

KANSAS REGISTER

State of Kansas

BILL GRAVES
Secretary of State

Vol. 7, No. 14

April 7, 1988

Pages 555-618

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BILL GRAVES
Secretary of State
2nd Floor, State Capitol
Topeka, KS 66612-1594



Phone: (913) 296-3489

State of Kansas

**STATE CORPORATION COMMISSION
MINED-LAND CONSERVATION AND
RECLAMATION BOARD**

NOTICE OF MEETING

The regularly scheduled meeting of the Mined-Land Conservation and Reclamation Board will be held at 1 p.m. Thursday, April 14, at the Holiday Inn, Pittsburg.

The meeting will be held in conformity with the Kansas Open Meetings Act, K.S.A. 75-4317 *et seq.*

RON FOX
Director

Doc. No. 006392

State of Kansas

**SOCIAL AND REHABILITATION SERVICES
ADVISORY COMMISSION ON
JUVENILE OFFENDER PROGRAMS**

NOTICE OF MEETING

The Advisory Commission on Juvenile Offender Programs will meet from 10 a.m. to 2 p.m. Thursday, April 14, in the Youth Services conference room, State Complex West, 2700 W. 6th, Topeka.

JAMES P. TRAST
Director, Juvenile Offender Programs
Youth Services

Doc. No. 006403

State of Kansas

ATTORNEY GENERAL

Opinion No. 88-41

Intoxicating Liquors and Beverages—Bonded Warehouses and Related Provisions—Exclusive Territorial Franchises; Termination or Modification of Franchise. Tom Hanna, Director, Alcoholic Beverage Control Division, Topeka, March 24, 1988.

Change of ownership of a brand at the supplier's level does not, in and of itself, constitute "reasonable cause" for a supplier to terminate a franchise agreement pursuant to K.S.A. 1987 Supp. 41-410 of the liquor control act. Cited herein: K.S.A. 1987 Supp. 16-1201; 16-1203; 41-410; L. 1979, ch. 153, § 3. JLM

Opinion No. 88-42

Counties and County Officers—Hospitals and Related Facilities—Tax Levy; Powers of Board. Charles A. Peckham, Rawlins County Attorney, Atwood, March 24, 1988.

Tax revenues, properly levied and budgeted for the county hospital pursuant to K.S.A. 1987 Supp. 19-4606, and other hospital moneys expended under the authorization of K.S.A. 1987 Supp. 19-4608, are subject to the control vested in the hospital board pursuant to K.S.A. 1987 Supp. 19-4601 *et seq.* Under K.S.A. 1987 Supp. 19-4611, the hospital board has the authority to expend mon-

eys to compensate independently contracting doctors for providing emergency room coverage at the county hospital. Factual questions concerning the advisability of the contract or the adequacy of consideration are properly addressed to the hospital board or a court of law. Cited herein: K.S.A. 1987 Supp. 19-4601; 19-4606, 19-4608, 19-4610; and 19-4611. TMN

Opinion No. 88-43

Banks and Banking—Banking Code; Powers—Branch Banking; Loan Production Offices. W. Newton Male, Commissioner, State Banking Department, Topeka, March 24, 1988.

While the general business of a state bank must be transacted at the place of business specified on its certificate of authority, the commissioner may, in accordance with K.S.A. 1987 Supp. 9-1715, allow a state bank to engage in an activity in which it could engage if it were a federally chartered bank. As national banks may establish loan production offices without violating branch banking statutes, the commissioner could allow the same for state banks. To the extent that relevant statutes have been amended, Attorney General Opinions No. 78-109 and 78-115 are superseded. Cited herein: K.S.A. 1987 Supp. 9-1111; 9-1127b; 9-1715; K.S.A. 9-1715 (Ensley, 1982); K.S.A. 9-1715 (Weeks, 1975), L. 1986, ch. 57, §§ 8, 11; L. 1984, ch. 48, § 5; 12 U.S.C. §§ 36(f), 81, 1843(c)(8) (1986); 12 C.F.R. § 7.7380 (1987), 12 C.F.R. Part 225 (1987). MWS

Opinion No. 88-44

Minors—General Provisions—Consent for Medical Care of Unmarried Pregnant Minor. Representative Susan Roenbaugh, 114th District, Lewis, March 29, 1988.

In *Bellotti v. Baird*, 443 U.S. 622, 995 S.Ct. 3035, 61 L.Ed.2d 797 (1979) (plurality opinion), the United States Supreme Court held that the United States Constitution would permit a state to require a pregnant minor to obtain parental consent to an abortion if the state provided an alternative procedure whereby the minor could establish that she was mature enough to make the decision on her own or that it would be in her best interests to have the abortion. Since 1988 House Bill No. 2950 establishes such an alternative procedure, it is our opinion that its parental consent requirements would pass constitutional muster. Cited herein: 1988 House Bill No. 2950. JLM

ROBERT T. STEPHAN
Attorney General

Doc. No. 006396

State of Kansas

DEPARTMENT ON AGING

NOTICE OF HEARING ON
KANSAS STATE PLAN ON AGING

The Kansas Department on Aging (KDOA) will be holding a public hearing on proposed amendments to the fiscal year 1988-1989 Kansas State Plan on Aging at 10 a.m. Thursday, April 21, in Room D of the KNEA Building, 715 W. 10th, Topeka.

The proposed amendments change the intrastate funding formula, which governs the distribution of Title III Older Americans Act funds in Kansas. Copies of the proposed amendments are available from KDOA, 610 W. 10th, Topeka 66612, (913) 296-4986 or 1-800-432-3535.

Persons wishing to comment on the proposed amendments should contact George A. Dugger at KDOA prior to the hearing. KDOA asks that a written copy of the comments be provided at the hearing. Depending upon the number of persons wishing to be heard, the time available for oral presentation may be limited. Written comments will be accepted through April 26.

ESTHER VALLADOLID WOLF
Secretary of Aging

Doc. No. 006401

State of Kansas

DEPARTMENT OF HEALTH
AND ENVIRONMENT

NOTICE OF MEETING

The technical committee of the Kansas Department of Health and Environment will conduct a public hearing on information contained in a credentialing application to license or register clinical laboratory technologists, technicians, assistants, and phlebotomists. The hearing is scheduled for 9 a.m. Thursday, April 21, in conference room 503, Landon State Office Building, 900 S.W. Jackson, Topeka.

Persons desiring to provide oral testimony should contact Cathy Rooney at (913) 296-1281. Written comments will be accepted up to the date of the hearing. Written comments should be addressed to Cathy Rooney, Bureau of Adult and Child Care, Kansas Department of Health and Environment, Landon State Office Building, 10th Floor, 900 S.W. Jackson, Topeka 66620-0001.

STANLEY C. GRANT, Ph.D.
Secretary of Health
and Environment

Doc. No. 006408

State of Kansas

KANSAS INC.

NOTICE OF MEETING

The Kansas Inc. board will meet at 9 a.m. Thursday, April 14, in the Kansas Inc. conference room, Suite 113, Capitol Tower, 400 S.W. 8th, Topeka. The meeting is open to the public.

CHARLES R. WARREN
President

Doc. No. 006397

State of Kansas

DEPARTMENT OF HEALTH
AND ENVIRONMENTNOTICE CONCERNING UNDERGROUND
INJECTION CONTROL PERMIT

In accordance with K.A.R. 28-46-7 and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, tentative permits have been prepared for the construction of one fresh water injection well, within the state of Kansas, for the applicant described below.

Name and Address of Applicant	Well Number	Proposed Well Location
Mesa Limited Partnership Ogallala Aquifer Cleanup Project One Mesa Square, P.O. Box 2009 Amarillo, TX 79189-2009 Haskell County, Kansas Kansas Permit No. KS-05-081-001	Recharge Well #1	SE SW SE 33-29-34W, Haskell County or SW SW SW 34-29-34W, Haskell County

Description of Project: This well is designed to accept fresh water resulting from a groundwater cleanup project.

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, Department of Health and Environment, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to May 6 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate number (KS-EG-88-1) and name of applicant as listed when preparing comments. If no objections are received, the Secretary of Health and Environment will issue the final determinations.

The application, proposed permit, fact sheets as appropriate, comments received, and other information are on file and may be inspected at the Division of Environment offices from 8 a.m. to 4:30 p.m. Monday through Friday.

The documents are available upon request at the copying cost assessed by the department. Additional copies of this public notice may also be obtained at the Division of Environment.

STANLEY C. GRANT, Ph.D.
Secretary of Health
and Environment

Doc. No. 006407

State of Kansas
KANSAS WATER AUTHORITY

NOTICE OF MEETING

The next meeting of the Kansas Water Authority will be in Dodge City, Thursday, April 21. Committee meetings will begin at 8 a.m. in the Dodge City Civic Center, with the full authority convening at 10:30 a.m.

Copies of the meeting agenda may be obtained by contacting Dotty Kester, 109 S.W. 9th, Suite 200, Topeka 66612-1215, (913) 296-3185.

JOHN L. BALDWIN
 Chairman

Doc. No. 006404

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 1 p.m. C.D.T. April 21, 1988, and then publicly opened:

DISTRICT FOUR—Southeast

Miami—61 C-1837-01—County road, from Hillsdale, then west, 0.413 mile, grading and bituminous surfacing. (Federal 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. 006395

State of Kansas
**STATE HISTORICAL SOCIETY
 STATE RECORDS BOARD**

NOTICE OF MEETING

The Kansas State Records Board will meet at 10 a.m. Thursday, April 14, in the conference room on the fourth floor of the Memorial Building, 120 W. 10th, Topeka. The board will consider requests from state agencies submitting proposals for disposition of noncurrent government records.

In addition, general administrative matters and other business will be discussed.

EUGENE D. DECKER
 State Archivist

Doc. No. 006391

(Published in the *Kansas Register*, April 7, 1988.)

FORD COUNTY, KANSAS

**Notice of Hearing Concerning
 Repayment of Bondholders**

Notice is hereby given to all bondholders pursuant to an order issued by the Ford County, Kansas District Court that a hearing will be held before the Ford County District Court to consider the approval of certain proposals made by Curtis Machine Company, Inc. for repayment of bondholders for Series 1972 and 1976A industrial revenue bonds issued by the city of Dodge City, Kansas.

The hearing will be held at 1:30 p.m. Friday, April 29, before Honorable Don C. Smith, Ford County District Court Judge, in the County Courthouse in Dodge City. Copies of the proposals to be considered by the court at the hearing may be obtained from the undersigned or from the clerk of the Ford County District Court, Ford County Courthouse, Central & Spruce, Dodge City, (316) 225-4091.

Any objections to the approval of the proposals must be made in writing and be received by the clerk of the Ford County District Court on or before April 18, 1988. In the event no timely objections are received, the court may enter an order approving the proposals without further notice to the bondholders. Said written objections must refer to the case heading and case number as set forth on the cover sheet of the proposals.

W. Thomas Gilman
 Redmond, Redmond & Nazar
 331 E. Douglas
 Wichita, KS 67202
 (316) 262-8361

Doc. No. 006366

State of Kansas

SECRETARY OF STATE**NOTICE**

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Bill Graves, Secretary of State of the State of Kansas, do hereby certify that pursuant to the provisions of K.S.A. 1987 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 April 1, 1988 through April 30, 1988 shall be 11.67 percent.

In testimony whereof: I have hereto set my hand and cause to be affixed my seal. Done at the City of Topeka, this 31st day of March, A.D. 1988.

BILL GRAVES
Secretary of State

Doc. No. 006399

State of Kansas

SECRETARY OF STATE**NOTICE OF FORFEITURE**

In accordance with K.S.A. 17-7510, the articles of incorporation of the following corporations organized under the laws of the state of Kansas and the authority of the following foreign corporations to do business in the state of Kansas were forfeited March 15, 1988 for failure to file an annual report and pay the annual franchise tax, as required by the Kansas general corporation code.

Domestic Corporations

Acacia Educational Corporation, Kansas City, MO.
ACP Corporation, Humboldt, KS.
Albert R. Tornquist, Inc., Wichita, KS.
Beloit Paint & Glass, Inc., Beloit, KS.
Brite Digital Systems, Inc., Wichita, KS.
Broadhurst Turkey Farms, Inc., Valley Center, KS.
Browne's Ready to Wear, Inc., Hays, KS.
Byler Lumber Company, Inc., Wellington, KS.
C & P Properties, Inc., Goddard, KS.
Cherokee Broadcasting Company, Inc., Galena, KS.
City Center Developers Limited Partnership,
Hutchinson, KS.
Cla-Mar Oil, Inc., Hays, KS.
The Connection, Ltd., Kansas City, KS.
Curry Homes, Inc., Great Bend, KS.
Daloch Enterprize Inc., Wichita, KS.
Day, Inc., Shawnee Mission, KS.
Dillon's Custom Kitchens, Inc., Topeka, KS.
G.H.S. Property Management, Inc., Wichita, KS.
G. W. Lexander, Inc., Shawnee, KS.
Geonesco Properties, Inc., Ottawa, KS.
Hires, Inc., Overland Park, KS.
J. J. Sauvage, Inc., Oberlin, KS.
JCJ, Inc., Pittsburg, KS.
John W. Christy & Company, Topeka, KS.
Kelly Ann Resources, Ltd., Wichita, KS.
Leavenworth Kawasaki, Inc., Lansing, KS.
Lytle Roofing Co., Inc., Great Bend, KS.

P-D of Kansas, Inc., Topeka, KS.
Paladin Computer Systems, Inc., Kansas City, KS.
Pawn Shop Inc., Kansas City, KS.
Peerless Plastics, Inc., Garden City, KS.
Ray Chair Rental Products, Inc., Wichita, KS.
Solomon International GMBH, Kansas City, KS.
Stark-Bruce Depot, Inc., Junction City, KS.
Thomas K. Barnes, D.D.S., P.A., Wichita, KS.
United Refrigerated Services, Inc., Stowe, VT.
Woolwine Supply Company, Pratt, KS.

Foreign Corporations

A. F. Byers & Company, Prairie Village, KS.
Bob Cummins Enterprises, Inc., Omaha, NE.
Buckskin Services, Sidney, MT.
Cal Circuit ABCO, Inc., Woodland Hills, CA.
Carlson Systems Corporation, Omaha, NE.
Central Soya of Kansas City, Inc., Fort Wayne, IN.
Dewild Grant Reckert and Associates Company,
Rock Rapids, IA.
Eddan, Inc., Wilmington, DE.
Forty Carrots, Inc., Reno, NV.
Guild Hotel Management Co., Cleveland, OH.
The Liberty Alliance, Lynchburg, VA.
Metro Erectors, Inc., N. Kansas City, MO.

