shall remit the tax on telegrams to the state. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1, 79-3608, K.S.A. 1985 Supp. 79-3606 as amended by L. 1986, Ch. 384, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-20. Gas, water, certain fuel and electricity.

(a) An exemption for gas, fuel or electricity shall not be allowed when utilized for the purpose of heating, cooling, and lighting buildings or business premises except electricity, gas, fuel and water actually used by hotels and motels in rented rooms taxable under K.S.A. 79-3603.

(b) An exemption for gas, water fuel, and electricity shall not be allowed when utilized for the purpose of maintaining buildings, business premises, offices, plants, or warehouses except gas, fuel and electricity used for the operation of equipment in the actual process of providing services taxable under K.S.A. 79-3603(e) and (m). The following list is not exclusive but is an indication of the types of equipment and devices exempted when power is used in their operation:

- (1) Automatic pinsetters, ball returns, telescore screens and scorer's tables in bowling alleys;
- (2) ferris wheels, merry-go-rounds and other carnival rides;
- (3) baseball pitching machines if rental fees are charged;
- (4) pinball machines;
- (5) movie projecting equipment and movie screens in theaters, and other similar devices.

(c) When claiming an exemption, the following procedures and conditions shall apply:

(1) When gas, electricity, or water is furnished through one meter for both taxable and exempt purposes, the taxpayer shall have the burden of establishing the exempt portion or percentage of the gas, water or electricity.

(2) The purchaser shall furnish the supplier a statement to enable the supplier to determine the percentage of the gas, water and electricity subject to exemption under K.S.A. 79-3606(f) and (n). The formula and computations used in determining the exemption shall be available for inspection any time by the department of revenue.

(3) The purchaser shall file a revised exemption statement with the supplier when the percentage used in processing tangible personal property changes.

(d) Tax is due on each payment for taxable gas, water, and electricity whether in the form of a minimum charge, a flat rate, or otherwise, and regardless if there is actual consumption.

(e) When an owner or operator of an office building or apartment house purchases gas, water, or electricity through a single meter, and remeters the gas, water, and electricity to their tenants through private meters, the owner or operator is deemed the final user or consumer of the gas, water, and electricity and shall pay the tax on all bills rendered on these utilities. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1985, Ch. 386, Sec. 1, 79-3606 as amended by L. 1985, Ch. 384, Sec. 1, 79-3608; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; amended, E-71-21, July 1, 1971; amended Jan. 1, 1972; amended May 1, 1987.)

92-19-21. Meals or drinks. (a) Each boardinghouse shall pay the tax on their purchases of food and other supplies. When a boardinghouse serves meals only to persons regularly boarding there and not to the public, sales of these meals are not taxable. However, if a boardinghouse holds itself out as ready and willing to serve meals to the public, the sale of each meal shall be taxable.

(b) When meals are furnished by employers to employees and a charge is made, the employer must remit the tax on the price of the sales. When meals are finished by employers to employees at no charge the furnishing of meals does not constitute a sale and is not taxable.

(c) When a private or public elementary or secondary school, or a public or private nonprofit educational institution operates its lunch room, cafeteria, or dining room for the purpose of providing meals for its respective students or teachers, the school or institution shall not be considered to be engaged in the business of regularly selling meals or drinks to the public and shall not collect or remit tax on these sales.

When a public or private elementary or secondary school or a public or private nonprofit educational institution makes its cafeteria, lunch room, or dining room available for use by the general public, the school or institution shall be considered to be in the

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business of conducting a place in which meals or drinks are regularly sold to the public, and shall collect and remit the sales tax. A caterer or concessionaire operating a cafeteria, lunch or dining room on the premises of any public or private elementary or secondary school or public or private nonprofit educational institution shall collect and remit sales tax.

(d) When a public or private nonprofit hospital operates a lunch room, cafeteria, or dining room for the exclusive purpose of providing meals for its respective employees and staff the hospital shall not be considered to be engaged in conducting a place where meals or drinks are regularly sold to the public and shall not collect and remit tax on these sales.

When a public or private nonprofit hospital makes its cafeteria, lunch room, or dining room available for use by the general public, the hospital shall be considered to be in the business of conducting a place where meals or drinks are regularly sold to the public and shall collect and remit the sales tax. Caterers or concessionaires operating cafeterias, lunch, or dining rooms on the premises of any public or private nonprofit hospital shall collect and remit sales tax.

(e) The sale of a meal or other tangible personal property, consumed or not, while on a railway train or a dining car operated in or through Kansas, is deemed a sale at retail. Gross receipts from the sale of meals or other tangible personal property are taxable if the meals or tangible personal property are ordered within the boundaries of Kansas. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1975; amended May 1, 1987.)

92-19-24. Renting of rooms by hotels. Accommodations generally referred to as "sleeping rooms" are subject to sales tax. Sales tax shall not apply to accommodations in the nature of ballrooms, banquet rooms, reception rooms, meeting rooms and office space.

Each person who rents a room in a hotel for a period of 28 consecutive days or less is subject to tax. However, if the same person rents a room in a hotel for 29 or more consecutive days, the person is not subject to a tax. Each person who moves from one hotel to another hotel shall pay tax at each hotel unless the person rents a room in each hotel for more than 28 consecutive days. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-25. (Authorized by K.S.A. 79-3609, 79-3610, 79-3611, 79-3618, K.S.A. 1971 Supp. 79-3602, 79-3603; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; revoked May 1, 1987.)

92-19-25a. Exemption certificates. (a) All retail sales are presumed taxable unless specifically exempt. Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption. In determining the validity of any claim for exemption, the

retailer shall have a duty to make a reasonable and prudent inquiry of the purchaser regarding the item purchased and the basis for the exemption claimed. If the retailer determines the sale is not subject to tax, the retailer shall secure a completed exemption certificate from the purchaser. The certificate shall set out in detail the reason for the claim to exemption. Each retailer shall attempt to secure the exemption certificate either prior to billing the purchaser or prior to delivering the property. However, the retailer's responsibility for securing a certificate continues even though the purchaser may strike the tax from the billing or otherwise raises an exemption claim for the first time after receiving delivery or billing for the property. If the retailer does not obtain a proper exemption certification, the retailer shall have the burden of proving the sale was exempt.

(b) The sale of services enumerated within the sales tax act are presumed to be taxable unless specifically exempt. When an enumerated service is claimed to be exempt, the person furnishing the service is required to obtain and maintain an exemption certificate in the same manner as a retailer of tangible personal property. If the retailer does not obtain a proper exemption certificate, the retailer shall have the burden of proving the sale was exempt.

(c) Each retailer shall keep a record of each exempt sale of property and services made during each calendar month, showing the date, amount, customer's name and address, item or service sold, and other pertinent information to support a claim for deduction taken on the monthly return. Each retailer shall make all exemption certificates available to the director of taxation for inspection. An exemption certificate shall be retained by the retailer for a period of not less than three years.

The director of taxation shall recognize an exemption certificate when in substantially the following form:

EXEMPTION CERTIFICATE

The undersigned purchaser certifies that the sale to him of tangible personal property or service by _____, of _____, Kansas, is exempt from the tax levied by the Kansas retailers' sales and compensating tax act for the following reasons: _____

The undersigned understands and agrees that if he uses the property or service other than as stated above or for any purpose which would not exempt the sale under the act, he becomes liable for the tax.

Date _____ Purchaser _____ (Signature)
Address _____

A retailer making recurring exempt sales of the same type to the same purchaser need not secure a separate exemption certificate for each transaction but may accept, at the retailer's own risk, a blanket exemption certificate covering future sales. If the retailer honors a blanket exemption certificate on a taxable sale, the retailer may be held responsible for the tax if the director determines the retailer knew or should have known the sale was not exempt. (Authorized by K.S.A.

79-3618; implementing K.S.A. 79-3609, 79-3610, 79-3611, K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective May 1, 1987.)

92-19-26. (Authorized by K.S.A. 79-3618, K.S.A. 1971 Supp. 79-3606; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; revoked May 1, 1987.)

92-19-27. (Authorized by K.S.A. 79-3608, K.S.A. 1973 Supp. 79-3602, 79-3618; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended Jan. 1, 1974; revoked May 1, 1987.)

92-19-27a. Sales for resale; Kansas resale exemption certificates. (a) Kansas sales tax is imposed upon retail sales only. Retail sales are sales to final users or consumers. If the retailer timely accepts a properly completed Kansas resale exemption certificate in good faith, the retailer shall be relieved of liability for sales tax or the duty to collect use tax. The retailer may accept a resale exemption certificate only from another retailer of tangible personal property who holds a valid Kansas retail sales or compensating (use) tax registration number.

(b) The director of taxation shall recognize a Kansas resale exemption certificate when in substantially the following form:

KANSAS RESALE EXEMPTION CERTIFICATE

(Name of purchaser)

(Address of purchaser)

I Hereby Certify: That I hold valid retailer registration No. _____ issued pursuant to the Kansas sales and compensating tax law; that I am engaged in the business of selling

That the tangible personal property described herein which I shall purchase from:

_____ will be resold by me in the form of tangible personal property: Provided, however, That in the event any of such property is used for any purpose other than retention, demonstration, or display while holding it for sale in the regular course of business, it is understood that I am required by the Kansas sales and compensating tax law to report and pay tax, measured by the purchase price of such property. Description of property to be purchased:

Date: _____ 19_____

(Signature of purchaser or authorized agent.)

Under "description of property to be purchased" there may appear an itemized list of the particular property to be purchased for resale, or a general description of the property to be purchased for resale. Each retailer accepting a resale exemption certificate containing a general description of resale property does so at the retailer's own risk and may be held liable for tax on sales when a particular item sold is not of the type normally resold in the purchaser's business. If a purchaser buys property for resale which is not of the type normally resold in the purchaser's business, the retailer shall require the purchaser to issue a specific resale exemption certificate containing a statement that the particular property is being purchased for resale in the normal course of the purchaser's business.

