

# KANSAS REGISTER

State of Kansas

**BILL GRAVES**  
Secretary of State

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May 7, 1987

Pages 779-818

IN THIS ISSUE . . . .	Page
<b>State Board of Technical Professions</b>	
Notice of Meeting . . . . .	781
<b>Department of Administration</b>	
Notice of Commencement of Negotiations for Technical Services . . . . .	781
<b>Kansas Joint Council on Recreation</b>	
Notice of Meeting . . . . .	781
<b>Advisory Council on Aging</b>	
Notice of Hearing on the Needs of Older Kansans . . . . .	781
<b>Notice to Bidders for State Purchases . . . . .</b>	782
<b>Executive Appointments . . . . .</b>	784
<b>Attorney General</b>	
Opinions No. 87-71 through 87-73 . . . . .	784
<b>Kansas Water Office</b>	
Notice of Hearings on the State Water Plan . . . . .	785
<b>Consumer Credit Commissioner</b>	
Notice of Hearing on Proposed Administrative Regulations . . . . .	785
<b>Secretary of State</b>	
Usury Rate for May . . . . .	785
<b>Department of Transportation</b>	
Notices to Bidders . . . . .	785
Notice to Contractors . . . . .	786
<b>Temporary Administrative Regulations</b>	
Social and Rehabilitation Services . . . . .	786
State Board of Regents . . . . .	787
Department of Administration . . . . .	788
<b>Index to Permanent Administrative Regulations Effective May 1, 1987 . . . . .</b>	789
<b>State Corporation Commission</b>	
Notice of Motor Carrier Hearings . . . . .	795

(continued)

	Page
<b>Notice of Bond Sale</b>	
City of Troy .....	799
City of Wichita .....	802
City of Inman .....	805
<b>Notice of Bond Redemption</b>	
City of Hugoton .....	806
Seward County and City of Salina .....	806
<b>New State Laws</b>	
<b>House Bill 2599</b> , concerning the state legislature; relating to compensation and expense allowances of members .....	808
<b>Senate Bill 243</b> , concerning venture capital companies; concerning tax credits for investments in such companies .....	808
<b>Senate Bill 202</b> , concerning crimes and punishments; relating to sentencing .....	810
<b>House Bill 2408</b> , concerning banks and banking .....	811
<b>House Bill 2243</b> , concerning cities and counties; relating to the issuance of revenue bonds ..	816
<b>House Bill 2078</b> , concerning educational institutions under the supervision and control of the state board of regents .....	816

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 Topeka, KS 66612-1594



Phone: (913) 296-3489

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

**NOTICE OF MEETING**

The State Board of Technical Professions will meet May 14-15 at the Holiday Inn, Highway 69 North, Pittsburg. The Engineering Board and the Architect Board will meet at 1:30 p.m. Thursday, May 14. A full board meeting will be at 8 a.m. Friday, May 15. The meetings are open to the public.

BETTY ROSE  
 Executive Secretary

Doc. No. 005349

**State of Kansas**  
**DEPARTMENT OF ADMINISTRATION**  
**DIVISION OF ARCHITECTURAL SERVICES**

**NOTICE OF COMMENCEMENT  
 OF NEGOTIATIONS  
 FOR TECHNICAL SERVICES**

Notice is hereby given of the commencement of negotiations for contracts for air and water balancing of the mechanical systems and infrared scans for the addition and remodeling of activity therapy areas at the Rainbow Mental Health Facility in Kansas City and for the activities building at Kansas Correctional Institution at Lansing.

Interested individuals or firms in the balancing field must be certified by the National Environmental Balancing Bureau or the Associated Air Balance Council. Said individuals or firms must be engaged in balancing work on a full-time basis. Balance agencies which are of the same parent company as the designers or contractors of a particular project will not be considered for that project. Submit qualifications with letter of interest.

Interested individuals or firms in the infrared scan field must be an independent testing company using trained personnel who work full time on infrared testing projects. Personnel shall be familiar with the operation of the infrared camera and capable of analyzing the results. The infrared survey shall be done with a Model No. 750 infrared camera as manufactured by AGA Corporation of Secaucus, New Jersey, or equal. Submit qualifications with letter of interest.

Any additional information, questions or expressions of interest should be directed to Myron Reed, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, prior to May 22.

JOHN B. HIPPI, AIA  
 Director, Division of  
 Architectural Services

Doc. No. 005351

**State of Kansas**  
**PARK AND RESOURCES AUTHORITY**  
**KANSAS JOINT COUNCIL ON RECREATION**

**NOTICE OF MEETING**

The Kansas Joint Council on Recreation will meet at 1:30 p.m. Thursday, May 14, at the Park and Resources Authority office, Room 502, Landon State Office Building, 900 Jackson, Topeka. The purpose of the meeting will be to approve the action plan for 1987/1988 and to select the projects for the fiscal year 1987 land and water conservation fund allocation.

LYNN BURRIS, JR.  
 Director

Doc. No. 005362

**State of Kansas**  
**DEPARTMENT ON AGING**  
**ADVISORY COUNCIL ON AGING**

**NOTICE OF HEARING  
 ON THE NEEDS OF OLDER KANSANS**

The State Advisory Council on Aging, in conjunction with the Kansas Department on Aging, will conduct a statewide public hearing on the needs of older Kansans from 9-10 a.m. Friday, May 22, in White Concert Hall, Garvey Fine Arts Center, Washburn University campus, Topeka.

The purpose of the hearing, which is being held in conjunction with the 12th Annual Governor's Conference on Aging, is to receive direct input from interested individuals and organizations about the needs of older Kansans and other aging issues. Testimony will aid in the development and implementation of aging policies and programs.

Persons wishing to speak at the hearing are asked to notify KDOA prior to May 22 and to provide a written copy of their comments at the hearing. Depending upon the number of persons wishing to be heard, the time available for oral presentations may be limited. Written comments will be accepted by KDOA through June 2.

For more information, contact Suellen Weber at KDOA, 610 W. 10th, Topeka 66612, (913) 296-4986 or 1-800-432-3535.

RONALD L. HARPER, Ph.D.  
 Acting Secretary of Aging

Doc. No. 005359

1853

## 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, MAY 18, 1987**

#A-4880(a)

Department of Administration, Division of Printing—FURNISH AND INSTALL ITEMS OF MECHANICAL AND ELECTRICAL EQUIPMENT

#A-5537

Youth Center at Atchison—RESEAL ASPHALT ROADS AND PARKING AREAS

#A-5571

Topeka State Hospital—REPLACE HOT WATER STORAGE TANK STEAM BUNDLES IN EIGHT VARIOUS BUILDINGS, on grounds

#A-5610(b)

University of Kansas—CONSTRUCT PARKING LOT FOR HOUSING MAINTENANCE FACILITY

#A-5610(c)

University of Kansas—CONSTRUCT PARKING LOT FOR JOLLIFFE HALL

#A-5635

Department of Transportation—REROOF KANSAS HIGHWAY PATROL DIVISION HEADQUARTERS BUILDING, Wichita

#A-5695

Department of Human Resources—ROOF REPLACEMENT—NORTH SIDE

#27055 Supplement

Statewide—ELECTRONIC PRINT/DISPLAY CALCULATORS

#27158

University of Kansas Medical Center—RADIOPHARMACEUTICALS AND RIA KITS

#27547

Kansas Correctional Industries—TRAFFIC ALKYD RESIN

#68977

University of Kansas—FURNISH ALL LABOR AND MATERIALS TO RETROFIT WORK ON BOILER #7

#68990

Kansas State University—CORN

#68993

Kansas State University—LAB OVENS

#69060

Kansas State Historical Society—FURNISH AND INSTALL STAINLESS STEEL COMPONENTS

#69061

Kansas State Historical Society—REPAIR AND INSTALL SIGN AND PRODUCE AND INSTALL STAINLESS RACEWAY

#69062

Kansas State Historical Society—FURNISH AND INSTALL GLASS HAND RAIL

**TUESDAY, MAY 19, 1987**

#A-5317 Rebid

Rainbow Mental Health Facility—REPLACE CARPET—DESIGNATED AREAS BUILDING "A"

#27106

University of Kansas Medical Center—DRY ICE

#27577

Kansas State University—JUNE (1987) MEAT PRODUCTS

#27634

Department of Revenue—REFLECTIVE SHEETING—WEIGHT DECALS, MONTH AND COUNTY DESIGNATOR

#27635

Department of Revenue—REFLECTIVE SHEETING—VALIDATION STICKERS

#68970

University of Kansas—WINDOW ACCESSORIES

#68971

Kansas Public Employees Retirement System—IBM SYSTEM 38 UPGRADE

#68972

Department of Administration, Division of Information Systems and Communications—LASER PRINTER/COMPUTER PROJECTION PANEL

#68975

Fort Hays State University—DISK DRIVE AND SERVER

#68976

University of Kansas—MEDIA COM 3300 MEDIA CONVERSION SYSTEM UPDATE

#68978

Emporia State University—VIDEO EQUIPMENT

#68979

University of Kansas Medical Center—MODEM—SYNCHRONOUS

#68980

Kansas State University—DORM FURNITURE

#68981

Fort Hays State University—STACKING CHAIRS

#68984

University of Kansas—MICROSCOPE

#68988

University of Kansas—GRAPHIC ARTS EQUIPMENT

#68989

Kansas State Industrial Reformatory—TOBACCO

#69067

Kansas State University—GRAIN

**WEDNESDAY, MAY 20, 1987**

#A-5497 Rebid

Youth Center at Atchison—CONVERT ROOM TO REFINISH ROOM MAINTENANCE

#A-5554

Winfield State Hospital and Training Center—DOCK AND RETAINING WALL REMOVAL, MAIN KITCHEN

#26008

Wichita State University—LABORATORY SERVICES

#68992

University of Kansas—MICRO SOFTWARE/PRINTER/DIGITIZING TABLET

#68994

Department of Transportation—SNOW PLOWS, various locations

#68995

University of Kansas—RACING SHELL

#68996

University of Kansas Medical Center—SUCTION DRAINAGE KITS

#68997

Wichita State University—WOOD DESKS

#68998

Department of Transportation—BOLTS, SCREWS  
AND COTTER PINS

THURSDAY, MAY 21, 1987

#A-5424(a)

Department of Administration, Docking State Office  
Building—RELOCATE COOLING TOWERS,  
PHASE I

#A-5424(b)

Department of Administration, Docking State Office  
Building—RELOCATE COOLING TOWERS,  
PHASE II

#69000

University of Kansas—SEM  
INTERFACE/ENGINEERING

#69003

University of Kansas—CENTRIFUGE ROTOR

#69004

University of Kansas Medical Center—CRYOGENIC  
EQUIPMENT

#69009

Wichita State University and Kansas State  
University—LASER PRINTERS

#69010

Emporia State University—VIDEO EQUIPMENT

#69011

Kansas State University—AGRONOMY RESEARCH

#69012

University of Kansas—BUNK BEDS

#69015

Kansas State University—VACUUM TECHNOLOGY

#69051

Department of Health and Environment—CARPET

FRIDAY, MAY 22, 1987

#A-5570

Topeka State Hospital—REPLACE WATER, MAIN  
AREA BUILDING

#26069

Rainbow Mental Health Facility—IN-HOUSE  
PHARMACY SERVICE

#69013

University of Kansas—LAB FUME  
HOOD/CABINETS

#69014

Kansas State University—GAS CHROMATOGRAPH

#69024

Kansas State Industrial Reformatory—  
CATFISH—FROZEN

#69025

Emporia State University—DISPLAY TERMINALS  
AND PRINTERS

#69026

Department of Transportation—FURNISH AND  
INSTALL OVERHEAD DOORS, Hutchinson

#69030

University of Kansas Medical Center—  
CENTRIFUGE

#69031

Department of Transportation—PLANT MIX,  
COMMERCIAL GRADE, Great Bend

#69032

University of Kansas Medical Center—DRAPERIES

#69033

Department of Transportation—PLANT MIX,  
COMMERCIAL GRADE, Hutchinson

#69034

Department of Health and Environment—  
REMEDIAL CLEAN-UP DESIGN, Rooks County

#69035

University of Kansas Medical Center—HPLC  
SYSTEM

#69036

University of Kansas Medical Center—LAB  
INCUBATOR

#69037

Department of Transportation—TIRE CHAINS,  
Garden City

#69044

Department of Transportation—AB SPECIAL  
AGGREGATE, Kiowa County

#69045

Department of Transportation—AB SPECIAL  
AGGREGATE, Stafford County

#69046

University of Kansas Medical Center—LAB  
CENTRIFUGE

#69048

Department of Transportation—AB SPECIAL  
AGGREGATE, Edwards County

#69049

Kansas State Penitentiary—STEAM BOILER

#69050

Kansas State University—EMBOSSING  
EQUIPMENT

#69052

Kansas State University—FURNISH AND INSTALL  
METAL BUILDING

#69053

Kansas State University—LUMBER

#69064

Department of Social and Rehabilitation  
Services—ELECTRIC WHEELCHAIR, Paola

TUESDAY, MAY 26, 1987

#69063

Department of Transportation—MRA-A, B, C & F  
AGGREGATE, Dickinson County

WEDNESDAY, MAY 27, 1987

#69042

University of Kansas—SPECTROPHOTOMETER

#69043

University of Kansas—MICROSCOPE

#69047

Kansas State University—SEM/SERVICE

THURSDAY, JUNE 4, 1987

#68985

Department of Health and Environment—  
HAZARDOUS WASTE CLEANUP, Paola

THURSDAY, JUNE 11, 1987

#68986

Department of Health and Environment—  
REMEDIAL CLEAN-UP OF OILCONTAMINATION,  
Harvey CountyNICHOLAS B. ROACH  
Director of Purchases

Doc. No. 005357

## State of Kansas

**SECRETARY OF STATE****EXECUTIVE APPOINTMENTS**

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

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

The following appointments were filed April 4 through April 29:

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

**Bruce Mayfield**, 6707 W. 80th, Overland Park 66204. Effective April 16, 1987. Term expires December 31, 1991. Appointed by Speaker of the House James D. Braden as his designee.

**Franklin County Treasurer**

**Vera M. Figgins**, Route 2, Box 27, Pomona 66076. Effective April 24, 1987. Term expires when a successor is elected and qualifies according to law. Succeeds Marilyn J. Talbott.

**Greenwood County Commissioner,  
2nd District**

**Roger Winfrey**, 1045 Country Club Drive, Eureka 67045. Effective April 9, 1987. Term expires when a successor is elected and qualifies according to law. Succeeds Leo Ebberts.

**Reno County Treasurer**

**Larry Tucker**, 3901 Quivira Drive, Hutchinson 67502. Effective April 24, 1987. Term expires when a successor is elected and qualifies according to law. Succeeds Annabel Miller.

**Shawnee County Register of Deeds**

**Joan L. Sherrer**, 925 S.W. Saline, Topeka 66606. Effective April 15, 1987. Term expires when a successor is elected and qualifies according to law. Succeeds Jean O'Brien, resigned.

**Sheridan County Commissioner,  
3rd District**

**Eugene Schwarz**, Rural Route, Grinnell 67738. Effective April 24, 1987. Term expires when a successor is elected and qualifies according to law. Succeeds Francis Meier.

**BILL GRAVES**  
Secretary of State

## State of Kansas

**ATTORNEY GENERAL****Opinion No. 87-71**

**Cities and Municipalities—Buildings, Structures and Grounds; Business Improvement Districts—Protest Petition to Repeal Ordinance.**

**Elections—Sufficiency of Petitions—Application to Counties, Cities, School Districts and Other Municipalities; Determination of Sufficiency of Petition Signatures.** Dale W. Bell, Emporia City Attorney, Emporia, April 23, 1987.

K.S.A. 12-1789 authorizes the filing of a petition in opposition to the continuation of a business improvement district. The sufficiency of such a petition is to be determined in accordance with the provisions of K.S.A. 25-3601 *et seq.* Cited herein: K.S.A. 12-1781; 12-1789; 25-3601; 25-3602. TRH

**Opinion No. 87-72**

**Constitution of the State of Kansas—Suffrage—Qualifications of Electors.** Representative Rick Bowden, 93rd District, Goddard, April 27, 1987.

1987 House Bill No. 2273 defines "qualified elector" for purposes of municipal bond elections to include any person 18 years of age or older owning land within the limits of the municipality, even if that person is not a resident therein. Applying this definition of "qualified elector" to all municipal bond elections would violate Article 5, § 1 of the Kansas Constitution. Cited herein: K.S.A. 1986 Supp. 10-120; K.S.A. 12-105; K.S.A. 1986 Supp. 19-27a03; K.S.A. 19-3802; 24-410; 24-507; 24-605; 82a-602; 82a-1021(e); Ks. Const., Art. 5, § 1; Art. 11, § 7. BPA

**Opinion No. 87-73**

**Laws, Journals and Public Information—Records Open to Public—Lists of Names and Addresses Derived from Public Records.**

**Crimes and Punishments—Kansas Criminal Code; Prohibited Conduct; Crimes Affecting Public Trusts—Unlawful Use of Names Derived from Public Records.** Charles V. Hamm, Special Assistant to the Secretary, Department of Health and Environment, April 27, 1987.

K.S.A. 1986 Supp. 21-3914(a) and K.S.A. 45-220(c) provide that no list of names and addresses obtained from public records can be used for solicitation purposes. This limitation on the use of such information applies not only to individuals, but also to the name and addresses of businesses which are made public record. Cited herein: K.S.A. 1986 Supp. 21-3914; K.S.A. 45-215; 45-220. RLN

**ROBERT T. STEPHAN**  
Attorney General

Doc. No. 005354

## State of Kansas

**KANSAS WATER OFFICE****NOTICE OF HEARINGS ON  
THE STATE WATER PLAN**

The Kansas Water Office will conduct two public hearings to obtain the public's views on the working draft of the fiscal year 1989 state water plan. The hearings are scheduled for 8 a.m. Thursday, May 21, in Room 313-South, State Capitol, Topeka, and at 8 a.m. Friday, May 22, at the Fort Hays Experiment Station Auditorium, Hays.

The focus of attention this year will be on two new proposed sections for the plan—stream rehabilitation and an environmental protection strategy. Public comments on these sections are encouraged.

An executive summary containing the complete text of the working drafts will be mailed to those individuals and organizations on the Kansas Water Authority's mailing list. Additional copies of the summary may be obtained from the Kansas Water Office.

For additional information, contact Joseph F. Harkins, Director, Kansas Water Office, 109 S.W. 9th, Suite 200, Topeka 66612-1215, (913) 296-3185.

JOSEPH F. HARKINS  
Director

Doc. No. 005353

## State of Kansas

**CONSUMER CREDIT COMMISSIONER****NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS**

The office of the Consumer Credit Commissioner will conduct a public hearing at 10 a.m. Wednesday, May 27, in Room 352, Landon State Office Building, 900 Jackson, Topeka, concerning temporary regulation 75-6-26. All interested parties may present oral or written comments at the hearing.

The proposed change in the regulation would have no fiscal impact on the agency, the lenders or the general public. The regulation to be adopted is as follows:

**75-6-26. Federal Truth-in-lending act requirements.** Any creditor who, in the ordinary course of business, regularly extends or offers to extend consumer credit shall disclose to the consumer the information required by title I of the consumer protection act (public law 90-321; 82 stat. 146), as amended, and any regulations issued pursuant to this act as of ~~March 25, 1986~~ *March 20, 1987*. (Authorized by and implementing K.S.A. 16a-6-117; effective, E-82-16, Aug. 12, 1981; amended T-83-2, Jan. 7, 1982; amended T-83-6, April 14, 1982; amended T-84-10, May 25, 1983; amended, T-85-15, May 3, 1984; amended, T-86-12, May 1, 1985; amended, T-87-14, June 6, 1986; amended, T-\_\_\_\_-\_\_\_\_\_.)

JUDITH K. STRINGER  
Consumer Credit Commissioner

Doc. No. 005341

## State of Kansas

**SECRETARY OF STATE****NOTICE**

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

I, Bill Graves, Secretary of State of the State of Kansas, do hereby certify that pursuant to the provisions of K.S.A. 1986 Supp. 16-207, the maximum effective rate of interest per annum for notes secured by all real estate mortgages and contracts for deed for real estate executed during the period of May 1, 1987 through May 31, 1987 shall be 12.04 percent.

In testimony whereof: I hereto set my hand and cause to be affixed my seal. Done at the City of Topeka, this 30th day of April, A.D. 1987.