BILL GRAVES
Secretary of State

Doc. No. 006388

State of Kansas

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

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

Monday, April 18, 1988

#A-5778

Larned State Hospital—SECURITY
IMPROVEMENTS—MEYER BUILDING No.
41000-00016

#27103

Department of Health and Environment and
statewide—PERSONNEL RADIATION MONITORING

#27801

State Library—FACSIMILE MACHINES

#73465

Kansas State University—TRACTOR, Colby

#73472

University of Kansas—OFFSET PRESS

#73473

Wichita State University—MICROFICHE
READER/PRINTER/CABINET

#73474

Department of Corrections—PAINT PIGMENT,
Lansing

#73507

University of Kansas Medical Center—RENTAL OF
PERSONNEL AND MATERIALS LIFT

#73551

Department of Wildlife and Parks—READY MIXED
CONCRETE, Manhattan

Tuesday, April 19, 1988

#A-5684

Department of Administration—SPECIAL AIR
CONDITIONING AND MODIFICATIONS
BUILDING 740, WING C

#26390

Department of Transportation—DRUM PLOTTER
AND ELECTROSTATIC PLOTTER SUPPLIES

#26991 (Rebid)

Statewide—MEDICAL CASES

#27054

Statewide—AUTOMOTIVE BATTERIES

#73478

University of Kansas Medical Center—FORCE
PLATFORM

#73479

Department of Transportation—GRADER AND
SNOWPLOW BLADES, Garden City

#73480

University of Kansas Medical Center—X-RAY
EQUIPMENT

#73481

Department of Social and Rehabilitation Services—
MOP YARN

#73509

Pittsburg State University—FURNISH ALL LABOR
AND MATERIALS TO REMOVE ASBESTOS AND
REMOVE AND INSTALL INSULATION AND
CEILING TILE

#73520

Department of Transportation—FURNISH AND
INSTALL RAISED PAVEMENT MARKERS, Horton

Wednesday, April 20, 1988

#73510

Emporia State University—CLINICAL CHEMISTRY
EQUIPMENT

#73519

Department of Transportation—HERBICIDES

#73521

University of Kansas Medical Center—HOSPITAL
SHOE COVERS

Thursday, April 21, 1988

#73020-A

Department of Administration, Division of
Information Systems and Communications—IBM 3044
CHANNEL EXTENDERS

#73531

University of Kansas Medical Center—ASBESTOS
ABATEMENT SUPPLIES

#73532

Department of Corrections—TRACTOR, Norton

#73533

University of Kansas—FORK LIFT TRUCK

#73534

Wichita State University—DENTAL EQUIPMENT

Friday, April 22, 1988

#73552

Wichita State University—CLINICAL LAB
EQUIPMENT

Tuesday, April 26, 1988

#A-5832

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 5-2027, El Dorado

#A-5833

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 5-1020, Pratt

#A-5834

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 4-3034, Independence

#A-5835

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 3-4032, Oakley

#A-5836

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 1-6013, Lamar Sub Area, Kansas City

#A-5837

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 1-5030, Manhattan

#A-5838

Department of Transportation—CONSTRUCT
PREFAB DOME CHEMICAL STORAGE BUILDING
No. 1-4021

#73489

University of Kansas Medical Center—IBM 3380
DASD

Wednesday, April 27, 1988

#73508

University of Kansas—DISK DRIVE FOR DG
MV/20000

Thursday, April 28, 1988

#73497

Department of Health and Environment—IBM
9335-B01 DASD

Thursday, May 5, 1988

#27068

Department of Wildlife and Parks—AIRCRAFT
INSURANCE—CESSNA

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 006402

State of Kansas

LEGISLATURE

LEGISLATIVE BILLS INTRODUCED

The following numbers and titles of bills and resolutions have been recently introduced in the 1988 Kansas Legislature.

Copies of bills and resolutions are available free of charge from the Legislative Document Room, 145-N State Capitol, Topeka 66612, (913) 296-4096.

Bills introduced March 24-30:

House Bills

HB 3109, by Committee on Appropriations: An act concerning the health care provider insurance availability act; providing for self-insurance of health care providers who are members of organized medical staffs or professional medical societies under certain circumstances; amending K.S.A. 40-3414 and K.S.A. 1987 Supp. 40-3401 and repealing the existing sections.

HB 3110, by Committee on Appropriations: An act concerning legal services for indigent defendants; relating to powers, duties and functions of the supreme court; repealing K.S.A. 22-4515 and 22-4518 and K.S.A. 1987 Supp. 22-4501 to 22-4528, inclusive.

Senate Bills

SB 747, by Committee on Federal and State Affairs: An act relating to tax credits against privilege taxes imposed upon banks; amending K.S.A. 1987 Supp. 79-1126 and repealing the existing section.

SB 748, by Committee on Federal and State Affairs: An act concerning land surveyors; amending K.S.A. 1987 Supp. 74-7022 and repealing the existing section.

SB 749, by Committee on Federal and State Affairs: An act relating to employment; providing for unpaid leaves of absence for certain employees who are new parents.

SB 750, by Committee on Federal and State Affairs: An act concerning emission standards for nuclear generating facilities; prescribing duties for the secretary of health and environment relating thereto.

SB 751, by Committee on Ways and Means: An act concerning Pawnee Rock historical state park; authorizing the secretary of the state historical society to negotiate with representatives of the national park service concerning such state park.

SB 752, by Committee on Federal and State Affairs: An act amending the Kansas pari-mutuel racing act; relating to organization licensees; amending K.S.A. 1987 Supp. 74-8913 and repealing the existing section.

House Resolutions

HR 5059, by Committee on Agriculture and Small Business: A concurrent resolution urging the United States Environmental Protection Agency to review its policy in regard to labeling and repackaging bulk pesticides.

HR 5060, by Committee on Education (by request): A concurrent resolution endorsing "The Education for Democracy Project" and urging governing bodies of accredited schools to make curriculum changes to strengthen the teaching of democratic values.

HR 5061, by Representative Reardon: A concurrent resolution to suspend Joint Rule 5 of the Senate and House of Representatives concerning bills affecting the school district equalization act.

HR 5062, by Representative Apt: A concurrent resolution requesting the State Board of Education to conduct a study concerning the merits of utilizing mobile vans as classrooms to deliver special education services to preschool age exceptional children in sparsely-populated rural areas.

HR 6070, by Representative Barr: A resolution congratulating and commending the Silver Lake High School girls' basketball team and Coach Loren Ziegler for winning the 1988 Class 3A State Basketball Championship in Kansas.

HR 6071, by Representative Schauf: A resolution honoring the Rainbow Girls.

HR 6072, by Representative Gatlin: A resolution congratulating and commending Herndon High School on winning the Odyssey of the Mind State Competition.

HR 6073, by Representative Empson: A resolution congratulating and commending Geri Kay Hart for her outstanding achievements in athletics and academics at Independence High School.

HR 6074, by Representative Empson: A resolution congratulating and commending KOPCO, Inc. for being selected the 1988 recipient of the American Legion, Department of Kansas, "National Employ the Older Worker" Award.

HR 6075, by Representative Adam: A resolution congratulating and commending the Topeka Public Library on being designated an affiliate to the Library of Congress Center for the Book.

HR 6076, by Committee on Agriculture and Small Business: A resolution urging the Secretary of Transportation of the United States, James H. Burnley IV, to withdraw the proposed rule concerning reclassification of anhydrous ammonia.

HR 6077, by Representative Goossen: A resolution congratulating and commending the Goessel High School boys' basketball team and Coach Chet Roberts for winning the 1988 Class 1A State Basketball Championship in Kansas.

HR 6078, by Representative Williams: A resolution memorializing Congress to clarify that all state and local government employee benefit arrangements be exempt from taxation at accrual.

HR 6079, by Representative Bowden: A resolution congratulating the City of Colwich on its Centennial Anniversary.

HR 6080, by Representatives Barkis and Teagarden: A resolution congratulating the *Oxawatomie Graphic* on its 100th Anniversary.

HR 6081, by Representative Long: A resolution congratulating and commending the Chaparral High School girls' basketball team and Coach Harvey Romans for winning the 1988 Class 4A State Basketball Championship in Kansas.

HR 6082, by Representatives Wunsch and Long: A resolution congratulating and commending two Kingman County teams, the Norwich High School girls' basketball team and Coach Robert Skillen and the Cunningham High School girls' basketball team and Coach Chuck Zimmerman on each team's outstanding performance in the 1A State Basketball Championship.

HR 6083, by Representative Sand: A resolution honoring Joseph W. Snell upon his retirement from the Kansas State Historical Society.

HR 6084, by Representative Littlejohn: A resolution congratulating and commending the City of Stuttgart on its Centennial Anniversary.

Senate Resolutions

SCR 1618, by Senator Montgomery: A concurrent resolution congratulating and commending Harold and Jeanne Mertz on their being named Kansas Master Farmer-Master Homemakers for 1987.

SCR 1619, by Senator Montgomery: A concurrent resolution congratulating and commending Don M. Rezac on receiving the 4-H Gold Key Award.

SCR 1620, by Committee on Education: A concurrent resolution commending efforts made by school districts to analyze school transportation programs as a means of enhancing safety records of school transportation operations, urging boards of education of certain school districts to install passenger safety restraint systems in school buses or to acquire school buses equipped with passenger safety restraint systems.

SCR 1621, by Committee on Federal and State Affairs: A concurrent resolution directing the Department of Corrections to prepare and provide to the legislature a prison impact statement for each bill which is likely to affect the number of inmates in state correctional institutions.

SR 1849, by Senator Arasmith: A resolution congratulating and commending the City of Stuttgart on its Centennial Anniversary.

SR 1850, by Senator Norvell: A resolution commending the participants, families and volunteers of the Kansas Special Olympics Basketball Tournament.

SR 1851, by Senator Allen: A resolution congratulating and commending the Gerald Scheid family on being named 1987 Kansas 4-H Family of the Year.

SR 1852, by Senator Morris: A resolution memorializing Congress to clarify that all state and local government employee benefit arrangements be exempt from taxation at accrual.

SR 1853, by Senator Steineger: A resolution commending the E.I. du Pont de Nemours & Co. on its placing environmental considerations ahead of profits when it decided to stop producing chlorofluorocarbons because of recent findings about the depletion of the ozone layer.

Doc. No. 006398

State of Kansas

BOARD OF VETERINARY
MEDICAL EXAMINERSNOTICE OF HEARING
ON PROPOSED

ADMINISTRATIVE REGULATIONS

A public hearing will be held at 9 a.m. Friday, April 22, at the office of the secretary-treasurer, Board of Veterinary Medical Examiners, Route 1, K-61 Highway, Pratt, to consider adoption of changes in K.A.R. 70-5-1, amount of fees. The proposed changes in the regulation increase the amount of fees charged for veterinary license application and establish fees for institutional license application and reciprocity license application fees.

The proposed changes in this regulation should have no significant fiscal impact on the community or small businesses.

All interested persons may submit written comments prior to the hearing to Earl E. Gatz, D.V.M., Secretary-Treasurer, Route 1, Pratt 67124. All interested parties will be given a reasonable opportunity at the hearing to orally present their views in regard to the adoption of the proposed regulation. It is requested that each participant limit oral presentation to five minutes. The hearing will be conducted by telephone conference call with the members of the board. A speakerphone and four extension telephones will be available for discussion of the subject with the board.

Following the hearing, all written and oral comments submitted will be considered by the board for making the decision as to the adoption of the proposed regulation.

Copies of the regulation and fiscal impact statement may be obtained by writing the Board of Veterinary Medical Examiners at the address above.

EARL E. GATZ, D.V.M.
Secretary-Treasurer

Doc. No. 006394

State of Kansas

WILDLIFE AND PARKS COMMISSION

NOTICE OF HEARING
ON PROPOSED
ADMINISTRATIVE REGULATIONS

A public hearing will be held at 7 p.m. Monday, April 25, in the Memorial Auditorium and Convention Center, meeting room B-6, 503 N. Pine, Pittsburg, to consider the adoption and amendment of temporary, permanent and statutorily exempt regulations of the commission.

All interested parties may submit written comments prior to the hearing to the Assistant Secretary, Operations Office, Route 2, Box 54-A, Pratt 67124-9599. All interested parties will be given a reasonable opportunity at the hearing to express their views orally in regard to the adoption of the proposed regulations. Following the hearing, all written and oral comments submitted by interested parties will be considered by the commission as a basis for adopting, amending or rejecting the proposed regulations and amendments.

The following is a brief summary of the proposed regulations and amendments:

K.A.R. 23-1-8. Turkey; fall season; bag limits permits. This exempt regulation will establish the fall 1988 archery and firearms turkey hunting seasons, units and bag limits.

K.A.R. 23-2-2. Squirrel; season, daily bag limit and possession limit. This exempt regulation sets the squirrel season and the daily bag and possession limit.

K.A.R. 23-2-5. Deer; regular season; bag limits and permits. This exempt regulation establishes the 1988 archery, muzzleloader and firearms hunting seasons, units, and the bag and permit limits therefor.

K.A.R. 23-2-12. Antelope; season, bag limit and permits. This exempt regulation establishes the 1988 archery and firearms seasons, units, and the bag and permit limits therefor.

K.A.R. 23-2-14. Antelope and deer; season restrictions. This permanent regulation is being amended by a temporary regulation. The amendments will allow persons to receive more than one deer permit under specified conditions and also will describe legal muzzleloading equipment.

K.A.R. 23-2-16. Coyotes; season. This exempt regulation establishes the hunting and trapping season for coyotes during the open season for the hunting and taking of deer by firearms.

K.A.R. 23-2-18. Elk; season, bag limits and permits. This exempt regulation establishes the 1988 elk season, units, bag limits, and permits therefor.

K.A.R. 23-5-1. Special surety bond program; definitions. This temporary regulation will provide the general definitions for terms to be used in administrative regulations implementing the department's special surety bond program. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-2. Special surety bond authorized. This temporary regulation authorizes the availability of a special surety bond for vendor agents selling Kansas hunting and fishing licenses and permits issued by the department. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-3. Special surety bond procedure. This temporary regulation establishes the procedures to be followed by an applicant for the issuance of a special surety bond by the department. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-4. Special surety bond term of effect and renewal. This temporary regulation establishes the period for which a special surety bond remains in effect and the manner in which it may be renewed. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-5. Effect of loss of special surety bond on vendor agent authority. This temporary regulation describes the effect of the termination of a special surety bond with regard to the authority of a vendor agent. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-6. Authorized amount of special surety bond. This temporary regulation establishes the amount for which a special surety bond may be issued by the department. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-7. Reduction or increase in special surety bond. This temporary regulation establishes the manner in which a special surety bond may be increased or decreased in amount of coverage. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-5-8. Grounds for termination of a special surety bond. This temporary regulation delineates the criteria for revoking a special surety bond issued to a vendor agent by the department. This regulation will also be considered for permanent status which would be effective May 1, 1989.