(c) A retailer shall be presumed to have taken a resale certificate in good faith in the absence of evidence to the contrary. Evidence that would overcome the presumption include:

- (1) A retailer's ongoing exemption of items that are not of the type normally resold in the course of the purchaser's business;
- (2) repeated failure of the retailer to obtain specific exemption certificates when warranted;
- (3) an active solicitation of resale exemption certificates which are improper; and
- (4) the honoring of certificates that do not contain a Kansas sales or compensating (use) retail registration number.

(d) Rules and regulations governing exemption certificates concerning bookkeeping duties, the timeliness of the retailer's request for a certificate, and the risks to the retailer in honoring a blanket exemption certificate for non-exempt taxable sales, shall also apply to Kansas resale exemption certificates. (Authorized by K.S.A. 79-3618; implementing K.S.A. 79-3608, K.S.A. 1985 Supp. 79-3602; effective May 1, 1987.)

92-19-30. Motor vehicles or trailers; isolated or occasional sale. (a) Sales tax shall be levied on isolated or occasional sales of motor vehicles or trailers. Tax on the isolated or occasional sale of a motor vehicle or trailer may be paid to the director of taxation by the purchaser or to the county treasurer upon application for certificate of registration or ownership. If payment is made to the director of taxation, the director shall issue a receipt. If the sales tax is not paid to the director of taxation, the county treasurer, upon application for certificate of registration or ownership shall:

- (1) collect the sales tax payment from the applicant;
- (2) collect a service fee of 50¢ from the applicant;
- (3) give the applicant a receipt showing the tax and fee paid in full.

The director of taxation or county treasurer shall deny a certificate of registration or ownership to the transferee until the transferee pays the tax or proves to the satisfaction of the director or county treasurer that the transfer is not taxable.

(b) As a general rule, the base for computing the tax shall be the actual selling price of the vehicle. However, the director of taxation or the county treasurer shall compute the tax on the fair market value of the vehicle when:

- (1) The selling price of the vehicle is unknown; or
- (2) the stated selling price is not indicative of, and bears no reasonable relationship to the fair market value of the vehicle. The fair market value of the vehicle shall be determined by the average retail value as shown in the latest publication of the national automobile dealers' association official used car guide book.

(c) The actual selling price shall be the base for computing the tax on wrecked or damaged vehicles.

(d) "Sale" or "sales" includes the exchange of property, as well as a sale for money, and every other transaction, when consideration is given, whether conditional or otherwise.

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The term "vehicle" means motor vehicle or trailer.

The term "transferor" means the seller, donor, or other person who sells, gives away, or otherwise parts with the vehicle.

The term "transferee" means the purchaser, donee, or other person who purchases, receives by gift, or otherwise acquires the vehicle.

(e) The taxable event is the sale. If a sale is not involved, the transaction is not taxable. In addition to the specific transfer exemption granted under K.S.A. 79-3603(o) the following are also exempted:

(1) A gift is presumed when the transferee is the spouse, mother, father, brother, sister, child, grandmother or grandfather of the transferor and tax is not due if money is not exchanged for the vehicle. However, if money is exchanged for the vehicle, the transfer is taxable.

The trading or exchanging of a motor vehicle between persons in a close family relationship is presumed to be a mutual exchange of gifts and tax is not due if money is not exchanged. However, if money is given in addition to trading the vehicle, the transfer is regarded as a taxable sale.

(2) The transfer by a donor to a donee shall not be taxable if given without any consideration, with an intention on the part of the donor that the transfer is a gift. When the parties are not in a close family relationship as set out above, the transferee claiming the transfer is a gift shall provide proof of this claim to the satisfaction of the county treasurer or director of taxation.

(3) A transfer to effect a change of name on the title when there is no actual change in ownership is not a taxable transfer.

(4) A transfer to an heir or legatee by will or pursuant to the inheritance or intestacy laws of this state is not a taxable transfer. A certified copy of the probate court order making the distribution shall be filed with the director of taxation or county treasurer.

(5) A transfer to a winner of a drawing or raffle is deemed to be a gift to the winner, and is not a taxable transfer. However, the person who purchased the vehicle and transferred it to the winner is subject to the tax. When either the donor or recipient of the gift applies for the first registration in Kansas, sales tax shall be paid.

(6) When a vehicle is transferred to the holder of an encumbrance as a result of repossession under the terms of a written agreement entered into at the time of original purchase by the purchaser and encumbrance holder, the transfer is not taxable. However, the subsequent sale of the vehicle by the encumbrance holder is taxable.

(f) The following transfers are sales, and are subject to sales tax:

(1) If a person trades or exchanges a vehicle evenly, the transfer is not subject to sales tax. However, if one person pays cash or some other kind of consideration in addition to the vehicle the person is exchanging, then the person shall pay sales tax on the cash fair market value of the other kind of consideration. In such a trade, sales tax is not due from the other person

who did not pay any cash or any other kind of consideration besides the vehicle the person traded.

Each person claiming a sales tax deduction for trading a vehicle shall file an affidavit with the director of taxation or the county treasurer containing information the director of taxation may require.

When the stated cash or other kind of consideration is not indicative of, and bears no reasonable relationship to the actual difference between the fair market value of the vehicle traded and the fair market value of the vehicle received by the purchaser, the director of taxation or the county treasurer shall compute the tax on the actual difference between the fair market value of the vehicles.

(2) The purchase of a vehicle which the owner intends to give to another is taxable, even though tax is not due on the subsequent transfer from the donor to the donee.

(3) A transfer of a vehicle from a partner to the partnership, or from a partnership to a partner, is a taxable transfer. This type of transfer is presumed to be made in consideration of an increased interest in the partnership, or for services rendered the partnership, or for other value passing between the parties.

(4) If a donor gives a donee a gift of cash or other property for the purpose of purchasing a vehicle, the donee shall be liable for the tax upon purchasing the vehicle.

(5) The transfer of a vehicle which is subject to an encumbrance in exchange for the assumption by the transferee of the obligation to pay all or any part of the encumbrance is a taxable transfer. The tax base, when the parties deal at arms' length, is the amount actually paid to the transferor by the transferee, plus the amount of the encumbrance assumed by the transferee. When the parties are not at arms' length, and the amount of the encumbrance or the price paid does not truly reflect the value of the vehicle, or the interest in the vehicle which has been transferred, the tax base shall be the fair market value of the vehicle, or that portion which represents the interest transferred.

(6) When a vehicle is purchased because a vehicle has been destroyed by accident, fire, theft, or otherwise, the purchase of the replacement vehicle is not exempt from tax. Each purchase of a vehicle is taxable, whether purchased by the owner of the destroyed vehicle or by an insurance company which is obligated to replace the destroyed vehicle.

(7) A transfer of a vehicle from a corporation to an officer, shareholder, boardmember or employee is a taxable transfer, and is presumed to be made in consideration for services rendered the corporation, or for other value passing between the parties.

(g) Each transferee claiming an exemption shall file an affidavit with the director of taxation or the county treasurer stating the name, address, and telephone number of the transferor; the name, address, and telephone number of the transferee; the make, year and style of the motor vehicle or trailer; and other information as the director of taxation may require. The affidavit shall contain facts in detail sufficient to clearly bring the transferee within the exemption claimed.

The director of taxation shall not accept affidavits of exemption which are not correct in both substance and form in lieu of the tax.

The county treasurer shall collect the tax if any doubt exists as to the validity of the exemption claim. Any taxpayer may file a claim with the director of taxation for a refund if the taxpayer believes the tax has been erroneously collected.

(h) Any person who makes a false affidavit under this regulation shall be subject to the penalties of perjury and shall be prosecuted to the full extent of the law. The director of taxation shall request the attorney general of the state of Kansas as well as any county attorney to assist in the prosecution. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 Supp. 79-3602, 79-3603 as amended by L. 1986, Ch. 386, Sec. 1, 8-153, 79-3604; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-19-41. Sales to contractors, subcontractors, or repairmen. Sales of building materials or other property to contractors, subcontractors, or repairmen for use by the purchasers in building on, or otherwise improving, altering or repairing real or personal property are taxable.

Contractors, subcontractors, or repairmen who also make over-the-counter sales through established retail outlets are permitted to consider their entire purchases as being made for resale purposes and will accordingly be held liable for the tax on the items they themselves use in fulfilling their contracts. Each contractor, subcontractor, or repairman shall keep a record of the cost of all tangible personal property removed from inventory for use in this manner and remit the tax to the department of revenue. The taxable event occurs when the property is removed from inventory in this state, regardless of whether the property is installed within or without the state of Kansas. (Authorized by K.S.A. 79-3618; implementing K.S.A. 1985 79-3603 as amended by L. 1986, Ch. 386, Sec. 1; effective, E-81-1, Jan. 10, 1980; effective May 1, 1980; amended May 1, 1987.)

92-19-44. Sampling methods. At the discretion of the director of taxation, sampling principles or methods may be used in lieu of a 100% examination of records in conducting a sales or use tax audit. (Authorized by K.S.A. 79-3618, 79-3707; implementing K.S.A. 79-3609, 79-3707; effective May 1, 1987.)

92-19-45. Audit facilities. Each taxpayer shall furnish reasonably sufficient work space, lighting, and working conditions for department of revenue agents for the conducting of sales or use tax audits. (Authorized by K.S.A. 79-3618, 79-3707; implementing K.S.A. 79-3609, 79-3707; effective May 1, 1987.)

Article 20.—COMPENSATING TAX

92-20-1. Purposes. The Kansas compensating (use) tax act, as amended, supplements the Kansas retailers' sales tax act by imposing a like tax for the privilege of using, storing, or consuming within this state tangible personal property purchased at retail or for the privi-

lege of utilizing taxable services within this state and in respect to which neither sales tax nor use tax of four percent or more has been imposed on property or taxable services by this state or any other state. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3703 as amended by L. 1986, Ch. 386, Sec. 3, 79-3704; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-2. (Authorized by K.S.A. 79-3703, 79-3707; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; revoked May 1, 1987.)