BILL GRAVES  
Secretary of State

Doc. No. 005352

## State of Kansas

**DEPARTMENT OF TRANSPORTATION****NOTICE TO BIDDERS**

Sealed bids on Quotation 6929 for the sale of junk tires and scrap metals, heavy equipment, shop equipment and repair parts, located in the Salina and Norton K.D.O.T. district yards, will be received until 10 a.m. Thursday, May 21.

Bid blanks may be obtained from H. E. Shubert, purchasing agent, seventh floor, Docking State Office Building, Topeka; R. L. Anderson, district engineer, Salina; and E. L. Olson, district engineer, Norton.

HORACE B. EDWARDS  
Secretary of Transportation

Doc. No. 005361

## State of Kansas

**DEPARTMENT OF TRANSPORTATION****NOTICE TO BIDDERS**

Sealed bids on Quotation 6928 for the sale of shop equipment, heavy equipment and repair parts, located in the Chanute, Hutchinson and Garden City K.D.O.T. district yards, will be received until 10 a.m. Thursday, May 21.

Bid blanks may be obtained from H. E. Shubert, purchasing agent, seventh floor, Docking State Office Building, Topeka; D. E. Kimbell, district engineer, Chanute; W. A. Culwell, district engineer, Hutchinson; and E. D. Crockett, district engineer, Garden City.

HORACE B. EDWARDS  
Secretary of Transportation

Doc. No. 005360

## State of Kansas

## DEPARTMENT OF TRANSPORTATION

## NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge work in the following Kansas county will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, until 10 a.m. C.D.T. May 21, 1987, and then publicly opened:

## DISTRICT FOUR—Southeast

**Cherokee—26-11 K-2810-01—K-26, culvert 507, 3.1 miles north of U.S. 166, culvert. (State Funds)**

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

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

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

HORACE B. EDWARDS  
Secretary of Transportation

Doc. No. 005326

## State of Kansas

## SOCIAL AND REHABILITATION SERVICES

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

**30-5-81b.** The basis of reimbursement for hospital services. (a) General hospitals; inpatient services. For covered services rendered to program recipients, each general hospital shall be reimbursed on the basis of a prospective per diem rate pursuant to the provisions of K.A.R. 30-5-81q through 30-5-81t except as set forth

below. On or after January 1, 1987, each general hospital shall be reimbursed with a quarterly premium. The premium shall be calculated individually for each hospital by multiplying its number of medicaid/medikan discharges in the immediately preceding state fiscal year by a fixed percentage of its current rate. The fixed percentage shall be determined on an annual basis by the secretary.

(b) General hospitals; outpatient services. For covered services rendered to program recipients, each general hospital shall be reimbursed based on the reimbursement methodology for comparable services rendered by non-hospital providers. For laboratory and radiology services, each general hospital shall be reimbursed its customary charges not to exceed the range maximum set forth in K.A.R. 30-5-85a plus 2%.

(c) General hospitals; long term care in swing bed hospitals. For covered services rendered to program recipients, each general hospital shall be reimbursed pursuant to 42 CFR 447.251 through 447.256, 447.271, and 447.280, revised October 1, 1984, which are adopted by reference.

(d) Special hospitals. Each special hospital shall be reimbursed the lesser of reasonable costs or customary charges for covered services rendered to program recipients.

(e) New hospitals. A newly constructed hospital which was not in operation for a full year for the hospital's fiscal year ending in 1981, or an existing hospital which served less than five Kansas medicaid recipients during the hospital's fiscal year ending in 1981 shall be considered a new hospital.

(f) Hospitals which are determined to have a disproportionate number of low income patients with special needs shall be reimbursed at an additional 1% of their per diem rate for the year in which a disproportionate number of low income patients with special needs occurs. This regulation shall expire on May 1, 1987. (Authorized by and implementing K.S.A. 39-708c; effective May 1, 1981, amended, E-82-6, May 1, 1981; modified, L. 1982, ch. 469, May 1, 1982; amended May 1, 1983; amended, T-84-7, March 29, 1983; amended May 1, 1984; amended, T-85-24, Sept. 18, 1984; amended May 1, 1985; amended, T-86-19, July 1, 1985; amended May 1, 1986; amended, T-87-44, Dec. 19, 1986; amended, T-88-6, March 4, 1987.)

ROBERT C. HARDER  
Secretary of Social  
and Rehabilitation Services

Doc. No. 005338



## State of Kansas

## BOARD OF REGENTS

TEMPORARY ADMINISTRATIVE  
REGULATIONSArticle 13.—STUDENT ASSISTANCE  
PROGRAMS

**88-13-1. Definitions.** Terms used herein are defined as follows: (a) "Parent" means a guardian or any person who is legally responsible for the maintenance, care, or support of a dependent who is an applicant under this program.

(b) "Parent's contribution" means the amount parents can reasonably be expected to contribute from their income and assets toward a year's college education costs for a dependent. This amount shall be determined based upon criteria approved by the board and established by the financial needs analysis agency selected by the board.

(c) "Independent student" means a student who demonstrates independence from a parent's support to the satisfaction of the board. Documentation that will meet U.S. education department guidelines for an independent student may be required from the applicant, applicant's parent or parents, or guardian to verify emancipation from the parent or parents.

(d) "Student contribution" means the amount a student can contribute from the student's own work and resources toward a year's college education costs. This amount shall be determined based upon criteria approved by the board and established by the financial needs analysis agency selected by the board. The student contribution shall not be less than \$450.

(e) "Student resources" means assets, earnings, income or benefits from other sources, work study income, and any grant or loan coming directly to the student from non-college sources.

(f) "Family contribution" means the sum of parents' contribution and student contribution. The family contribution shall be determined annually.

(g) "Tuition" means the amount of money charged a full-time student for the cost of educational services for the academic year, excluding any summer session. The amount of the tuition shall be set by the eligible postsecondary institution and shall be the same for the grantee and non-grantee students who are in identical circumstances at the institution.

(h) "Required fees" means fees which are not optional for the full-time student and which are considered by the board to be for educational purposes.

(i) "College budget" means the total amount required for a student to attend the postsecondary institution of the student's choice. The costs of tuition and required fees, room and board, supplies, and incidentals shall be included in the college budget. For married students, a family maintenance budget shall be substituted for room and board. All amounts to be used for maintenance, supplies and incidentals shall be comparable for all eligible institutions.

(j) "Tuition grant offer" means the annual amount offered to a student under this program, rounded to

the nearest \$10. Each tuition grant offer shall be the lesser of the following amounts:

(1) an amount equal to one-half of the difference between the average amount of the total tuition and required fees of full-time in-state students who are enrolled at the state universities and the average amount of the total tuition and required fees of full-time in-state students who are enrolled at the accredited independent institutions in Kansas;

(2) the annual tuition and required fees at the college of the student's choice;

(3) the financial need of the student; or

(4) the pro-rata amount determined by the board.

(k) "State scholarship offer" means the annual amount offered to a state scholar under this program, rounded to the nearest \$10. Each state scholarship offer shall be the lesser of the following amounts:

(1) \$1,000 for scholars designated for fall, 1985 and thereafter;

(2) \$500 for any scholar designated prior to fall, 1985;

(3) the financial need of the state scholar;

(4) the pro-rata amount determined by the board.

(l) "Grantee" means a person possessing a valid tuition grant offer, or state scholarship offer, or both.

(m) "Tuition grant payment or state scholarship payment" means the amount awarded to a student to attend a portion of the academic year. This amount shall be determined by pro-rating the amount of the tuition grant offer, or state scholarship offer, or both.

(n) "Unmet need" means the financial need of a grantee less the amount of the student's tuition grant offer or state scholarship offer, or both. (Authorized by K.S.A. 72-6111, as amended by L. 1986, ch. 272, section 3, 72-6814; implementing K.S.A. 72-6107, 72-6109, as amended by L. 1986, ch. 272, section 2, 72-6110, 72-6111, 72-6810, 72-6812, 72-6814, 72-6815; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended May 1, 1984; amended, T-86-35, Nov. 20, 1985; amended May 1, 1986; amended T-88-7, March 4, 1987.)

**88-13-4. Applicant eligibility.** To be eligible for a tuition grant offer, or state scholarship offer, or both, a person shall demonstrate to the executive director of the board that the applicant: (a) qualifies as a resident of the state of Kansas for fee purposes at a state educational institution according to K.S.A. 76-729 and K.A.R. 88-3-1, *et seq.*;

(b) is initially accepted or enrolled at an eligible Kansas postsecondary institution;

(c) is an undergraduate who has never received a baccalaureate degree;

(d) has financial need as determined by an analysis of information submitted on the current year's American College Testing Service Family Financial Statement, which is hereby adopted as the board's family financial statement;

(e) having received a state scholarship and having completed the initial enrollment in a postsecondary educational institution, has attained the academic

(continued)

standard of a cumulative 3.3 grade point average for all postsecondary academic terms or semesters. The average shall be calculated on a 4.0 scale where an A equals four points;

(f) having received a tuition grant and having completed the initial enrollment in a postsecondary educational institution, has attained the academic standard of a cumulative 2.0 grade point average for all postsecondary academic terms or semesters. The average shall be calculated on a 4.0 scale where an A equals four points; and

(g) having received federal financial assistance, does not owe a refund on any such grant and is not in default on any such loan and has otherwise complied with the requirements of 34 C.F.R. 692.40, effective August 28, 1981, which are hereby adopted by reference. (Authorized by K.S.A. 72-6112, 72-6815; implementing K.S.A. 72-6112, 72-6815; effective, E-76-57, Dec. 12, 1975; effective, E-77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984; amended May 1, 1984; amended, T-85-14, May 3, 1984; amended, T-85-39, Dec. 17, 1984; amended May 1, 1985; amended, T-86-35, Nov. 20, 1985; amended May 1, 1986; amended T-88-7, March 4, 1987.)

**88-13-11. College certification.** Upon the enrollment of grantees, each eligible postsecondary institution shall certify to the board that each grantee attending its institution: (a) is providing a minimum of \$450 from the grantee's own work and resources;

(b) is not receiving more financial aid than the grantee's unmet need;

(c) is a full-time undergraduate student in good standing who is responsible for paying full tuition and required fees;

(d) has met the state scholarship academic standard of a cumulative 3.3 grade point average for grantees participating in the state scholarship program;

(e) has met the tuition grant academic standard of a cumulative 2.0 grade point average for grantees participating in the tuition grant program;

(f) has reported accurate parent or student income data, as verified by a copy of the income tax return for the most recent tax year or through other verification of income criteria as provided in 34 C.F.R. 690.77, effective April 29, 1985, which are hereby adopted by reference; and

(g) for an independent grantee, that the grantee meets the U.S. education department guidelines for an independent student, as in effect on October 26, 1983, and that the college has on file a valid statement of financial independence. The statement of financial independence shall be certified by a notarized signature of the applicant's parent or legal guardian; and

(h) where applicable, is in compliance with the eligibility requirements of 34 C.F.R. 692.40, effective August 28, 1981, which are hereby adopted by reference; and

(i) if selected for verification review by the federal government, has successfully completed that review process. (Authorized by K.S.A. 72-6111, 72-6814; implementing K.S.A. 72-6107, 72-6111, 72-6810, 72-6814; effective, E-76-57, Dec. 12, 1975; effective, E-

77-5, March 19, 1976; effective Feb. 15, 1977; amended, T-85-6, Feb. 15, 1984; amended May 1, 1984; amended, T-85-14, May 3, 1984; amended, T-85-39, Dec. 19, 1984; amended May 1, 1985; amended, T-86-35, Nov. 20, 1985; amended May 1, 1986; amended T-88-7, March 4, 1987.)

JEAN S. SAGAN  
Associate General Counsel

Doc. No. 005337

## State of Kansas

### DEPARTMENT OF ADMINISTRATION

#### TEMPORARY ADMINISTRATIVE REGULATIONS

#### Article 9.—HOURS; LEAVES; EMPLOYEE-MANAGEMENT RELATIONS

**1-9-6. Leave without pay.** (a) Requests for leave without pay shall be made to the appointing authority in such form and at such time as prescribed by the appointing authority. The appointing authority shall determine whether approval of each request is for the good of the service, and shall approve or disapprove the request. The appointing authority may require use of accumulated vacation leave and compensatory time credits, and, if appropriate, accumulated sick leave, before approval of leave without pay.

(b) A probationary or conditional employee, excluding those on temporary or emergency appointments, may be granted leave without pay for a period not to exceed 60 calendar days for childbearing, illness, temporary disabilities, or other good and sufficient reason, when the appointing authority deems leave to be in the best interest of the service. When an appointing authority determines that granting a longer leave of absence without pay than prescribed in this subsection is in the best interest of the service, the appointing authority may request the director of personnel services to approve a longer leave, or an extension of a leave, provided the total duration of leave shall not exceed six months. Any leave granted under this subsection that exceeds 30 calendar days shall be reported to the director of personnel services.

(c) A permanent employee may be granted leave without pay for a reasonable period of time consistent with the effective fulfillment of the agency's duties, but not to exceed one year, for childbearing, illness, temporary disabilities, the birth of the employee's child, the adoption of a child by the employee, the initial placement of a foster child in the home of the employee, in order to care for a family member who has a serious health condition, or other good and sufficient reason, when the appointing authority deems such leave to be in the best interest of the service. Any leave that exceeds 30 calendar days shall be reported to the director of personnel services.

(d) A permanent employee may be granted leave of absence without pay from the employee's classified position to enable the employee to take an appointive position in the unclassified service, if the granting of

this leave is considered by the appointing authority to be in the best interest of the service. Leave for this purpose shall not exceed one year, but the appointing authority may grant extensions of up to one year, and the appointing authority may determine the number of extensions. Any leave, or extension, that exceeds 30 days shall be reported to the director of personnel services.

(e) Desire of an employee to accept employment not in the state service shall be considered by the appointing authority as insufficient reason for approval of a leave of absence without pay, except under unusual circumstances.

(f) If the interests of the service make it necessary, the appointing authority may terminate a leave of absence without pay by giving written notice to the employee at least two weeks prior to the termination date. With the approval of the appointing authority, an employee may return from leave on an earlier date than originally scheduled.

(g) When an employee returns at the expiration of an approved leave without pay or upon notice by the appointing authority that a leave without pay has been terminated, the employee shall be returned to a position in the same class as the position which the employee held at the time the leave was granted, or in another class in the same salary range for which the employee meets the qualifications.

(h) Failure to return to work at the expiration of an authorized leave of absence, or upon notice by the appointing authority that a leave has been terminated, shall be deemed a resignation. Such resignation shall be reported by the appointing authority to the director of personnel services in the manner provided by the director. Before terminating an employee for failure to return from leave, the appointing authority shall make a reasonable effort to contact the employee, and a summary of the steps taken to try to contact the employee shall be submitted to the director of personnel services with the resignation.

(i) An employee currently serving a probationary period from a promotional certification or reinstatement may be granted leave without pay under the same conditions as a permanent employee, provided the employee had permanent status in the class in which the employee was employed prior to the employee's promotional appointment or reinstatement. The employee's probationary period shall be continued effective with the employee's return from leave until the total probation time actually served equals the time required under K.A.R. 1-7-4. (Authorized by K.S.A. 1986 Supp. 75-3747; implementing K.S.A. 75-2947; effective May 1, 1979; amended, E-81-14, June 12, 1980; amended May 1, 1981; amended May 1, 1983; amended, T-88-9, April 21, 1987.)

H. EDWARD FLENTJE  
Secretary of Administration

Doc. No. 005336

**INDEX TO  
ADMINISTRATIVE REGULATIONS  
EFFECTIVE MAY 1, 1987**

**AGENCY 1: DEPARTMENT OF ADMINISTRATION**

Regulation number	Action	Subject	Register page
1-2-25	Amended	Definitions	180
1-2-46	Amended		180
1-2-51	Amended		181
1-2-85	Amended		181
1-5-5	Amended	Compensation	181
1-5-8	Amended		181
1-5-10 through 1-5-16	Amended		182-184
1-5-19b	Amended		184
1-5-19c	Amended		184
1-5-20	Amended		184
1-5-24	Amended		185
1-6-29	Amended	Recruiting and Staffing	185
1-7-6	Amended	Probationary Period and Employee Evaluation	186
1-9-8	Amended	Hours; Leaves; Employee-Management Relations	186
1-9-13	Amended	Travel Reimbursement	187
1-16-3	Amended		187
1-16-15	Amended		187
1-16-18	Amended		187
1-16-18a	Amended		188
1-16-18b	Amended		188
1-17-2a	Amended	Use of State-owned or Operated Motor Vehicles on Official State Business	189
1-23-3	Amended	State Vanpool Program	190
1-23-4	Amended		191
1-29-1 through 1-29-3	Revoked	Employee Awards	191
1-30-1	Revoked		191
1-30-3 through 1-30-5	Revoked	Employee Suggestion System	191
1-30-7	Revoked		191
1-30-8	Revoked		191
1-30-11	Revoked		191
1-30-14	Revoked		191
1-30-16	Revoked		191
1-30-18	Revoked		191
1-30-19	Revoked		191
1-30-21 through 1-30-24	Revoked		191
1-45-7	Amended	Motor Vehicle Parking on Certain State-owned or Operated Property in Shawnee County	191

**AGENCY 4: BOARD OF AGRICULTURE**

Regulation number	Action	Subject	Register page
4-4-2	Amended	Commercial Fertilizers	274
4-7-213	Amended	Milk and Dairy Products	274
4-10-1	Amended	Anhydrous Ammonia	275
4-10-2	Revoked		275
4-10-2a through 4-10-2k	New		275-278
4-10-4	Amended		279
4-10-5	Amended		280
4-10-15	New		281
4-13-11	Amended	Pesticides	281
4-13-13	Amended		283
4-13-29	New		285
4-13-30	Amended		285
4-16-250	New	Meat and Meat Products	285
4-16-251	New	Inspection	285
4-20-4	Amended	Chemigation	285
4-25-1	New	Board of Agriculture Publications	286

(continued)

**AGENCY 5: BOARD OF AGRICULTURE—  
DIVISION OF WATER RESOURCES**

Regulation number	Action	Subject	Register page
5-3-12	Revoked	Appropriation Rights	305
5-24-2	Amended	Northwest Kansas Groundwater	305
5-24-6	Amended	Management District No. 4	306
5-25-1	Amended	Big Bend Groundwater	306
5-25-4	Amended	Management District No. 5	307
5-40-1	Amended	Design of Earth Dams	307-309
5-40-4			
5-40-6	Amended		309
5-40-7	Amended		310
5-40-12	New		310
5-40-13	New		310
5-41-1	New	Design of Channel Changes	310
5-41-6			
5-42-1	New	Design of Stream Obstructions	310, 311
5-42-3			
5-43-1	New	Sand Dredging Permits	311, 312
5-43-5			
5-45-1	New	Design of Levees	312-314
5-45-13			

**AGENCY 7: SECRETARY OF STATE**

Regulation number	Action	Subject	Register page
7-30-1	Amended	Session Laws	106

**AGENCY 9: ANIMAL HEALTH DEPARTMENT**

Regulation number	Action	Subject	Register page
9-2-34	New	Bovine Brucellosis	107

**AGENCY 11: STATE CONSERVATION COMMISSION**

Regulation number	Action	Subject	Register page
11-3-2	Amended	Watershed Dam Construction	178
11-3-4	Amended	Program	178
11-3-5	Amended		179
11-3-9	Amended		179
11-4-1	Amended	State Grants for Construction	179
11-4-3	Amended	or Renovation of Multipurpose	179
11-4-4	Amended	Small Lakes	179
11-4-7	Amended		179
11-4-8	Amended		180
11-4-10	Amended		180
11-4-13	Amended		180
11-4-14	Amended		180

**AGENCY 13: ALCOHOLIC BEVERAGE CONTROL  
BOARD OF REVIEW**

Regulation number	Action	Subject	Register page
13-2-8	Amended	Appeals and Hearings	106

**AGENCY 14: DEPARTMENT OF REVENUE—  
DIVISION OF ALCOHOLIC BEVERAGE CONTROL**

Regulation number	Action	Subject	Register page
14-2-6	Amended	Licensees and Vendors	152
14-4-11	Amended	Manufacturers; Distributors;	152
14-4-17	Revoked	Nonbeverage Users	153
14-6-3	Amended	Containers and Labels	153
14-8-2	Amended	Advertising	153
14-10-2	Amended	Trade Practices	154
14-12-1	New	Cereal Malt Beverages	154-157
14-12-18			
14-16-10	New	Licenses; Suspension, Revocation	157
14-16-12			
14-18-4	Amended	Class A and B Clubs	157