K.A.R. 23-6-1. Furbearers; open season, and bag limits. This exempt regulation establishes the 1988-89 hunting, trapping and running seasons and areas for furbearing animals, the possession times and authorized taking methods therefor.

K.A.R. 23-7-7. Furdealers; license; application; authority; possession of furs; records; revocation. This permanent regulation is being amended by a temporary regulation. The temporary regulation will continue the identical provisions adopted by temporary regulation last year.

Copies of the full text of the proposed regulations and amendments and the fiscal impact statements may be obtained by writing to the assistant secretary at the address above.

GERALD W. TOMANEK
Chairman

Doc. No. 006406

State of Kansas

OFFICE OF JUDICIAL ADMINISTRATION

COURT OF APPEALS DOCKET

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

Kansas Court of Appeals
 Division No. 5 Courtroom, Wyandotte County Courthouse
 Kansas City, Kansas

Before Abbott, C.J.; Thomas W. Regan, District Judge, assigned;
 and Marvin W. Meyer, J., Retired.

Tuesday, April 19, 1988

10:30 a.m.

Case No.	Case Name	Attorneys	County
(61,737) (61,044)	In the Matter of the Marriage of Sherri M. Sanders, now known as Sherri M. Masters, and Dennis Dean Sanders.	W. Fredrick Zimmerman Mary Catherine Jackson	Wyandotte
60,921	State of Kansas, Appellee, v. Michael A. Barth, Appellant.	Paul Theroff, Assistant District Attorney Attorney General Rosie M. Quinn George A. Wheeler	Wyandotte
61,095	Georgia DeHaemers, Appellant, v. Towers 120 Homes Association, Inc., Appellee.	Albert P. Kovac Jon A. Blongewicz	Wyandotte
1:00 p.m.			
60,034	State of Kansas, Appellee, v. Kevin Artis Willis, Appellant.	Jerry Gorman, Assistant District Attorney Attorney General Benjamin C. Wood Lisa Nathanson	Wyandotte
61,077	State of Kansas, Appellee, v. Milton D. George, Appellant.	D. Paul Theroff, Assistant District Attorney Gregory G. Hough, Assistant District Attorney Attorney General Benjamin C. Wood Jeff Bergschneider David J. Gottlieb	Wyandotte
60,828	State of Kansas, Appellee, v. Michael A. Taylor, Appellant.	Nick A. Tomasic D. Paul Theroff Attorney General Benjamin C. Wood Rosanne Piatt	Wyandotte
60,820	City of Leavenworth, Kansas, Appellee, v. Ken Sculley, dba Ken's Garage, Appellant.	Robert D. Beall Thomas M. Sutherland	Leavenworth

60,797	State of Kansas, Appellee, v. Randy R. Brushwood, Appellant.	Frank Kohl Attorney General Benjamin C. Wood Rosanne Piatt	Leavenworth
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Wednesday, April 20, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
61,168	Merriam, Ellis and Benton Insurance, Appellant, v. Ronald E. Williams, Jeane H. Rogers, Becky D. Rogers, a Kansas Partnership, and Wyandot BBQ IV, Inc., Appellees.	Mark E. Kolich David K. Duckers	Wyandotte
60,736	Metroplex Electronics, Ltd., a Kansas Corporation, Appellee, v. Steven G. Zupan, John J. Visnosky, Jr., <i>et al.</i> , Appellants.	Felix G. Kancel Thomas Francis Sullivan	Wyandotte
60,725	R. O. Saylor and Evelyn Saylor, Appellees, v. Ricky Saylor, Appellant.	Blaise Plummer Zygmunt J. Jarczyk	Wyandotte
61,062	Gerald Gerleman, Appellant, v. Wallace H. Lambie, <i>et al.</i> , Appellees.	Don C. Krueger Edward J. Chapman, Jr.	Leavenworth
60,812	Danny H. Williams, Appellant, v. Herb Maschner, Appellee.	Danny H. Williams Linden Appel Timothy A. Frieden	Leavenworth
61,050	Madella Henderson, Appellee, v. General Motors Corporation, Fairfax Division, and Kansas Workers' Compensation Fund, Appellants.	Dan L. Smith Stephen A. Murphy Richard H. Wagstaff III	Wyandotte
60,953	State of Kansas, Appellee, v. Larry Weathersby, Appellant.	Catherine Foster Baird Robert Stephan, Attorney General Thomas L. Boeding	Wyandotte

(continued)

Kansas Court of Appeals
Courtroom 304, Saline County Courthouse
301 W. Ash, Salina, Kansas

Before Briscoe, P. J.; Rulon, J.; and James J. Noone,
District Judge Retired, assigned.

Tuesday, April 19, 1988

10:00 a.m.

Case No.	Case Name	Attorneys	County
61,220	Ann Marie Johnson, Appellant, v. St. John's Hospital and St. Paul Fire & Marine Insurance Company, Appellees.	John M. Ostrowski Jeffrey E. King	Saline
59,995	State of Kansas, Appellee, v. Dennis C. Plummer, Appellant.	Roger Peterson, County Attorney Attorney General Michael S. Holland	Ellsworth
60,930	State of Kansas, Appellee, v. Luke M. Johnson, Appellant.	William E. Kennedy III Attorney General Steven R. Zinn Margaret Farley Benjamin C. Wood	Riley
1:00 p.m.			
60,755	In the Matter of the Marriage of Ghoni Ghae Anderson and James Anderson. v.	Larry D. Tittel Julie R. Menze Wm. J. Madden	Ness
60,731	Edwin Erwin Langer and Marjorie Jean Langer, Husband and Wife.	Larry D. Tittel Richard C. Evans	Ness
61,415	Frank R. Kaiser and Susanna Kaiser, aka Suzanna Kaiser, Appellants, v. The Hoxie State Bank, Hoxie, Kansas, a Corporation.	Douglas C. Spencer Daniel C. Walter	Sheridan
61,118	Rose Schmied, Appellee, v. Joanne Darlene Fullmer Selfridge, <i>et al.</i> , Appellants.	Kenneth Clark John Shirley Randall W. Weller	Graham
61,053	The Federal Land Bank of Wichita, Wichita, Kansas, a Corporation, Appellee; v. Eldon F. Wyatt and Vera M. Wyatt, <i>et al.</i> , Appellants.	Richard C. Evans Eldon F. Wyatt	Norton

61,235	Minter-Wilson Drilling Co., Inc., Appellants, v. Lelyn J. Braun, Appellee.	Frederick K. Starrett B. G. Larson	Finney
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Wednesday, April 20, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
60,698	State of Kansas, Appellee, v. James Larry Bell, Sr., dba Midway Grain, Inc., Appellant.	Mickey W. Mosier, County Attorney Attorney General Michael B. Myers	Saline
60,297	Leonard E. Pittman, dba Pittman Construction Co., Appellee, v. KSU Foundation; Tau Kappa Epsilon Building Association; and Julie Strecker, dba Contemporary Interiors, Appellants, v. Five Star Restaurant Supply Co., v. Tau Kappa Epsilon Fraternity, and Tau Kappa Epsilon Building Association, v. Julie Strecker, dba Contemporary Interiors.	John Ensley Charles S. Arthur III Meryl D. Wilson John F. Stites	Riley
60,665	State of Kansas, Appellee, v. James E. Sayre, Appellant.	William Navis, County Attorney Attorney General Benjamin C. Wood	Republic
61,005	Rupe Oil Company, Inc., a Corporation, Appellee, v. D. L. Westhusin, J. Harlan Miller, Jene A. Miller and Michael J. Silcer, dba MWM Oil and Gas and MWM Oil and Gas Inc., a Corporation.	Leonard J. Dix Robert Cornwell Jeffrey A. Shadwick	Rooks
60,621	The Federal Land Bank of Wichita, Appellant, v. Martin J. Bayens and Nellie Bayens, <i>et al.</i> , Appellees.	Paul R. Oller William Stowell	Phillips
60,692	Tanney Coberly, Appellant, v. State of Kansas, Appellee.	Benjamin C. Wood Attorney General Philip Stover	Gove

(continued)

Kansas Court of Appeals
 Court of Appeals Courtroom, 2nd Floor, Kansas Judicial Center
 301 W. 10th, Topeka, Kansas

Before Davis, P. J.; William M. Cook, District Judge, assigned;
 and M. Kaye Royse, District Judge, assigned.

Tuesday, April 19, 1988

10:30 a.m.

Case No.	Case Name	Attorneys	County
61,455	State of Kansas, Appellee, v. Stanley E. Larson, Appellant.	Gene Olander Eric S. Bosen Ronald L. Hodgson	Shawnee
61,610	Bill Crow, Appellant, v. Board of County Commissioners of Shawnee County, Kansas, Appellee.	Bill Crow Doug Martin	Shawnee
60,505	Maurice Edward Ragan, Jr., Appellant, v. Russell Perry, Appellee.	James P. Nordstrom Eugene C. Riling	Jefferson
1:30 p.m.			
61,083	F. Coleen Murphy and William J. Murphy, Appellants, v. Kimberly Kay Wolters Lewman and Gary Lynn Lewman, Appellees.	Larry R. Mears Gerald R. Kuckelman J. David Farris John R. Kurth	Atchison
60,895	City of Hanover and State of Kansas, <i>ex rel</i> Edward F. Wieggers, Acting City Attorney, City of Hanover, Appellees, v. Jerry Richter and Mary Richter, Appellants. v. Hanover City Council, Appellees.	Edward P. Wieggers Michael W. Murphy Frederick J. Patton II	Washington
60,771	State of Kansas, <i>ex rel</i> Secretary, State Department SRS; Darlene Pahnahmie and Lonnie D. Shopteese by and through Darlene Pahnahmie, his natural mother and next friend, Appellees, v. Loren Thomas and Larry Shopteese, Appellants.	Michael K. Schmitt J. R. Russell	Brown
60,062	Richmond Township, Appellant, v. Werner Ronnebaum and Lorena Ronnebaum, Appellees.	William C. O'Keefe Edward F. Wieggers	Nemaha

61,330	The Exchange National Bank of Cottonwood Falls, Kansas, Appellee, v. Howard Craney and June R. Craney, Appellants.	Wallace F. Davis Thomas A. Krueger Russ B. Anderson	Chase
60,889	Dawnita S. Reinhardt, Appellee, v. Jerry L. Phillips Oil and Industry Supply Co., Inc. and Employers Mutual Casualty Company, Appellants.	Charles D. McAtee James P. Nordstrom	Neosho

Wednesday, April 20, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
60,938	State of Kansas, Appellee, v. Corina L. Green, Appellant.	Gene Olander Ken Smith Jessica R. Kunen Benjamin C. Wood	Shawnee
60,747	Wendel Green, <i>et al.</i> , Appellants, v. James Bean, <i>et al.</i> , Appellees.	Robert D. Hecht Arthur Glassman Jeff Cooper	Jefferson
61,001	Sunday E. Ubokudom, Appellant, v. Kansas Department of Revenue, Division of Vehicles, Appellee.	Deborah Purce-Jones Brian Cox	Douglas
60,935	Craig Vann, Appellant, v. Employment Security Board of Review and Qeroquip Corp., Appellees.	Chas. J. Cavenee Dennis Prater Michael Waddell Marlin A. White	Douglas

Before Davis, P.J.; M. Kaye Royse, District Judge, assigned;
and John W. Brookens, District Judge Retired, assigned.

(59,731) (60,875)	Thelma and Stanley Uhock, Appellants, v. Phil Sleitweiler, dba Active Pest Control, v. Clyde Sherve, dba Sherve Pest Control, Appellees.	William Scott Morris Blake A. Post Steve Wiechman Paul D. Post Casey R. Law Rex Henoch	Shawnee
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Summary Calendar Cases—No Oral Arguments

61,477	State of Kansas, Appellee, v. Levi Walker, Appellant.	Randy Hendershot Gene Olander David Gottlieb Benjamin C. Wood	Shawnee
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(continued)

Kansas Court of Appeals
Division 2 Courtroom, Reno County Courthouse
Hutchinson, Kansas

Before Six, P.J.; Larson, J.; and Paul E. Miller,
District Judge, assigned.

Tuesday, April 19, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,662	Eugene Grissom, Appellant, v. Morton Salt Company and Self-Insured, Appellee.	Thomas D. Arnhold J. Stanley Hill	Reno
61,374	In the Matter of the Guardianship and Conservatorship of Faye V. Gage.	Elwin F. Cabbage Joe Knopp Richard Rome	Reno
(60,983) (60,984)	In the Matter of the Protest of TXO Production Corporation for taxes paid for the year 1985 in Harper County, Kansas, RE: Gill "A" #1 & Antrim "A" #2.	Theodore J. Nichols, County Attorney Robert C. Foulston William E. Waters	Reno
60,319	Betty Ann Bainum, now deceased, and Brice M. Bainum, v. Kansas Grain Inspection Department and State Self-Insurance Fund, Appellees, and Workers' Compensation Fund, Appellant.	Donna L. Whiteman David G. Shriver	
1:30 p.m.			
60,185	State of Kansas, Appellee, v. Jerry Mitchell, Appellant.	Tim Chambers, County Attorney Attorney General Lucille Marino Benjamin C. Wood.	Reno
60,666	State of Kansas, Appellee, v. Daryl D. Niehoff, Appellant.	Jay Hinkel, County Attorney Attorney General Lucille Marino Benjamin C. Wood	Finney
60,699	Larry (Pete) Hall, Appellee, v. Neumann-Wheatley Farms, Inc., Appellant.	Arthur B. McKinley Rex G. Beasley	Haskell
60,891	Donald Massey, aka Donald Lee Massey, Appellant, v. Joe Shepack, Meade County Attorney, Michael E. Cox, Meade County Sheriff, and Board of County Commissioners of Meade County, Kansas, Appellees.	Gerald C. Golden Curtis Campbell Joe Shepack	Meade

61,079	In the Matter of the Marriage of Paul Lund Hale and Judy Ellen Baker.	J. Douglas Miller Robert M. Miles	Seward
60,836	James Samuel Shultz, Appellee, v. Richard Beaman and Willie Hazzard, dba R. & W. Rat Hole Drilling, Wesley Bressler and Joe LeMaster, Appellants.	Kerry E. McQueen Harold K. Greenleaf Paul A. Wolf	Morton

Wednesday, April 20, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
60,376	In the Matter of the Marriage of Gary Lee Bruntzel and Lexie Lee Bruntzel.	Charles D. Lee Michael R. O'Neal	Reno
60,321	State of Kansas, Appellee, v. Kimberly Diane Strawhecker, Appellant.	Timothy Chambers Attorney General Michael R. O'Neal	Reno
60,767	Joseph E. Powers, Appellant, v. The Board of County Commissioners of Kingman County, Kansas, <i>et al.</i> , Appellees.	Richard J. Rome Mary Kathleen Babcock	Kingman
61,093	The Fidelity State Bank, Appellee, v. Stanley Fisher, <i>et al.</i> , Appellants.	Charles E. Owen II Lelyn J. Braun Jerry L. Soldner Thomas Burgardt	Finney
60,772	Donna Faye Bird, Appellant, v. Lelyn J. Braun, Appellee.	Frederick K. Starrett B. G. Larson	Finney
60,902	Raul Morales, v. VAL-AGRI, Inc., Respondent, and Employers National Insurance, Insurance Carrier, Appellees, and Workers' Compensation Fund, Appellant.	Gerald O. Schultz Harry Bleeker Brock R. McPherson	Finney

Kansas Court of Appeals
Courtroom A, Barton County Courthouse
Great Bend, Kansas

Before Elliott, P.J.; Gernon, J.; and
David W. Kennedy, District Judge, assigned.