92-20-2a. Transactions on which tax applies. Each person storing, using, or otherwise consuming personal property in this state is liable for the compensating tax regardless of whether the property was purchased or leased within or without this state. Unless the storage, use, or consumption of the property is exempt from compensating tax by K.S.A. 79-3704 and amendments thereto, each person shall be liable until the tax is paid to the state or collected by a retailer registered under the sales or compensating Act. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3703 as amended by L. 1986, Ch. 386, Sec. 3; effective May 1, 1987.)

92-20-3. Sales tax rules and regulations also apply to compensating tax. Each Kansas retailers' sales tax rule and regulation relating to enforcement, collection, and administration, which are compatible to compensating tax rules and regulations, shall also apply to the enforcement, collection and administration of the Kansas compensating (use) tax act. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3703 as amended by L. 1986, Ch. 386, Sec. 3, 79-3704; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-5. Payment of tax. Each registered retailer as defined by this act shall collect from the consumer or user at the time of sale of tangible personal property or at the time of the furnishing of taxable services the full amount of the tax imposed by this act. The tax shall be a debt from the purchaser to the retailer and shall be added to the original purchase price. The tax is recoverable at law in the same manner as other debts. It is not to be absorbed by the registered retailer as part of the purchase price.

If the registered retailer fails to collect from the consumer or user the full amount of the tax, then the person using, consuming or storing taxable personal property in this state or utilizing taxable services furnished within this state shall file a return and pay the tax as required by K.S.A. 79-3706 and amendments thereto. The filing of a return by a user or consumer shall not relieve the registered retailer from the obligation of collecting the tax.

If the purchase is made from a nonregistered retailer, then the person using, consuming or storing taxable personal property or utilizing taxable services furnished in this state shall file a return and pay the tax

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as required by K.S.A. 79-3706 and amendments thereto. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3703 as amended by L. 1986, Ch. 386, Sec. 3, 79-3704, 79-3705, 79-3706; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-6. Filing of returns. Each registered retailer shall, on or before the 25th day of each month, file a return with the director on forms furnished by the director. The return shall cover the sale of tangible personal property or the providing of taxable services subject to the Kansas compensating (use) tax sold for use, storage, or consumption or provided within this state during the preceding reporting period in which the sales or use occurred as prescribed in K.S.A. 79-3607 and amendments thereto.

The registered retailer or user shall remit, with the return four percent of the total amount charged on all sales of tangible personal property or furnishing of taxable services to the purchaser, including transportation and other incidental charges. If transportation charges cannot be included or collected by the retailer, the purchaser shall pay the tax directly to the state.

Each individual or person who purchases tangible personal property or receives services furnished subject to the tax imposed by K.S.A. 79-3703 and amendments, for which the tax is not collected by the seller, shall file a return with the director as prescribed in K.S.A. 79-3607 and amendments thereto. The return shall show in detail the total purchase price of tangible personal property used, stored, or consumed by the person or the value of taxable services received within the state during the reporting period subject to the tax, with such other information as the director may deem proper. Each person making an individual return as a purchaser or consumer shall remit four percent of the purchase price, including transportation and other incidental charges with the return.

Each check shall be made payable to the director of taxation, state office building, Topeka, Kansas. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3704, 79-3705, 79-3706; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-7. Registration of out-of-state retailers; collection of tax by retailers. (a) A retailer shall be deemed to be doing business in this state when engaged in business within this state under, but not limited to, any of the following methods of transacting business:

(1) Maintaining directly, indirectly, or through a subsidiary, an office, distribution house, sales house, warehouse or other place of business;

(2) having an agent, salesperson, or solicitor operating within the state under the authority of the retailer or its subsidiary, regardless of whether the agent, salesperson or solicitor is located in this state permanently or temporarily, or whether the retailer or subsidiary is qualified to do business within this state; or

(3) soliciting orders within this state through catalogues or other advertising media.

The director shall require an out-of-state retailer to apply for authority to collect and remit the tax.

Each retailer shall be deemed to have agents in this state even though the agents solicit sales intermittently; e.g., once a year or oftener, and regardless of the residency of the agent.

(b) Each retailer doing business in this state shall register, collect and remit the compensating (use) tax on tangible personal property sold for use, storage or consumption in this state, by any agent, salesperson, representative, trucker, peddler, or canvasser, regardless of whether:

(1) Sales are made on their own behalf or on behalf of the retailer;

(2) delivery and collection is made by the agent, salesperson, representative, trucker, peddler, or canvasser; or

(3) the property is shipped and collection is made by the retailer.

(c) Each salesperson, representative, trucker, peddler, canvasser, or agent shall collect the tax from the purchaser, if full collection is made from the purchaser, and remit the tax to the registered retailer. Each salesperson, representative, trucker, peddler, canvasser, or agent authorized by the retailer to make full collection from the purchaser shall be issued a compensating (use) tax registration identification card bearing the account identification number issued to the out-of-state retailer. Each salesman, representative, trucker, peddler, canvasser, or agent shall carry upon their person this identification card and shall show it to the purchaser as proof of authority to collect the compensating (use) tax.

(d) Each holder of a certificate of registration shall indicate the account identification number found on the certificate on each billing or invoice. The retailer shall bill the compensating (use) tax due, as a separate item, on each billing or invoice. The registered retailer shall give each purchaser a receipt for each remittance of compensating (use) tax paid to the retailer. Each receipt of remittance shall be proof the purchaser has paid the compensating (use) tax. The billing shall be in substantially the form as shown:

Merchandise	\$ _____
4% Kansas compensating (use) tax	\$ _____
Kansas registration number	_____

If the registered vendor maintains two or more locations from which tangible personal property may be invoiced, shipped and delivered into the state of Kansas, duplicate certificates of registration shall be issued for each location.

(e) Each retail seller is required to report, collect and remit compensating (use) tax to the state of Kansas if:

(1) Tangible personal property is purchased for use, storage, or consumption in the state of Kansas;

(2) the seller is a retailer doing business in the state of Kansas;

(3) delivery is made in the state of Kansas; and

(4) use, storage or consumption is subject to the compensating (use) tax. Each registered retailer shall

collect the tax even when the purchaser's order specifies that the goods are to be manufactured or procured by the seller at a point outside the state of Kansas and shipped directly to the purchaser from the point of origin. It is immaterial that the contract of sale is closed by acceptance outside the state or that the contract is made before the property is brought into the state of Kansas. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3704, 79-3705, 79-3706, 79-3708; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-9. Application for certificates. (a) Each retailer doing business in the state of Kansas shall apply for a certificate of registration. Each application shall be on a form prescribed by the director of taxation and shall include the following information:

(1) The name of the person, firm or corporation to whom the certificate is to be issued;

(2) the address of the location of each business;

(3) if the applicant is a corporation, the name and address of each officer;

(4) if the applicant is a partnership, the name and address of each partner;

(5) the name of the owner, if the applicant is an individual owner;

(6) the date when the applicant will begin selling tangible personal property subject to the Kansas compensating (use) tax;

(7) the name and address of each office, warehouse, or other place of business in Kansas, either owned or leased by the applicant or the applicant's subsidiary;

(8) the name and address of each agent, representative, or salesperson of the applicant operating in the state of Kansas, either temporarily or permanently; and

(9) the name and address of each out-of-state location from which tangible personal property will be delivered to purchasers in Kansas and from which billing for merchandise will be made.

(b) Each application shall be completed and mailed to the director of taxation, state office building, Topeka, Kansas. The director shall issue each registration certificate without cost to the applicant. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3703 as amended by L. 1986, Ch. 386, Sec. 3, 79-3704, 79-3705, 79-3706; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

92-20-10. (Authorized by K.S.A. 79-3702, K.S.A. 1973 Supp. 79-3707; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended Jan. 1, 1974; revoked May 1, 1987.)

92-20-15. Property already subjected to sales or use tax. The sale or use of property on which the state of Kansas or any other state of the United States has imposed sales or use tax equal to or greater than four percent (4%) is exempt from the tax. However, this exemption shall be denied if a tax paid in another state was not legally due and owing.

The sale or use of property on which the state of Kansas or any other state of the United States has

imposed a sales or use tax at a rate of less than four percent (4%) is taxable at a rate determined by the difference between four percent (4%) and the rate of tax previously imposed.

Taxes imposed as a privilege tax which do not attach to the selling price of tangible personal property by law shall not be allowed as a credit against Kansas compensating (use) tax. (Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3704, 79-3705; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

Article 21.—LOCAL RETAILERS' SALES TAX

92-21-17. Application of local sales tax to leases and rentals; place of sale—leases and rentals. Local sales tax applies to the lease or rental of tangible personal property if the lease or rental is consummated in a county or city having a local sales tax. Local sales tax shall not apply if the lease or rental is not subject to state sales tax.

For the purpose of local sales tax, all leases and rentals, except leases or rentals of telecommunication or data processing equipment commonly used in connection with telephone services, occur at the place of business of the lessor unless a delivery is:

(a) Made by the lessor or the lessor's agent to an out-of-state destination;

(b) placed with a common carrier for delivery to an out-of-state destination; or

(c) made at a designation specified by a Kansas statute or regulation. For the purposes of this provision, it is immaterial that the property is delivered to the lessee at a place outside of the local taxing jurisdiction in which the lessor's place of business is located, or that the property leased or rented is never within the local taxing jurisdiction in which the lessor's place of business is located.

If the lessor has more than one location in Kansas and if two or more of the locations participate in the lease or rental, the lease or rental occurs at the place of business where the principal negotiations are carried on. If this place is the place where the order is taken, it is immaterial that the order must be forwarded for acceptance, approval of credit, shipment or billing. For the purpose of this rule and regulation, an employee's activities shall be attributed to the place of business where the employee works.