14-18-31	Revoked		158
14-18-33	New		158
14-20-10	New	Class B Clubs	158

**AGENCY 18: EMPLOYEE AWARD BOARD**

Regulation number	Action	Subject	Register page
18-1-1	Amended	Employee Service Awards	105
18-1-2	Amended		105
18-2-1	Amended	Employee Suggestion Awards	105, 106
18-2-7			

**AGENCY 19: PUBLIC DISCLOSURE COMMISSION**

Regulation number	Action	Subject	Register page
19-21-3	Amended	Candidates and Committees	150
19-21-6	Amended		150
19-29-2	Amended	Receipts and Expenditures Reports	150

**AGENCY 22: STATE FIRE MARSHAL**

Regulation number	Action	Subject	Register page
22-7-2	Amended	Flammable and Combustible Liquids	109
22-8-7	Amended	Liquefied Petroleum Gases	109
22-10-16	Amended	Installation and Certification	109
22-10-17	New	Standards for Extinguishing Devices	109
22-11-8	Amended	Adult Care Homes, Hospitals, Residential Care Facilities and Maternity Centers	109

**AGENCY 25: GRAIN INSPECTION DEPARTMENT**

Regulation number	Action	Subject	Register page
25-4-1	Amended	Fees and Charges	107
25-4-4	Amended		108

**AGENCY 26: DEPARTMENT ON AGING**

Regulation number	Action	Subject	Register page
26-1-1	Amended	General Provisions	194
26-1-2	Amended		196
26-2-1	Amended	Grants and Contracts	196
26-2-3	Amended		197
26-2-5	Amended		197
26-2-8	Revoked		197
26-4-2	Amended	Hearings and Appeals	198
26-5-1	Amended	In-Home Nutrition Program	198
26-5-2	Amended		198
26-6-1	Amended	Employment Program	198
26-6-2	Amended		199
26-6-6	Amended		199

**AGENCY 28: DEPARTMENT OF HEALTH  
AND ENVIRONMENT  
(summary of text)**

Regulation number	Action	Subject	Register page
28-4-92	Amended	Maternal and Child Health	646
28-4-115	Amended		647
28-4-116	Amended		647
28-4-127	Amended		647
28-4-130	Amended		647
28-4-187	Amended		647
28-4-269	Amended		647
28-4-271	Amended		647
28-4-275	Amended		647
28-4-277	Amended		647
28-4-351	Amended		647
28-4-359	Amended		647
28-4-377	Amended		647
28-4-401	Amended		647
28-4-402	Revoked		647
28-4-405	Amended		647
28-4-405b	Amended		647
28-4-408	Amended		647
28-4-420	Amended		647

28-4-422	Amended		647	28-46-10	Amended	Underground Injection Control	649
28-4-429	Amended		647	28-46-32	Amended	Regulations	649
28-4-440	Amended		647	28-48-1	New	Traumatic Health Injury	649
28-4-501	New		647	through		Facilities	
28-4-513				28-48-8			
28-16-28c	Amended	Water Pollution Control	647	28-50-1	New	Asbestos Control	649
through				through			
28-16-28e				28-50-14			
28-16-57	Amended		647	28-51-100	Amended	Home Health Agency Licensure	649
through				28-52-1	New	Medical Care Facilities Risk	649
28-16-62						Management Plan	
28-16-57a	New		648	28-55-1	New	PCB Facility Construction	649
28-16-83	Amended		648	through		Permit Standards	
through				28-55-5			
28-16-98				28-60-1	New	Credentialing	649
28-17-7	Amended	Division of Vital Statistics	648	through			
28-17-19	Amended		648	28-60-8			
28-17-20	Amended		648				
28-19-14	Amended	Ambient Air Quality Standards	648				
28-19-17	Amended	and Air Pollution Control	648				
28-19-19	New		648				
28-19-61	Amended		648				
28-19-71	Amended		648				
28-19-72	New		648				
through							
28-19-75							
28-19-86	Amended		648				
28-19-96	Amended		648				
28-19-98	Amended		648				
through							
28-19-109							
28-19-110	Reserved		648				
through							
28-19-118							
28-19-119	Amended		648				
through							
28-19-121							
28-19-123	Amended		648				
through							
28-19-125							
28-19-127	Amended		648				
through							
28-19-131							
28-19-133	Amended		648				
through							
28-19-141							
28-19-149	Amended		648				
through							
28-19-151							
28-19-153	Amended		648				
28-19-154	Amended		648				
28-19-159	Amended		648				
28-19-163	Reserved		648				
through							
28-19-199							
28-23-88	Amended	Sanitation; Food, Drug	648				
		Establishments					
28-30-1	Revoked	Water Well Contractor's License;	648				
28-30-2	Amended	Water Well Construction and	648				
through		Abandonment					
28-30-10							
28-31-1	Amended	Hazardous Waste Management	648				
through							
28-31-6							
28-31-8	Amended		648				
through							
28-31-10							
28-31-12	Amended		648				
28-31-13	Amended		648				
28-32-1	Amended	Testing Human Breath for	648				
through		Law Enforcement Purposes					
28-32-7							
28-32-6	New		649				
28-34-62a	Amended	Hospitals	649				
28-34-94	Revoked		649				
28-34-94a	New		649				
28-34-125	New		649				
28-35-145	New	Radiation	649				
through							
28-35-147							
28-38-19	Amended	Licensure of Adult Care	649				
28-38-21	Amended	Home Administrators	649				
28-39-77	Amended	Licensure of Adult	649				
28-39-87	Amended	Care Homes	649				
28-39-111	Amended		649				

AGENCY 30: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (summary of text)

Regulation number	Action	Subject	Register page
30-2-16	Amended	General	650
30-4-40	Amended	Public Assistance Program	650
30-4-55	Amended		650
through			
30-4-57			
30-4-62	Amended		650
30-4-74	Amended		650
30-4-75	Amended		650
30-4-78	Amended		650
30-4-85a	Amended		650
30-4-90	Amended		650
30-4-91	Amended		650
30-4-101	Amended		651
30-4-106	Amended		651
30-4-111	Amended		651
through			
30-4-113			
30-4-120	Amended		651
30-4-122a	Amended		651
30-4-130	Amended		651
30-5-65	Amended	Provider Participation, Scope of	651
30-5-70	Amended	Services, and Reimbursements for	651
30-5-71	Amended	the Medicaid (Medical Assistance)	651
30-5-81	Amended	Program	651
30-5-81	Amended		651
30-5-81b	Amended		651
30-5-81d	Amended		652
30-5-86	Amended		652
30-5-89	Amended		652
30-5-95	Amended		652
30-5-100a	Amended		652
30-5-101	Amended		652
30-5-101a	Amended		652
30-5-102	Amended		652
through			
30-5-106			
30-5-110	Amended		653
30-5-110a	Amended		653
30-5-112	New		653
30-5-112a	New		653
30-5-150	Amended		653
30-5-151	Amended		653
30-5-154	Amended		653
30-5-160	Amended		653
through			
30-5-162			
30-5-169	Amended		653
30-6-41	Amended	Medical Assistance Program—	653
30-6-53	Amended	Clients' Eligibility for	653, 654
through		Participation	
30-6-57			
30-6-65	Amended		654
30-6-74	Amended		654
30-6-78	Amended		654
30-6-79	Amended		654
30-6-103	Amended		654
30-6-106	Amended		654, 655
through			
30-6-109			
30-6-111	Amended		655
through			
30-6-113			

(continued)

30-10-1a	Amended	Adult Care Home Program of the	655
30-10-1d	Amended	Medicaid (Medical Assistance)	655
30-10-1f	New	Program	655
30-10-2	Amended		655, 656
30-10-4			
30-10-6	Amended		656
30-10-8	Amended		656
30-10-9	Amended		656
30-10-11	Amended		656
30-10-15b	Amended		656
30-10-16	New		656
30-10-17	Amended		657
30-10-19			
30-10-21	Amended		657
30-10-23c	Amended		657
30-10-24	Amended		657
30-10-26	Amended		657
30-10-28	Amended		657
30-10-29	New		658
30-22-10	Revoked	Licensing of Psychiatric Hospitals	658
30-22-11	New	and Community Mental Health	658-663
30-22-28		Centers; Funding of Community	
30-22-30	New	Mental Health Centers and Facili-	663-665
30-22-32		ties for the Mentally Retarded	
30-41-1	Amended	and Facilities for Handicapped	
30-41-2	Amended	Persons	
30-41-5	Amended	Licensing of Non-Medical Commu-	667
30-41-6c	Amended	nity Based Agencies Providing	667
30-41-6d	Amended	Services to Handicapped Adults	667
30-41-6h	Amended		667
30-41-7b	Amended		667
30-41-7d	Amended		667
30-41-7g	Amended		667
30-42-6	New	Licensing of Non-Medical	667-670
30-42-16		Resident Care Facilities	
30-45-10	New	Youth Services	670, 671
30-45-14			

AGENCY 33: PARK AND RESOURCES AUTHORITY

Regulation number	Action	Subject	Register page
33-2-4	Amended	Motor Vehicle Permits	173
33-3-3	Amended	Other Fees and Charges	173

AGENCY 36: DEPARTMENT OF TRANSPORTATION

Regulation number	Action	Subject	Register page
36-7-2	New	Stud Tires	175

AGENCY 40: INSURANCE DEPARTMENT

Regulation number	Action	Subject	Register page
40-1-20	Amended	General	446
40-1-32	Amended		446
40-2-8	Amended	Life Insurance	446
40-2-12	Amended		446
40-2-14	Amended		448
40-2-15	Amended		449
40-2-19	New		449
40-4-22	Amended	Accident and Health Insurance	450
40-4-34	Amended		450
40-5-10	Amended	Credit Insurance	450
40-7-6	Amended	Agents	450
40-7-7	Amended		450
40-7-10	Revoked		451
40-7-13	Amended		451
40-7-19	Amended		451
40-7-20	New		452
40-7-21	New		452
40-8-6	Revoked	Excess Coverage	452
40-8-7	Amended		452
40-8-11	Amended		453
40-9-100	Amended	Advertising	453
40-9-118	Amended		453
40-9-119	Revoked		453
40-9-125			

40-10-14	Amended	Firefighter's Relief	453
40-12-5	Revoked	Sale of Stock	453
40-12-9	Amended		453, 454
40-12-14			
40-12-16	Amended		455
40-12-19			
40-13-1	Amended	Insider Stock Trading	456
40-13-2	Revoked		456
40-13-5	Amended		456
40-13-7	Amended		457
40-13-12	Amended		457
40-14-8	Revoked	Insurance Premium	457
40-14-9	Amended	Finance Companies	457
40-15-4	Amended	Variable Annuities or	457
40-15-6	Amended	Separate Accounts	457

AGENCY 44: DEPARTMENT OF CORRECTIONS

Regulation number	Action	Subject	Register page
44-5-104	Amended	Inmate Management	239
44-5-106	Amended		239
44-7-104	Amended	Programs and Activities	240
44-7-105	Amended		241
44-7-108	Amended		241
44-8-114	Amended	Work Release	241
44-9-101	Amended	Parole	241
44-9-103	Amended		242
44-12-106	Amended	Conduct and Penalties	242
44-12-304	Amended		242
44-12-504	Amended		242
44-12-1306	Amended		242
44-13-101	Amended	Disciplinary Procedure	243
44-13-115	Amended		244
44-13-201	Amended		244
44-13-405a	Amended		244
44-13-406	Amended		245
44-13-503	Amended		245
44-13-601	Amended		246
44-13-701	Amended		246
44-13-703	Amended		246
44-14-307	Amended	Administrative and Disciplinary	246
44-14-317	New	Segregation	247
44-15-101	Amended	Grievance Procedure for Inmates	247
44-15-203	Amended		247

AGENCY 45: KANSAS PAROLE BOARD

Regulation number	Action	Subject	Register page
45-1-1	Amended	Meaning of Terms	192
45-4-4	Amended	Parole Hearings	193
45-7-1	Amended	Release	193
45-7-3	Amended		193
45-9-2	Amended	Parole Violators	193
45-9-3	Amended		194
45-10-1	Amended	Conditional Release	194
45-16-1	Revoked	Orders of Restitution	194
45-16-2	Amended		194

AGENCY 47: MINED-LAND CONSERVATION AND RECLAMATION BOARD

Regulation number	Action	Subject	Register page
47-2-75	Amended	Meaning of Terms	192

AGENCY 48: DEPARTMENT OF HUMAN RESOURCES—LABOR BOARD OF REVIEW

Regulation number	Action	Subject	Register page
48-1-4	Amended	Appellate Procedure	174
48-3-2	Amended	Appeals	174

AGENCY 49: DEPARTMENT OF HUMAN RESOURCES

Regulation number	Action	Subject	Register page
49-21-1	Amended	Procedures	550

49-45-1 through 49-45-26	Amended	Boiler Specifications and Inspections	550-552
49-45-27	New		552
49-45-28	New		552
49-45a-1 through 49-45a-27	New	Definitions	552, 553
49-47-2	New	Inspectors	553
49-49-1	Amended	Fee Schedule for Boiler Inspections	554
49-49-2	New		554
49-50-1 through 49-50-20	New	General Requirements for all Boilers	554-559
49-51-1 through 49-51-14	New	High Pressure Boilers	560-563
49-52-1 through 49-52-15	New	Low Pressure Heating Boilers	563-566
49-53-1	New	Nuclear Power Plant Components	566
49-53-2	New		566
49-54-1 through 49-54-3	New	Hearings	566, 567

AGENCY 50: DEPARTMENT OF HUMAN RESOURCES—  
DIVISION OF EMPLOYMENT

Regulation number	Action	Subject	Register page
50-1-1	Revoked	Meaning of Terms	232
50-1-3	Amended		232
50-2-1	Amended	Unemployment Insurance, Contributing, Reimbursing and Rated Governmental Employment	232
50-2-10	Revoked		233
50-2-21	Amended		233
50-2-23	New		234
50-2-24a through 50-2-24p	New		235-238

AGENCY 60: BOARD OF NURSING

Regulation number	Action	Subject	Register page
60-2-101	Amended	Requirements for Accredited Nursing Programs	337
60-3-101	Amended	Requirements for Licensure and Standards of Practice	338
60-3-105	Amended		338
60-9-102	Amended	Continuing Education for Nurses	339
60-11-110	Amended	Advanced Registered Nurse Practitioners	339
60-13-101	New	Fees, Registered Nurse Anesthetist	339

AGENCY 63: BOARD OF MORTUARY ARTS

Regulation number	Action	Subject	Register page
63-1-1	Amended	Embalming; Continuing Education of Embalmers and Funeral Directors	314
63-1-3	Amended		314
63-1-5 through 63-1-8	Amended		315, 316
63-1-14 through 63-1-16	Amended		317
63-1-18	Amended		318
63-1-20	Amended		318
63-1-22	Amended		318
63-2-1	Amended	Funeral Directing	318
63-2-3	Amended		318
63-2-8	Amended		318
63-2-11	Amended		319
63-2-12	Amended		319
63-2-14	Amended		319
63-2-15	Amended		319
63-4-1	Amended	Fees	319

AGENCY 68: BOARD OF PHARMACY

Regulation number	Action	Subject	Register page
68-1-1b	Amended	Registration and Examination of Pharmacists	177
68-1-1c	Revoked		177

68-1-1d	Amended		177
68-1-1e	Amended		177
68-1-5	Revoked		177
68-2-12a	Amended	Drugstores	177
68-2-14	Revoked		177
68-2-18	Revoked		177
68-2-21	Revoked		177
68-5-6	Revoked	General Rules	178
68-5-10	Revoked		178
68-5-14	Revoked		178
68-7-9	Revoked	Miscellaneous Provisions	178
68-11-1	Amended	Fees	178
68-20-12	Revoked	Controlled Substances	178
68-20-17	Amended		178

AGENCY 74: BOARD OF ACCOUNTANCY

Regulation number	Action	Subject	Register page
74-5-202	Amended	Code of Professional Conduct	175
74-5-203	Amended		175
74-11-1 through 74-11-5	New	Positive Enforcement Program	176

AGENCY 75: CONSUMER CREDIT COMMISSIONER

Regulation number	Action	Subject	Register page
75-6-24	Amended	Consumer Credit Code	239
75-6-28	Amended		239

AGENCY 81: OFFICE OF SECURITIES COMMISSIONER

Regulation number	Action	Subject	Register page
81-1-1	Amended	Definition of Terms	320
81-2-1	Amended	Filing, Fees, Forms	320
81-3-1	Amended	Licensing, Broker-Dealers, Agents	321
81-3-2	Amended		323
81-3-3	New		323
81-5-3	Amended	Exemptions	323
81-5-4	Amended		323
81-5-6	Amended		324
81-5-7	Amended		325
81-6-1	Amended	Prospectus	325

AGENCY 82: STATE CORPORATION COMMISSION

Regulation number	Action	Subject	Register page
82-1-202	Amended	Rules of Practice and Procedure	497
82-1-231	Amended		497
82-3-101	Amended	Production and Conservation of Oil and Gas	501
82-3-103	Amended		503
82-3-106 through 82-3-109	Amended		504-506
82-3-123	Amended		507
82-3-124	Amended		507
82-3-127	Amended		508
82-3-131	Amended		508
82-3-138	Amended		509
82-3-140	New		510
82-3-203	Amended		510
82-3-209	New		510
82-3-303	Amended		510
82-3-304	Amended		512
82-3-400	Amended		512
82-3-401	Amended		513
82-3-404 through 82-3-408	Amended		514-516
82-3-410	Amended		516
82-3-600 through 82-3-603	New		516, 517
82-4-2	Amended	Motor Carriers of Persons and Property	517
82-4-3	Amended		517
82-4-20	Amended		518
82-4-22	Amended		518
82-4-27	Amended		519
82-4-27a	Amended		519
82-4-27c	Amended		520

(continued)

82-4-27f	Amended		520
82-4-32	Amended		521
82-4-35	Amended		521
82-4-35a	New		521
82-4-54	Amended		521
82-4-58d	New		521
82-4-63	Amended		521
82-4-65	Amended		521
82-5-11	Amended	Railroad Safety	522
82-10-1	New	Oil and Natural Gas	522, 523
through		Liquid Pipeline	
82-10-5			

**AGENCY 86: REAL ESTATE COMMISSION**

Regulation number	Action	Subject	Register page
86-1-3	Amended	Examination and Registration	402
through 86-1-5			
86-1-10	Amended		402
86-1-11	Amended		404
86-1-14	Revoked		404
86-1-15	New		404
86-2-5	Amended	Authority of Commission; Procedure	404
86-3-6a	Amended	Persons Holding Licenses; Duties	405
86-3-15	Amended		405
86-3-16	Revoked		405
86-3-17	Revoked		405
86-3-21	New		405

**AGENCY 91: DEPARTMENT OF EDUCATION**

Regulation number	Action	Subject	Register page
91-1-28	Amended	Certificate Regulations	406
91-1-29	Revoked		406
91-1-30	Amended		406
91-1-58	Amended		407
91-1-81	Amended		407
91-1-83	Amended		408
91-1-108b	Amended		408
91-1-112	Revoked		409
through 91-1-119			
91-1-124	Revoked		409
91-1-126	Revoked	409	
91-1-132	Revoked	409	
91-1-135	Revoked	409	
91-1-137	Revoked	409	
through 91-1-139			
91-1-141	Amended		410
91-1-142	Revoked		410
91-1-145	Amended		410
91-1-146a	Amended		411
91-1-146c	Amended		411
91-1-146d	Amended		411
91-12-23	Amended	Special Education	412
91-12-48	Amended		412
91-12-58	Amended		413
91-31-1	Amended	Accreditation	413
91-31-2	Amended		414
91-31-4	Amended		415-417
through 91-31-7			
91-31-12a	Amended		417
91-31-12b	Amended		418
91-31-12e	Amended		418
91-31-12g	Amended		418
91-31-12h	Amended		418
91-31-13	Amended		419
91-31-14a	Amended	419	
91-31-14c	Amended	419	
91-31-15	Amended	421	

**AGENCY 92: DEPARTMENT OF REVENUE**

Regulation number	Action	Subject	Register page
92-3-20	Amended	Motor Fuel Tax and Transportation of Liquid Fuel	602