Tuesday, April 19, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,161	Doonan Trailer Corporation, Appellee, v. American Trailers, Inc., Appellant.	M. John Carpenter Greg Bauer	Barton (continued)

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| 61,331 | Pamela Rae Switzer, Appellant,
v.
Edward L. Heier, Appellee. | M. John Carpenter
Jerry Ward | Barton |
| 60,840 | Mountain Iron and Supply Company, <i>et al.</i> , Appellees,
v.
Glenn Nye, dba Nye Drilling Company, <i>et al.</i> , Appellants. | Richard W. Stavely
Donald L. Burnett
Donald F. Hoffman
Gregory E. Saindon
Greg Bauer
Ivan D. Krug
Robert E. Diehl
Joseph W. Jeter | Rush |
| 60,964 | City of Hays, Appellee,
v.
Kevin Desmarteau, Appellant. | Glenn Braun
Gary L. Conwell | Ellis |
| 1:00 p.m. | | | |
| 61,566 | City of Hays, Appellee,
v.
Rudy Werner, Appellant. | Glenn Braun
Rudy Werner | Ellis |
| 60,963 | In the Matter of the Suspension of Bruce A. Augustine to Operate a Motor Vehicle. | Don C. Staab
Brian Cox | Ellis |
| 60,679 | In the Matter of the Suspension of License of Leslie D. Shively to Operate a Motor Vehicle. | Brian Cox
Michael S. Holland | Russell |
| 60,381 | Federal Deposit Insurance Corporation, in its corporate capacity, Appellant,
v.
Sylvester Ritter, Appellee,
v.
Norman Hartman, Appellee. | John F. McClymont
Dee F. Marsh
Allen Shelton | Decatur |
| 60,789 | First Bank of WaKeeney, Appellant,
v.
Peoples State Bank of Sharon Springs, Kansas, Appellee,
v.
First Bank of WaKeeney, WaKeeney, Kansas, Appellant. | Allen Shelton
Jerry D. Fairbanks | Wallace |
| 60,922 | Alfred E. Frost, Appellee,
v.
Builder's Service, Inc., and Commercial Union Insurance Company and Kansas Workers' Compensation Fund, Appellants. | E. I. Lee Kinch
Casey R. Law
Brock R. McPherson | Stevens |

Wednesday, April 20, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
60,897	In the Matter of Constance A. Potts, Lisa McMullen, Patrick J. Wirtz, Appellees, v. Robert Boele and Elizabeth N. Wirtz, Appellant.	Kenneth F. Ehling Timothy C. Givan Donald Shultz Mark Rondeau	Barton
60,856	Traci C. Clawson, through the guardian and natural mother, Dianne Clawson, and the State of Kansas, <i>ex rel.</i> , Secretary of SRS, Appellant, v. Kavin Gene Bitter, Appellee.	Robert P. Mahan Dan E. Turner	Barton
60,785	Duane L. Demel, Appellee, v. Kansas Department of Revenue, Appellant.	Charles R. Haynes Brian Cox James G. Keller	Barton
60,365	Security State Bank, Appellee, v. W. D. Witcraft, aka William D. Witcraft, and Betty M. Witcraft, Appellants.	Casey Law M. John Carpenter	Barton
60,807	Dale C. Klima, Appellee, v. Southern States Oil Co., and U.S.F. & G., Appellants.	John Carpenter Don D. Gribble II	Stafford

Kansas Court of Appeals
Courtroom 11-1, 11th Floor, Sedgwick County Courthouse
Wichita, Kansas
Before Brazil, P.J.; Richard W. Wahl, District Judge, assigned;
and James P. Buchele, District Judge, assigned.

Tuesday, April 19, 1988

10:30 a.m.

Case No.	Case Name	Attorneys	County
60,908	State of Kansas, Appellee, v. Eddie R. Bryson, Appellant.	Debra Barnett, Assistant District Attorney Attorney General Brad L. Keil Benjamin C. Wood	Sedgwick
60,670	State of Kansas, Appellee, v. Gloria A. Helm, Appellant.	Debra Barnett, Assistant District attorney Attorney General Jessica R. Kunen Benjamin C. Wood	Sedgwick
60,249	State of Kansas, Appellee, v. Harold Hickey, Appellant.	Kerwin L. Spencer, County Attorney Attorney General Lucille Marino Benjamin C. Wood	Sumner

(continued)

1:30 p.m.

(60,809) (60,810)	In the Interest of J.F.C. and L.D.C., Minor Children Under 18 Years of Age.	Jolene Rooney Randy Barker Steve Mosley, Gnd. A/L William R. Griffith Richard Dickson Gerald Domitrovic	Sedgwick
61,099	In the Matter of the Marriage of Danielle Siobhan McNamara Nasica and Noel Michel Nasica.	Marilyn Harp Michael E. Foster	Sedgwick
60,229	L. Stuart Curtis and Betty Jane Curtis, Appellants, v. Arch Curtis, dba Entrep Associates; Entrep Associates; and Ajak Industries, Inc., a Kansas Corporation, Appellees.	W. Thomas Gilman John E. Fierro	Ford
61,169	Mid Kansas Federal Savings & Loan Association of Wichita, Appellee, v. Don W. Zimmer, <i>et al.</i> , Appellants.	Max Eugene Estes George Voss	Ford
60,917	Board of County Commissioners of Ford County, Kansas, Appellee, v. Eugene Addison, <i>et al.</i> , Appellants.	Douglas B. Myers Daniel L. Love, County Attorney Jack W. Shultz	Ford
61,112	James R. Feaster, Appellant, v. The Farmers State Bank of Bucklin, a Kansas Banking Corporation; and the Bank of Whitewater, a Kansas Banking Corporation, Appellees.	Gerald Sawatzky Gerald L. Green Alan Joseph Max E. Estes	Stanton

Wednesday, April 20, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
61,009	In the Matter of the Adoption of C.E.G. III, a minor.	Clarence E. Grissom, Jr. Dale B. Stinson, Jr.	Sedgwick
60,884	Williamson, McGee, Griggs and DeMoss, Chtd., Appellees, v. Elinor Herlitzer, Executor of the Estate of Bernard Herlitzer, Deceased, Appellant.	Brian Grace John T. Conlee	Sedgwick
60,773	Charles R. Stickney, Appellant, v. The Wesley Medical Center, a Corporation, and Ron Morford, M.D., Appellees.	William L. Fry Carl L. Wagner John H. Gibson Darrell L. Warta	Sedgwick

61,028	Michael C. Cox, Appellant, v. State of Kansas, Appellee,	Stephen E. Robison Clark Owens Debra Barnett, Assistant District Attorney	Sedgwick
61,141	Bryan A. Schultz, Appellant, v. Hong Thi Tran and Federated Mutual Insurance Co., Appellees.	Keith D. Richey Thomas J. Meek	Sedgwick
61,372	Virgil G. Genter, Appellant, v. Kansas Gas & Electric Company, Appellee.	William Cather Mark A. Vining	Sedgwick

**Kansas Court of Appeals
Courtroom I, Room 300, Johnson County Courthouse
Olathe, Kansas**

**Before Rees, P.J.; William D. Clement, District Judge, assigned;
and Herbert W. Walton, District Judge, assigned.**

**Tuesday, April 19, 1988
9:00 a.m.**

Case No.	Case Name	Attorneys	County
61,466	Marian L. Wiseman, Appellee, v. H. D. Lee Company and AETNA Life and Casualty Company, Appellants.	Gary L. Jordan Wade A. Dorothy	Franklin
60,872	In the Matter of the Application of David R. Edwards for a <i>Writ of Habeas Corpus</i> .	Bruce C. Hedrick Rebecca Brock	Johnson
60,677	State of Kansas, Appellee, v. Dan Moore, aka Ron Thomas, aka Gilbert A. Thomas, aka Delbert Thomas, aka Danen Thomas, Appellant.	Debra Vermillion Paul Morrison, Assistant District Attorney Attorney General Martha J. Coffman Benjamin C. Wood	Johnson
60,784	State of Kansas, Appellee, v. Willie B. Yates, Appellant.	Paul J. Morrison, Assistant District Attorney Attorney General Benjamin C. Wood	Johnson
1:30 p.m.			
61,024	State of Kansas, Appellee, v. A. Henry Tager, Appellant.	Steven J. Obermeier Attorney General Henry Tager Louis S. Wexler	Johnson
61,246	Kerry Knudson, Appellant, v. Kansas Gas and Electric Co. A Corporation, and Michael Peters, Appellees.	Robert V. Eye Ralph Foster Charles S. Fisher, Jr. Nick Badgerow	Johnson

(continued)

61,190	Terry L. Stewart, Appellant, v. American Family Mutual Insurance Company and Larry R. Crane, Appellees.	Lee M. Smithyman Leo J. Logan	Wynadotte
61,295	Kenneth P. Day, Appellant, v. Elscint, Inc., A Massachusetts Corporation, Appellee.	Elizabeth A. Carson Charles Getto	Johnson
60,866	Robert A. Schroeder, <i>et al.</i> , Appellees, v. City of Overland Park, Kansas, Appellant.	Richard Routman Bernis G. Terry George Lowe Patrick D. McAnany	Johnson

Before Rees, P.J.; William D. Clement, District Judge, assigned;
and Frederick Woleslagel, District Judge Retired, assigned

Wednesday, April 20, 1988
9:00 a.m.

Case No.	Case Name	Attorneys	County
57,758	Transworld Sewing Machine Co., Inc., Appellant, v. Riccara America Co., Appellee.	Elwyn L. Cady, Jr. Louis A. Silks, Jr. Douglas C. McKenna	Johnson
60,346	In the Interest of L.C. and C.C., Jr., Each a Child Under 18 Years of Age.	Richard Guinn Rebecca Brock Jon S. Willard, Gdn. A.L. David K. Fromme Steven R. Zieber	Johnson
61,351	State of Kansas, Appellant, v. Joseph Nathan Goley, Appellee.	Michael B. Buser Attorney General David Waxse	Johnson
60,837	City of Olathe, Kansas, Appellee, v. James L. Cotten, Appellant.	Donna Dixon James F. Vano	Johnson
60,647	Marc R. Debels, Appellant, v. Ronald R. Wickline, <i>et al.</i> , Appellees.	James M. Sheeley Gordon M. Rock Jr.	Johnson
61,089	Daniel Walker Lacerte, Appellee, v. State of Kansas, Kansas Department of Revenue, Appellant.	Keith R. Taylor Mark Wettig	Johnson

LEWIS C. CARTER
Clerk of the Appellate Courts

State of Kansas

KANSAS STATE UNIVERSITY

NOTICE TO BIDDERS

Sealed bids for the item listed below will be received by the Kansas State University Purchasing Office, Manhattan, until 2 p.m. C.D.T. on the date indicated and then will be publicly opened. Interested bidders may call (913) 532-6214 for additional information.

Tuesday, April 19, 1988

#80070
Workstation

WILLIAM H. SESLER
Director of Purchasing

Doc. No. 006387

State of Kansas

STATE CORPORATION COMMISSION

NOTICE OF MOTOR CARRIER HEARINGS

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

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

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

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

Applications set for April 21, 1988

Application for Extension of Certificate of Convenience and Necessity:

Western Kansas Xpress,) Docket No. 99,579 M
Incorporated)
3833 S. West St.)
Wichita, KS 67217) MC ID No. 101295

Applicant's Attorney: W. Robert Alderson, 1610 S.W.
Topeka Blvd., P.O. Box 237, Topeka, KS 66612

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

Between points and places in Kansas.

Application for Transfer of Certificate of Convenience and Necessity:

Jayhawk Truck Lines, Inc.) Docket No. 93,452 M
3833 S. West St.)
Wichita, KS 67217) MC ID No. 101109

TO:

Western Kansas Xpress,
Incorporated
3833 S. West St.
Wichita, KS 67217

Applicant's Attorney: W. Robert Alderson, 1610 S.W.
Topeka Blvd., P.O. Box 237, Topeka, KS 66612

General commodities (except those of unusual value and except dangerous explosives and classes A and B explosives, livestock, household goods, as defined by the commission, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading),

To, from and between Wichita, Kansas, Emporia, Kansas and a 5-mile radius thereof, and Salina, Kansas and a 5-mile radius thereof, and the intermediate points of Walton, Peabody, Florence, Cedar Point, Elmdale, Strong City, Saffordville, Marion, Hillsboro, Galva and the off-route points of Cottonwood Falls, Lehigh, Canton, Bridgeport, Assaria, Smolan, Mentor and Lindsborg.

From Wichita, Kansas, north on I-35 west to Newton, Kansas, northeast on U.S. 50 to Emporia, Kansas, thence west and south on U.S. 50 to the intersection of U.S. 50 and K-150, thence west on K-150 to the intersection of K-150 and U.S. 56, thence south and west on U.S. 56 to McPherson, thence north on I-35 west to Salina, Kansas and return over the same route.

As alternate routes for operating convenience only: from Wichita, Kansas, on I-35 west to Newton, Kansas, thence northwest on U.S. 81 to McPherson, Kansas, thence over designated route as set forth above and return over the same route.