Each lease or rental of telecommunications or data processing equipment commonly used in connection with telephone services are deemed consummated at the situs of the lessee. (Authorized by K.S.A. 1985 Supp. 12-189; implementing K.S.A. 1985 Supp. 12-191; effective, E-71-21, July 1, 1971; effective Jan. 1, 1972; amended, E-77-1, Jan. 13, 1976; amended Feb. 15, 1977; amended May 1, 1987.)

92-21-20. (Authorized by K.S.A. 12-189, 79-3618, 79-3619; implementing K.S.A. 12-189, K.S.A. 1982 Supp. 79-3603; effective, T-83-48, Dec. 22, 1982; effective May 1, 1983; revoked May 1, 1987.)

92-21-21. Bracket systems for adding and collect-

(continued)

ing state and local taxes. The following bracket systems are adopted for use by retailers in adding and collecting state and local retailers' sales taxes. The amount of tax corresponding to the lower figure in the sale column shall be added and collected when the gross receipts from a sale fall between that figure and the next higher figure in that column.

4 1/2% COMBINED STATE AND LOCAL SALES TAX BRACKET

Sale	Tax	Sale	Tax	Sale	Tax	Sale	Tax
.01	.00	9.00	.41	18.12	.82	27.23	1.23
.12	.01	9.23	.42	18.34	.83	27.45	1.24
.34	.02	9.45	.43	18.56	.84	27.67	1.25
.56	.03	9.67	.44	18.78	.85	27.89	1.26
.78	.04	9.89	.45	19.00	.86	28.12	1.27
1.00	.05	10.12	.46	19.23	.87	28.34	1.28
1.23	.06	10.34	.47	19.45	.88	28.56	1.29
1.45	.07	10.56	.48	19.67	.89	28.78	1.30
1.67	.08	10.78	.49	19.89	.90	29.00	1.31
1.89	.09	11.00	.50	20.12	.91	29.23	1.32
2.12	.10	11.23	.51	20.34	.92	29.45	1.33
2.34	.11	11.45	.52	20.56	.93	29.67	1.34
2.56	.12	11.67	.53	20.78	.94	29.89	1.35
2.78	.13	11.89	.54	21.00	.95	30.12	1.36
3.00	.14	12.12	.55	21.23	.96	30.34	1.37
3.23	.15	12.34	.56	21.45	.97	30.56	1.38
3.45	.16	12.56	.57	21.67	.98	30.78	1.39
3.67	.17	12.78	.58	21.89	.99	31.00	1.40
3.89	.18	13.00	.59	22.12	1.00	31.23	1.41
4.12	.19	13.23	.60	22.34	1.01	31.45	1.42
4.34	.20	13.45	.61	22.56	1.02	31.67	1.43
4.56	.21	13.67	.62	22.78	1.03	31.89	1.44
4.78	.22	13.89	.63	23.00	1.04	32.12	1.45
5.00	.23	14.12	.64	23.23	1.05	32.34	1.46
5.23	.24	14.34	.65	23.45	1.06	32.56	1.47
5.45	.25	14.56	.66	23.67	1.07	32.78	1.48
5.67	.26	14.78	.67	23.89	1.08	33.00	1.49
5.89	.27	15.00	.68	24.12	1.09	33.23	1.50
6.12	.28	15.23	.69	24.34	1.10	33.45	1.51
6.34	.29	15.45	.70	24.56	1.11	33.67	1.52
6.56	.30	15.67	.71	24.78	1.12	33.89	1.53
6.78	.31	15.89	.72	25.00	1.13	34.12	1.54
7.00	.32	16.12	.73	25.23	1.14	34.34	1.55
7.23	.33	16.34	.74	25.45	1.15	34.56	1.56
7.45	.34	16.56	.75	25.67	1.16	34.78	1.57
7.67	.35	16.78	.76	25.89	1.17	35.00	1.58
7.89	.36	17.00	.77	26.12	1.18	35.23	1.59
8.12	.37	17.23	.78	26.34	1.19	35.45	1.60
8.34	.38	17.45	.79	26.56	1.20	35.67	1.61
8.56	.39	17.67	.80	26.78	1.21	35.89	1.62
8.78	.40	17.89	.81	27.00	1.22	36.12	1.63

Sales over \$36.12 to be computed at 4 1/2%

5% COMBINED STATE AND LOCAL SALES TAX BRACKET

Sale	Tax	Sale	Tax	Sale	Tax	Sale	Tax
.01	.00	8.10	.41	16.30	.82	24.50	1.23
.10	.01	8.30	.42	16.50	.83	24.70	1.24
.30	.02	8.50	.43	16.70	.84	24.90	1.25
.50	.03	8.70	.44	16.90	.85	25.10	1.26
.70	.04	8.90	.45	17.10	.86	25.30	1.27
.90	.05	9.10	.46	17.30	.87	25.50	1.28
1.10	.06	9.30	.47	17.50	.88	25.70	1.29
1.30	.07	9.50	.48	17.70	.89	25.90	1.30
1.50	.08	9.70	.49	17.90	.90	26.10	1.31
1.70	.09	9.90	.50	18.10	.91	26.30	1.32
1.90	.10	10.10	.51	18.30	.92	26.50	1.33
2.10	.11	10.30	.52	18.50	.93	26.70	1.34
2.30	.12	10.50	.53	18.70	.94	26.90	1.35
2.50	.13	10.70	.54	18.90	.95	27.10	1.36
2.70	.14	10.90	.55	19.10	.96	27.30	1.37
2.90	.15	11.10	.56	19.30	.97	27.50	1.38
3.10	.16	11.30	.57	19.50	.98	27.70	1.39

3.30	.17	11.50	.58	19.70	.99	27.90	1.40
3.50	.18	11.70	.59	19.90	1.00	28.10	1.41
3.70	.19	11.90	.60	20.10	1.01	28.30	1.42
3.90	.20	12.10	.61	20.30	1.02	28.50	1.43
4.10	.21	12.30	.62	20.50	1.03	28.70	1.44
4.30	.22	12.50	.63	20.70	1.04	28.90	1.45
4.50	.23	12.70	.64	20.90	1.05	29.10	1.46
4.70	.24	12.90	.65	21.10	1.06	29.30	1.47
4.90	.25	13.10	.66	21.30	1.07	29.50	1.48
5.10	.26	13.30	.67	21.50	1.08	29.70	1.49
5.30	.27	13.50	.68	21.70	1.09	29.90	1.50
5.50	.28	13.70	.69	21.90	1.10	30.10	1.51
5.70	.29	13.90	.70	22.10	1.11	30.30	1.52
5.90	.30	14.10	.71	22.30	1.12	30.50	1.53
6.10	.31	14.30	.72	22.50	1.13	30.70	1.54
6.30	.32	14.50	.73	22.70	1.14	30.90	1.55
6.50	.33	14.70	.74	22.90	1.15	31.10	1.56
6.70	.34	14.90	.75	23.10	1.16	31.30	1.57
6.90	.35	15.10	.76	23.30	1.17	31.50	1.58
7.10	.36	15.30	.77	23.50	1.18	31.70	1.59
7.30	.37	15.50	.78	23.70	1.19	31.90	1.60
7.50	.38	15.70	.79	23.90	1.20	32.10	1.61
7.70	.39	15.90	.80	24.10	1.21	32.30	1.62
7.90	.40	16.10	.81	24.30	1.22	32.50	1.63

Sales over \$32.50 to be computed at 5%

5 1/2% COMBINED STATE AND LOCAL SALES TAX BRACKET

Sale	Tax	Sale	Tax	Sale	Tax	Sale	Tax
.01	.00	7.37	.41	14.82	.82	22.28	1.23
.10	.01	7.55	.42	15.00	.83	22.46	1.24
.28	.02	7.73	.43	15.19	.84	22.64	1.25
.46	.03	7.91	.44	15.37	.85	22.82	1.26
.64	.04	8.10	.45	15.55	.86	23.00	1.27
.82	.05	8.28	.46	15.73	.87	23.19	1.28
1.00	.06	8.46	.47	15.91	.88	23.37	1.29
1.19	.07	8.64	.48	16.10	.89	23.55	1.30
1.37	.08	8.82	.49	16.28	.90	23.73	1.31
1.55	.09	9.00	.50	16.46	.91	23.91	1.32
1.73	.10	9.19	.51	16.64	.92	24.10	1.33
1.91	.11	9.37	.52	16.82	.93	24.28	1.34
2.10	.12	9.55	.53	17.00	.94	24.46	1.35
2.28	.13	9.73	.54	17.19	.95	24.64	1.36
2.46	.14	9.91	.55	17.37	.96	24.82	1.37
2.64	.15	10.10	.56	17.55	.97	25.00	1.38
2.82	.16	10.28	.57	17.73	.98	25.19	1.39
3.00	.17	10.46	.58	17.91	.99	25.37	1.40
3.19	.18	10.64	.59	18.10	1.00	25.55	1.41
3.37	.19	10.82	.60	18.28	1.01	25.73	1.42
3.55	.20	11.00	.61	1.846	1.02	25.91	1.43
3.73	.21	11.19	.62	18.64	1.03	26.10	1.44
3.91	.22	11.37	.63	18.82	1.04	26.28	1.45
4.10	.23	11.55	.64	19.00	1.05	26.46	1.46
4.28	.24	11.73	.65	19.19	1.06	26.64	1.47
4.46	.25	11.91	.66	19.37	1.07	26.82	1.48
4.64	.26	12.10	.67	19.55	1.08	27.00	1.49
4.82	.27	12.28	.68	19.73	1.09	27.19	1.50
5.00	.28	12.46	.69	19.91	1.10	27.37	1.51
5.19	.29	12.64	.70	20.10	1.11	27.55	1.52
5.37	.30	12.82	.71	20.28	1.12	27.73	1.53
5.55	.31	13.00	.72	20.46	1.13	27.91	1.54
5.73	.32	13.19	.73	20.64	1.14	28.10	1.55
5.91	.33	13.37	.74	20.82	1.15	28.28	1.56
6.10	.34	13.55	.75	21.00	1.16	28.46	1.57
6.28	.35	13.73	.76	21.19	1.17	28.64	1.58
6.46	.36	13.91	.77	21.37	1.18	28.82	1.59
6.64	.37	14.10	.78	21.55	1.19	29.00	1.60
6.82	.38	14.28	.79	21.73	1.20	29.19	1.61
7.00	.39	14.46	.80	21.91	1.21	29.37	1.62
7.19	.40	14.64	.81	22.10	1.22	29.55	1.63