92-8-1	Revoked	Cereal Malt Beverage Tax	603
through 92-8-3			
92-8-9a	Revoked		
92-8-10	Revoked		603
through 92-8-19			603
92-12-52	Amended	Income Tax	603
92-12-110	New		603
92-12-111	New		604
92-13-11	Amended	Interstate Motor Fuel Use Tax	605
92-13-12	New		605
92-18-7	New	Special Fuel Tax	605
92-19-1	Revoked		605
92-19-1a	New	Kansas Retailers' Sales Tax	605
92-19-3	Amended		606
92-19-4	Revoked		606
92-19-4a	New		606
92-19-13	Amended		607
92-19-15	Amended		607
92-19-16	Amended		608
92-19-18	Amended		608, 609
through 92-19-21			
92-19-24	Amended		610
92-19-25	Revoked		610
92-19-25a	New		610
92-19-26	Revoked		611
92-19-27	Revoked		611
92-19-27a	New		611
92-19-30	Amended		611
92-19-41	Amended		613
92-19-44	New		613
92-19-45	New		613
92-20-1	Amended	Compensating Tax	613
92-20-2	Revoked		613
92-20-2a	New		613
92-20-3	Amended		613
92-20-5	Amended		613, 614
through 92-20-7			
92-20-9	Amended		615
92-20-10	Revoked		615
92-20-15	Amended		615
92-21-17	Amended	Local Retailers' Sales Tax	615
92-21-20	Revoked		615
92-21-21	New		615
92-51-40	New	Titles and Registration Motor Vehicle Drivers' Licenses	617
92-52-1	Amended		617
92-52-11	New		617

**AGENCY 94: BOARD OF TAX APPEALS**

Regulation number	Action	Subject	Register page
94-2-4	Amended	Proceedings Before Board	339
94-2-10	Amended		339
94-3-2	Amended	Economic Development Revenue Bonds	340

**AGENCY 98: KANSAS WATER OFFICE**

Regulation number	Action	Subject	Register page
98-5-2	Amended	State Water Plan Storage	341
95-5-3	Amended		342
98-5-5			343-345
through 98-5-7			

**AGENCY 100: BOARD OF HEALING ARTS**

Regulation number	Action	Subject	Register page
100-2-5	Amended	Secretary; Duties	394
100-11-1	Amended	Fees	394
100-24-1	New	Patient Records	394
100-36-1	Amended	Temporary Permits	395
100-40-2	Amended	Temporary Permit Renewal Fees	395
100-46-5	New	Extension of Registration; Assistants	395
100-47-1	Amended	Registration Renewal; Continuing Education	395
100-49-4	Amended	Fees	396



AGENCY 102: BEHAVIORAL SCIENCES REGULATORY BOARD

Regulation number	Action	Subject	Register page
102-1-1	Amended	Certification of Psychologists	345
102-1-3 through 102-1-8	Amended		346-348
102-1-10 through 102-1-16	Amended		348-352
102-2-1a	Amended	Licensing of Social Workers	352
102-2-2a	Amended		353
102-2-3	Amended		354
102-2-5 through 102-2-8	Amended		354-357
102-2-10 through 102-2-12	Amended		357, 358

AGENCY 105: BOARD OF INDIGENTS' DEFENSE SERVICES

Regulation number	Action	Subject	Register page
105-3-9	Amended	Appointed Attorneys	445
105-7-6	Amended	Investigative, Expert or Other Services	446
105-10-2	Amended	Systems for Providing Legal Defense Services for Indigent Persons	446

AGENCY 109: EMERGENCY MEDICAL SERVICES COUNCIL

Regulation number	Action	Subject	Register page
109-2-6	Amended	Ambulance Services; Permits and Regulations	396
109-2-7	Amended		397
109-2-10 through 109-2-12	New		398-400
109-4-3	Amended	Air Ambulance Service	401

AGENCY 110: DEPARTMENT OF COMMERCE

Regulation number	Action	Subject	Register page
110-1-1	New	Venture Capital Company Certification	445
110-1-2	New		445

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 May 19, 1987

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

Bob Ramshaw and ) Docket No. 152,486 M  
Tom Coddington, dba )  
A-1 Wrecker Service )  
1443 S. Cedar )  
Ottawa, KS 66067 ) MC ID No. 124121

Applicant's Attorney: None

\*\*\*\*\*

*Application for Contract Carrier Permit:*

Lee F. Cairns ) Docket No. 154,862 M  
508 W. 6th )  
Solomon, KS 67480 )

Applicant's Attorney: None

*Cement and fly ash,*

Between all points and places in Neosho, Pottawatomie and Dickinson counties, Kansas. Under contract with Abilene Concrete and Supply, Abilene, Kansas.

\*\*\*\*\*

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

Donald Gene Kleine, dba ) Docket No. 128,775 M  
Kleine Motor Company )  
Route 2, Box 181A )  
Goodland, KS 67735 ) MC ID No. 104236

TO:  
Jack F. McKenzie and  
Virgil R. Baumfalk, dba  
McB's Motor Company  
Route 2, Box 181A  
Goodland, KS 67735

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

(continued)

*Wrecked and disabled vehicles,*

Between points in Wallace, Thomas, Sherman and Logan counties, Kansas.

Also,

Between points in Wallace, Thomas, Sherman and Logan counties, Kansas, on the one hand, and points in Kansas, on the other.

\*\*\*\*\*

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

David Van Loenen, dba ) Docket No. 154,864 M  
Express Tank Service )  
P.O. Box 152 )  
Bogue, KS 67625 )

Applicant's Attorney: None

*Crude oil, fresh water and salt water, in bulk,*

Between all points and places in Graham, Rooks, Ellis and Russell counties, Kansas.

Also,

Between all points and places in the above described area, on the one hand, and all points and places in the state of Kansas west of K-14 and north of K-50, on the other.

\*\*\*\*\*

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

M. D. Snider Leasing ) Docket No. 145,506 M  
Co., Inc. )  
P.O. Box 299 )  
Pampa, TX 79065 ) MC ID No. 1039773

Applicant's Attorney: None

\*\*\*\*\*

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

Randy Otto, dba ) Docket No. 155,566 M  
Randy's Auto Repair )  
721 W. Cloud )  
Salina, KS 67401 )

Applicant's Attorney: None

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

Between all points and places in Saline, Ottawa, Dickinson, Ellsworth, McPherson, Reno, Cloud and Harvey counties, Kansas.

Also,

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

\*\*\*\*\*

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

Tarbet Trucking, Inc. ) Docket No. 154,863 M  
321 W. Oklahoma )  
Ulysses, KS 67880 )

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

*Grain, dry feed, dry feed ingredients, cement, dry fertilizer, liquid fertilizer (except anhydrous ammonia), construction, building and fencing materials, farm implements and machinery,*

Between points and places in that area of Kansas on and south of K-96 and on and west of US-281.

Also,

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

*Grain,*

Between points and places in Reno, Sedgwick, Shawnee and Wyandotte counties, Kansas, on the one hand, and points and places in Kansas, on the other hand.

\*\*\*\*\*

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

S & S Trucking, Inc. ) Docket No. 154,847 M  
Box 178, E. Hwy. 56 )  
Hugoton, KS 67951 )

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

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

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

\*\*\*\*\*

**Applications set for May 28, 1987**

**Application for Extension and Consolidation of Certificates of Convenience and Necessity:**

Ausmus & Son, Inc. ) Docket No. 30,737 M  
402 Wilson ) Docket No. 42,037 M  
Winona, KS 67764 ) MC ID No. 100305

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

*Grain, seed, feed, feed ingredients, fertilizer, fertilizer ingredients, animal health products and livestock,*

Between points in Sedgwick County, Kansas, and those points lying on and west of US-183, on the one hand, and on the other, all points and places in Kansas.

*Machinery, buildings and building materials, irrigation pumps, pipe, and irrigation equipment, grain bins and emigrant farm movables,*

Between points in Cheyenne, Rawlins, Decatur, Sherman, Thomas, Sheridan, Wallace, Logan and

Gove counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

\*\*\*\*\*

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

Russell Combs, dba ) Docket No. 155,567 M  
 C & S Tire Service )  
 921 Elm St. )  
 Great Bend, KS 67530 )

Applicant's Attorney: None

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

Between all points and places in Barton, Pawnee, Lyons, Rice, Reno, Stafford, Rush, Ness, Pratt, Ellsworth, Hodgeman, Edwards, Saline, Russell, McPherson and Sedgwick counties, Kansas.

Also,

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

\*\*\*\*\*

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

Darlene Cornfield, dba ) Docket No. 155,569 M  
 Carrol's Delivery )  
 7 Weatherly Court )  
 Valley Center, KS 67147 )

Applicant's Attorney: None

*General commodities (except classes A and B explosives, household goods, commodities in bulk, commodities requiring refrigeration and hazardous materials as defined in 49 C.F.R. § 172.101),*

Between all points and places in Sedgwick County, Kansas.

Also,

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

\*\*\*\*\*

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

Kurr Grain, Inc. ) Docket No. 154,861 M  
 Route 5, Box 173 )  
 Newton, KS 67114 )

Applicant's Attorney: W. Boyd Evans, 600 Board of Trade Center, 120 S. Market, Wichita, KS 67202

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

Between all points and places in Sedgwick, Harvey, Reno, McPherson, Rice, Marion, Butler, Cowley, Sumner, Barber, Harper, Chautauqua, Greenwood, Chase, Dickinson and Saline counties, Kansas.

Also,

Between all points and places in the aforementioned

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

\*\*\*\*\*

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

Edward F. Novack, dba ) Docket No. 155,568 M  
 Novack's Body Shop )  
 South Main St. )  
 Offerle, KS 67563 )

Applicant's Attorney: Terry Fuller, Box 394, 108 E. 6th, Kinsley, KS 67547-0394

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

Between all points and places in Edwards County, Kansas.

Also,

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

\*\*\*\*\*

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

James O. Payne, Sr. and ) Docket No. 146,074 M  
 James L. Payne, Jr., dba )  
 Payne's Machine Shop & )  
 Truck Parts )  
 Route 1, Box 390 )  
 Pittsburg, KS 66762 )

TO:

Payne's, Inc.  
 Route 1, Box 390  
 Pittsburg, KS 66762

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

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

Between all points and places in Crawford, Cherokee, Labette, Bourbon, Neosho and Allen counties, Kansas.

Also,

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

\*\*\*\*\*

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

Kenneth T. Werth, dba ) Docket No. 60,695 M  
 Werth Trucking )  
 Route 1 )  
 Oakley, KS 67748 ) MC ID No. 100623

Applicant's Attorney: None

(continued)

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

Lyman Workman, dba ) Docket No. 126,562 M  
 Workman's Delivery )  
 1622 Stone )  
 Great Bend, KS 67530 ) MC ID No. 103949  
 Applicant's Attorney: None

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

Jack L. Vestal ) Docket No. 133,457 M  
 Box 104 )  
 Longton, KS 67352 ) MC ID No. 104997  
 Applicant's Attorney: Gary House, 119 N. Chautauqua, P.O. Box 6, Sedan, KS 67361

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**Applications set for June 2, 1987**

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

Stagecoach Charters, Inc. ) Docket No. 153,741 M  
 H-3 Happy Homes )  
 Dodge City, KS 67801 ) MC ID No. 127117  
 Applicant's Attorney: Larry Gregg, 3401 S.W. Harrison, Topeka, KS 66611

*Passengers and light hand baggage, and express freight,*

Between all points and places in Kansas.

\*\*\*\*\*

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

Emil E. Champ ) Docket No. 25,246 M  
 Route 3, Box 103 )  
 Junction City, KS 66441 ) MC ID No. 100120  
 Applicant's Attorney: Bob Storey, 5863 S.W. 29th, Shadow Wood Office Park, Topeka, KS 66614

*Fertilizer, liquid feed and salt,*

Between all points and places in the counties of Douglas, Shawnee, Wabaunsee, Morris, Geary, Potawatomie, Marshall, Saline, Clay, Dickinson, McPherson, Sedgwick, Reno, Harvey, Riley, Marion and Wyandotte.

Also,

Between all points and places in the counties of Douglas, Shawnee, Wabaunsee, Morris, Geary, Potawatomie, Marshall, Saline, Clay, Dickinson, McPherson, Sedgwick, Reno, Harvey, Riley, Marion and Wyandotte, on the one hand, and all points and places in the state of Kansas, on the other.

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

Kroy Transportation Co. ) Docket No. 155,570 M  
 Box 309 )  
 York, NE 68467 )  
 Applicant's Attorney: Larry Gregg, 3401 S.W. Harrison, Topeka, KS 66611

*Metal products, plastic products, lumber and wood products, building materials, feed and feed ingredients, grain and grain products, pipe, pipe fittings, irrigation equipment, and materials, equipment and supplies used in the manufacture, production or distribution of pipe, pipe fittings and irrigation equipment,*

Between all points in Kansas.

\*\*\*\*\*

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

Hockersmith Trucking, ) Docket No. 114,832 M  
 Inc. )  
 HCR1, Box 35 )  
 Oakley, KS 67748 ) MC ID No. 101794  
 Applicant's Attorney: William Barker, 3401 S.W. Harrison, Topeka, KS 66611

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

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

*Metal products and machinery,*

Between points in Logan, Gove, Sheridan and Thomas counties, Kansas, on the one hand, and on the other, all points in Kansas.

\*\*\*\*\*

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

Royal, Inc. ) Docket No. 155,571 M  
 512 Tom Smith Circle )  
 Abilene, KS 67410 )  
 Applicant's Attorney: Clyde Christey, Southwest Plaza Building, Suite 202, 3601 W. 29th, Topeka, KS 66614

*Passengers and light hand baggage, in charter party service and in special operations,*

Between all points and places in Kansas.

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

Crooks Warehouses of ) Docket No. 137,639 M  
 Kansas City, Inc. )  
 624 S. Adams )  
 Kansas City, KS 66105 ) MC ID No. 116786

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

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

Between points and places in Wyandotte and Johnson counties, Kansas.

Also,

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

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Application for Certificate of Convenience and Necessity:

Steven Jay Corp. ) Docket No. 155,572 M
801 S. 1st )
P.O. Box 672 )
Arkansas City, KS 67005 )

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

Meat, meat products, meat by-products and articles distributed by packing houses and commodities and articles utilized by packing plants,

Between points and places in Jewell, Osborne, Wyandotte, Lyon, Finney, Ford, Seward, Sedgwick and Cowley counties, Kansas.

Also,

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

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Applications set for June 4, 1987

Application for Extension of Certificate of Convenience and Necessity:

Long Island Grain ) Docket No. 122,491 M
Co. Inc. )
P.O. Box 97 )
Long Island, KS 67647 ) MC ID No. 102375

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

Grain, livestock, feed, feed ingredients, fertilizer and fertilizer ingredients,

Between points in Kansas on, west and north of US-50 and K-14, on the one hand, and on the other, all points and places in Kansas.

\*\*\*\*\*

Application for Extension of Certificate of Convenience and Necessity:

S. T. Atkins, dba ) Docket No. 153,742 M
S. T. Atkins Trucking )
P.O. Box 424 )
320 E. Josephine )
WaKeeney, KS 67672 ) MC ID No. 126675

Applicant's Attorney: Michael Brown, 105 E. Cherry, Hill City, KS 67642

Agricultural implement parts, materials and supplies, iron and steel articles, salt, dry fertilizer, feeds, feed ingredients, seeds, grain and livestock,

Between all points and places in the state of Kansas.

\*\*\*\*\*

Application for Certificate of Convenience and Necessity:

Ervie Smith, dba ) Docket No. 155,573 M
Erv's Body Shop )
1409 W. McArtor Road )
Dodge City, KS 67801 )

Applicant's Attorney: None

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

Between all points and places in Ford, Lane, Ness, Finney, Hodgeman, Pawnee, Haskell, Gray, Edwards, Meade, Clark, Kiowa and Comanche counties, Kansas.

Also,

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

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ALFONZO A. MAXWELL
Administrator
Transportation Division

Doc. No. 005356

(Published in the KANSAS REGISTER, May 7, 1987.)

NOTICE OF BOND SALE
\$274,500
General Obligation Bonds
Series 1987A
of
City of Troy
Doniphan County, Kansas

The city of Troy, Doniphan County, Kansas, will receive sealed bids at the Troy City Hall until 7:30 p.m. Tuesday, May 19, 1987, for \$274,500 par value general obligation bonds, Series 1987A, of the city, at which time and place such bids will be publicly opened. No oral or auction bids will be considered by the governing body.

Terms of the Bonds

The bonds will be dated April 1, 1987 and will mature serially on September 1 in the years and in the amounts set forth below. The bonds will consist of fully registered certificated bonds, each in the denomination of \$5,000 or integral multiples thereof not exceeding the principal amount of bonds maturing in the same year, except one bond which shall be in the denomination of \$9,500. Interest will be payable March 1, 1988 and thereafter semiannually on March 1 and September 1 of each year until their respective maturities.

The principal of the bonds will be payable at the office of the Kansas State Treasurer (the paying agent and bond registrar) to the registered owners thereof upon presentation of the bonds for payment and can-

(continued)

cellation. Interest on the bonds will be payable by check or draft of the paying agent to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the month preceding each interest payment date (the record dates). The fees of the bond registrar for registration and transfer of the bonds will be paid by the city.

The bonds will mature serially as follows:

Principal Amount	Maturity Date
\$19,500	September 1, 1988
\$15,000	September 1, 1989
\$15,000	September 1, 1990
\$15,000	September 1, 1991
\$15,000	September 1, 1992
\$15,000	September 1, 1993
\$20,000	September 1, 1994
\$20,000	September 1, 1995
\$20,000	September 1, 1996
\$20,000	September 1, 1997
\$20,000	September 1, 1998
\$20,000	September 1, 1999
\$20,000	September 1, 2000
\$20,000	September 1, 2001
\$20,000	September 1, 2002

### Redemption of Bonds Prior to Maturity

Bonds maturing in the year 1994 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on September 1, 1993 or on any interest payment date thereafter at the redemption price of 102 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 Kansas State Treasurer, 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

Bids will be received for the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate will apply to all bonds of the same maturity. Each interest rate specified will be in an even multiple of 1/8 or 1/20 of 1 percent. The difference between the highest and lowest rates specified in any bid will not exceed 2.5 percent. No interest rate will exceed the maximum interest rate allowed

by Kansas law, said rate being the 20 bond index of tax-exempt municipal bonds published in the weekly 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 par and accrued interest will be considered, Bids for less than the entire issue of bonds will not be considered.

### Bid Form and Good Faith Deposit

Bids will be submitted on the official bid form furnished by the city and will be addressed to the city at City Hall, Troy, KS 66087, Attention: City Clerk, LaNeta Snyder, and will be plainly marked "Bond Bid." No changes to said form are authorized; changes or erasures thereon may cause rejection of any bid. Each bid will specify the total interest cost to the city on the basis of such bid and the average annual net interest rate on the basis of such bid. The net interest cost to the city will be determined by subtracting the amount of the premium, if any, from the total interest cost upon all the bonds from their date until their respective maturities and will be stated as a dollar amount in the bid. The city will be entitled to rely on such dollar amount as stated in the bid as the basis of determining the lowest net interest cost. If there is any discrepancy between the said net interest cost and the average annual interest rate specified, the specified net interest cost will govern and the rates specified in the bid will be adjusted accordingly.

All bids must state: (a) the total interest cost of the bid; (b) the premium, if any; (c) the net interest cost of the bid; and (d) the average annual interest rate. All of said information shall be certified by the bidder to be correct, and the city will be entitled to rely on the certification of correctness by the bidder. Each bid must be accompanied by a certified or cashier's check equal to 2 percent of the total amount of the bid, and shall be payable to "Treasurer, City of Troy, Kansas." In the event a bidder whose bid is accepted shall fail to perform under his contract for the purchase of the bonds from the city, said deposit shall be retained by the city as liquidated damages. All checks of unsuccessful bids shall be returned promptly.

### Award of Bids

The sealed bids for the bonds will be opened publicly and only at the time and place specified in this notice. The city reserves the right to reject any and all of the bids, and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the city.

### Delivery of the Bonds

The bonds, duly printed, executed and registered, will be furnished and paid for by the city. The bonds will be sold subject to the unqualified approving opinion of Jonathan P. Small, Chartered, bond counsel, of Topeka, Kansas, a copy of whose opinion will be printed on the reverse side of each bond. Manually signed originals of the opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The cost of this legal opinion and the expense of printing the bonds will be paid by the city. Said legal opinion will contain a statement to the

effect that the bonds constitute a general obligation of the city payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city and that, under existing law, the interest on the bonds will be exempt from present federal income taxation.