Provided, said alternate route to be as follows upon the completion of I-35 west.

Between Newton and McPherson, Kansas, from Wichita, Kansas, north and west on I-35 west to McPherson, Kansas, thence over designated route as set forth above and return over the same route.

From Wichita, Kansas, on K-254 to El Dorado, Kansas, thence on Kansas Turnpike I-35 to Emporia, Kansas, and return over the same route.

Also,

To, from and between Wichita, Kansas and Herington, Kansas and a 5-mile radius thereof, and the intermediate points of Lincolnville, Lost Springs, Admire, Council Grove, Wilsey, Delevan, Hope, Elmo, Durham, Goessel and Newton, Kansas and a 5-mile radius thereof, and the off-route points of Pilsen, Burdick, Ramona, Woodbine, Navarre, Enterprise, Carlton, Gypsum, Roxbury and Tampa, Kansas and a 5-mile radius thereof.

From Florence, Kansas, on present authority, north on U.S. 77 to Herington, Kansas, thence west on K-4 to Elmo, Kansas, thence south on K-15 to Newton, Kansas, thence south on I-35 west to Wichita, Kansas and return over the same route.

Also,

From Strong City, Kansas, on present authority, north on K-177 to Council Grove, Kansas, thence west on U.S. 56 to Herington, Kansas, thence on route as herein described and return over the same route.

Also,

(continued)

From Emporia, Kansas, on present authority, north on Kansas Turnpike on U.S. 56, thence west on U.S. 56 to Herington, Kansas, thence on route as herein described and return over the same route, as an alternate route for operating convenience only: From Elmo, Kansas, west on K-4 to the intersection of K-4 and I-35 west, thence south on I-35 west to Wichita, Kansas and return over the same route.

Between Wichita, Kansas, on the one hand, and Casoday, Madison, Lamont, Gridley and Olpe, Kansas, on the other hand.

From Wichita, Kansas, on the Kansas Turnpike, to Casoday, thence east and north on county road to Madison, thence east on K-57 to Gridley, thence west on same to Madison and north on K-57 and K-99 to Olpe, thence north to Emporia and return over the same route.

Application for Transfer of Certificate of Convenience and Necessity:

KC-Flint Hills Express, Inc.) Docket No. 32,505 M
3833 S. West St.)
Wichita, KS 67217)
TO:) MC ID No. 100334
Western Kansas Xpress,
Incorporated
3833 S. West St.
Wichita, KS 67217

Applicant's Attorney: W. Robert Alderson, 1610 S.W.
Topeka, Blvd., P.O. Box 237, Topeka, KS 66612

Livestock, ordinary.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between points and places within a 20-mile radius of Cedar Point, Kansas, on the one hand, and community sales at Eureka, Salina and Herington, Kansas, on the other.

Also,

Between points and places within a 20-mile radius of Cedar Point, Kansas, on the one hand, and farms, ranches, pastures and rural locations in Kansas, on the other.

Livestock, show and purebred.

Between points and places within a 20-mile of Cedar Point, Kansas.

Also,

Between points and places within said radius, on the one hand, and all points and places in Kansas, within a 150-mile radius of Cedar Point, on the other.

Unprocessed feed, seeds, hay and grain.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between points and places within said radius, on the one hand, and all points and places in Kansas, on the other.

Processed mill feeds.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between Wichita, Emporia and Kansas City, Kansas, on the one hand, and Cedar Point and farms and rural locations within a 20-mile radius thereof, on the other.

New and used farm machinery, knocked down and set up.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between Wichita, Emporia and Kansas City, Kansas, on the one hand, and Cedar Point and farms and rural locations within a 20-mile radius of Cedar Point, on the other.

Building material.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between Wichita and Kansas City, Kansas, on the one hand, and Cedar Point and farms and rural locations within a 20-mile radius of Cedar Point, on the other.

Emigrant farm movables.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between points and places within said radius, on the one hand, and points and places in Kansas within a 150-mile radius of Cedar Point, Kansas, on the other, when moving from farm to farm, farm to town, or town to farm.

Building blocks, cement, cinder or haydite, and sand.

Between Cedar Point, Kansas, and farms and rural locations within a 20-mile radius thereof.

Also,

Between Wichita and Kansas City, Kansas, on the one hand, and Cedar Point and farms and rural locations within a 20-mile radius of Cedar Point, on the other.

Angle iron, steel, sheet, channel and bar and water pipe.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between Wichita and Kansas City, Kansas, on the one hand, and points and places within a 20-mile radius of Cedar Point, Kansas, on the other.

Steel tanks, water, fuel and stock.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between Kansas City, Kansas and Wichita, on the one hand, and points and places within a 20-mile radius of Cedar Point, Kansas, on the other.

Fence posts, wooden, steel and cement, and fencing wire.

From Wichita, Atchison and Kansas City, Kansas, on the one hand, to points and places within a 20-mile radius of Cedar Point, Kansas, on the other.

Fertilizer, commercial, in bags and containers.

Between points and places within a 20-mile radius of Cedar Point, Kansas.

Also,

Between all producing and distributing points in Kan-

sas, on the one hand, and points and places within a 20-mile radius of Cedar Point, Kansas, on the other.

Irrigation pumps and sprinklers,

Between Cedar Point, Kansas, on the one hand, and rural locations within a 20-mile radius, on the other.

Livestock,

Between points and places within a 10-mile radius of Cedar Point, Kansas, on the one hand, and Emporia, Peabody, Newton, Marion, El Dorado, Wichita, Topeka and Kansas City, Kansas, on the other.

Show and purebred livestock,

Between points and places within a 10-mile radius of Cedar Point, Kansas, on the one hand, and Hutchinson, Wichita, Topeka, Cottonwood Falls and Kansas City, Kansas, on the other.

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

Between points and places within a 10-mile radius of Cedar Point, Kansas.

Salt,

Between points and places within a 10-mile radius of Cedar Point, Kansas.

Also,

Between points and places within said radius, on the one hand, and Hutchinson, Kansas, on the other.

Coal,

Between Cedar Point and Florence, Kansas, on the one hand, and farms and rural locations within a 10-mile radius of Cedar Point, Kansas, on the other.

Application for Transfer of Certificate of Convenience and Necessity:

Ronald L. Malcom, dba) Docket No. 144,171 M
 Malcom Auto Service)
 505 N. Andover Road)
 Andover, KS 67002) MC ID No. 121137

TQ:
 Malcom Auto Service, Towing
 & Recovery, Inc.
 505 N. Andover Road
 Andover, KS 67002

Applicant's Attorney: None

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

Between points and places in Sedgwick, Butler and Harvey counties.

Also,

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

Application for Extension of Certificate of Convenience and Necessity:

Ronald V. Schneider and) Docket No. 114,040 M
 Leslie K. Schneider dba)
 Home Oil Company)
 Box 248)
 Lucas, KS 67648) MC ID No. 102120

Applicant's Attorney: Bob Storey, Shadow Wood Office
 Park, 5863 S.W. 29th, Topeka, KS 66614-2493

*Gasoline, diesel fuel, gasohol, refined oil,
 jet fuel and aviation gas,*

Between all points and places in Kansas.

Application for Transfer of Certificate of Convenience and Necessity:

M. M. Leckington, dba) Docket No. 135,128 M
 Bob Leckington Sand Co.)
 311 S. Meridian)
 Newton, KS 67114) MC ID No. 105908

TO:
 Ron Leckington, dba
 Ron Leckington Sand Co.
 311 S. Meridian
 Newton, KS 67114

Applicant's Attorney: None

Cement,

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

Application for Transfer of Contract Carrier Permit:

M. M. Leckington, dba) Docket No. 77,009 M
 Bob Leckington Sand Co.)
 311 S. Meridian)
 Newton, KS 67114) MC ID No. 105908

TO:
 Ron Leckington, dba
 Ron Leckington Sand Co.
 311 S. Meridian
 Newton, KS 67114

Applicant's Attorney: None

Salt and salt products in dump or hopper type equipment,

From Hutchinson, Kansas, on the one hand, to all points and places in Kansas, on the other, under contract with Carey Salt Company, Hutchinson, Kansas.

Application for Transfer of Certificate of Convenience and Necessity:

Grater Trucking Service, Inc.) Docket No. 33,016 M
 Route 1, Box 100)
 Leonardville, KS 66449) MC ID No. 102703

(continued)

TO:

Robert C. Buchanan, Inc.
11221 Tuttle Creek Blvd.
Manhattan, KS 66502

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

Processed mill feeds,

Between Kansas City in Wyandotte County, Topeka in Shawnee County, Salina in Saline County and Abilene in Dickinson County, Kansas, on the one hand, and all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13, on the other hand.

Also,

From Kansas City in Wyandotte County, Topeka in Shawnee County, Emporia in Lyon County, Salina in Saline County, Abilene in Dickinson County, or Clay Center in Clay County, Kansas, on the one hand, to all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13, on the other hand.

*New and used farm machinery, knocked down
and set up,*

Between all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the westerly county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13.

Building material,

Between all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13.

*Lumber, finished and unfinished, roofing,
cement, cement blocks,*

From Kansas City in Wyandotte County or Topeka in Shawnee County, Kansas, on the one hand, to all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west K-13, on the other hand.

Fertilizer,

From Kansas City in Wyandotte County, Manhattan in Riley County and Riley in Riley County, Kansas, on the one hand, and all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county

boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13 on the other hand.

Also,

From Kansas City in Wyandotte County, Lawrence in Douglas County, Topeka in Shawnee County or Junction City in Geary County, Kansas, on the one hand, to all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13, on the other hand.

Posts,

From Kansas City in Wyandotte County, Topeka in Shawnee County and Riley in Riley County, Kansas, to all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13.

Emigrant farm movables,

Between all points and places within that portion of Riley County northwest of U.S. 18 and K-113 and south of K-16 and an unnumbered county road running east to west from Randolph, Kansas, to the western county boundary line; and that portion of Pottawatomie County south of K-16 and west of K-13.

Also,

Between all points and places within the above described territory, on the one hand, and points and places within Phillips, Rooks, Ellis, Smith, Osborne, Russell, Barton, Jewell, Mitchell, Lincoln, Ellsworth, Rice, Reno, Republic, Cloud, Ottawa, Saline, McPherson, Harvey, Sedgwick, Washington, Clay, Dickinson, Marion, Butler, Marshall, Riley, Geary, Morris, Chase, Nemaha, Pottawatomie, Wabaunsee, Lyon, Greenwood, Elk, Brown, Jackson, Shawnee, Osage, Coffey, Woodson, Wilson, Troy, Atchison, Jefferson, Leavenworth, Wyandotte, Douglas, Johnson, Franklin, Miami, Anderson, Linn and Allen counties, Kansas; that portion of Rush County east of U.S. 183; that portion of Pawnee County east of U.S. 183 and K-18 and north of U.S. 156; that portion of Stafford County north of U.S. 50 and east of U.S. 281; that portion of Pratt County east of U.S. 281 and north of U.S. 54; that portion of Kingman County north of K-2/24 and east of K-14; that portion of Harper County east of K-14 and north of U.S. 160; that portion of Sumner County north of U.S. 160 and U.S. 166 and east of U.S. 81; that portion of Cowley County north of U.S. 166; that portion of Chautauqua County north of U.S. 166 and west of K-99; that portion of Montgomery County north of U.S. 160 and west of U.S. 169; that portion of Neosho County west of U.S. 59 and north of K-57; and that portion of Bourbon County north of K-39 and west of U.S. 69, on the other hand.

General farm personal property,

Between all points and places within Riley County, Kansas; that portion of Clay County east of K-15; that portion of Dickinson County east of K-15 and north of

K-18; and that portion of Pottawatomie County west of K-99 and north of U.S. 24.

Also,

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

Restricted, however, to moves made farm to farm, farm to town, and town to farm in connection with the relocating of farm operations originating from land acquired by the federal government within the confines of the Milford Dam and Reservoir area and the Ft. Riley expansion area.

Further restricted, to do no transportation of household goods, as defined in Practices of Motor Common Carrier of Household Goods 17 M.C.C. 467.

Livestock, dry processed and unprocessed feed, seed, grain and hay,

Between all points and places within Washington, Clay, Riley, Pottawatomie and Geary counties, Kansas; that portion of Republic County east of U.S. 81 and south of U.S. 36; that portion of Marshall County south of U.S. 36 and west of K-99; that portion of Nemaha County west of K-187 and K-62 and south of U.S. 36; that portion of Jackson County east of K-62 and U.S. 75 and south of K-16; that portion of Cloud County east of U.S. 81; that portion of Ottawa County east of U.S. 81 and I-35; that portion of Wabaunsee County north and west of K-4; that portion of Morris County north of U.S. 56; that portion of Dickinson County east of K-15 and north of K-4; and that portion of Saline County north of K-4 and east of I-135.

Also,

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

Application for Extension of Certificate of Convenience and Necessity:

Robert C. Buchanan, Inc.) Docket No. 134,309 M
11221 Tuttle Creek Blvd.)
Manhattan, KS 66502) MC ID No. 102703

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

Livestock, grain, hay, dry feed, dry feed ingredients, dry fertilizer, seeds, salt, construction and building materials, fencing materials and machinery,

Between points and places in Kansas on and east of K-14

Also,

Between points and places in Kansas on and east of K-14, on the one hand, and points and places in the state of Kansas, on the other hand.

Application for Abandonment of Contract Carrier Permit:

Ray Richardson, dba) Docket No. 143,577 M
Richardson Transport &)
Storage Co.)
919 Schilling Road)
Salina, KS 67401) MC ID No. 113482

Applicant's Attorney: None

Renoticed Application for Contract Carrier Permit:

Bernie Berry, dba) Docket No. 158,927 M
Bernie Berry (Leasing))
901 W. Elm)
Salina, KS 67401) MC ID No. 127432

Applicant's Attorney: None

Railroad crews,

Between all points and places in Butler, Clay, Cloud, Dickinson, Douglas, Ellsworth, Ellis, Geary, Gove, Harvey, Jefferson, Jewell, Johnson, Leavenworth, Lincoln, Marion, McPherson, Mitchell, Morris, Ottawa, Osborne, Pottawatomie, Rooks, Russell, Rice, Sedgwick, Shawnee, Saline, Sheridan, Sumner, Thomas, Trego, Wabaunsee and Wyandotte counties, Kansas.