Sales over \$29.55 to be computed at 5 1/2%

6% COMBINED STATE AND LOCAL SALES
TAX BRACKET

Sale	Tax	Sale	Tax	Sale	Tax	Sale	Tax
.01	.00	6.75	.41	13.59	.82	20.42	1.23
.09	.01	6.92	.42	13.75	.83	20.59	1.24
.25	.02	7.09	.43	13.92	.84	20.75	1.25
.42	.03	7.25	.44	14.09	.85	20.92	1.26
.59	.04	7.42	.45	14.25	.86	21.09	1.27
.75	.05	7.59	.46	14.42	.87	21.25	1.28
.92	.06	7.75	.47	14.59	.88	21.42	1.29
1.09	.07	7.92	.48	14.75	.89	21.59	1.30
1.25	.08	8.09	.49	14.92	.90	21.75	1.31
1.42	.09	8.25	.50	15.09	.91	21.92	1.32
1.59	.10	8.42	.51	15.25	.92	22.09	1.33
1.75	.11	8.59	.52	15.42	.93	22.25	1.34
1.92	.12	8.75	.53	15.59	.94	22.42	1.35
2.09	.13	8.92	.54	15.75	.95	22.59	1.36
2.25	.14	9.09	.55	15.92	.96	22.75	1.37
2.42	.15	9.25	.56	16.09	.97	22.92	1.38
2.59	.16	9.42	.57	16.25	.98	23.09	1.39
2.75	.17	9.59	.58	16.42	.99	23.25	1.40
2.92	.18	9.75	.59	16.59	1.00	23.42	1.41
3.09	.19	9.92	.60	16.75	1.01	23.59	1.42
3.25	.20	10.09	.61	16.92	1.02	23.75	1.43
3.42	.21	10.25	.62	17.09	1.03	23.92	1.44
3.59	.22	10.42	.63	17.25	1.04	24.09	1.45
3.75	.23	10.59	.64	17.42	1.05	24.25	1.46
3.92	.24	10.75	.65	17.59	1.06	24.42	1.47
4.09	.25	10.92	.66	17.75	1.07	24.59	1.48
4.25	.26	11.09	.67	17.92	1.08	24.75	1.49
4.42	.27	11.25	.68	18.09	1.09	24.92	1.50
4.59	.28	11.42	.69	18.25	1.10	25.09	1.51
4.75	.29	11.59	.70	18.42	1.11	25.25	1.52
4.92	.30	11.75	.71	18.59	1.12	25.42	1.53
5.09	.31	11.92	.72	18.75	1.13	25.59	1.54
5.25	.32	12.09	.73	18.92	1.14	25.75	1.55
5.42	.33	12.25	.74	19.09	1.15	25.92	1.56
5.59	.34	12.42	.75	19.25	1.16	26.09	1.57
5.75	.35	12.59	.76	19.42	1.17	26.25	1.58
5.92	.36	12.75	.77	19.59	1.18	26.42	1.59
6.09	.37	12.92	.78	19.75	1.19	26.59	1.60
6.25	.38	13.09	.79	19.92	1.20	26.75	1.61
6.42	.39	13.25	.80	20.09	1.21	26.92	1.62
6.59	.40	13.42	.81	20.25	1.22	27.09	1.63

Sales over \$27.09 to be computed at 6%

(Authorized by K.S.A. 79-3618, 79-3619, K.S.A. 1985 Supp. 12-189; implementing K.S.A. 79-3603 as amended by L. 1986, Ch. 386, Sec. 1, K.S.A. 1985 Supp. 12-189; effective May 1, 1987.)

Article 51.—TITLES AND REGISTRATION

92-51-40. Handicapped persons placards and identification card fees. The fee for any placard issued to a handicapped person or any person responsible for the transportation of a handicapped person pursuant to L. 1986, Ch. 36, Sec. 1 shall be \$2. The fee for any individual identification card issued to a handicapped person pursuant to L. 1986, Ch. 36, Sec. 2 shall be \$1. (Authorized by and implementing L. 1986, Ch. 36, Sec. 2; effective, T _____, _____; effective May 1, 1987.)

Article 52.—MOTOR VEHICLE DRIVERS' LICENSES

92-52-1. Vision standards for drivers. Each driver's license examiner shall use the following vision standards for driver's license applicants:

(a) Each applicant testing 20/40 or better in each eye separately at the examination station shall meet the vision requirements. The driver's license examiner shall give each applicant failing to meet this test a vision form and refer the applicant to a vision specialist of their choice.

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

(c) The driver's license examiner shall require each individual with a reading of 20/60 or less in at least one eye with or without corrective lens, to submit to a driver's test for the proper restrictions.

(d) Any applicant failing to meet any of the above standards may request an administrative review by the director of vehicles. (Authorized by and implementing K.S.A. 8-234b; effective Jan. 1, 1966; amended, E-71-9, Jan. 1, 1971; amended Jan. 1, 1972; amended May 1, 1979; amended, E-82-26, Dec. 16, 1981; amended May 1, 1982; amended May 1, 1987.)

92-52-11. Seizure disorders; control; competence to drive. (a) Seizure disorders referred to in K.S.A. 1985 Supp. 8-247(e)(7), and its amendments, shall be deemed not controlled by prescribed medication if the licensee has sustained a seizure involving a loss of consciousness in the waking state within the preceding one year prior to application, unless the medical advisory board determines to the contrary.

(b) A licensee shall be deemed incompetent to drive within the meaning of K.S.A. 1985 Supp. 8-255(a)(3), and its amendments, if the licensee has sustained a seizure involving a loss of consciousness in the waking state within the preceding one year, unless the medical advisory board determines to the contrary.

(c) A driver's license shall not be issued pursuant to K.S.A. 8-237(e), and its amendments, if the driver has sustained a seizure involving a loss of consciousness in the waking state within the preceding one year, unless the medical advisory board determines to the contrary. (Authorized by K.S.A. 8-234b; implementing K.S.A. 8-234b; 8-237, K.S.A. 1985 Supp. 8-247 as amended by L. 1986, Ch. 38, Sec. 2, K.S.A. 1985 Supp. 8-255; effective May 1, 1987.)

HARLEY T. DUNCAN
Secretary of Revenue

Doc. No. 005150

(Published in the KANSAS REGISTER, April 16, 1987.)

(Published in the KANSAS REGISTER, April 16, 1987.)

SENATE BILL No. 172

AN ACT concerning bonds; relating to nonlitigation certificates; amending K.S.A. 10-108a and repealing the existing section.

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

Section 1. K.S.A. 10-108a is hereby amended to read as follows: 10-108a. The governing body of any municipality issuing bonds pursuant to article 1 of chapter 10 of the Kansas Statutes Annotated, shall execute and incorporate in the transcript of the proceedings leading up to the issuance of such bonds a nonlitigation certificate in substantially the following form:

"It is hereby certified that *other than a challenge by a property owner to the amount of a special assessment to be levied against the owner's property or a challenge by a property owner to the amount of a condemnation award* there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the issuing municipality or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the transcript of the proceedings leading up to the issuance of the bonds, or the constitutionality or validity of the indebtedness represented by the bonds shown to be authorized in *said* the transcript, or the validity of *said* the bonds or any of the proceedings in relation to the issuance or sale thereof, or the levy and collection of a tax *other than a challenge by a property owner to the amount of a special assessment to be levied against the owner's property to pay the principal and interest thereof.*"

In the event there is no challenge by a property owner to the amount of a special assessment to be levied against the owner's property or to the amount of a condemnation award, the appropriate references thereto may be deleted from the certificate.

Sec. 2. K.S.A. 10-108a is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body February 18, 1987.

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

Passed the HOUSE March 30, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 8, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 8th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

SENATE BILL No. 171

AN ACT concerning cities; relating to the abatement of nuisances; amending K.S.A. 1986 Supp. 12-1617e and repealing the existing section.

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

Section 1. K.S.A. 1986 Supp. 12-1617e is hereby amended to read as follows: 12-1617e. The governing body of any city shall have the power to have removed or abated from any lot or parcel of ground within the city any and all nuisances, including rank grass, weeds or other vegetation and shall have the power to cause to be drained any pond or ponds of water, at the cost and expense of the owner of the property on which the nuisance is located, whenever the city, county or joint board of health or other agency as may be designated by the governing body of the city files with the clerk of such city its statement in writing that such nuisance, rank vegetation, or pond of water, describing the same and where located, is a menace and dangerous to the health of the inhabitants of the city, or of any neighborhood, family or resident of the city. ~~If there is no city, county or joint board of health,~~ The governing body of the city, by resolution, ~~shall also may~~ make such determination.