The number and denominations of bonds and names of the registered owners to be shown on the bonds initially delivered will be submitted in writing by the successful bidder to the bond registrar not later than seven days prior to the closing date.

The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds will be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or before 30 days from the date of sale at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the city. Delivery elsewhere will be made at the expense of the purchaser. The purchase price, together with any premium and accrued interest from the date of the bonds to the date of delivery, will be paid at delivery or the good faith deposit will be forfeited.

#### Internal Revenue Code of 1986

The President of the United States on October 22, 1986 signed into law what is referred to as the Internal Revenue Code of 1986. The code generally affects obligations of state and local governments issued after August 15, 1986, which imposes requirements to be satisfied subsequent to the issuance and delivery of such obligations, including the bonds, to ensure that the interest on such obligations remains exempt from federal income taxation. The city will covenant to satisfy code requirements and all other applicable federal laws, regulations, published rulings and court decisions to preserve the tax-exempt status of the bonds to the extent the city's governing body may take such action. The city's failure to perform such covenants could adversely affect the bond's tax-exempt status. A purchaser of the bonds should be aware that in such event the bonds are not callable and the interest rate on the bonds will not be adjusted to reflect the loss of exemption from federal income taxation.

The code includes interest on certain obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years after 1987 and includes in the computation for alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). The code further provides that banks and thrift institutions would be unable to deduct any portion of the interest cost of purchasing or carrying tax-exempt obligations (with certain exceptions described below) if such interest costs are incurred in taxable years ending after December 31, 1986, with respect to bonds acquired subsequent to

August 7, 1986. The code requires certain "qualified tax-exempt obligations" as defined in Section 265(b)(3) thereof to be treated as having been acquired on August 7, 1986. The city will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" as described above.

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

#### Superfund Amendments and Reauthorization Act of 1986

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

#### Purpose

These bonds are being issued pursuant to K.S.A. 12-621 and 12-631t *et seq.* for the purpose of financing a portion of the cost of certain improvements to the city's sanitary sewage disposal works serving the city at large.

#### Assessed Valuation and Bonded Indebtedness

The total assessed valuation of the taxable tangible property within the city for the year 1987 for the computation of limits upon bonded indebtedness is \$1,563,726. The total general obligation bonded indebtedness of the city as of this date, including this \$274,500 proposed issue of bonds, is \$555,750. Temporary notes in the principal amount of \$281,250 will be retired out of the proceeds of the bonds and other available funds.

#### Official Information

Additional copies of this notice of bond sale, the official bid form and further information may be received from the city at the address provided above to the attention of LaNeta Snyder, city clerk.

Dated May 2, 1987.

LaNETA SNYDER  
City Clerk

Doc. No. 005358



(Published in the KANSAS REGISTER, May 7, 1987.)

**NOTICE OF BOND SALE****\$17,785,000****City of Wichita, Kansas****General Obligation Bonds****Series 712 and 713****(general obligation bonds payable  
from unlimited ad valorem taxes)**

Sealed bids will be received in the office of the City Clerk, City Hall, 455 N. Main, Wichita, KS 67202-1679, until 10 a.m. C.D.T. on May 19, 1987, and will be considered at that time by the governing body of the city of Wichita at its regular place of meeting in the City Council Room, City Hall, at which time and place all proposals will be publicly opened, read aloud, and considered for the purchase of all, but not less than all of each series of two series of general obligation bonds aggregating the principal sum of \$17,785,000—Series 712 in the principal amount of \$8,310,000; and Series 713 in the principal amount of \$9,475,000. The Series 712 bonds and Series 713 bonds will be jointly referred to as the bonds. No oral or auction bids will be considered.

**Details of the Bonds—Series 712**

The Series 712 bonds shall be issued in the form of fully registered certificated bonds without coupons, each in the denomination of \$5,000 or in integral multiples thereof, not exceeding the principal amount of bonds maturing in each year. Interest on the Series 712 bonds will be payable semiannually, commencing March 1, 1988 and each September 1 and March 1 thereafter. The Series 712 bonds shall be dated June 1, 1987 and shall become due serially on September 1 in the each of the years and in the principal amounts, as follows:

Date of Maturity	Amount
September 1, 1988	\$360,000
September 1, 1989	380,000
September 1, 1990	400,000
September 1, 1991	420,000
September 1, 1992	450,000
September 1, 1993	480,000
September 1, 1994	510,000
September 1, 1995	540,000
September 1, 1996	570,000
September 1, 1997	600,000
September 1, 1998	640,000
September 1, 1999	680,000
September 1, 2000	720,000
September 1, 2001	755,000
September 1, 2002	805,000

**Details of the Bonds—Series 713**

The Series 713 bonds shall be issued in the form of fully registered certificated bonds without coupons, each in the denomination of \$5,000 or integral multiples thereof, not exceeding the principal amount of bonds maturing in each year. Interest on the Series 713 bonds will be payable semiannually, commencing December 1, 1987 and each June 1 and December 1 thereafter. The Series 713 bonds shall be dated June 1, 1987 and shall become due serially on June 1 in the each of the years and in the principal amounts, as follows:

Date of Maturity	Amount
June 1, 1988	\$950,000
June 1, 1989	950,000
June 1, 1990	950,000
June 1, 1991	950,000
June 1, 1992	950,000
June 1, 1993	950,000
June 1, 1994	945,000
June 1, 1995	945,000
June 1, 1996	945,000
June 1, 1997	940,000

**Place of Payment**

The principal of, and premium, if any, on the bonds shall be payable in lawful money of the United States of America at the principal trust office of the Chase Manhattan Bank, N.A., New York, New York (the paying agent and bond registrar), to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America, by check or draft of the paying agent and bond registrar to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates (the record dates). The fees of the bond registrar for registration and transfer of the bonds shall be paid by the city.

**Redemption**

Bonds maturing in the years 1988 to 1992, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 1993 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 the final principal payment date in 1992, or on any interest payment date thereafter at the redemption prices set forth below (expressed as percentages of the principal amount), plus accrued interest to the redemption date:

Redemption Dates	Redemption Price
1992-1993	101.00%
1994-1995	100.50%
1996 and thereafter	100.00%

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 bond 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 Kansas State Treasurer, 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.

#### Interest Rate

Proposals will be received on the bonds of each series bearing such rate or rates of interest as may be specified by the bidder. The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of 1 percent. The difference between the highest interest rate bid and the lowest rate of interest bid shall not exceed 3 percent per annum. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being the 20 bond index of tax-exempt municipal bonds published by the Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent, and no bid of less than par and accrued interest will be considered. A bid for the purchase of less than all of each series of bonds or bid at a price less than par and accrued interest will not be considered.

#### Bid Form and Good Faith Deposit

Bids for each series shall be submitted on the official bid form furnished by the city and should be addressed to Dale E. Rea, Deputy City Clerk, 455 N. Main, Wichita, KS 67202-1679, plainly marked "Bond Bid." All bids must state the total interest cost of the bid, the premium, if any, and the net interest cost of the bid, and the average annual net interest rate, all certified by the bidder to be correct, and the city may rely upon the certificate of correctness of the bidder. No bid will be considered if made on other than the official bid form and no bid will be considered if such form is amended or modified. Each bid must be accompanied by a certified or cashier's check in the amount of 2 percent of the total par value of each series of bonds payable to the City Treasurer, City of Wichita, on which no interest will be allowed. The checks of unsuccessful bidders will be returned promptly. The check of the successful bidder or the proceeds thereof will be held as security for the performance of the contract to purchase the bonds, but in the event that the successful bidder shall fail to comply with the terms of the bid the check or the proceeds thereof shall then be forfeited and retained by the city as and for liquidated damages.

#### Award of the Bonds

Each series of bonds will be sold separately. The sealed bid for each series of bonds shall be opened publicly and only at the time and place specified in this notice, and each series of bonds will be sold to the best bidder. The city reserves the right to reject any and all of the bids and to waive any irregularities or informalities. Unless all bids are rejected, the bonds of each series will be awarded to the bidder whose proposal results in the lowest net interest cost to the city, and the net interest cost will be determined by deducting the amount of any premium bid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities. If there is a discrepancy between the lowest net interest cost and the average annual interest rate specified, the

net interest cost figure shall govern and the interest rates in the bid shall be adjusted accordingly. In the event more than one bid is received at the same net interest cost, the successful bidder will be selected by lot.

#### Delivery and Payment

The bonds, duly printed, executed and registered, will be furnished and paid for by the city. Delivery of the bonds will be made on or before June 18, 1987 at any of the following Federal Reserve cities: Boston, New York City, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas or San Francisco. Payment shall be made in immediately available federal reserve funds. The number, denomination of bonds, and the names and tax identification numbers of the initial registered owners to be initially printed on the bonds must be submitted in writing by the successful bidder to the bond registrar at least 10 business days prior to the date of delivery of the bonds. 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.

#### Legal Opinion and Tax Exemption

The bonds will be sold subject to the approving opinion of Gaar & Bell, bond counsel, Wichita, Kansas, a copy of which opinion will be printed on the reverse side of each bond. The cost of this legal opinion and the expenses of printing the bonds and legal opinion will be paid by the city. The Series 712 legal opinion will state in part substantially that the bonds will constitute general obligations of the city, payable as to both principal and interest from the collection of special assessments which have been levied on benefited property, but any portion of said special assessments not so paid will be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city. The Series 713 legal opinion will state in part substantially that the bonds will constitute general obligations of the city, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city. A manually signed original of each such opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate relating to the completeness and accuracy of the official statement and notice of bond sale.

(continued)

In the opinion of bond counsel, assuming continued compliance by the city with the terms of the bond ordinance, under existing law, the interest on the bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. No opinion is expressed regarding other federal tax consequences arising with respect to the bonds. In addition, the bonds are exempt from intangible personal property taxes levied by Kansas counties, cities or townships.

The Internal Revenue Code of 1986, as amended, imposes certain requirements which must be met subsequent to the issuance of the bonds in order for the interest thereon to be and to remain excluded from gross income for federal income tax purposes. Non-compliance with such requirements could cause the interest on the bonds to be so included in federal gross income retroactive to the date of issuance of the bonds. These requirements include, but are not limited to, limitations on the use of bond proceeds and restrictions on the yield which may be earned on the investment of bond proceeds and other amounts. In the bond ordinance, the city has covenanted to comply with the provisions of the code relating to the exclusion of the interest on the bonds from gross income for federal income tax purposes.

Prospective purchasers of the bonds should be aware that (i) section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the bonds or in the case of a financial institution (within the meaning of section 265(b)(5) of the code), that portion of a holder's interest expense allocable to interest on the bonds; (ii) with respect to insurance companies subject to the tax imposed by section 831 of the code, for taxable years beginning after December 31, 1986, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (iii) for taxable years beginning after December 31, 1986 and before January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under section 1375 of the code for subchapter S corporations that have subchapter C earnings and profits at the close of the taxable year if greater than 25 percent of the gross receipts of such subchapter S corporation is passive investment income; and (vi)

section 86 of the code requires recipients of certain social security and certain railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. These categories of bondowners should consult their own tax advisers as to the applicability of these consequences.

Copies of the forms of bond counsel's opinions are contained in the official statement of the city with respect to the bonds.

**Purpose of Issues**

The bonds are being issued for the purpose of constructing certain internal improvements in the city of Wichita, Kansas, as follows:

**Series 712**

Street improvements .....	\$3,497,357
Sewer improvements .....	\$3,577,497
Water main extensions .....	\$ 772,115
Public improvements (Colonel Jabara Airport) .....	\$ 463,031
	<u>\$8,310,000</u>

**Series 713**

Street improvements .....	\$3,359,027
Sewer improvements .....	\$3,695,531
Water main extensions .....	\$ 1,181
Miscellaneous public improvements (Colonel Jabara Airport—\$1,093,844) .....	\$2,419,261
	<u>\$9,475,000</u>

**Security**

The bonds constitute general obligations of the city of Wichita, Kansas, and the full faith, credit and resources of the city are pledged to the payment of the principal of and the interest on such bonds; and the city is obligated to levy ad valorem taxes without limitation as to rate or amount upon all the taxable property within the territorial limits of said city to pay the principal of and interest on the bonds.

**CUSIP Identification Numbers**

CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidders to accept delivery of and to pay for said bonds in accordance with the terms of this notice. All expenses in relation to printing of CUSIP numbers on said bonds and the expenses of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by the city.

**Assessed Valuation**

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

Equalized assessed valuation of taxable tangible property .....	\$1,014,383,080
Estimated tangible valuation of motor vehicles .....	\$ 206,245,506
Equalized assessed tangible valuation for computation of bonded indebtedness limitations .....	<u>\$1,220,628,586</u>

**Bonded Indebtedness**

The total bonded indebtedness of the city of Wichita, Kansas, as of June 1, 1987, is \$279,725,000, which amount excludes all revenue and refunding bonds but includes temporary notes to be issued in the amount of \$7,305,000 and the two series of bonds described in

this notice of bond sale in the aggregate amount of \$17,785,000. Of the currently issued and outstanding temporary notes of the city, \$13,955,370 will be retired out of the proceeds of the bonds herein offered for sale.

#### Rating of the Bonds

The city has applied to Moody's Investors Service, Inc. and Standard & Poor's Corporation for ratings on the bonds. General obligation bonds issued by the city of Wichita since 1975 have been rated Aa by Moody's Investors Service and rated AA by Standard & Poor's Corporation.

#### Other Pending Bond and Temporary Note Issues

Neither the city of Wichita, nor Sedgwick County, nor Unified School District 259 (Wichita Public School System) presently contemplates the issuance of any additional general obligation bonds within the next 30 days. The city of Wichita plans to sell \$7,305,000 in temporary improvement notes on May 26, 1987, to be dated June 1, 1987, to become due on December 17, 1987. These temporary improvement notes will consist of \$5,794,630 in renewals and \$1,510,370 in new notes. The Wichita Public Building Commission anticipates the sale of \$10,250,000 principal amount of revenue bonds on or before June 1, 1987.

#### Redistribution of Notice and Official Statement

Authorization is given to redistribute this notice of bond sale and the official statement, but the entire notice of bond sale and official statement, and not portions thereof, must be redistributed. The successful bidder, upon request, will be furnished with 50 copies of the notice of bond sale and official statement without cost; additional copies will be furnished at a nominal charge.

#### Official Statement

This notice of bond sale and the official statement has been prepared under the authority of the governing body of the city of Wichita, Kansas. Additional copies of this notice of bond sale, copies of the official statement, or further information may be received from the office of the City Treasurer, City Hall, 455 N. Main, Wichita, KS 67202-1679, (316) 268-4109.

Figures used in this notice of bond sale and in the official statement (i) through December 31, 1985, were obtained from the city of Wichita, Kansas' annual financial report for 1985, which report has been audited by an independent firm of certified public accountants appointed by the governing body of the city of Wichita, Kansas; and (ii) through December 31, 1986, were obtained from the city of Wichita, Kansas' annual financial report for 1986, which report is currently being audited by an independent firm of certified public accountants appointed by the governing body of the city of Wichita, Kansas.

By order of the governing body of the city of Wichita, Kansas this 28th day of April, 1987.

By Robert G. Knight, Mayor  
Attest: Dale E. Rea  
Deputy City Clerk

(Published in the KANSAS REGISTER, May 7, 1987.)

**NOTICE OF BOND SALE**  
**\$161,965.95**  
**Par Value**  
**General Obligation Bonds**  
**Internal Improvement Bonds**  
**(Streets, Firefighting Equipment)**  
**City of Inman, Kansas**

The city council of Inman, Kansas will receive and consider written sealed bids at 8 p.m. Monday, May 11, at Inman City Hall for the sale of \$161,965.95 of internal improvement and fire fighting equipment bonds for cash at not less than par and accrued interest. The street portion of such bonds are primarily special assessment in nature and the balance of such bonds are for the purchase of fire fighting equipment. Such bonds constitute general obligations of the city of Inman, payable from unlimited ad valorem taxes if need be.

Such bonds will be dated June 1, 1987, and shall consist of 32 bonds each in the denomination of \$5,000 except bond number 1, which shall be \$6,965.95. Interest will be payable on April 1 and October 1 of each year with the first interest payable April 1, 1988. Both principal and interest shall be payable at the office of the State Treasurer, Topeka, Kansas. Said bonds will be issued in series, maturing as follows: \$6,965.95 due October 1, 1988; \$10,000 due October 1, 1989; \$15,000 due October 1, of the years 1990 to 1992 inclusive; and \$20,000 due October 1 of the years 1993 to 1997 inclusive, and shall not be subject to call for prior payment.

The city will designate the bonds to be qualified tax-exempt obligations within the meaning of Section 265 of the 1986 Tax Reform Act.

Said bonds will be printed at the expense of the city of Inman, and will be sold subject to the legal opinion of William P. Timmerman, municipal bond counsel, Wichita, Kansas, whose unqualified approving opinion will be furnished to the successful bidder. The cost of this legal opinion and all other expenses of legal services shall be at the expense of the city of Inman.

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed a rate equal to the 20 bond index of tax-exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. No rate specified shall be lower than any rate specified for an earlier maturity of the bonds. No bid of less than the par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid. Each bid shall also

(continued)

specify the average annual net interest rate to the city on the basis of such bid.

Purchasers shall submit their bids in writing, sealed and marked "Bond Bid," for all or any part of such bonds. All bids must state the average interest rate and the total interest cost certified by the bidder to be correct. Each bid must be accompanied by a certified check equal to 2 percent of the total amount of the bid. In case any purchaser whose bid is accepted shall fail to carry out his contract, said deposit shall be forfeited to the municipality. The checks of unsuccessful bidders will be returned.

Such sealed bids shall be opened publicly and only at the time and place specified in this notice, and will be sold to the highest bidder or bidders. The city of Inman reserves the right to reject any or all bids.

The assessed valuation of the city of Inman for the year 1986 is \$3,249,916. The total bonded indebtedness of the municipality on June 1, 1987, including the bonds submitted for bid, will be \$627,965.95, of which sum \$234,700 is exempt from the debt limit. Outstanding temporary improvement notes of \$62,333.50 will be retired from the proceeds of this proposed bond issue and other proceeds on hand.

Said bonds, duly printed, executed and registered, will be delivered to the successful bidder on or about June 30, 1987. Place of delivery will be at such bank in Inman, Kansas; Topeka, Kansas; Wichita, Kansas; or Kansas City, Missouri, as the purchaser may designate. The purchaser will prepare the bond registry. The CUSIP number will be furnished.

Dated at Inman, Kansas, April 22, 1987.

CITY OF INMAN, KANSAS  
By Adolf W. Neufeld, Mayor

Doc. No. 005339

(Published in the KANSAS REGISTER, May 7, 1987.)

**NOTICE OF REDEMPTION**  
City of Hugoton, Kansas  
Sanitation Utility System Revenue Bonds  
Series 1980  
(Dated July 1, 1980)

Notice is hereby given that pursuant to Section 3 of Ordinance 499 of the city of Hugoton, Kansas, passed and approved on July 8, 1980, there will be redeemed on July 1, 1987 all outstanding city of Hugoton, Kansas, sanitation utility system revenue bonds, Series 1980, which bonds mature on July 1 in each of the years from 1988 to 1990, inclusive, and are numbered from 25 to 40, inclusive. Said bonds will be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest thereon to said redemption date, together with a premium of 3 percent of the principal amount of bonds called for redemption.

On July 1, 1987, all bonds will be due and payable at the principal office of the State Treasurer, Topeka, Kansas. All coupons maturing subsequent to July 1, 1987 must be attached and surrendered with said bonds. From and after July 1, 1987, interest on the aforesaid bonds will cease to accrue.

Dated April 27, 1987.

TOM L. GREENWAY  
Mayor  
Attest: Thomas G. Hicks  
City Clerk

Doc. No. 005340

(Published in the KANSAS REGISTER, May 7, 1987.)

**NOTICE OF REDEMPTION**  
Seward County, Kansas  
and  
City of Salina, Kansas  
Single Family Mortgage  
Revenue Bonds  
(Multiple Originators and Services)  
1981 Series A

Notice is hereby given that \$5,190,000 principal amount of the bonds as listed below with CUSIP number 818418F18 are called for redemption on June 1, 1987, at the redemption price of 100 percent of the principal amount being redeemed plus accrued interest thereon to the redemption date.