Applications set for April 26, 1988

Application for Certificate of Convenience and Necessity:

Valley Center Farmers) Docket No. 160,023 M
Elevator, Inc.)
101 S. Ash)
Valley Center, KS 67147) MC ID No. 116128

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

Grain, hay, dry feed, dry feed ingredients, dry fertilizer, seeds, building and construction materials and fencing materials,

Between points and places on and east of U.S. 281.
Also,

Between points and places on and east of U.S. 281, on the one hand, and points and places in the state of Kansas, on the other hand.

Application for Transfer of Certificate of Convenience and Necessity:

Robert O. Tilley &) Docket No. 155,590 M
Sons, Inc.)
Route 2)
Bucklin, KS 67834) MC ID No. 127381

TO:
Todd G. Tilley, dba
Tilley Trucking
Route 2
Bucklin, KS 67834

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

Grain, hay, dry feed ingredients, dry fertilizer, seeds, iron and steel articles, salt, 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 U.S. 281.
Also,

(continued)

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

Meat, meat products, meat by-products and articles distributed by packinghouses,

Between points and places in Ford and Finney counties, Kansas, 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, Saline, Shawnee and Wyandotte counties, Kansas, on the one hand, and points and places in the state of Kansas, on the other hand.

Application for Certificate of Convenience and Necessity:

King of the Road, Inc.) Docket No. 160,022 M
7215 S.W. Topeka Blvd.,)
Bldg. 2704)
Topeka, KS 66619)

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

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

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Glen Henderson, dba) Docket No. 160,024 M
Henderson Trucks)
Route 1, Box 130)
Larned, KS 67550)

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

Livestock, hay, grain, dry feed, dry feed ingredients, dry fertilizer, salt, seeds, construction and building materials, fencing materials and machinery,

Between points and places in the state of Kansas on and west of U.S. 81.

Also,

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

Application for Transfer of Certificate of Convenience and Necessity:

Elys, Inc.) Docket No. 57,741 M
815 W. 4th)
Hutchinson, KS 67504) MC ID No. 100520
TO:

Stuart Conklin Buick, Inc., dba
Conklin Cars and Trucks
815 W. 4th
Hutchinson, KS 67504

Applicant's Attorney: None

Wrecked and disabled motor vehicles,

Between all points and places within a radius of 20 miles of Hutchinson, Kansas.

Also,

Between all points and places within a radius of 20 miles of Hutchinson, Kansas, on the one hand, and all points and places within the state of Kansas, on the other.

Application for Extension of Certificate of Convenience and Necessity:

Ronald K. Burns, dba) Docket No. 153,390 M
Ronald Burns Trucking)
East Hwy. 50)
Cimmaron, KS 67835) MC ID No. 115954

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

Cattle, livestock and machinery,

Between all points and places in Kansas.

Application for Certificate of Convenience and Necessity:

Charles Burns) Docket No. 160,025 M
East Hwy. 50)
Cimmaron, KS 67835)

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

Grain, feed, seed, hay, dry fertilizer, dry feed ingredients, salt and farm machinery,

Between all points in Kansas.

Applications set for April 28, 1988

Application for Certificate of Convenience and Necessity:

Nick's Transport, Inc.) Docket No. 160,029 M
1150 E. Industrial Drive)
Mt. Vernon, MO 65712) MC ID No. 123355

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

Petroleum products (except asphalt) and liquid fertilizer solutions,

Between points and places in Kansas east of K-14.

Also,

Between points and places in Kansas east of K-14, on the one hand, and points and places in the state of Kansas, on the other hand.

Application for Certificate of Convenience and Necessity:

Richard H. Long, Sr., dba) Docket No. 160,026 M
Dick's Auto Service)
301 N. Rose Hill Road)
Rose Hill, KS 67133)

Applicant's Attorney: None

Wrecked and disabled vehicles,

Between all points and places in Sedgwick, Butler and Sumner counties, Kansas.

Also,

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

Application for Extension of Certificate of Convenience and Necessity:

Clarke Corporation) Docket No. 21,580 M
107 W. Fowler, Box 187)
Medicine Lodge, KS 67104) MC ID No. 122270

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

Hay, grain, dry feed, dry feed ingredients, dry fertilizer, building and construction materials, fencing materials, seeds, salt, iron and steel articles and machinery,

Between all points and places in the counties of Sherman, Thomas, Wallace, Logan, Gove, Trego, Greeley, Wichita, Scott, Lane, Ness, Rush, Barton, Hamilton, Kearny, Finney, Hodgeman, Pawnee, Stafford, Rice, McPherson, Saline, Marion, Chase, Lyon, Shawnee, Osage, Douglas, Wyandotte, Johnson, Stanton, Grant, Haskell, Gray, Ford, Edwards, Pratt, Reno, Harvey, Butler, Morton, Stevens, Seward, Meade, Clark, Kiowa, Barber, Kingman, Sedgwick, Harper, Sumner, Cowley and Comanche.

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 Extension of Certificate of Convenience and Necessity:

Petroleum Carriers Company) Docket No. 85,288 M
P.O. Box 762)
Sioux Falls, SD 57101) MC ID No. 101219

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

Commodities in bulk,

Between all points and places in Kansas.

Application for Certificate of Convenience and Necessity:

Tom Wiesner) Docket No. 160,028 M
Route 1, Box 1078)
Hays, KS 67601)

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

Oilfield equipment, materials, supplies and machinery,
Between points in Rooks, Trego, Ellis, Russell, Ness, Rush and Barton counties, Kansas.

Also,

Between points and places in the above named coun-

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

Application for Certificate of Convenience and Necessity:

Kelso Casing Pulling, Inc.) Docket No. 160,027 M
Chase, KS 67524) MC ID No. 115378

Applicant's Attorney: Steve Johnson, 2109 12th St., P.O. Drawer 1429, Great Bend, KS 67530

Oilfield equipment and supplies used in production of oil and gas,

Between all points and places in Kansas.

Application for Certificate of Convenience and Necessity:

Gaulding Oil Company) Docket No. 160,030 M
108 S. Fry)
Yates Center, KS 66783)

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

Wrecked and disabled vehicles, replacement vehicles, boats, recreational vehicles and motorcycles,

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

Also,

Between points and places in Kansas on and east of U.S. 281, on the one hand, and points and places in the state of Kansas, on the other hand.

ALFONZO A. MAXWELL
Administrator
Transportation Division

Doc. No. 006400

State of Kansas

KANSAS INSURANCE DEPARTMENT

PERMANENT ADMINISTRATIVE REGULATIONS

(Effective May 1, 1988)

Article 1.—GENERAL

40-1-28. Insurance holding companies; information required; disclaimer of affiliation; termination of registration; acquisition of control. National association of insurance commissioners insurance holding company system model regulation with reporting forms and instructions, June 1986 edition, is hereby adopted by reference, subject to the following exceptions:

- (a) Sections 1, 2 and 3 are not adopted;
- (b) form D "Prior Notice of a Transaction" and all references thereto are not adopted;
- (c) section 4(b) is completed by inserting "Two"; "Kansas, 420 S.W. 9th Street, Topeka, Kansas"; "Chief

(continued)

Examiner"; and, "30" respectively in the spaces provided;

(d) section 4(a) is amended by substituting "K.S.A. 40-3304 and 40-3305" for "Sections 3, 4 and 5 of this Act" appearing in the first sentence;

(e) section 8 is hereby amended by the addition of the following: "The Act means the statutes relating to insurance holding companies contained in Article 33, Chapter 40 Kansas Statutes Annotated";

(f) section 9 is not adopted;

(g) section 10 is amended by substituting "K.S.A. 40-3304" for "Section 3 of the Act";

(h) section 12(a) is amended by substituting "K.S.A. 40-3304(a)" for "Section 3(a)(1) of the Act";

(i) section 12(b) is amended by substituting "K.S.A. 40-3304(a)" for "Section 3(a)(1)";

(j) section 13 is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act";

(k) section 14 is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act";

(l) section 16(a) is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act" appearing in the first sentence;

(m) section 16(d) is amended by substituting "K.S.A. 40-3305(f) or K.S.A. 40-3305(g)" for "Section 4(h) or 4(i) of the Act";

(n) section 19(b) is not adopted;

(o) section 20 is amended by substituting "K.S.A. 40-3305(b)" for "Section 5(d) of the Act";

(p) section 21 is added as follows: "Section 21. Acquisition of control—statement filing. (1) A person required to file a statement pursuant to K.S.A. 40-3304 shall, prior to doing any act towards the acquisition of control of a domestic insurer, file a letter with the commissioner of insurance indicating the person's interest in the possible acquisition of control, the name of the domestic insurer to be acquired, that the person is aware of and will comply with the applicable provisions of the Kansas insurance holding companies act, and that all negotiations or agreements to acquire control of the domestic insurer will be conditioned upon the approval of the commissioner of insurance.

(2) A person required to file a statement pursuant to K.S.A. 40-3304 shall furnish the required information on form A, hereby made a part of this regulation.

(q) item 12(b) and (c) of form A is amended to read as follows: "(b) The financial statements shall include the annual financial statements of the persons identified in item 2(c) for the preceding five fiscal years or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence, and similar information covering the period from the end of such person's last fiscal year, to a date not earlier than 90 days prior to the filing of the Form A. Such statements may be prepared on either an individual basis, or, unless the commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

Unless otherwise permitted by the commissioner, the annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements

present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the annual statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer, and if distributed, of additional soliciting material relating thereto; any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by form A or K.S.A. 40-3304."

(r) item 13 is amended by substituting "K.S.A. 40-3304" for "Section 3 of the Act";

(s) the second sentence of item 2(c) of form A is not adopted;

(t) the second sentence of item 2 of form B is not adopted;

(u) item 5 of form B is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act";

(v) item 10 of form B is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act"; and

(w) the signature section of form C is amended by substituting "K.S.A. 40-3305" for "Section 4 of the Act". (Authorized by K.S.A. 40-103, 40-3309; implementing K.S.A. 40-3304(a) & (b); 40-3305; and 40-3306(c); effective May 1, 1976; amended May 1, 1979; amended May 1, 1986; amended May 1, 1988.)

40-1-29. (Authorized by K.S.A. 40-103, 40-3309; implementing K.S.A. 40-3306(c); effective May 1, 1976; amended May 1, 1986; revoked May 1, 1988.)

40-1-36. Life and health insurance applications; underwriting; acquired immunodeficiency syndrome (AIDS); defined. (a) As used in this regulation, these terms shall have the following meanings:

(1) "Acquired immunodeficiency syndrome (AIDS)" means one or more opportunistic diseases which are at least moderately indicative of underlying cellular immunodeficiency, along with the absence of all known underlying causes of cellular immunodeficiency and all other causes of reduced resistance reported to be associated with at least one of those opportunistic diseases.

(2) "AIDS related complex (ARC)" means a syndrome in which the individual displays many of the same symptoms of AIDS, including the presence of the HIV antibody.

(3) "Adverse underwriting decisions" mean the actions described in K.S.A. 40-2,111(a).

(4) "Applicant" means the individual proposed for coverage.

(b) All individual and group applications for insurance that require health information or questions shall comply with the following standards:

(1) Whenever an applicant is requested to take an HIV antibody test in connection with an application for insurance, the insurer shall:

(A) Obtain written informed consent from the applicant;

(B) reveal the use of the test to the applicant;

(C) provide the applicant printed material prior to testing containing factual information describing AIDS, its causes, symptoms, how it is and can be spread, the tests used to detect the HIV antibody and what a person should do whose test results are positive; or, arrange for the applicant to receive relevant counseling from a qualified practitioner who has had extensive training and experience in addressing the fears, questions and concerns of persons tested for the HIV antibody;

(D) administer an initial test which meets the test protocol established by the food and drug administration of the federal department of health and human services;

(E) administer a second test, the immunoelectro-precipitate using disrupted whole virus antigen test (western blot), to substantiate an initial positive test result; and

(F) disclose the results of the testing in accordance with K.S.A. 40-2,112(b)(2) and (3).

(2) Insurers may ask diagnostic questions on applications for insurance.

(3) Application questions shall be formed in a manner designed to elicit specific medical information and not lifestyle, sexual orientation or other inferential information.

(4) Questions which are vague, subjective, unfairly discriminatory, or so technical as to inhibit a clear understanding by the applicant are prohibited.

(c) All underwriting shall be based on individual review of specific health information furnished on the application, any reports provided as a result of medical examinations performed at the company's request, medical record information obtained from the applicant's health care providers or any combination of the foregoing. Adverse underwriting decisions shall not be based on less than conclusive responses to application questions.

(d) Adverse underwriting decisions shall be based on sound actuarial principles pursuant to K.S.A. 40-2,109. (Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. 40-2,109, 40-2404(7) as amended by L. 1987, Ch. 171, Sec. 1; effective, T-88-35, Sept. 17, 1987; amended May 1, 1988.)

Article 2.—LIFE INSURANCE

40-2-14. Life insurance and annuities; deceptive practices; requirements; prohibitions. (a) This regulation shall apply to each solicitation, negotiation, or procurement of life insurance or annuities occurring within this state. This regulation shall apply to each

authorized issuer of life insurance or annuity contracts. This regulation shall not apply to invitations to inquire about an insurance product if the invitations do not constitute a solicitation of insurance. The policy summary required by this regulation shall not apply to annuities, variable life insurance, life insurance policies issued in connection with pension and welfare plans subject to the employee retirement income security act of 1974, credit life insurance, or group life insurance.

(b) In selling life insurance or annuities, an agent shall, at the beginning of a solicitation, inform the prospective purchaser that he or she is acting as an insurance agent. Each applicant shall be furnished a policy summary at or before the time of policy delivery. For the purpose of this regulation, a policy summary means a written statement describing the elements of the policy. The summary shall include the following information:

(1) The name and address of the insurance agent or if an agent is not involved, the name, address and telephone number of the person designated to receive inquiries regarding the policy summary;

(2) the full name and home office or administrative office address of the company writing the life insurance or annuity policy;

(3) the generic name of the basic policy or contract and each rider;

(4) amounts, where applicable, for the first five policy years, the tenth and twentieth policy years, and for at least one age from 60 through 65 or at maturity as follows:

(A) The annual premium for the basic policy;

(B) the annual premium for each optional rider;

(C) the guaranteed amount payable upon death, at the beginning of the policy year, for all causes of death other than suicide, or other specifically enumerated exclusions. The guaranteed amount payable under the basic policy and each rider shall be listed separately;

(D) the total guaranteed cash surrender values at the end of the year with values shown separately for the basic policy and each rider;

(E) the cash dividends payable to the end of the year with values shown separately for the basic policy and each rider, except that dividends need not be displayed beyond the twentieth policy year; and

(F) the guaranteed endowment amounts payable under the policy which are not included under guaranteed cash surrender values above;

(5) (A) if a policy summary includes dividend illustrations, a statement that dividends are based on the company's current dividend scale and are not guaranteed;

(B) if a policy summary includes interest rate illustrations, a statement that projected or assumed interest rates are based on current interest rates and cannot be guaranteed;

(6) the effective policy loan annual percentage interest rate, if the policy contains a loan provision. The policy summary shall state whether this rate is applied in advance or in arrears. If the policy loan interest rate

(continued)

is variable, the policy summary shall include the maximum annual percentage rate;

(7) the date on which the policy summary is prepared; and

(8) a statement to the effect that the presentation does not recognize that, because of interest, a dollar in the future has less value than a dollar today, unless the policy summary includes index figures which recognize the time-value of money. If index figures are included in the policy summary, the applicant shall receive written notification at the time the policy summary is delivered that those figures may be used only for comparing the relative costs of similar policies.