The city clerk shall issue notice requiring the owner or agent of the owner of the premises to remove and abate from the premises the thing or things therein described as a nuisance within a time, not exceeding 10 days, to be specified in the notice. The notice shall state that before the expiration of the waiting period, the recipient thereof may request a hearing before the governing body or its designated representative. The notice shall be served by ~~personal service, by delivering a copy thereof to the owner, occupant or agent of such property on the owner or agent of such property by restricted mail or by personal service,~~ or if the same is unoccupied and the owner is a nonresident, then by mailing a notice by restricted mail to the last known address of the owner. If the owner, ~~occupant~~ or agent fails to comply with the requirement of the notice for a period longer than that named in the notice, then the city shall proceed to have the things described in the notice removed and abated from the lot or parcel of ground. The city shall give notice to the owner, ~~occupant~~ or agent by restricted mail of the total cost of such abatement or removal incurred by the city. Such notice also shall state that payment of such cost is due and payable within 30 days following receipt of such notice. The city also may recover the cost of providing notice, including any postage, required by this section. If the cost of such removal or abatement and notice is not paid within the thirty-day period, the cost shall be collected in the manner provided by K.S.A. ~~1985~~ 1986 Supp. 12-1,115, and amendments thereto, or shall be assessed and charged against the lot or parcel of ground on which the nuisance was located. If the cost is to be assessed, the city clerk, at the time of certifying other city taxes to the county clerk, shall certify the aforesaid costs, and the county clerk shall extend the same on the tax roll of the county against the lot or parcel of ground, and it shall be collected by the county treasurer and paid to the city as other city taxes are collected and paid. The city may pursue collection both by levying a special assessment and in the manner provided by K.S.A. ~~1985~~ 1986 Supp. 12-1,115, and amendments thereto, but only until the full cost and any applicable interest has been paid in full.

Sec. 2. K.S.A. 1986 Supp. 12-1617e is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 11, 1987.

SENATE concurred in HOUSE amendments March 31, 1987.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended March 30, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 11, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the KANSAS REGISTER, April 16, 1987.)

HOUSE BILL No. 2402

AN ACT relating to property tax; concerning time for payment thereof; amending K.S.A. 79-2004 and 79-2004a and repealing the existing sections.

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

Section 1. K.S.A. 79-2004 is hereby amended to read as follows: 79-2004. (a) Any person charged with real estate taxes on the tax books in the hands of the county treasurer may pay, at such person's option, the full amount thereof on or before December 20 of each year, or 1/2 thereof on or before December 20 and the remaining 1/2 on or before June 20 next ensuing. If the full amount of the real estate taxes listed upon any tax statement is \$10 or less the entire amount of such tax shall be due and payable on or before December 20.

In case the first half of the real estate taxes remains unpaid after December 20, the first half of the tax shall draw interest at the rate per annum prescribed by subsection (b) of K.S.A. 79-2968, and amendments thereto, and may be paid at any time prior to June 20 following by paying 1/2 of tax together with interest at above rate from December 20 to date of payment. And all real estate taxes of the preceding year and accrued interest thereon which remain due and unpaid on June 21 shall draw interest at the rate per annum prescribed by subsection (b) of K.S.A. 79-2968, and amendments thereto, from June 20 until paid, or real estate sold for taxes by foreclosure as provided by law. ~~Taxes levied in any year prior to 1980 and any interest accrued thereon under the provisions of former law which remain due and unpaid on December 20, 1980, shall draw interest at the rate per annum prescribed by subsection (b) of K.S.A. 79-2968, and amendments thereto, from and after December 20, 1980.~~ Except as provided by subsection (b) (c), all interest herein provided shall be credited to the county general fund, and whenever any such interest is paid the county treasurer shall enter the amount of interest so paid on the tax rolls in the proper column and account for such sum.

(b) Whenever any date prescribed in subsection (a) for the payment of real estate taxes occurs on a Saturday or Sunday, such date for payment shall be extended until the next-following regular business day of the office of the county treasurer.

(b) (c) The board of county commissioners may enter into an agreement with the governing body of any city located in the county for the distribution of part or all of the interest paid on special assessments levied by the city which remain unpaid.

Sec. 2. K.S.A. 79-2004a is hereby amended to read as follows: 79-2004a. (a) Any person, firm, unincorporated association, company or corporation charged with personal property taxes on the tax books in the hands of the county treasurer may at its option pay the full amount thereof on or before December 20 of each year, or 1/2 thereof on or before December 20 and the remaining 1/2 thereof on or before June 20 next ensuing, except

that all unpaid personal property taxes of the preceding year must first be paid, except that if the full amount of the personal property taxes listed upon any tax statement shall be \$10 or less the entire amount of such taxes shall be due and payable on or before December 20.

In the event any one so charged with personal property taxes shall fail to pay the first half thereof on or before December 20, ~~then~~ the full amount thereof shall become immediately due and payable.

In case the first half of the taxes remains unpaid after December 20, the entire and full amount of personal property taxes charged shall draw interest at the rate per annum prescribed by K.S.A. 79-2968(b), and amendments thereto, from December 20 to date of payment. All personal property taxes of the preceding year and interest thereon which shall remain due and unpaid on June 21 shall draw interest at the rate per annum prescribed by K.S.A. 79-2968(b), and amendments thereto, from June 20 until paid. ~~Taxes levied in any year prior to 1980 and any interest accrued thereon under the provisions of former law which remain due and unpaid on December 20, 1980, shall draw interest at the rate per annum prescribed by K.S.A. 79-2968(b) from and after December 20, 1980.~~ All interest herein provided for shall be credited to the county general fund and retained by the county, and whenever any such interest is paid, the county treasurer shall enter the amount of interest so paid on the tax rolls in the proper column and account for such sum.

(b) Whenever any date prescribed in subsection (a) for the payment of personal property taxes occurs on a Saturday or Sunday, such date for payment shall be extended until the next-following regular business day of the office of the county treasurer.

Sec. 3. K.S.A. 79-2004 and 79-2004a are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 3, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE March 31, 1987.

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

APPROVED April 10, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 10th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the KANSAS REGISTER, April 16, 1987.)

SENATE BILL No. 265

AN ACT creating the Eisenhower centennial commission to commemorate the centennial of the birth of Dwight D. Eisenhower.

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

Section 1. (a) There is created the Eisenhower centennial commission composed of five citizens of the state appointed by the governor, one of whom shall be designated by the governor as chairperson of the commission.

(b) An advisory committee to assist in the work of the commission shall be appointed by the governor. The advisory committee shall broadly represent Kansas society, with six members from history faculties at Kansas universities; six members from history faculties of private colleges in the state; three members recommended by the speaker of the house of representatives; two members recommended by the minority leader of the house of representatives; three members recommended by the president of the senate; and two members recommended by the minority leader of the senate. The chairperson of the advisory committee shall be the executive director of the state historical society. The vice-chairperson shall be the director of the Dwight D. Eisenhower library, Abilene, Kansas. A permanent secretary shall be appointed by the chairperson of the advisory committee.

(c) Members of the commission and the advisory committee shall serve without compensation or expenses.

Sec. 2. (a) The Dwight D. Eisenhower centennial year to celebrate the centennial of the birth of Dwight D. Eisenhower shall commence January, 1990, during Kansas day ceremonies in Topeka. The Eisenhower centennial commission shall prepare an overall program for commemorating the centennial of the birth of Dwight D. Eisenhower and plan, encourage, develop and coordinate observances and activities commemorating the life and times of Dwight D. Eisenhower.

(b) In preparing its plans and program, the commission shall consider recommendations developed by the advisory committee and local and private groups, and it may designate special committees with representatives from such bodies to plan, develop and coordinate specific activities. In addition, the advisory committee shall recommend to the commission ways in which Kansans of all ages may become familiar with the life and times of Dwight D. Eisenhower.

(c) The commission shall not later than July 1, 1988, submit to the governor a comprehensive report incorporating its specific recommendations for the commemoration of the Eisenhower centennial and related events. This report may recommend activities including, but not limited to:

(1) The production, publication and distribution of books, pamphlets, films and other educational materials on the history, culture and political thought of the period of the life of Dwight D. Eisenhower;

(2) bibliographical and documentary projects and publications;

(3) conferences, convocations, lectures, seminars and other programs;

(4) the development of libraries, museums, historic sites and exhibits, including mobile exhibits;

(5) ceremonies and celebrations commemorating specific events;

(6) programs and activities on the national and international significance of the life and times of Dwight D. Eisenhower; and

(7) the issuance of commemorative medals, seals, automobile license plates and certificates of recognition.

(d) The report of the commission shall also include proposals for legislation and administrative action the commission considers necessary to carry out its recommendations. The governor shall transmit the commission's report to the legislature.

Sec. 3. (a) In fulfilling its responsibilities, the Eisenhower centennial commission shall consult, cooperate with and seek advice from appropriate state departments and agencies, local public bodies, learned societies, and historical, patriotic, philanthropic, civil, professional and related organizations. State departments and agencies may cooperate with the commission in

planning, encouraging, developing and coordinating appropriate commemorative activities.

(b) The chief executive officer of each state university shall cooperate with the commission, especially in the encouragement and coordination of scholarly works and presentations on the history, culture and political thought on the life and times of Dwight D. Eisenhower.

(c) The state historical society and the state librarian shall cooperate with the commission, especially in the development and display of exhibits and collections and in the development of bibliographies, catalogs and other materials relevant to the period of the life of Dwight D. Eisenhower.

(d) The secretary of commerce shall cooperate with the commission, especially in encouraging, through the division of travel and tourism development, visitors to the state to learn more about Dwight D. Eisenhower and his Kansas roots.

Sec. 4. The Eisenhower centennial commission is hereby authorized and empowered to accept donations, gifts, bequests or other contributions of money to be used in furthering the centennial year activities. All contributions so received shall be remitted to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury and shall credit the same to an Eisenhower centennial fund, which fund is hereby created. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission or a person designated by the chairperson.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 10, 1987.

SENATE concurred in HOUSE amendments March 31, 1987.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended March 27, 1987.
JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 11, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of April, 1987.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 16, 1987.)

APPROVED April 7, 1987.

MIKE HAYDEN
Governor.

SENATE BILL No. 249

AN ACT concerning libraries in certain counties; relating to tax levies and the issuance of bonds; amending K.S.A. 12-1257 and repealing the existing section.