**The serial numbers of the coupon bonds to be redeemed:**

67	1052	2066	4482	7016	8669	10026
72	1058	2074	4496	7072	8683	10040
78	1066	2080	4510	7100	8690	10054
86	1071	2087	4524	7128	8704	10068
92	1080	2096	4580	7156	8718	10096
100	1090	2102	4622	7184	8725	10110
108	1094	2108	4636	7240	8732	10124
115	1098	2116	4650	7282	8739	10138
119	1108	2122	4664	7296	8753	10152
128	1112	2130	4678	7311	8760	10166
134	1119	2136	4706	7325	8774	10194
140	1127	2144	4720	7332	8795	10208
151	1136	2152	4748	7339	8802	10222
156	1139	2158	4776	7346	8816	10236
167	1144	2168	4790	7353	8823	10250
170	1155	2172	4804	7360	8830	10278
176	1166	2180	4846	7374	8844	10334
184	1175	2188	4860	7381	8858	10348
190	1178	2195	4874	7395	8865	10362
196	1184	2200	4888	7402	8872	10390
210	1191	2208	4930	7409	8879	10418
212	1198	2214	4944	7423	8886	10446
215	1206	2223	4958	7430	8893	10463
226	1215	2228	4986	7437	8900	10474
231	1220	2236	5000	7444	8907	10516
236	1226	2247	5014	7458	8914	10530
243	1234	2255	5028	7465	8921	10558
254	1240	2264	5056	7472	8933	10572
260	1248	2270	5070	7479	8935	10600
268	1254	2283	5084	7493	8956	10628
271	1262	2296	5098	7507	8970	10656
276	1268	2299	5112	7514	8977	10670
283	1276	2304	5140	7521	8991	10684
296	1287	2307	5154	7528	8998	10698
308	1290	2310	5182	7535	9012	10712
310	1296	2312	5196	7549	9026	10726
315	1307	2315	5210	7556	9033	10740
322	1319	2326	5252	7570	9047	10754
332	1324	2330	5266	7577	9054	10768
338	1328	2340	5280	7584	9061	10782
344	1332	2346	5294	7591	9089	10796
352	1340	2354	5308	7613	9103	10824
358	1346	2360	5322	7626	9110	10838
366	1352	2368	5336	7633	9124	10852

371	1360	2379	5350	7647	9131	10894	912	1906	4090	6771	8382	9824	11841
380	1368	2382	5364	7654	9138	10908	916	1911	4104	6778	8396	9831	11848
388	1374	2396	5434	7661	9145	10922	922	1920	4146	6785	8403	9838	11855
394	1378	2410	5448	7675	9152	10936	932	1926	4160	6792	8410	9845	11869
396	1387	2424	5462	7682	9159	10950	940	1934	4174	6799	8431	9852	11876
408	1396	2438	5476	7689	9166	10964	946	1939	4188	6806	8438	9866	11883
412	1407	2452	5490	7696	9173	10978	954	1944	4202	6813	8445	9873	11897
416	1411	2466	5504	7710	9187	11006	959	1976	4216	6820	8452	9880	11904
434	1416	2480	5518	7724	9194	11020	968	1986	4244	6827	8473	9887	11911
436	1422	2508	5532	7738	9201	11034	979	1990	4258	6834	8480	9901	11918
440	1430	2522	5546	7745	9208	11048	986	1995	4300	6841	8487	9908	11925
450	1440	2536	5560	7759	9222	11062	991	2007	4314	6848	8599	9915	11932
455	1450	2550	5574	7766	9229	11076	998	2015	4356	6855	8606	9922	11946
464	1459	2564	5588	7780	9243	11104	1006	2020	4370	6862	8613	9929	11953
468	1468	2578	5602	7787	9250	11146	1010	2027	4384	6869	8627	9936	11960
472	1470	2620	5616	7794	9257	11160	1016	2032	4398	6876	8634	9950	11974
490	1472	2634	5630	7801	9264	11174	1024	2043	4412	6932	8641	9957	11981
494	1478	2648	5644	7808	9271	11188	1030	2048	4426	6960	8655	9964	11988
496	1486	2676	5658	7815	9278	11195	1044	2056	4468	6988	8662	9998	11993
506	1491	2690	5672	7822	9285	11202	1048	2060					
508	1500	2704	5686	7829	9299	11216							
511	1510	2760	5714	7843	9306	11223							
515	1514	2774	5728	7850	9313	11230							
523	1519	2788	5784	7857	9320	11244							
535	1528	2802	5798	7871	9327	11251							
548	1532	2816	5812	7878	9334	11258							
551	1536	2844	5826	7885	9341	11272							
562	1544	2872	5840	7899	9348	11279							
568	1556	2886	5854	7908	9355	11286							
572	1564	2900	5868	7913	9376	11300							
578	1575	2914	5882	7934	9397	11307							
590	1583	2928	5896	7941	9404	11314							
595	1596	2956	5910	7948	9418	11328							
604	1598	2984	5924	7969	9432	11335							
608	1603	3054	5952	7976	9439	11349							
615	1612	3068	5980	7983	9446	11356							
623	1615	3082	5994	7990	9460	11363							
632	1626	3096	6008	7997	9474	11377							
636	1638	3110	6022	8004	9481	11384							
646	1640	3124	6036	8011	9488	11391							
651	1646	3138	6050	8025	9495	11405							
660	1654	3180	6064	8032	9502	11412							
663	1660	3194	6078	8046	9509	11419							
674	1668	3236	6134	8053	9516	11433							
687	1674	3250	6148	8074	9523	11440							
690	1682	3264	6162	8088	9530	11461							
698	1691	3278	6358	8095	9544	11468							
702	1696	3306	6386	8102	9551	11475							
707	1706	3348	6400	8109	9558	11489							
716	1712	3390	6428	8116	9565	11496							
719	1720	3404	6470	8123	9572	11503							
730	1727	3446	6484	8130	9579	11552							
735	1735	3460	6498	8137	9586	11559							
744	1738	3488	6512	8144	9593	11573							
750	1748	3516	6526	8151	9607	11580							
759	1752	3530	6540	8165	9614	11587							
768	1758	3544	6554	8179	9628	11601							
772	1766	3558	6582	8186	9635	11608							
778	1771	3572	6596	8200	9649	11615							
786	1780	3586	6610	8214	9663	11629							
795	1788	3600	6624	8221	9677	11636							
800	1794	3614	6638	8228	9684	11651							
808	1799	3726	6652	8249	9691	11665							
814	1808	3740	6673	8256	9698	11672							
819	1812	3754	6680	8263	9705	11679							
828	1820	3810	6687	8277	9719	11693							
831	1827	3824	6694	8284	9733	11700							
847	1836	3838	6701	8291	9747	11707							
852	1844	3866	6708	8298	9754	11721							
856	1850	3880	6715	8305	9761	11728							
859	1856	3908	6722	8326	9768	11735							
866	1863	3922	6729	8333	9775	11749							
879	1870	3964	6736	8340	9782	11763							
883	1878	4020	6743	8347	9789	11777							
890	1883	4034	6750	8354	9796	11784							
896	1888	4062	6757	8361	9803	11791							
910	1895	4076	6764	8375	9810	11833							

The serial numbers of the registered bonds to be redeemed in whole or in part and the principal amount to be redeemed are as follows:

Bond Numbers	Total Principal	Amount Called
R288	\$ 5,000	\$ 5,000
R331	100,000	5,000
R332	25,000	15,000
R333	25,000	5,000
R409	5,000	5,000
R410	5,000	5,000
R413	5,000	5,000
R416	5,000	5,000
R435	5,000	5,000
R436	5,000	5,000
R438	5,000	5,000
R441	5,000	5,000
R443	5,000	5,000
R446	5,000	5,000
R472	5,000	5,000
R481	100,000	10,000
R482	100,000	15,000
R486	95,000	25,000
R513	15,000	5,000
R517	25,000	5,000
R519	10,000	5,000
R520	75,000	5,000
R521	35,000	5,000
R522	30,000	5,000
R523	65,000	10,000
R524	25,000	15,000
R525	75,000	10,000
R526	60,000	10,000
R527	145,000	40,000
R528	140,000	15,000
R530	35,000	10,000
R531	30,000	5,000

On June 1, 1987, all bonds designated for redemption will become due and payable upon presentation thereof at the address of the trustee given below. On and after June 1, 1987, interest on the principal amount called for redemption shall cease to accrue.

Bonds should be presented for payment in person or by mail at the Continental Illinois National Bank and Trust Company of Chicago, Corporate Trust Operations, 30 N. LaSalle St., 16th Floor, Chicago, IL 60697.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, paying agents making payments of interest or principal on corporate securities or making payments of principal on municipal

(continued)

(Published in the KANSAS REGISTER, May 7, 1987.)

securities may be obligated to withhold a 20 percent tax from remittances to individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Holders of the above described securities who wish to avoid the imposition of this tax should submit certified taxpayer identification numbers when presenting their securities for collection.

Dated April 30, 1987.

By Continental Illinois National Bank and  
Trust Company of Chicago, Trustee

Doc. No. 005350

(Published in the KANSAS REGISTER, May 7, 1987.)

### HOUSE BILL No. 2599

AN ACT concerning the state legislature; relating to compensation and expense allowances of members; authorizing certain adjustments for reductions in compensation during the fiscal year ending June 30, 1987.

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

Section 1. If the adjustments to the payments of compensation to members of the legislature under subsection (f) of K.S.A. 46-137a, as amended by section 1 of 1987 Senate Bill No. 47, or under subsection (b)(2) of K.S.A. 46-137b, as amended by section 2 of 1987 Senate Bill No. 47, or both such subsections, cannot be made on a substantially equal basis to effect the full reduction prescribed by that subsection (f) or subsection (b)(2), or both such subsections, or if insufficient compensation will be payable under that subsection (f) or subsection (b)(2), or both such subsections, to effect such reduction as prescribed thereby, during the period from the effective date of 1987 Senate Bill No. 47 through June 30, 1987, adjustments shall be made, on a substantially equal basis, in the payments made of the allowance provided under subsection (c) of K.S.A. 46-137a, as amended by section 1 of 1987 Senate Bill No. 47, on or after the effective date of this act which are chargeable to the fiscal year ending June 30, 1987, to effect the full reduction prescribed by that subsection (f) or subsection (b)(2), or both such subsections.

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

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

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

Passed the SENATE April 10, 1987.

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

APPROVED April 23, 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 23rd day of April, 1987.

(SEAL)

BILL GRAVES  
*Secretary of State.*

### SENATE BILL No. 243

AN ACT concerning venture capital companies; concerning tax credits for investments in such companies; amending K.S.A. 1986 Supp. 74-8205, 74-8303, 74-8304, 74-8306 and 74-8309 and repealing the existing sections.

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

Section 1. K.S.A. 1986 Supp. 74-8303 is hereby amended to read as follows: 74-8303. For the purposes of this act, the following terms shall have the meanings provided herein, unless the context clearly indicates otherwise:

(a) "Department" means the department of commerce;

(b) "equity" means all forms of equity such as common stock, preferred stock with or without voting rights and without regard to seniority of equity position, forms of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached, or any other means of financing which meet generally accepted national standards for venture capital investment in the United States;

(c) "Kansas business" means any small business owned by a Kansas resident an individual, any partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Kansas or does substantially all of its production in Kansas;

(d) "Kansas venture capital company" means any for-profit partnership or corporation that has as its primary business activity the investment of funds in return for equity in ventures that are in need of capital for expansion, new product development or similar business purposes and that may be certified by the secretary as meeting the criteria of this act and thus eligible for the tax credit provided in this act;

(e) "secretary" means the secretary of the department of commerce;

(f) "cash investment" means money or its equivalent in consideration for:

(1) An equity interest, such as a general or limited partnership interest, common or preferred stock with or without voting rights and without regard to seniority position, forms of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(2) a debt instrument, such as a note or debenture, which is unsecured, subordinated to the general creditors of the debtor, and requires no payments of principal (other than principal payments required to be made out of any future profits of such debtor) for at least a seven-year period after commencement of its term.

Sec. 2. K.S.A. 1986 Supp. 74-8304 is hereby amended to read as follows: 74-8304. (a) There shall be allowed as a credit against the tax imposed by the Kansas income tax act on the Kansas taxable income of a taxpayer and against the tax imposed by K.S.A. 40-2801, and amendments thereto, on insurance companies for a cash investment in a certified Kansas venture capital company in an amount equal to 25% of such taxpayer's cash investment in any such company in the taxable year in which such investment is made and the taxable years following such taxable year until the total amount of the credit is used. In any one taxable year, the amount of such credit allowable for deduction from the taxpayer's tax liability shall not exceed 25% of the total amount of such credit, and, in no case, may such amount exceed 25% of the taxpayer's tax liability in such year. The amount by which that portion of the credit allowed by the preceding sentence to be claimed in any one taxable year exceeds 25% of the taxpayer's liability in such year may be carried back for not more than three taxable years or carried forward until the total amount of the credit is used. In the taxable year in which such investment is made and the taxable years following such taxable year until the total amount of the credit is used. In any one taxable year, the amount of such credit allowable for deduction from the taxpayer's tax liability shall not exceed 25% of the total amount of such credit plus any applicable carryforward amount. The amount by which that portion of the credit



allowed by the preceding sentence to be claimed in any one taxable year exceeds the taxpayer's liability in such year may be carried forward until the total amount of the credit is used.

(b) The secretary of revenue may shall allow credits that are attributable to not more than \$24,000,000 of cash investments in certified Kansas venture capital companies, which shall include not more than \$10,000,000 for Kansas Venture Capital, Inc. The credits shall be allocated to by the secretary for cash investments in certified Kansas venture capital companies in the order that completed applications for designation as Kansas venture capital companies are received by the secretary. Any certified Kansas venture capital company may apply to the secretary at any time for additional allocation of such credit based upon then committed cash investments, but priority as to such additional allocation shall be determined at the time of such subsequent application. Notwithstanding the provisions of subsection (c), investors in Kansas venture capital companies established after July 1, 1984, which otherwise meet the requirements specified in this act, shall be, upon certification of the Kansas venture capital company, entitled to the tax credit provided in subsection (a) in the calendar year in which the investment was made.

(c) No taxpayer shall claim a credit under this section for cash investment in Kansas Venture Capital, Inc. No Kansas venture capital company shall qualify for the tax credit allowed by Chapter 332 of the 1986 Session Laws of Kansas for investment in stock of Kansas Venture Capital, Inc.

(d) The provisions of this section shall be applicable to all cash investments made in any taxable years year commencing after December 31, 1985, and prior to January 1, 1993.

Sec. 3. K.S.A. 1986 Supp. 74-8306 is hereby amended to read as follows: 74-8306. (a) The secretary shall promulgate rules and regulations for making an application for certification of a Kansas venture capital company and shall specify the information that must be submitted at the time of application. No Kansas venture capital company shall be certified until the secretary has adopted rules and regulations as required in K.S.A. 1986 Supp. 74-8305 and amendments thereto. A company seeking to be certified as a Kansas venture capital company must specify the level of capitalization cash investment that the company expects to qualify for the tax credits provided for in this act. The application must show that the applicant's purpose is to encourage and assist in the creation, development and expansion of Kansas businesses and to provide maximum opportunities for the employment of Kansans by making venture capital available to Kansas businesses as described and defined in K.S.A. 1986 Supp. 74-8303 and amendments thereto.

(b) The secretary shall promulgate rules and regulations defining the equivalent of money for the purposes of cash investments under the provisions of this act.

(b)(c) The department, through the secretary, shall review the articles of incorporation or the articles of partnership of each applicant for certification and the business history of the applicant and determine that the capitalization is at least \$1,500,000.

(e)(d) Within 60 days of application, the secretary shall issue the certification and notify the department of revenue of such certification, or shall refuse the certification and issue an order so providing.

Sec. 4. K.S.A. 1986 Supp. 74-8309 is hereby amended to read as follows: 74-8309. At any time after the end of the seventh year, a Kansas venture capital company which is in compliance with this act may voluntarily decertify itself by sending written notice of decertification to the secretary and, in such case, the investors shall not be liable for repayment to the state of credit amounts claimed under this act. In any case where a Kansas venture capital company which is not in compliance with the provisions of this act, it may voluntarily decertify itself by sending written notice of decertification to the secretary and by remitting to the secretary of the department of revenue full payment of all tax credits claimed by investors under its participation in the certification program. (a) Investors in a Kansas venture capital company are required to remit to the secretary of revenue full payment for all tax credits claimed under the Kansas venture capital company act if (1) at any time the Kansas venture capital

company is decertified by the department of commerce for noncompliance with the Kansas venture capital company act or (2) the Kansas venture capital company voluntarily decertifies itself prior to the end of the seventh year following its certification.

(b) Investors in a Kansas venture capital company are entitled to keep all of the tax credits claimed under the Kansas venture capital company act if the Kansas venture capital company is in compliance with the Kansas venture capital company act and voluntarily decertifies itself after the end of the seventh year following its certification.

(c) A Kansas venture capital company may voluntarily decertify itself by sending written notice of decertification to the secretary of commerce.

Sec. 5. K.S.A. 1986 Supp. 74-8205 is hereby amended to read as follows: 74-8205. (a) Except as otherwise provided in K.S.A. 1986 Supp. 74-8207, every national banking association, state bank, savings and loan association or insurance company investing in stock issued by Kansas Venture Capital, Inc. shall be entitled to a credit in an amount equal to 25% of the total amount invested in such stock against the tax liability imposed against such taxpayer pursuant to K.S.A. 79-1106 to 79-1116, inclusive, and amendments thereto or 40-2801, and amendments thereto, as the case requires. In any one taxable year, the amount of such credit allowable for deduction from the taxpayer's tax liability shall not exceed 25% of the total amount of such credit, and in no case may such amount exceed 25% of the taxpayer's tax liability in such year. The amount of any remaining unused credit may be carried forward until the total amount of the credit is used plus any applicable carryforward amount. The amount by which that portion of the credit allowed by this section to be claimed in any one taxable year exceeds 25% of the taxpayer's tax liability in such year may be carried back for not more than three taxable years or carried forward until the total amount of the credit is used.

(b) The provisions of this section shall be applicable to investments made in all taxable years commencing after December 31, 1985, and prior to January 1, 1993.

Sec. 6. K.S.A. 1986 Supp. 74-8205, 74-8303, 74-8304, 74-8306 and 74-8309 are hereby repealed.

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

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

SENATE adopted Conference Committee report April 10, 1987.  
ROBERT V. TALKINGTON  
President of the Senate.  
LU KENNEY  
Secretary of the Senate.

Passed the HOUSE as amended April 3, 1987.

HOUSE adopted Conference Committee report April 10, 1987.  
JAMES D. BRADEN  
Speaker of the House.  
GENEVA SEWARD  
Chief Clerk of the House.

APPROVED April 24, 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 24th day of April, 1987.

(SEAL)

BILL GRAVES  
Secretary of State.

(Published in the KANSAS REGISTER, May 7, 1987.)

SENATE BILL No. 202

AN ACT concerning crimes and punishments; relating to sentencing; amending K.S.A. 1986 Supp. 21-4608 and repealing the existing section.

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

Section 1. K.S.A. 1986 Supp. 21-4608 is hereby amended to read as follows: 21-4608. (1) When separate sentences of imprisonment for different crimes are imposed on a defendant on the same date, including sentences for crimes for which suspended sentences, probation or assignment to a community correctional services program have been revoked, such sentences shall run concurrently or consecutively as the court directs. Whenever the record is silent as to the manner in which two or more sentences imposed at the same time shall be served, they shall be served concurrently, *except as provided in subsections (3), (4) and (5).*

(2) Any person who is convicted and sentenced for a crime committed while on probation, assignment to a community correctional services program, parole or conditional release for a misdemeanor shall serve the sentence concurrently with or consecutively to the term or terms under which the person was on probation, assigned to a community correctional services program or released on parole or conditional release, as the court directs.

(3) Any person who is convicted and sentenced for a crime committed while on probation, assigned to a community correctional services program, on parole or on conditional release for a felony shall serve the sentence consecutively to the term or terms under which the person was on probation, assigned to a community correctional services program or released on parole or conditional release.

(4) Any person who is convicted and sentenced for a crime committed while on release for a felony pursuant to article 28 of chapter 22 of the Kansas Statutes Annotated shall serve the sentence consecutively to the term or terms under which the person was released.