The policy summary shall consist of a separate document. All disclosure information required shall be set out in a manner that will not minimize or render any portion of it obscure. Amounts which remain level for two or more years may be represented by a single number if it clearly indicates what amounts apply to each policy year. Amounts in paragraph (4) of this subsection shall be listed in total. If multiple insureds are covered under one policy or rider, guaranteed death benefits shall be displayed separately for each insured, or for each class of insureds when death benefits do not differ within the class. Zero amounts shall be displayed as zero and shall not be displayed as a blank space.

(c) The following shall be deemed prohibited, unfair or deceptive acts or practices in the selling of insurance:

(1) Making a misrepresentation or false, deceptive or misleading statement;

(2) using comparisons or analogies or manipulating amounts and numbers in a way that will mislead the prospective purchaser concerning the cost of the insurance protection coverage;

(3) referring to an insurance premium as a deposit, an investment, a savings or the use of other phrases of similar import when referring to an insurance premium. This subsection shall not prohibit discussion of the savings values of a life insurance policy having cash values;

(4) describing the policy dividend as other than a refund or return of part of the aggregate premiums paid to the company, which is not guaranteed and which is dependent on the investment earnings, mortality experience and expense experience of the company; and

(5) recommending to a prospective purchaser the purchase or replacement of any life insurance policy or annuity contract with reasonable grounds to believe that the recommendation is unsuitable for the applicant on the basis of information furnished by this person, or otherwise obtained.

(d) (1) No annuity shall be advertised or solicited using any language in advertisements or solicitation material of any kind that refers to the annuity as being "risk free," or a similar connotation.

(2) At the time an application is taken for a single premium deferred annuity, the disclosure form prescribed by the commissioner shall be executed by the applicant and the selling agent and attached to the

application. (Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. 40-2404 as amended by L. 1987, Ch. 171, Sec. 1; effective Jan. 1, 1974; amended May 1, 1981; amended May 1, 1982; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988.)

40-2-15. Individual life insurance policies; right to return policy. (a) Each individual life insurance policy and annuity contract issued for delivery in this state shall contain a notice.

(b) The notice shall be printed on or attached to the first page of the policy. Such notice shall be printed in not less than 10 point type and shall be printed in a bold face type or in some other manner that distinguishes it from the print otherwise appearing in the policy. It shall state that the person to whom the policy is issued shall be permitted to return the policy or contract within at least 10 days of its delivery to the purchaser and to have the premium paid refunded if the purchaser is not satisfied.

(c) Each policy returned to the company or association at its home or branch office or to the agent through whom it was purchased, shall be void. Each party shall be in the same position as if no policy had been issued. (Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. 40-2404 as amended by L. 1987, Ch. 171, Sec. 1; effective Feb. 15, 1977; amended May 1, 1979; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988.)

40-2-16. Life insurance and annuities; mortality tables; sexual distinctions; permits and prohibitions.

(a) For each policy of life insurance delivered or issued for delivery in this state, the blended 1980 CSO and CET mortality tables A through G, adopted December 1983 and tables SA through SG and NA through NG adopted December 1986 by the national association of insurance commissioners, may be substituted for the 1980 CSO or CET table, with or without ten-year select mortality factors.

(b) It shall not be a violation of K.S.A. 40-2404(7) for an insurer to issue the same type of life insurance policy on both a sex-distinct and sex-neutral basis. (Authorized by K.S.A. 40-103, 40-428; implementing K.S.A. 40-428; effective, T-85-11, April 11, 1984; effective May 1, 1985; amended May 1, 1986; amended May 1, 1988.)

40-2-22. Life insurance companies; deposits; requirements. (a) For purposes of this regulation, these terms shall have the following meanings:

(1) "Custodial account" means an account established by written agreement between a company and a custodian pursuant to K.S.A. 40-404(e).

(2) "Custodial agreement" means a written agreement entered into between a company and a custodian pursuant to K.S.A. 40-404(e).

(3) "Custodian" means an institution meeting the requirements of subsection (f) of this regulation that has entered into a custodial agreement with a company.

(4) "Securities" means all assets that may be used to satisfy the deposit requirements of K.S.A. 40-404, including mortgages, certificates of purchase, cash, se-

curities of the kind or character in which the company is allowed to invest its funds, and investment income due and accrued on custodied securities that are not in default; provided that "securities" shall not include real estate, other than the company's interest as a mortgagee or secured party.

(5) "Custodied securities" means securities held by the custodian or held for the account of the custodian in an authorized clearing corporation, in the federal reserve bank book-entry system, or in a United States bank authorized by section (b) of this regulation.

(b) Pursuant to the provisions of K.S.A. 40-404(e)(2) the custodian bank may, if otherwise authorized by the laws of this state, utilize the services of another United States bank to physically hold custodied securities, and to prepare any reports required by the custodial agreement, on behalf of the custodian. The custodian bank shall remain responsible for the safekeeping of all custodied securities, the submission of any reports required by this regulation and compliance with all other requirements imposed by K.S.A. 40-404 as amended and this regulation.

(c) The custodial agreement shall be in writing and shall provide that:

(1) The custodial account shall be titled so as to indicate that the custodied securities are held in trust for the use and benefit of the company;

(2) securities held in a fungible bulk by the custodian for more than one owner and securities held for the account of the custodian in an authorized clearing corporation, in the federal reserve bank book-entry system or in the United States bank authorized by section (b) of this regulation shall be separately identified on the custodian's official records as being owned by the company;

(3) the custodian's records shall identify which custodied securities are in an authorized clearing corporation, the federal reserve bank book-entry system, or a United States bank authorized by section (b) of this regulation;

(4) if the securities are held in an authorized clearing corporation or in a United States bank authorized by section (b) of this regulation the custodian's records shall also identify the name of the clearing corporation or United States bank, the location of the securities, and, if held through an agent, the name of the agent;

(5) all custodied securities that are registered must be registered in the name of the company, in the name of a nominee of the company, in the name of the custodian or its nominee, or, if held in an authorized clearing corporation, in the name of the clearing corporation or its nominee as provided in K.S.A. 40-2b20;

(6) during the course of the custodian's regular business hours, the commissioner or the commissioner's representative and authorized employees and representatives of the company shall be entitled to examine on the premises of the custodian the custodian's records relating to custodied securities of the company;

(7) the custodian is obligated to indemnify the company for any loss of custodied securities unless such loss is caused by war or insurrection;

(8) in the event there is a loss of securities as to

which the custodian is obligated to indemnify the company, the custodian shall promptly replace the same, or the value thereof, and the value of any loss of rights or privileges resulting from the loss of securities, and the custodian shall make available to the company for inspection any and all securities so replaced;

(9) the custodial agreement and all amendments to it shall be submitted by the company to the commissioner for the commissioner's review and approval prior to execution. The custodial agreement and all amendments thereto shall be deemed approved unless disapproved by the commissioner within 30 days of the date the agreement and any amendments are received by the commissioner. The custodial agreement may be terminated only with the prior approval of the commissioner;

(10) in no event shall the custodian allow the company to withdraw or exchange securities that would at any time reduce the aggregate value of the securities held by the custodian in the company's custodial account to a value less than the minimum aggregate value of securities currently in effect, as determined under subsection (e) of this regulation. The aggregate value of securities on deposit with the custodian shall be determined by utilizing the same procedure for valuing securities as that used by the commissioner for valuing other deposits made pursuant to K.S.A. 40-404. The custodian may effect transfer of securities that would reduce the aggregate value of the securities held by the custodian in the company's custodial account to a value less than the minimum aggregate value of securities currently in effect if such securities or their proceeds are immediately transferred directly by the custodian to the commissioner for deposit pursuant to K.S.A. 40-404(a) and the commissioner authorizes the transfer in writing;

(11) the custodian shall, within 30 days after the last day of each month, provide evidence to the commissioner in a form acceptable to the commissioner that the aggregate value of securities held by the custodian for the company as of the last day of the prior month was at least equal to the minimum aggregate value of securities effective as of such date, as determined under subsection (e) of this regulation. This evidence shall include the following information to the extent relevant to each type of security:

- (A) The balance in any cash account;
- (B) name of issuer;
- (C) description of security;
- (D) number of shares;
- (E) face value;
- (F) form of ownership registration;
- (G) location of the security;
- (H) original cost;
- (I) current market; and
- (J) unpaid balance.

If the custodian fails to provide this evidence or the commissioner has reason to believe that the custodian may be insolvent or that the custodian's financial condition endangers the custodied securities, the commissioner may acquire custody or otherwise as-

(continued)

sume control of the custodied securities, and may order registration, delivery, or other disposition as the commissioner deems appropriate under the circumstances; and

(12) the commissioner or his duly authorized assistant commissioner or representatives may at any time inspect the securities held under a custodial agreement.

(d) The custodial agreement may contain additional provisions which are not in conflict with this regulation.

(e) The minimum aggregate value of securities shall be stated in the original custodial agreement referred to in section (c) of this regulation but may be changed from time to time with the written consent of the commissioner. The company may from time to time deposit securities in, withdraw securities from, or exchange securities in the custodial account, subject to the provisions of paragraph (c)(10) of this regulation.

(f) (1) To qualify as a custodian pursuant to L. 1987, Ch. 162, Sec. 1 and this regulation, an institution shall meet all of the following conditions:

(A) It shall be a bank domiciled and having its principal place of business in Kansas;

(B) it shall possess a combined capital and surplus which at all times equals or exceeds \$500,000; and

(C) it shall maintain blanket bond coverage relating to the custodied securities with limits satisfactory to the commissioner.

(2) Upon notice and hearing, the commissioner may terminate the acceptance of deposits made with any custodian not in compliance with the requirements of this regulation. (Authorized by K.S.A. 40-103, 40-404(e)(4) as amended by L. 1987, Ch. 162, Sec. 1; implementing K.S.A. 40-404(e) as amended by L. 1987, Ch. 162, Sec. 1; effective, T-88-44, Oct. 27, 1987; amended May 1, 1988.)

Article 3.—FIRE AND CASUALTY INSURANCE

40-3-12. Fire and casualty insurance companies; rating plans; requirements. (a) "Individual risk rating plans" means individual risk premium modification plans, schedule rating plans and similar plans applicable to commercial lines of property and casualty insurance which include one or more of the following types of premium modification:

(1) Risk modification means the application of judgment debits and credits through schedule rating or individual risk premium modification plans to the individual rates otherwise applicable, based on the individual risk's variations in hazard and characteristics of the risk not reflected in its experience. Risk modification does not include variations in expenses.

(2) Expense modification means the variation of the premium for an individual risk that corresponds to the variation in the expenses of this risk from the provision for losses applicable to that entire class of risk.

(3) Experience modification, excluding retrospective rating plans, means a variation in the premium for an individual risk that corresponds to that risk's varia-

tion in past loss experience from the provision for losses applicable to that entire class of risk.

(b) Individual risk rating plans permitted by K.S.A. 40-927 and 40-1112 shall comply with the following requirements:

(1) Each plan shall specify the kind of insurance or subdivision or combination to which the plan applies.

(2) The maximum credit or debit resulting from risk modification shall not exceed 25 percent.

(3) Each plan shall establish standards which bear a relationship to the variation in hazard or expense, or both, to be measured.

(4) Each plan shall be mandatory for all eligible risks, and shall be applied by company representatives responsible for underwriting the risk or risks involved in a manner that is uniform and not unfairly discriminatory.

(5) Each company using individual risk rating plans shall obtain all information necessary to determine the proper application of the plans to any particular risk. Each company shall maintain adequate supporting information for examination by the commissioner upon request.

(6) Any change or removal of credits or debits which results from the application of individual risk rating plans shall occur only on the anniversary or renewal of a policy but not during the policy period.

(7) Any change or removal of a debit or credit which was applied under an individual risk rating plan or expense modification must be based on conclusive evidence that either the conditions which produced the most recent debits or credits no longer exist or their impact has been reduced in direct proportion to the new rating treatment applied. (Authorized by K.S.A. 40-103, 40-937 as amended by L. 1987, Ch. 166, Sec. 1, 40-1118 as amended by L. 1987, Ch. 166, Sec. 2; implementing K.S.A. 40-927 as amended by L. 1987, Ch. 165, Sec. 1, 40-1112 as amended by L. 1987, Ch. 165, Sec. 2; effective Jan. 1, 1966; amended May 1, 1979; amended May 1, 1986; amended May 1, 1988.)

40-3-33. Same; basic property insurance; inspection; placement; procedures; requirements. (a) Each insurer, as defined in section (b)(1), shall file a statement with the commissioner, pledging its full participation and cooperation in carrying out the plan established by this regulation.

(b) Definitions.

(1) "Insurer" means any insurance company or other organization licensed to write and engaged in writing property insurance business in this state on a direct basis, including the property insurance components of multi-peril policies. This definition does not include insurers which elect not to participate.

(2) "Basic property insurance" means the coverage against direct loss to real and tangible personal property at a fixed location in an urban area that is provided in a basic fire policy with extended coverage perils and vandalism, including builders' risk. Basic property insurance does not include farm risks, automobile risks, or types of manufacturing risks excluded by the governing committee with the approval of the commissioner.

(3) "All-industry placement facility" or "facility" means the organization formed by insurers to assist applicants in urban areas in securing basic property insurance and to administer the FAIR plan and the joint reinsurance association.

(4) "Joint reinsurance association" means the association formed by the insurers which provides for the equitable distribution of risks.

(5) "Inspection bureau" means the rating bureau or other organization designated by the facility with the approval of the commissioner to make inspections as required under the plan and to perform other duties authorized by the facility.

(6) "Urban area" includes any municipality or other political subdivision of a state and any additional areas designated by the commissioner.