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

Section 1. K.S.A. 12-1257 is hereby amended to read as follows: 12-1257. The board of county commissioners of any county designated as an urban area under K.S.A. 19-2654, ~~may and amendments thereto,~~ at the request of the county library board, ~~may~~ make an annual levy of not to exceed ~~one-half (1/2)~~ one mill upon all taxable tangible property within the county for the purpose of creating a special fund to be used for the acquisition of sites, and for the constructing, equipping, repairing, remodeling and furnishing of buildings for county library purposes and to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county. In addition to the tax levy authorized herein, the board of county commissioners, at the request of the county library board, may issue bonds of such county in an aggregate amount not exceeding ~~one-half of one percent (1/2%)~~ 2% of the assessed tangible valuation of such county, the proceeds of which shall be placed in such special fund and may be used for the purposes herein enumerated. No tax levied under the authority of this act, either for the creation of ~~said~~ the special fund or for the repayment of bonds issued hereunder, shall be assessed against property in any municipality in which a municipal library has been established and is being maintained.

Prior to the levying of a tax or the issuance of any bonds under the authority of this act, the board of county commissioners shall adopt a resolution authorizing and stating the purpose for the same. Such resolution shall be published once each week for two consecutive weeks in a newspaper of general circulation within the county. If, within ~~sixty (60)~~ 60 days following the last publication of the resolution, a petition in opposition to the levy or the issuance of bonds, signed by not less than ~~five percent (5%)~~ 5% of the qualified electors of the county, is filed with the county election officer, no such levy shall be made and no bonds shall be issued unless and until the same is approved by a majority of the qualified electors of the county voting thereon at a special election called and held for such purpose. Bonds issued under the authority of this act shall not be subject to or within any bonded debt limitation of the county prescribed by any other law of this state and shall not be considered or included in applying any other law limiting the bonded indebtedness of such county. Any such election shall be called, noticed and held in accordance with the provisions of K.S.A. 10-120, and amendments thereto. Any tax levy made under the authority of this act shall be in addition to all other tax levies authorized or limited by law and shall not be subject to or within the limitations upon the levy of taxes imposed by K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto.

No qualified elector of any municipality in which a municipal library has been established and is being maintained shall be entitled to vote at any election called and held under the provisions of this act, nor shall any such person's signature be considered valid on any petition provided for herein.

Sec. 2. K.S.A. 12-1257 is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 4, 1987.

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

Passed the HOUSE March 24, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

STATE OF KANSAS

Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 7th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the KANSAS REGISTER, April 16, 1987.)

SENATE BILL No. 67

AN ACT amending the Kansas venture capital company act; authorizing the acquisition of income tax credits by taxpayers through transfers from investors exempt from income taxation; amending K.S.A. 1986 Supp. 74-8302 and 74-8308 and repealing the existing sections.

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

Section 1. K.S.A. 1986 Supp. 74-8302 is hereby amended to read as follows: 74-8302. The purpose of the Kansas venture capital company act is to facilitate the formation of private venture capital companies that meet generally accepted national standards for private venture capital companies, and that make equity investments in the creation and expansion of Kansas businesses which are job and wealth creating enterprises by granting tax credits against the Kansas income tax liability of taxpayers investing in such Kansas venture capital companies and taxpayers acquiring credits pursuant to transfers as provided in section 2.

New Sec. 2. Any investor that is not subject to taxation under the provisions of Article 32 of Chapter 79 of the Kansas Statutes Annotated and that makes a cash investment in a certified Kansas venture capital company shall be deemed to acquire an interest in the nature of a transferable credit limited to an amount equal to 25% of such cash investment. Such interest may be transferred to a taxpayer and be claimed by such taxpayer as a credit against the taxpayer's Kansas income tax liability beginning in the taxpayer's taxable year in which the investment in the Kansas venture capital company was made. An investor shall not be entitled to a refund for the interest created under this section. Only the full credit for any one investment may be transferred and such credit may only be transferred one time. A credit acquired by transfer shall be subject to the limitations prescribed by K.S.A. 1986 Supp. 74-8304 and amendments thereto. Documentation of any credit acquired by transfer shall be provided by the taxpayer in the manner required by the director of taxation.

Sec. 3. K.S.A. 1986 Supp. 74-8308 is hereby amended to read as follows: 74-8308. (a) Each qualified Kansas venture capital company shall report to the secretary on an annual basis such information as the secretary requires to be submitted to maintain certification. As a part of such information, each Kansas venture capital company shall report the name, address and taxpayer identification number of each ~~taxpayer investor~~ investor who has invested in such company and amounts invested by each such ~~taxpayer investor~~ investor. Investors who are exempt from income taxation and who transfer income tax credits to a taxpayer shall report to the venture capital company the name, address and taxpayer identification number of the taxpayer who acquires the credit and the company shall report this information to the secretary.

(b) The secretary shall provide this information contained in subsection (a) to the department of revenue on an annual basis.

(c) The secretary shall conduct an annual review of each Kansas venture capital company certified under the program to determine if the Kansas venture capital company is in compliance with the requirements of certification, to advise the Kansas venture capital company as to the certification status of its investments, and to ensure that no investment has been made in

(continued)

(Published in the KANSAS REGISTER, April 16, 1987.)

HOUSE BILL No. 2141

AN ACT concerning scholarships available to medical students; relating to the list of critically medically underserved or medically underserved areas; amending K.S.A. 1986 Supp. 76-375 and repealing the existing section.

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

Section 1. K.S.A. 1986 Supp. 76-375 is hereby amended to read as follows: 76-375. (a) On or before December 31 in each year, the chancellor of the university of Kansas, or the designee of the chancellor, shall prepare a list of the areas of this state which the chancellor, or designee of the chancellor, determines to be critically medically underserved areas by specialty and the areas of this state which the chancellor, or designee of the chancellor, determines to be medically underserved areas by specialty. In preparing such a list the chancellor, or designee of the chancellor, shall consult with the medical scholarship advisory committee. All medical care facilities or institutions operated by the state of Kansas, other than the university of Kansas medical center, full-time faculty positions in an approved Kansas family practice residency program, including such program at the university of Kansas medical center, and all medical clinics which are located in Kansas cities, other than Kansas City, and which are operated by professional corporations that are affiliated by contract with the university of Kansas medical center are qualified for service in both service commitment area I and service commitment area II without being determined medically underserved areas, except that such medical clinics shall not qualify for such service by more than 12 persons at any one time. *In preparing such a list, the portion of time of persons engaged in the practice of medicine and surgery at any institution under the jurisdiction and control of the secretary of social and rehabilitation services shall not be included in determining whether an area is critically medically underserved or medically underserved.* Every such list shall note that all medical care facilities or institutions operated by the state of Kansas qualify for such service commitments, in addition to listing those areas determined to be critically medically underserved or medically underserved. Critically medically underserved areas by specialty and medically underserved areas by specialty established prior to the effective date of this act by the secretary of health and environment shall continue in effect for the purposes of this act until changed by the chancellor of the university of Kansas, or the designee of the chancellor.

(b) (1) A service commitment area shall be designated as a service commitment area I or a service commitment area II. Service commitment area I shall be any area determined by the secretary of health and environment under subsection (a) to be, for purposes of all agreements entered into under K.S.A. 76-374 and amendments thereto, a medically underserved area or a critically medically underserved area. Service commitment area II shall be, for purposes of all agreements entered into under K.S.A. 76-374 and amendments thereto, the state of Kansas.

(2) The service commitment area I or II for persons first awarded scholarships after December 31, 1985, shall be an incorporated city of this state as specified in subsection (d)(2) of K.S.A. 76-374 and amendments thereto.

(c) In selecting a service commitment area I or II, whichever is applicable, prior to the commencement of the full-time practice of medicine and surgery pursuant to all agreements entered into under K.S.A. 76-374 and amendments thereto requiring service for a period of time in a service commitment area I or II, whichever is applicable, the person so selecting shall select such area from among those areas appearing on the list of areas prepared by the chancellor of the university of Kansas, or the designee of the chancellor, under this section. The service commitment area selected shall have appeared on any such list not more than 36 months prior to the commencement of such full-time practice of medicine and surgery by the person selecting such service commitment area. Upon the selection of such service commitment area, the person so selecting shall inform the university of Kansas school of medicine of the area selected.

(d) A person serving in a service commitment area I or II, whichever is applicable, pursuant to any agreement under this

violation of the provisions of this act or rules and regulations promulgated by the department. The reasonable costs of the annual review shall be paid by each Kansas venture capital company according to a reasonable fee schedule adopted by the secretary. Any violation shall be grounds for decertification under this section.

(d) If the Kansas venture capital company has met the fifth year, seventh year and ninth year investment levels and has subsequently sold any of the companies in which those equity investments were made, the temporary liquidity of the Kansas venture capital company prior to reinvestment in the equity of new ventures will not be cause for decertification.

(e) In undertaking the annual review the secretary shall use reasonable and generally accepted national standards of venture capital company practice. If the secretary determines that a company is not in substantial compliance with the requirements for continuing in certification, the secretary shall, by written notice, inform the officers of the company and the board of directors or partners that they will be decertified in 120 days from the date of mailing of the notice unless they correct the deficiencies and are once again in compliance with the requirements for certification.

(f) At the end of the one hundred twenty day 120-day period, if the Kansas venture capital company is still not in substantial compliance, the secretary shall send a notice of decertification to the company and to the secretary of the department of revenue. Decertification of a Kansas venture capital company shall cause the forfeiture of any right or interest to the tax credit under the provisions of this act and shall cause the total amount of tax credit previously claimed by persons under the program to be due and payable with that year's income tax liability.

(g) Following each annual examination, the secretary shall notify the department of revenue of any Kansas venture capital companies that are not in compliance with this section.

(h) The department of revenue shall send written notice to the address of each person whose tax credit has been forfeited, using the address last shown on the person's last income tax filing.