(5) Any person who is convicted and sentenced for a crime committed while such person is incarcerated and serving a sentence for a felony in any place of incarceration shall serve the sentence consecutively to the term or terms under which the person was incarcerated.

(6) The provisions of this subsection relating to parole eligibility shall be applicable to persons convicted of crimes committed prior to January 1, 1979, but shall be applicable to persons convicted of crimes committed on or after that date only to the extent that the terms of this subsection are not in conflict with the provisions of K.S.A. 22-3717 and amendments thereto. In calculating the time to be served on concurrent and consecutive sentences, the following rules shall apply:

(a) When indeterminate terms run concurrently, the shorter minimum terms merge in and are satisfied by serving the longest minimum term and the shorter maximum terms merge in and are satisfied by conditional release or discharge on the longest maximum term if the terms are imposed on the same date.

(b) When concurrent terms are imposed on different dates, computation will be made to determine which term or terms require the longest period of incarceration to reach parole eligibility, conditional release and maximum dates, and that sentence will be considered the controlling sentence. The parole eligibility date may be computed and projected on one sentence and the conditional release date and maximum may be computed and projected from another to determine the controlling sentence.

(c) When indeterminate terms imposed on the same date are to be served consecutively, the minimum terms are added to arrive at an aggregate minimum to be served equal to the sum of all minimum terms and the maximum terms are added to arrive at an aggregate maximum equal to the sum of all maximum terms.

(d) When indeterminate sentences are imposed to be served consecutively to sentences previously imposed in any other court or the sentencing court, the aggregated minimums and maximums shall be computed from the effective date of the subsequent sentences which have been imposed as consecutive.

*For the purpose of determining the sentence begins date and the parole eligibility and conditional release dates, the inmate shall be given credit on the aggregate sentence for time spent incar-*

*cerated on the previous sentences, but not exceeding an amount equal to the previous minimum sentence less the maximum amount of good time credit that could have been earned on the minimum sentence; for the purpose of determining the sentence begins date and the parole eligibility, conditional release and maximum dates. For the purpose of computing the maximum date, the inmate shall be given credit for all time spent incarcerated on the previous sentence. This method for computation of the maximum sentence shall be utilized for all sentences computed pursuant to this subsection after July 1, 1983.*

Nothing in this subsection (6)(d) shall affect the authority of the Kansas parole board to determine the parole eligibility of inmates pursuant to subsection (d) of K.S.A. 22-3717 and amendments thereto.

(e) When consecutive sentences are imposed which are to be served consecutive to sentences for which a prisoner has been on probation, assigned to a community correctional services program, on parole or on conditional release, the amount of time served on probation, assigned to a community correctional services program, on parole or on conditional release shall not be credited as service on the aggregate sentence in determining the parole eligibility, conditional release and maximum dates.

(7) When a definite and an indefinite term run consecutively, the period of the definite term is added to both the minimum and maximum of the indeterminate term and both sentences are satisfied by serving the indeterminate term.

(8) When a defendant is sentenced in a state court and is also under sentence from a federal court or other state court or is subject to sentence in a federal court or other state court for an offense committed prior to the defendant's sentence in a Kansas state court, the court may direct that custody of the defendant may be relinquished to federal or other state authorities and that such state sentences as are imposed may run concurrently with any federal or other state sentence imposed.

Sec. 2. K.S.A. 1986 Supp. 21-4608 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 24, 1987.

SENATE adopted Conference Committee report April 10, 1987.

ROBERT V. TALKINGTON

*President of the Senate.*

LU KENNEY

*Secretary of the Senate.*

Passed the HOUSE as amended March 24, 1987.

HOUSE adopted Conference Committee report April 10, 1987.

JAMES D. BRADEN

*Speaker of the House.*

GENEVA SEWARD

*Chief Clerk of the House.*

APPROVED April 24, 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 24th day of April, 1987.

BILL GRAVES

*Secretary of State.*

(SEAL)



(Published in the KANSAS REGISTER, May 7, 1987.)

## HOUSE BILL No. 2408

AN ACT concerning banks and banking; amending K.S.A. 9-906, 9-907, 9-1712, 9-2014, 17-2008, 74-3004 and 75-3135 and K.S.A. 1986 Supp. 9-701, 9-901a, 9-1101, 9-1102, 9-1303, 9-1719, 9-1724 and 79-1126 and repealing the existing sections.

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

Section 1. K.S.A. 1986 Supp. 9-701 is hereby amended to read as follows: 9-701. Unless otherwise clearly indicated by the context, the following words when used in this act, for the purposes of this act, shall have the meanings respectively ascribed to them in this section:

(a) "Bank" shall mean means a state bank incorporated under the laws of Kansas.

(b) "Trust company" shall mean means a trust company incorporated under the laws of Kansas.

(c) "Board" shall mean means the Kansas state banking board.

(d) "Commissioner" shall mean means the Kansas state bank commissioner.

(e) "Insured bank" shall mean means a trust company or state bank whose deposits are insured through the federal deposit insurance corporation or other governmental agency or by an insurer approved by the state commissioner of insurance for such purpose.

(f) "Item" shall mean means any check, note, order, or other instrument or memorandum providing for the payment of money, or upon which money may be collected.

(g) "Demand deposits" shall include includes every deposit which is not a "time deposit," or "savings deposit," or "negotiable order of withdrawal deposit," as defined in this section.

(h) "Time deposits" shall mean "time certificates of deposit" and "time deposits, open account," as defined in this section means: "time certificates of deposit" and "time deposits, open account," as defined in this section.

(i) "Time certificate of deposit" shall mean means a deposit evidenced by a negotiable or nonnegotiable non-negotiable instrument which provides on its face that the amount of such deposit is payable, upon presentation and surrender of the instrument, to bearer or to any specified person or to such person's order: (1) On a certain date, specified in the instrument, not less than 14 seven days after the date of the deposit; or

(2) at the expiration of a certain specified time not less than 14 seven days after the date of the instrument; or

(3) upon notice in writing which is actually required to be given not less than 14 seven days before the date of repayment.

(j) "Time deposit, open account" shall mean means a deposit, other than a "time certificate of deposit," with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn, by check or otherwise, prior to the date of maturity, which shall be not less than 14 seven days after the date of the deposit, or prior to the expiration of the period of notice which must be given by the depositor in writing not less than 14 seven days in advance of withdrawal.

(k) "Savings deposit" shall mean means a deposit: (1) Which consists of funds deposited to the credit of or in which the entire beneficial interest is held by one or more individuals, or of a corporation, association or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and not operated for profit; or that consists of funds deposited to the credit of or in which the entire beneficial interest is held by the United States, any state of the United States or any county, municipality or political subdivision thereof; or that consists of funds deposited to the credit of, or in which any beneficial interest is held by a corporation, partnership, association or other organization not qualifying above to the extent such funds do not exceed \$150,000 per such depositor; or that consists of funds deposited to the credit of or in which the entire beneficial interest is held by the United States, any state of the United States or any county, municipality or political subdivision thereof, or that consists of funds deposited to the credit of, or in which any beneficial interest is held by a corporation, partnership, association or other organization not

qualifying above; and (2) with respect to which the depositor is not required by the deposit contract but may at any time be required by the bank to give notice in writing of an intended withdrawal not less than 14 seven days before such withdrawal is made and which is not payable on a specified date or at the expiration of a specified time after the date of deposit.

(l) "Public moneys" shall mean means all moneys coming into the custody of the United States government or any board, commission or agency thereof, and also shall mean all moneys coming into the custody of any officer of any municipal or quasi-municipal or public corporation, the state or any political subdivision thereof, pursuant to any provision of law authorizing any such official to collect or receive the same.

(m) "Municipal corporation" shall mean means any city incorporated under the laws of Kansas.

(n) "Quasi-municipal corporation" shall mean means any county, township, school district, drainage district, or any other governmental subdivision in the state of Kansas having authority to receive or hold moneys or funds.

(o) "Certificate of authority" shall mean means a statement signed and sealed by the commissioner evidencing the authority of a bank or trust company to transact a general business as such.

(p) "Transaction account" shall mean means a deposit or account on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar device for the purpose of making payments or transfers to third persons or others.

(q) "Nonpersonal time deposit" shall mean means a time deposit, including a savings deposit that is not a transaction account, representing funds in which any beneficial interest is held by a depositor which is not a natural person.

(r) "Negotiable order of withdrawal deposit" shall mean means a deposit on which interest is paid and which is subject to withdrawal by the owner by negotiable or transferable instruments for the purpose of making transfers to third parties, and which consists solely of funds in which the entire beneficial interest is held by one or more individuals, an organization which is operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and which is not operated for profit, and with respect to deposits of public funds by an officer, employee or agent of the United States, any state, county, municipality or political subdivision thereof, the District of Columbia, the commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States or any political subdivision thereof.

Sec. 2. K.S.A. 1986 Supp. 9-901a is hereby amended to read as follows: 9-901a. (a) For purposes of this section, the capital of a bank shall be the total of the aggregate par value of its outstanding shares of capital stock, its surplus and its undivided profits.

(b) The minimum capital of a bank in existence on July 1, 1975, shall be \$250,000 or such lesser amount as such bank had on July 1, 1975. With respect to a bank in existence on July 1, 1975, which thereafter transfers its place of business from one city to another, the minimum capital shall be the amount required by subsection (c) of this section.

(c) The minimum capital of a bank organized as a corporation after July 1, 1975, or which thereafter transfers its place of business from one city to another, shall be at least \$250,000 or at least an amount equal to 8% of its estimated deposits five years after its organization or transfer of place of business, whichever is greater, of which 60% shall be the aggregate par value of its outstanding shares of capital stock, 30% its surplus and 10% its undivided profits. The state banking board may require that the bank have capital in excess of the amounts specified in this subsection if the board determines that the amount and character of the anticipated business of the bank and the safety of its depositors so require.

(d) The minimum capital of a bank organized pursuant to subsection (b) of K.S.A. 9-1801, and amendments thereto, shall be determined by the commissioner, provided that the successor bank has obtained deposit insurance from the federal deposit insurance corporation or its successor.

(e) Except as may be provided elsewhere in this act, no bank

(continued)

shall reduce voluntarily its capital stock or surplus below the amounts required by this section.

Sec. 3. K.S.A. 9-906 is hereby amended to read as follows: 9-906. Whenever it shall appear that the capital stock of any bank or trust company is impaired, the commissioner shall notify such bank or trust company to restore the capital stock within ~~ninety~~ 90 days of receipt of such notice. Within ~~fifteen~~ 15 days after the receipt of such notice, it shall be the duty of the board of directors of such bank or trust company to ~~shall~~ levy an assessment on the common ~~stock~~ stockholders sufficient to restore the capital. ~~Provided, That~~ stock. Such bank or trust company with ~~the its board's approval of the board~~ may reduce its capital stock to the extent of the impairment, if such reduction will not reduce the capital stock below the amount required by this act.

Sec. 4. K.S.A. 9-907 is hereby amended to read as follows: 9-907. Whenever any stockholder of a bank or trust company or an assignee of such stockholder, fails to pay any assessment on ~~his or her such stockholder's~~ stock when the same is required to be paid, the directors of such bank or trust company may sell the stock of such delinquent stockholder, or so much thereof as shall be necessary, to satisfy the assessment and any expenses incident thereto, *within 120 days of the bank or trust company's receipt of impairment notice*, to any person paying the highest price therefor, which price shall be not less than the amount due upon such stock with any expense incident thereto, and such sale may be either public or private. If sold at private sale and the price offered by any nonstockholder shall not exceed the highest bid of any stockholder, then such stock shall be sold to the stockholder. If such sale shall be public, then three weeks' notice thereof, published in a newspaper of general circulation in the city or county where the bank or trust company is located, shall be given. The excess, if any, realized upon the sale of ~~said~~ the stock shall be paid to the delinquent stockholder unless ~~he or she~~ such stockholder is further indebted to the bank or trust company ~~when then~~ it may be retained by the bank or trust company as an offset. If no purchaser can be found for such stock upon the terms herein stated the stock shall be forfeited to the bank or trust company to be disposed of within six months ~~thereafter~~ from the date of the public or private sale as the board of directors shall determine.

Sec. 5. K.S.A. 1986 Supp. 9-1101 is hereby amended to read as follows: 9-1101. Any bank hereby is authorized to exercise by its board of directors or duly authorized officers or agents, subject to law, all such powers, including incidental powers, as shall be necessary to carry on the business of banking, and:

(1) To receive deposits and to pay interest thereon at rates which need not be uniform. The state bank commissioner, with approval of the state banking board, may by regulations of general application fix maximum rates of interest to be paid on deposit accounts other than accounts for public moneys;

(2) to buy and sell exchange, gold, silver, foreign coin, bullion, commercial paper, bills of exchange, notes and bonds;

(3) to buy and sell bonds, securities, or other evidences of indebtedness of the United States of America or those fully guaranteed, directly or indirectly, by it, and general obligation bonds of the state of Kansas or any municipality or quasi-municipality thereof, and of other states, and of municipalities or quasi-municipalities in other states of the United States of America. No bank shall invest an amount in excess of 15% of its capital stock paid in and unimpaired and the unimpaired surplus fund of such bank in bonds, securities or other evidences of indebtedness of any municipality or quasi-municipality of any other state or states of the United States of America: (a) If and when the direct and overlapping indebtedness of such municipality or quasi-municipality is in excess of 10% of its assessed valuation, excluding therefrom all valuations on intangibles and homestead exemption valuation; (b) or if any bond, security, or evidence of indebtedness of any such municipality or quasi-municipality has been in default in the payment of principal or interest within 10 years prior to the time that any bank acquires any such bonds, security or evidence of indebtedness;

(4) to make all types of loans, including loans on real estate, subject to the loan limitations contained in this act. Every real estate loan shall be secured by a mortgage or other instrument constituting a lien, or the full equivalent thereof, upon the real

estate securing the loan, according to any lawful or well recognized practice, which is best suited to the transaction. The mortgage may secure future advances. The lien of such mortgage shall attach upon its execution and have priority from time of recording as to all advances made thereunder until such mortgage is released of record. The lien of such mortgage shall not exceed at any one time the maximum amount stated in the mortgage;

(5) to discount and negotiate bills of exchange, negotiable notes and notes not negotiable;

(6) to own a suitable building, furniture and fixtures, stock in a single trust company organized under the laws of the state of Kansas, and stock in a safe deposit company organized under the laws of the state of Kansas, and stock in a corporation organized under the laws of this state, owning only real estate all or a part of which is occupied or to be occupied by the bank. The trust company shall not at the time of the purchase of such stock be engaged in the business of receiving deposits of banks, and in the event such trust company shall thereafter receive deposits from banks such stock shall be sold within six months or removed as an asset of the bank, but with a limit of 1/2 of the capital stock and surplus of such bank upon the total of all amounts carried on its books as investments in all assets described in this subsection (6) and advances to a corporation organized under the laws of this state owning only real estate all or a part of which is occupied or to be occupied by the bank. This limitation shall not apply to amounts carried on the books of such bank as investments made prior to July 1, 1973. The state bank commissioner may grant the bank authority to exceed such limitation. The trust company and the safe deposit company in which a bank may own stock must be located at all times in the same city or unincorporated village where the bank owning such stock is located; otherwise, the bank shall dispose of such stock immediately;

(7) (6) to buy and sell investment securities which are evidences of indebtedness. The buying and selling of investment securities shall be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, copartnership, association, corporation, or state or federal agency, including revenue bonds issued pursuant to K.S.A. 76-6a15, and amendments thereto, or the state armory board in the form of bonds, notes or debentures or both, commonly known as investment securities, under such further definition of the term "investment securities" as prescribed by the board, but the total amount of such investment securities of any one obligor or maker held by such bank shall at no time exceed 15% of the capital stock paid in and unimpaired and the unimpaired surplus fund of such bank except that this limit shall not apply to obligations of the United States government or any agency thereof. If the obligor is a state agency including any agency issuing revenue bonds pursuant to K.S.A. 76-6a15, and amendments thereto, or the state armory board, the total amount of such investment securities shall at no time exceed 25% of the capital stock paid in and unimpaired and the unimpaired surplus fund of such bank;

(8) (7) to subscribe to, buy and own such stock of the federal national mortgage association as required by title 3, section 303 of the federal act known as the national housing act as amended by section 201 of public law No. 560, of the United States (68 Stat. 613-615), known as the housing act of 1954, or amendments thereto;

(9) (8) to subscribe to, buy and own stock in one or more small business investment companies in Kansas as otherwise authorized by federal law, except that in no event shall any bank acquire shares in any small business investment company if, upon the making of that acquisition the aggregate amount of shares in small business investment companies then held by the bank would exceed 5% of its capital and surplus. Nothing in this act contained shall prohibit any bank from holding and disposing of such real estate and other property as it may acquire in the collection of its assets;

(10) (9) to subscribe to, buy and own stock in any agricultural credit corporation or livestock loan company, or its affiliate, organized pursuant to the provisions of the laws of the United States providing for the information and operation of agricultural credit corporations and livestock loan companies, in an amount not exceeding either the undivided profits or 10% of the capital

stock and surplus and undivided profits from such bank, whichever is greater;

(11) (10) to become the owner or lessor of personal property acquired upon the specific request and for the use of a customer, and may incur such additional obligations as may be incident to becoming an owner or lessor of such property. Any bank which claims a credit against its privilege tax of any amount of ad valorem taxes on property acquired pursuant to this subsection shall not be designated as a depository for any state funds by the pooled money investment board. Lease transactions shall not result in obligations for the purpose of determining limitations or restrictions on the amount of loans. Lease payments on such transactions shall be considered rents and not interest;

(12) (11) to subscribe to, buy and own stock in minbank capital corporation, a company formed for the purpose of providing capital to minority-owned banks. No bank's investment in such stock shall exceed 2% of its capital and surplus;

(13) (12) to buy, hold, and sell any type of investment securities not enumerated in this section with approval of the commissioner and upon such conditions and under such regulations as are prescribed by the state banking board;

(14) (13) to act as escrow agent;

(15) (14) to subscribe to, acquire, hold and dispose of stock of any class of the KBA mortgage corporation, a corporation having as its purpose the acquisition, holding and disposition of loans secured by real estate mortgages, and to acquire, hold and dispose of the debentures and capital notes of such corporation. No bank's investment in such stock, debentures and capital notes shall exceed 2% of its capital stock, surplus and undivided profits and such investment shall be carried on the books of the bank as directed by the commissioner;

(16) (15) to purchase and sell securities and stock without recourse solely upon the order, and for the account, of customers;

(17) (16) to subscribe to, acquire, hold and dispose of any class of stock, debentures and capital notes of MABSCO agricultural services, inc. or any similar corporation having as its purpose the acquisition, holding and disposition of agricultural loans originated by Kansas banks. No bank's investment in such stock, debentures and capital notes shall exceed 2% of its capital stock, surplus and undivided profits. Such investment shall be carried on the books of the bank as directed by the commissioner;

(18) (17) to buy, hold and sell mortgages, stock, obligations and other securities which are issued or guaranteed by the federal home loan mortgage corporation under sections 305 and 306 of the federal act known as the federal home loan mortgage corporation act (P.L. 91-351);

(19) (18) to buy, hold and sell obligations or other instruments or securities, including stock, issued or guaranteed by the student loan marketing association created by (P.L. 92-318) of the United States;

(20) (19) to engage in financial future contracts on United States government and agency securities subject to such rules and regulations as the state bank commissioner may prescribe pursuant to K.S.A. 9-1713, and amendments thereto, to promote safe and sound banking practices;

(21) (20) to subscribe to, buy and own stock in a federally chartered bankers' bank chartered pursuant to subsection (b) of 12 U.S.C. 27, except no bank's investment in such stock shall exceed 10% of its capital stock, surplus and undivided profits;

(22) (21) subject to such rules and regulations as the state bank commissioner may adopt pursuant to K.S.A. 9-1713, and amendments thereto, to promote safe and sound banking practices, upon recorded prior approval by the board of directors of the initial investment in a specific company and pursuant to an investment policy approved by the board of directors which specifically provides for such investments to buy, hold and sell shares of an open-end investment company registered with the federal securities and exchange commission under the federal investment company act of 1940 and the federal securities act of 1933 and of a privately offered company sponsored by an affiliated commercial bank, the shares of which are purchased and sold at par and the assets of which consist solely of securities which may be purchased by the bank for its own account. Such shares may be purchased without limit if the assets of the

company consist solely of and are limited to obligations that are eligible for purchase by the bank without limit. If the assets of the company include securities which may be purchased by the bank subject to limitation, such shares may be purchased subject to the limitation applicable to purchase by the bank of such securities.