Sec. 4. K.S.A. 1986 Supp. 74-8302 and 74-8308 are hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 10, 1987.

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

Passed the HOUSE April 2, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 11, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of April, 1987.

(SEAL)

BILL GRAVES
Secretary of State.

act may serve all or part of any commitment in the service commitment area initially selected by such person. If such person moves from one service commitment area I or II to another service commitment area I or II, as applicable, such person shall notify the university of Kansas school of medicine of such person's change of service commitment area. Service in any such service commitment area I or II, as applicable, selected from the appropriate lists of service commitment areas, shall be deemed to be continuous for the purpose of satisfying any agreement entered into under this act. Any service commitment area I or II, as applicable, selected after the initially selected service commitment area I or II shall have appeared on a service commitment area I list or on a service commitment area II list, as applicable, which shall have been prepared not more than 12 months prior to the move by such person from one service commitment area I or II to another service commitment area I or II, as applicable.

(e) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area I even though such person is engaged in such practice in two or more locations, at least one of which is not located in a service commitment area I, if the person is engaged in the full-time practice of medicine and surgery in such locations pursuant to a practice affiliation agreement approved by the chancellor of the university of Kansas, or the designee of the chancellor.

(f) In connection with the determination of critically medically underserved areas and medically underserved areas under this section, the chancellor of the university of Kansas, or the designee of the chancellor, shall assess annually the need in the state as a whole for medical services provided by persons engaged in the practice of medicine and surgery and shall report thereon annually to the legislature. Each report shall include any recommendations for needed legislation, including any recommended amendments to this act, which relate to the need for such medical services in the various areas of this state.

(g) There is hereby established the medical scholarship advisory committee. Members of the medical scholarship advisory committee shall be appointed by the chancellor of the university of Kansas as follows: (1) One member shall be from the office of the chancellor of the university of Kansas; (2) one member shall be a representative of the Kansas medical society; (3) one member shall be a member of the Kansas legislature; (4) one member shall be a student at the university of Kansas school of medicine; and (5) one member shall be a member of the state-wide health coordinating council who is a consumer of health care. The medical scholarship advisory committee shall meet periodically upon the call of the chancellor, or the designee of the chancellor, and shall make recommendations to the chancellor, or the designee of the chancellor, in regard to the administration of the provisions of this act.

(h) The chancellor of the university of Kansas may appoint a medical scholarship program coordinator for the purpose of planning and administering the provisions of this act. The coordinator shall be in the unclassified service under the Kansas civil service act.

Sec. 2. K.S.A. 1986 Supp. 76-375 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 27, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE March 31, 1987.

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

APPROVED April 11, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the KANSAS REGISTER, April 16, 1987.)

HOUSE BILL No. 2010

AN ACT concerning the crime of indecent liberties with a child; amending K.S.A. 1986 Supp. 21-3503 and repealing the existing section.

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

Section 1. K.S.A. 1986 Supp. 21-3503 is hereby amended to read as follows: 21-3503. (1) Indecent liberties with a child is engaging in any of the following acts with a child who is not married to the offender and who is under 16 years of age:

(a) Sexual intercourse; or

(b) any lewd fondling or touching of the person of either the child or the offender, done or submitted to with the intent to arouse or to satisfy the sexual desires of either the child or the offender, or both; or

(c) *soliciting the child to engage in any lewd fondling or touching of the person of another with the intent to arouse or satisfy the sexual desires of the child, the offender or another.*

(2) Indecent liberties with a child is a class C felony.

Sec. 2. K.S.A. 1986 Supp. 21-3503 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 27, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE March 31, 1987.

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

APPROVED April 11, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 13th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the *KANSAS REGISTER*, April 16, 1987.)

HOUSE BILL No. 2058

AN ACT relating to fish and game; providing for the issuance of migratory waterfowl habitat stamps; providing for unlawful acts and prescribing penalties therefor.

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

Section 1. (a) As used in this act, "migratory waterfowl" shall mean any wild goose, duck or merganser. No person required to purchase a hunting license shall hunt or take any migratory waterfowl within this state without first procuring a state migratory waterfowl habitat stamp and having such stamp in possession while hunting or taking any migratory waterfowl. Each such stamp shall be validated by the signature of the licensee written across the face of such stamp.

(b) Any violation of the provisions of this section by any person is a class C misdemeanor.

Sec. 2. All migratory waterfowl habitat stamps shall be issued in accordance with rules and regulations adopted by the Kansas fish and game commission. The fee for each stamp issued shall be \$3. The validity of each such stamp shall expire after the last day of June following its issuance. All such stamps shall be sold and purchased in the same manner as prescribed by K.S.A. 32-104a, and amendments thereto, for the sale and purchase of a hunting license except that no more than \$.25 may be charged by any vendor thereof.

Sec. 3. The Kansas fish and game commission shall enter into a contract with a nonprofit waterfowl organization for the purpose of providing the form and design of the migratory waterfowl habitat stamp. Such contract shall provide that the designated nonprofit waterfowl organization shall select a form and design submitted by an artist whose primary domicile is in Kansas pursuant to a contest conducted therefor for stamps issued in 1988 and every second year thereafter. The publication rights for any art prints or other facsimiles of the migratory waterfowl habitat stamp and any proceeds derived from the sale thereof shall remain with the designated nonprofit waterfowl organization.

Sec. 4. (a) All moneys received pursuant to the issuance of the migratory waterfowl habitat stamp shall be remitted to the state treasurer. Upon receipt of any such remittance the state treasurer shall deposit the entire amount thereof in the state treasury and shall credit the same to the migratory waterfowl propagation and protection fund which is hereby created. All expenditures from such fund shall be in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas fish and game commission.

(b) No expenditure shall be made by the Kansas fish and game commission from the migratory waterfowl propagation and protection fund except for projects approved by the commission for the purpose of protecting and propagating migratory waterfowl, including the acquisition, by purchase or lease, of migratory waterfowl habitats in this state, and for the purpose of development, restoration, maintenance or preservation of waterfowl habitats.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 5, 1987.

HOUSE adopted Conference Committee report March 26, 1987.

JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

Passed the SENATE as amended March 11, 1987.

SENATE adopted Conference Committee report March 25, 1987.

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

APPROVED April 7, 1987.

MIKE HAYDEN
Governor.

STATE OF KANSAS

Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 7th day of April, 1987.

(SEAL) BILL GRAVES
Secretary of State.

(Published in the *KANSAS REGISTER*, April 16, 1987.)

SENATE BILL No. 100

AN ACT establishing the commission on travel and tourism; providing for the powers, duties and functions thereof.

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

Section 1. (a) There is hereby established the commission on travel and tourism. The commission shall consist of 15 voting members as follows: (1) One member of the senate appointed by the president of the senate; (2) one member of the senate appointed by the minority leader of the senate; (3) one member of the house of representatives appointed by the speaker of the house of representatives; (4) one member of the house of representatives appointed by the minority leader of the house of representatives; and (5) eleven members appointed by the governor. Of the 11 members appointed by the governor, one shall be appointed from a list of three nominations made by the travel industry association of Kansas, one shall be appointed from a list of three nominations made by the Kansas lodging association, one shall be appointed from a list of three nominations made by the Kansas restaurant association, one shall be appointed from a list of three nominations made by the Kansas oil marketers and convenience store association and seven shall be appointed to represent the general public. In addition to the voting members of the commission, four members of the commission shall serve ex officio: The secretary of commerce, the secretary of transportation, the secretary of wildlife and parks and the secretary of the state historical society. Each ex officio member of the commission may designate an officer or employee of the state agency of the ex officio member to serve on the commission in place of the ex officio member. The ex officio members of the commission, or their designees, shall be nonvoting members of the commission and shall provide information and advice to the commission.

(b) Legislator members shall be appointed for terms coinciding with the terms for which such members are elected. Of the 11 members first appointed by the governor, six shall be appointed for terms of three years and five shall be appointed for terms of two years as determined by the governor. Thereafter, all members appointed by the governor shall be appointed for terms of three years. All members appointed to fill vacancies in the membership of the commission and all members appointed to succeed members appointed to membership on the commission shall be appointed in like manner as that provided for the original appointment of the member succeeded.

(c) The governor shall designate annually a chairperson and vice-chairperson for the commission from among its members. The commission shall meet at least four times each year at the call of the chairperson of the commission. Eight voting members of the commission shall constitute a quorum.

(d) Members of the commission attending meetings of such commission, or attending a subcommittee meeting thereof authorized by such commission, shall be paid amounts for mileage as provided in subsection (c) of K.S.A. 75-3223 and amendments thereto, or a lesser amount as determined by the secretary of commerce. Amounts paid under this subsection (d) to ex officio members of the commission, or their designees, shall be from appropriations to the state agencies of which such members are

officers or employees upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chief administrative officers of such agencies. Amounts paid under this subsection (d) to voting members of the commission shall be from moneys available for the payment of such amounts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission.

Sec. 2. The commission on travel and tourism shall: (a) Advise the department of commerce in the development and implementation of the state's tourism marketing and business development program including, but not limited to, long-range strategies for attracting visitors to the state; (b) report to the department of commerce information for preparation of the annual budget for the division of travel and tourism development; (c) identify and review tourism related issues and current state policies and programs which directly or indirectly affect travel and tourism in the state and, as appropriate, recommend the adoption of new, or the modification of existing, policies and programs; (d) prepare and submit to the governor and the legislature on or before December 31 each year a report of findings and recommendations of the commission concerning the promoting of travel and tourism in Kansas and such related matters as the commission deems appropriate; and (e) perform such other acts as may be necessary in carrying out the duties of the commission.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body February 24, 1987.

SENATE concurred in HOUSE amendments April 3, 1987.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 2, 1987.
JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 10, 1987.
MIKE HAYDEN
Governor.

STATE OF KANSAS
Office of Secretary of State

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

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 10th day of April, 1987.

(SEAL)

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Secretary of State.

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