Sec. 6. K.S.A. 1986 Supp. 9-1102 is hereby amended to read as follows: 9-1102. Any bank may purchase, encumber and convey real estate or lease as lessor or lessee any building or buildings. Any real estate not necessary for its accommodation in the transaction of its business shall be disposed of by the bank not later than seven years after its acquisition unless the state bank commissioner shall authorize the bank to retain such real estate for not to exceed an additional two years. When any bank purchases or acquires any such real estate the amount at which it is then carried on its books, plus all encumbrances then thereon, plus the then book value of all furniture and fixtures, plus the then book value of stock in a safe deposit company, plus the then book value of stock in a trust company, plus the then book value of stock in a corporation organized under the laws of this state owning only real estate occupied or to be occupied by the bank, and advances to such corporation acquired or made after July 1, 1973, shall not exceed  $\frac{1}{2}$  of its capital stock and surplus, or, if the bank's real estate is that necessary for its accommodation in the transaction of its business,  $\frac{1}{2}$  of its capital stock, surplus and capital notes and debentures, unless approval is granted by the state bank commissioner. Thereafter all such real estate, together with all furniture and fixtures, stock in a safe deposit company, stock in a corporation organized under the laws of this state owning only real estate occupied by the bank, and advances to such corporation acquired or made after July 1, 1973, and stock in a trust company, at no time shall be carried on the books of the bank at a total amount in excess of  $\frac{1}{2}$  of the capital stock and surplus, or, if the bank's real estate is that necessary for its accommodation in the transaction of its business,  $\frac{1}{2}$  of the capital stock, surplus and capital notes and debentures of such bank, unless approval is granted by the state bank commissioner. (a) Any bank may own, purchase, lease, hold, encumber or convey real property and certain personal property subject to the following:

(1) Own suitable building, furniture and fixtures, stock in a single nondepository trust company organized under the laws of the state of Kansas, and stock in a safe deposit company organized under the laws of the state of Kansas, and stock in a corporation organized under the laws of this state owning real estate occupied by the bank. If the trust company engages in the business of receiving deposits of banks, such stock shall be sold within six months or removed as an asset of the bank. The trust company and the safe deposit company in which a bank owns stock shall be located at all times in the same city or township where the bank owning such stock is located, otherwise the bank shall dispose of such stock immediately;

(2) purchase, hold, encumber and convey real estate or lease as lessor or lessee any building or buildings. Any real estate not necessary for the bank's accommodation in the transaction of its business shall be disposed of by the bank not later than seven years after its acquisition unless the state bank commissioner authorizes the bank to retain such real estate for a period not to exceed an additional two years;

(3) a bank's total investment or ownership at all times in any one or more of the following shall not exceed  $\frac{1}{2}$  of its capital stock, surplus and capital notes and debentures, and any such excess shall be removed from the bank's books unless approval is granted by the state bank commissioner:

(A) The book value of real estate plus all encumbrances thereon;

(B) the book value of furniture and fixtures;

(C) the book value of stock in a safe deposit company;

(D) the book value of stock in a trust company; or

(E) the book value of stock in a corporation organized under the laws of this state owning real estate occupied by the bank and advances to such corporation acquired or made after July 1, 1973.

Except that any real estate not necessary for the accommoda-

(continued)

tion of the bank's business shall be disposed of according to paragraph (2).

(b) Any bank may acquire real estate in satisfaction of any debts due it and may purchase real estate in satisfaction of any debts due it, and may purchase real estate at judicial sales, but no bank shall bid at any judicial sale a larger amount than is necessary to protect its debts and costs. No real estate, except for agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, acquired in the satisfaction of debts or upon judicial sales shall be carried as a book asset of the bank for more than five years. At the termination of the five years such real estate shall be charged off. No agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, acquired in satisfaction of debts or upon judicial sales shall be carried as a book asset of the bank for more than 10 years. At the termination of the 10 years such agricultural land shall be charged off. The commissioner may grant an extension for an additional four years, or any portion thereof, if in the commissioner's judgment it will be to the advantage of the bank to carry the real estate or agricultural land as an asset for such extended period.

Sec. 7. K.S.A. 1986 Supp. 9-1303 is hereby amended to read as follows: 9-1303. The state bank commissioner hereby is authorized to accept any report of examination of a state bank or trust company made within a reasonable period by the federal deposit insurance corporation or its successor, by the federal reserve bank or by the certified public accountant or independent auditor auditing the accounts of any bank or trust company insured by a private insurer, as authorized under the provisions of this act, but only one such report of examination shall be accepted in lieu of any examination required by this act in any one calendar year. ~~When the commissioner accepts any report of examination of a state bank or trust company made by the federal deposit insurance corporation or its successor, by the federal reserve bank or by the certified public accountant or independent auditor auditing the accounts of any bank or trust company insured by a private insurer, as authorized under the provisions of this act, the commissioner shall collect 50% of the fee specified by law for a direct examination of such bank or trust company by the state.~~ The commissioner also may accept any report obtained by the insurance corporation, the federal reserve bank or private insurer within a reasonable time relative to the condition of any bank or trust company in lieu of any report required by this act.

The commissioner shall furnish to the insurance corporation or private insurer, or to any officer or examiner thereof, a copy of any or all examination reports made by the commissioner, or the commissioner's examiners, of any bank or trust company insured by the corporation or insurer, and any or all reports made to the commissioner by any bank or trust company insured by such corporation or insurer. The commissioner may disclose to the insurance corporation or private insurer, or any official or examiner thereof, any and all information contained in the commissioner's office concerning the condition of affairs of any bank or trust company insured by such corporation or insurer.

The commissioner may furnish to the federal reserve bank, *office of the comptroller of currency, the federal home loan bank, the Kansas savings and loan department and other state bank regulatory agencies and savings and loan regulatory agencies* or any officer or examiner thereof, a copy of any or all examination reports made by the commissioner, or the commissioner's examiners of any bank or trust company which is a member or nonmember of the federal reserve system and any or all reports made to the commissioner by any bank or trust company which is a member of the federal reserve system. The commissioner may disclose to the federal reserve bank, *office of the comptroller of currency, the federal home loan bank, the Kansas savings and loan department and other state bank regulatory agencies and savings and loan regulatory agencies* or any officer or examiner thereof, any and all information contained in the commissioner's office concerning the condition of affairs of any bank or trust company which is a member or nonmember of the federal reserve system. Nothing in this act shall be construed to limit the powers of the commissioner with reference to examinations and reports required by this act.

Sec. 8. K.S.A. 9-1712 is hereby amended to read as follows:

9-1712. All information which the commissioner shall gather or record in making an investigation and examination of any bank or trust company shall be deemed to be confidential information, and shall not be disclosed by the commissioner or any assistant, or examiner, or employee thereof, except to the attorney general when in the opinion of the commissioner the same should be disclosed, and except as otherwise provided in this act. *No original report or document in the possession of the department may be removed from the office of the banking department, except as provided by K.S.A. 9-1301 et seq., and amendments thereto.*

Sec. 9. K.S.A. 1986 Supp. 9-1719 is hereby amended to read as follows: 9-1719. As used in K.S.A. ~~1984~~ 1986 Supp. 9-1719 to 9-1723, inclusive:

(a) "Control" means the power directly or indirectly to direct the management or policies of a financial institution or to vote 25% or more of any class of voting shares of a bank.

(b) "Bank" means a state bank or *trust company* incorporated under the laws of Kansas.

(c) "Commissioner" means the Kansas state bank commissioner.

(d) "Person" means an individual or a corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization or any other form of entity not specifically listed in this subsection.

(e) "Board" means the Kansas banking board.

Sec. 10. K.S.A. 1986 Supp. 9-1724 is hereby amended to read as follows: 9-1724. (a) Before any bank can merge, consolidate with or transfer its assets and liabilities to another bank or corporation under the provisions of ~~chapter 67 of article 17~~ *article 67 of chapter 17* of the Kansas Statutes Annotated, each bank or corporation concerned in such merger, consolidation or transfer shall file, or cause to be filed, with the state banking commissioner, certified copies of all proceedings had by its directors and stockholders relating to such merger, consolidation or transfer. The stockholders' proceedings shall show that a majority of the stockholders voted in favor of the merger, consolidation or transfer. The stockholders' proceedings shall also contain a complete copy of the agreement made and entered into between the banks or a bank and a corporation, with reference to such merger, consolidation or transfer.

Upon the filing of the stockholders and directors' proceedings, the commissioner shall make an investigation of each bank or corporation to determine whether:

(a) (1) The interests of the depositors, creditors and stockholders of each bank or corporation are protected;

(b) (2) the merger, consolidation or transfer is in the public interest; and

(c) (3) the merger, consolidation or transfer is made for legitimate purposes.

The commissioner's consent to or rejection of such merger, consolidation or transfer shall be based upon such investigation. No merger, consolidation or transfer shall be made without the consent of the commissioner. The expense of the investigation shall be paid by the banks or the bank and the corporation.

Notice of the merger, consolidation or transfer shall be published at least once each week for three consecutive weeks before or after the merger, consolidation or transfer is to become effective, at the discretion of the commissioner, in a newspaper of general circulation published in each city or county in which the banks or the bank and the corporation is located and a certified copy of the notice shall be filed with the commissioner.

(b) *As used in this section, "bank" means a state bank or trust company incorporated under the laws of Kansas.*

Sec. 11. K.S.A. 9-2014 is hereby amended to read as follows: 9-2014. It shall be the duty of the bank commissioner or ~~either~~ *any* of the deputies of the commissioner, to inform the county or district attorney of the county in which the bank is located, of any violation of any of the provisions of this act, which constitute a misdemeanor or felony, by the officers, *directors*, owners or employees of any bank, which shall come to ~~his or her~~ *notice* the notice of the bank commissioner or the commissioner's deputies, and upon receipt of such information the county or district

attorney shall may institute proceedings to enforce the provisions of this act.

Sec. 12. K.S.A. 17-2008 is hereby amended to read as follows: 17-2008. The affairs and business of such company shall be managed by a board of not less than five nor more than ~~twenty-five~~ 25 directors, a majority of whom shall be residents of the state of Kansas, each of whom shall be a ~~stockholder in the company to an amount not less than one thousand dollars an~~ owner of record of common stock, having a par value of not less than \$500, in such trust company or in the parent corporation of such trust company. Such directors shall be elected at the annual meeting of the company for a term of one year and until their successors are elected and qualified. Whenever any director shall cease to own the amount of stock required by this section, ~~he~~ such director shall cease to be a member of the board, and an entry upon the records of the board reciting this fact shall be sufficient to create a vacancy. Any vacancy in the board created by death, resignation or otherwise shall be filled by the board until the next election, at its first meeting after the vacancy occurs.

Sec. 13. K.S.A. 74-3004 is hereby amended to read as follows: 74-3004. (a) There is hereby created a state banking board which shall be composed of nine members. Six members of the board shall be bankers with not less than five years' actual banking experience in a state bank in this state and three shall represent the public interest in the regulation, operation and control of state banks and trust companies. All members shall be selected from the state at large. No nonbanker member shall concurrently serve as an officer or director in any state or national bank or trust company wherever located. One of the nine members shall be elected annually as chairperson of the board. The board shall be appointed by the governor. Persons appointed to the board ~~on or after July 1, 1981~~, shall be subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. Of the six banker members, the governor shall appoint one from each Kansas congressional district as presently constituted and one from the state at large. If the number of Kansas congressional districts is reduced to four, one additional banker member shall be appointed from the state at large. ~~Of the six banker members, one shall be from a city of the first class, two shall be from cities of the second class, two shall be from cities of the third class or unincorporated villages, and one without regard to city classification.~~ Appointment of non-banker members shall be made with due consideration for achieving representation of the various geographic sectors of the state.

(b) Terms of members of the board shall begin on May 1 and shall be for three years. Each member shall serve until a successor is appointed and qualifies. No person shall serve more than two terms as a member of the board. In the event of a vacancy on the board, the governor shall appoint a new member of the same class and qualification to fill the unexpired term.

Sec. 14. K.S.A. 75-3135 is hereby amended to read as follows: 75-3135. The bank commissioner shall receive an annual salary to be fixed by the governor with the approval of the state finance council. The bank commissioner is hereby authorized to appoint a deputy commissioner who shall be in the unclassified service under the Kansas civil service act and shall receive an annual salary fixed by the bank commissioner. The deputy commissioner shall perform such duties as may be required by the commissioner. If the office of the commissioner is vacant or if the commissioner is absent or unable to act, the deputy commissioner shall be the acting commissioner. The deputy commissioner shall have at least five years' experience as a state bank officer or five years' experience as a state or federal deposit insurance corporation bank examiner. The bank commissioner is also authorized to appoint or contract for, in accordance with the civil service law, such special assistants and other employees as are necessary to properly discharge the duties of the office.

Sec. 15. K.S.A. 1986 Supp. 79-1126 is hereby amended to read as follows: 79-1126. (a) On and after the effective date of this act and prior to July 1, ~~1987~~ 1988, a state bank or national banking association which extends or renews an agricultural production loan under the provisions of this act to an eligible agricultural borrower at an interest rate which is at least one

whole percentage point less than the prime interest rate then specified by the bank on such loans with equivalent collateral, and a state bank or national banking association which reduces the rate of interest being charged on any outstanding agricultural production loan to an eligible agricultural borrower by at least one whole percentage point shall receive a credit against its tax liability pursuant to K.S.A. 79-1106 *et seq.*, for taxable years commencing after December 31, 1987, to the extent hereinafter provided. Such tax credit shall be allowed for such interest rate reductions upon agricultural production loans having a total principal amount not exceeding 15% of the amount of such loans reflected in the bank's report of condition filed with the federal deposit insurance corporation as of December 31, 1985.

(b) For the purposes of this section, the term "eligible agricultural borrower" means any person, partnership or family farm corporation, as defined in K.S.A. 17-5903, and amendments thereto, located in the state of Kansas, having an agricultural production loan which has been classified by any banking regulator as substandard or doubtful or classified as a problem or vulnerable by either the farm credit administration or a district farm credit system institution which is subject to review by the farm credit administration.

(c) An interest rate reduction may be applied under the provisions of this section only when the eligible borrower can be reasonably expected to service the principal and interest for the term of such person's loan.

(d) The total credit against tax liability shall be the amount by which the interest income to the state bank or national banking association on and after the effective date of this act and prior to July 1, ~~1987~~ 1988, has been reduced on such loans because of such reductions in rates of interest, except that the credit allowed as a result of an interest rate reduction on any one agricultural production loan shall not exceed an amount equal to 3% per annum on the unpaid principal balance of the loan. The tax credit allowed for any taxable year shall not exceed 1/5 of the total tax credit of the bank allowed under this act. Unused tax credit shall be carried forward as a credit to the bank's tax liability in each subsequent taxable year and shall then be taken into account, subject to the limitation that the credit in any one taxable year may not exceed 1/5 of the total tax credit.

Sec. 16. K.S.A. 9-906, 9-907, 9-1712, 9-2014, 17-2008, 74-3004 and 75-3135 and K.S.A. 1986 Supp. 9-701, 9-901a, 9-1101, 9-1102, 9-1303, 9-1719, 9-1724 and 79-1126 are hereby repealed.

Sec. 17. 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 10, 1987.

HOUSE concurred in SENATE amendments April 10, 1987.

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

Passed the SENATE as amended April 3, 1987.

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

APPROVED April 24, 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 24th day of April, 1987.

(SEAL)

BILL GRAVES  
Secretary of State.



(Published in the KANSAS REGISTER, May 7, 1987.)

## HOUSE BILL No. 2243

AN ACT concerning cities and counties; relating to the issuance of revenue bonds; amending K.S.A. 12-1742 and repealing the existing section.

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

Section 1. K.S.A. 12-1742 is hereby amended to read as follows: 12-1742. Such agreements shall provide for a rental sufficient to repay the principal of and the interest on the revenue bonds. Such agreements may also may provide that the lessee shall reimburse the city or county for its actual costs of administering and supervising the issue. ~~All~~ *The city or county may charge an origination fee. Such fee shall not be deemed a payment in lieu of taxes hereunder. Such fee shall be used exclusively for local economic development activities but shall not be used to pay any administrative costs of the city or county. Except for the origination fee, all other fees paid in excess of such actual costs and any other obligation assumed under the contract shall be deemed payments in lieu of taxes and distributed as provided herein. If the agreement provides for a payment in lieu of taxes to the city or county, such payment shall, immediately upon receipt of same, shall be transmitted by the city or county to the county treasurer of the county in which the city is located. Payments in lieu of taxes received pursuant to agreements entered into after the effective date of this act shall include all fees or charges paid for services normally and customarily paid from the proceeds of general property tax levies, except for extraordinary services provided for the facility or an extraordinary level of services required by a facility. Payments in lieu of taxes may be required only upon property for which an exemption from ad valorem property taxes has been granted by the state board of tax appeals. The county treasurer shall apportion such payment among the taxing subdivisions of this state in the territory in which the facility is located. Any payment in lieu of taxes shall be divided by the county treasurer among such taxing subdivisions in the same proportion that the amount of the total mill levy of each individual taxing subdivision bears to the aggregate of such levies of all the taxing subdivisions among which the division is to be made. The county treasurer shall pay such amounts to the taxing subdivisions at the same time or times as their regular operating tax rate mill levy is paid to them. Based upon the assessed valuation which such facility would have if it were upon the tax rolls of the county, the county clerk shall compute the total of the property taxes which would be levied upon such facility by all taxing subdivisions within which the facility is located if such property were taxable. The valuation of the facility shall not be included in the computation of the adjusted valuation of a school district under the provisions of K.S.A. 72-7040, or and amendments thereto.*

Sec. 2. K.S.A. 12-1742 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 2, 1987.

HOUSE adopted Conference Committee report April 10, 1987.

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

Passed the SENATE as amended March 31, 1987.

SENATE adopted Conference Committee report April 9, 1987.

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

APPROVED April 23, 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 23rd day of April, 1987.

BILL GRAVES  
*Secretary of State.*

(SEAL)

(Published in the KANSAS REGISTER, May 7, 1987.)

## HOUSE BILL No. 2078

AN ACT concerning educational institutions under the supervision and control of the state board of regents; relating to certain research and development projects and activities and expenditures thereunder; acquisition of goods and services; allowances for travel; providing certain exemptions; amending K.S.A. 75-3208 and repealing the existing section.

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

New Section 1. (a) Each contract entered into by a state educational institution for the acquisition of goods or services for a research and development activity shall be exempt from the provisions of K.S.A. 75-3739 through 75-3744 and amendments thereto if the contract is financed 50% or more by moneys received from the Kansas technology enterprise corporation, federal agencies or other external sources.

(b) Nothing contained in article 32 of chapter 75 of the Kansas Statutes Annotated shall be construed to limit or prescribe the conduct of any in-state or out-of-state travel or to limit expense allowances for such travel which is undertaken for and funded as a part of any research and development activity of a state educational institution if such expense is funded 50% or more by moneys received from the Kansas technology enterprise corporation, federal agencies or other external sources. The provisions of K.S.A. 75-3208 and amendments thereto shall not apply to any such travel.

(c) As used in this section:

(1) "Research and development activity" means any center of excellence at a state educational institution, any research or development project or activity at the state educational institution funded under a research matching grant program of the Kansas technology enterprise corporation, or any other sponsored research project at a state educational institution; and

(2) "state educational institution" means a state educational institution as defined by K.S.A. 76-711 and amendments thereto.

Sec. 2. K.S.A. 75-3208 is hereby amended to read as follows: 75-3208. No claim for expenses for any trip made beyond the borders of the state by any appointive state officer or employee shall be allowed unless, prior to the making of such trip, approval therefor has been given in writing by the officer who appointed the head of the department in which such officer or employee is employed. *Such approval shall not be required for the payment of any claim for expenses 50% or more of which are paid from moneys received from the Kansas technology enterprise corporation, federal agencies or other external sources.*

Sec. 3. K.S.A. 75-3208 is 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 10, 1987.

HOUSE concurred in SENATE amendments April 8, 1987.

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

Passed the SENATE as amended April 3, 1987.

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

APPROVED April 23, 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 23rd day of April, 1987.

(SEAL)

BILL GRAVES  
*Secretary of State.*

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