(7) "Premiums written" means gross direct premiums, excluding that portion of premium on risks ceded to the joint reinsurance association, charged during the second preceding calendar year with respect to property in this state on all policies of basic property insurance; and the basic property insurance premium components of all multi-peril policies, as computed by the facility, less return premiums, dividends paid or credited to policyholders, or the unused or unabsorbed portions of premium deposits.

(8) "Habitational" means basic property insurance included under the personal lines statistical plan other than automobile.

(9) "Commercial" means basic property insurance not included under the personal lines statistical plan other than automobile.

(10) "Property owner," with respect to any real, personal, or mixed real and personal property, means any person having an insurable interest in the property.

(11) "Person" includes any individual or group of individuals, corporation, partnership, association, or any other organized group of persons.

(12) "Commissioner" means the commissioner of insurance of the state of Kansas.

(13) "Servicing insurer" means an insurer designated by the governing committee to issue policies on behalf of the facility.

(14) "Fire division" means a building or structure eligible for separate rating in accordance with the rules filed with the commissioner by ISO Commercial Risk Services, Inc., or its successor.

(15) "Plan" means the system of providing insurance coverage through the all-industry placement facility and joint reinsurance association.

(c) The manner and scope of the inspections of plan business shall be prescribed by the facility with the approval of the commissioner.

(d) An inspection report shall be made for each property inspected. The report shall cover pertinent structural and occupancy features as well as the general condition of the building and surrounding structures. Representative photographs of the property may be taken during the inspection.

(e) Within 12 business days after the inspection, a copy of the completed inspection report and any photograph indicating the pertinent features of the build-

ing, construction, maintenance, occupancy and surrounding property shall be sent promptly to the facility. A copy of the inspection report shall be made available to the applicant.

(f) If upon receipt of an application for coverage and the corresponding inspection report from the inspection bureau, the facility finds that the property is eligible for insurance under the plan, the facility shall assign the application to a servicing insurer.

(g) After assignment of an application to a servicing insurer as in (f) above, the facility shall apportion the liability so assumed to the insurers in the manner provided in section (u).

(h) Assessments upon each insurer in the plan for expenses in connection with plan business shall be levied and assessed by the governing committee of the facility in the manner provided in section (u), subject to such minimum assessment as shall be established by the governing committee.

(i) All servicing expenses, losses and loss adjustment expenses of a servicing insurer shall be recoverable from the facility in the manner and to the extent determined by the governing committee.

(j) The maximum limits of liability which may be placed through the plan are:

(1) On any habitational property in one fire division under one ownership, its insurable market value, actual cash value or \$200,000, whichever is less; and

(2) on any commercial property in one fire division under one ownership, its insurable market value, actual cash value or \$1,000,000, whichever is less. Maximum limits shall apply jointly to real and personal property.

(k) The facility shall, within 10 business days after receipt of the inspection report and application, complete an action report advising that:

(1) The risk is acceptable;

(2) the risk is acceptable at a surcharged rate and the facility shall attach a rate make-up statement, including the condition charge;

(3) the risk will be acceptable if the improvements noted in the action report are made by the applicant and acknowledged by the facility; or

(4) the risk is not eligible for the reasons stated in the action report.

(1) In the event a risk is declined because it fails to meet reasonable underwriting standards, the facility will so notify the applicant. Reasonable underwriting standards shall include the following:

(1) Physical condition of the property, including its construction, heating, wiring, evidence of previous fires or general deterioration; and

(2) its present use or housekeeping.

(m) If the risk is acceptable to the facility, the facility shall notify the applicant and the licensed producer designated by the applicant, of the name of the servicing insurer and the premium to be charged. The servicing insurer, upon receipt of the total premium, shall within five business days issue the policy to be effective at 12:01 a.m. of the effective date of coverage. The policy and any necessary copies shall be forwarded to the licensed producer for delivery. The

(continued)

servicing insurer shall pay the commission to the licensed producer designated by the applicant.

(n) In the event the risk is conditionally declined because the property does not meet reasonable underwriting standards but can be improved to meet the standards, the facility shall promptly advise the applicant what improvements noted in the action report should be made to the property. Upon satisfactory completion of the improvements by the applicant or property owner and notification of the facility, the facility may have the property reinspected and shall then process the application in the manner described in subsection (m) above.

(o) If the inspection of the property reveals that there are one or more substandard conditions, surcharges may be imposed in conformity with filings approved by the commissioner.

(p) If the facility declines the risk, or agrees to write the coverage sought on condition that the property will be improved, it shall promptly send a copy of both the inspection and action reports to the property owner and the commissioner. At the time the facility sends these reports to the property owner, it shall also explain the right to appeal the decision of the facility to the commissioner pursuant to subsection (aa) of the plan and shall set forth in writing the procedures to be followed for this appeal.

(q) Any insurer, which is a member of a group of insurers under the same management or ownership, shall have the option of designating the insurer within the group to whom assignments shall be made as a servicing insurer.

(r) The servicing insurer shall cede to the joint reinsurance association 100 percent of all policies written under the plan.

(s) A joint reinsurance association shall be created consisting of all insurers.

(t) The association shall assume from the servicing insurers 100 percent reinsurance on behalf of insurers.

(u) Each insurer shall participate in the writings, expenses, profits and losses of the association in the following manner:

(1) For habitational risks, the same proportion as its habitational premiums written bear to the aggregate habitational premiums written by all insurers in the program; and

(2) for commercial risks, the same proportion as its commercial premiums written bear to the aggregate commercial premiums written by all insurers in the program.

(v) The association shall adopt a plan of operation and rules of procedure which, prior to being placed into effect, shall be filed with and approved by the commissioner. Any amendments to the plan of operation or rules of procedure so adopted shall also be filed and approved by the commissioner prior to being placed into effect.

(w) All policies issued shall be for basic property insurance on the forms and in accordance with the rates and rating procedures approved by the commissioner for use with the plan. The policies shall be issued for a term of one year.

(x) A servicing insurer shall not cancel a policy or

binder issued under the plan without approval of the governing committee.

(y) Each notice of cancellation of a policy or binder issued under the plan or notice of declination at expiration of a policy, together with a statement of the reason therefor, shall be sent to the insured and a copy sent to the agent. Any cancellation notice shall be sent not less than 30 days prior to the cancellation date. Any declination at expiration of a policy shall be sent not less than 30 days prior to expiration for habitational risks and not less than 60 days prior to expiration for commercial risks.

(z) Each notice of cancellation or declination at expiration to the insured relating to a policy or binder issued under the plan shall contain the procedures for obtaining an inspection under the plan and shall be accompanied by a statement that the insured has a right of appeal as provided in subsection (aa).

(aa) Any applicant may make a written appeal of a decision of the facility relating to the conditions for acceptance of coverage. This appeal shall be made to the commissioner within 30 days from the decision of the facility.

(bb) Other than as provided in subsection (aa) above, any applicant or insurer shall have the right of appeal to the governing committee. A decision of the committee may be appealed in writing to the commissioner within 30 days from the action or decision of the committee.

(cc) Commissions under the program shall be as determined by the governing committee and shall be paid to the licensed producer designated by the applicant. A servicing insurer may pay the applicable commission to an agent licensed for any property insurance company licensed by the state of Kansas.

(dd) This program shall be administered by a governing committee of the facility, subject to the supervision of the commissioner, and operated by a manager appointed by the committee.

(ee) The governing committee shall have the authority to make and issue the operating rules necessary to implement this program. The operating rules shall be subject to approval by the commissioner prior to their use.

(ff) The governing committee shall consist of seven insurers and two agents, one of which shall be selected from each of the following:

- (1) Kansas association of property and casualty companies;
- (2) other non-stock companies;
- (3) other stock companies;
- (4) Kansas stock insurers;
- (5) alliance of American insurers;
- (6) American insurance association;
- (7) national association of independent insurers;
- (8) professional insurance agents of Kansas; and
- (9) independent insurance agents of Kansas.

The three insurer associations shall designate their representatives to the committee. The two Kansas insurer groups shall designate their representatives in the manner mutually agreed upon by their respective companies. The two agents' associations shall designate their representatives to the committee. The

"other stock companies" and "other non-stock companies" members of the committee shall be selected by the other seven representatives.

(gg) Representatives on the governing committee shall serve for a period of one year or until successors are elected or designated.

(hh) There shall be an annual meeting of the insurers and members of the governing committee on a date fixed by the committee.

(ii) A special meeting may be called at a time and place designated by the committee or upon the written request to the committee by 10 insurers, not more than one of which may be in a group under the same management or ownership.

(jj) Twenty days' written notice of the annual or special meeting shall be given by the committee to the insurers. A majority of the insurers shall constitute a quorum. Voting by proxy shall be permitted. Notice of any meeting shall be accompanied by an agenda for the meeting.

(kk) Any matter, including amendment of this program, may be proposed and voted upon by mail provided this procedure is unanimously authorized by the members of the committee. If so approved by the committee, notice of any proposal shall be mailed to the insurers not less than 20 days prior to the final date fixed by the committee for voting thereon.

(ll) At any regular or special meeting at which the vote of the insurers is or may be required on any proposal including amendment to this program, or any vote of the insurers which may be taken by mail on any proposal, the votes shall be cast and counted on a weighted basis in accordance with each insurer's premiums written. On any proposal deemed by the committee to relate exclusively to habitational or exclusively to commercial business, the votes shall be cast and counted on a weighted basis in accordance with each insurer's respective habitational or commercial premiums written. A proposal shall become effective when approved by at least two-thirds of the votes cast on this weighted basis.

(mm) Each amendment of the program shall be subject to approval by the commissioner.

(nn) The committee shall meet as often as may be required to perform the general duties of administration of the program or on the call of the commissioner.

(oo) The governing committee shall be empowered to appoint a manager, who shall serve at the pleasure of the committee, to budget expenses, levy assessments, disburse funds, and perform all other duties necessary or incidental to the proper administration of the program. The adoption of, or substantive changes in, pension plans or employee benefit programs shall be subject to approval of insurers. Assessments upon each insurer shall be levied on the basis of its premiums written.

(pp) Annually, the manager shall prepare an operating budget which shall be subject to approval of the committee. This budget shall be furnished to the insurers after approval. Any contemplated expenditure in excess of, or not included in, the annual budget shall require prior approval by the committee.

(qq) The committee shall furnish to all insurers and

to the commissioner a written report of operations annually in form and detail as the committee may determine.

(rr) The presence of seven members of the committee, at least five of whom shall be insurers, shall constitute a quorum.

(ss) The committee shall appoint an underwriting committee to review with the manager of the plan, risks which have been submitted for insurance and may appoint other committees as it may deem advisable.

(tt) The servicing insurers shall maintain records by policyholder, producer of record, and dates of coverage for each application received and assigned pursuant to subsection (f).

(uu) Each servicing insurer shall separately code and maintain separate statistics on business written in accordance with the foregoing plan and shall make reports thereon as may be required by the governing committee and the commissioner.

(vv) The manager shall submit annually, or at any other periods as may be designated by the commissioner, to the committee and the commissioner a report setting forth the number of requests for inspections, the number of risks inspected, the number of policies written, the number of risks conditionally accepted and reinspections made, the number of risks declined, and any other information as the commissioner may request. (Authorized by K.S.A. 40-103, 40-2116; implementing K.S.A. 40-2101; effective, E-69-3, Oct. 7, 1968; amended, E-69-5, Jan. 8, 1969; effective Jan. 1, 1970; amended, E-70-41, Sep. 1, 1970; amended Jan. 1, 1970; amended May 1, 1988.)

Article 4.—ACCIDENT AND HEALTH INSURANCE

40-4-22. Accident and health insurance policies; right to return policy. Each individual accident and health policy, except travel accident policies or policies of a similar type, issued for delivery in this state, shall have printed on, or attached to the first page of the policy, a notice stating that the person to whom the policy is issued shall be permitted to return the policy or contract within at least 10 days of its delivery to the purchaser and to have the premium paid refunded if purchaser dissatisfaction exists. The notice shall be printed in not less than 10 point type and shall be printed in bold face type or in some other manner that distinguishes it from the print otherwise appearing in the policy. When a policyholder or purchaser, pursuant to the notice, returns the policy to the company or association at its home or branch office or to the agent through whom it was purchased, the policy shall be void from the beginning and the parties shall be in the same position as if no policy or contract had been issued. (Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. 40-2404; as amended by L. 1987, Ch. 171, Sec. 1; effective Jan. 1, 1972; amended May 1, 1975; amended May 1, 1979; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988.)

(continued)

Article 5.—CREDIT INSURANCE

40-5-107. Same; credit insurance rates and forms.

(a) The basic test of the reasonableness of the relation of benefits to the premium charges shall be an anticipated loss ratio of "claims incurred" to "premiums earned" of not less than 50 percent. Due consideration shall be given to a reasonable allowance for expenses.

(b) Benefits shall not be reasonable in relation to the premium charged if the premiums or premium rates filed with the commissioner exceed the following, or actuarially equivalent, rates:

(1) Credit life insurance.

(A) For decreasing term life insurance the rate shall not exceed \$.65 per \$100 insurance per annum;

(B) for joint life insurance the rate shall not exceed one and two-thirds of the appropriate single life rate;

(C) for level term life insurance the rate shall not exceed \$1.20 per \$100 insurance per annum;

(D) for monthly outstanding balance insurance the rate shall not exceed \$1.00 per month per one \$1,000 of insurance; and

(E) The rates shall be presumed reasonable only if the policies contain:

(i) No exceptions, limitations or exclusions, except for suicide, during the first two years; and

(ii) no age restriction or only age restrictions making ineligible for coverage debtors 65 years or over at the time the indebtedness is incurred, or debtors who have attained age 66 years or over on the maturity date of the indebtedness.

(2) Credit accident and health insurance.

(A) For credit accident and health insurance the following single premium rates per \$100 initial insured indebtedness:

Number of months in which indebtedness is repayable	NONRETROACTIVE BASIS	
	14 day elimination period	30 day elimination period
6 or less	1.00	.40
12	1.40	.80
24	2.20	1.60
36	3.00	2.40
48	3.50	2.90
60	3.90	3.30
	RETROACTIVE BASIS	
	14 day elimination period	30 day elimination period
6 or less	1.80	1.30
12	2.20	1.70
24	3.00	2.50
36	3.80	3.30
48	4.30	3.80
60	4.70	4.20

(B) Rates for policies of credit accident and health insurance, the premiums for which are paid other than on a single premium basis, for benefits on a basis different than as provided in (C) below, or for different monthly durations than illustrated, shall be actuarially consistent with the rates specified above.

(C) The premium rates specified shall be for policies which contain no exclusion for pre-existing conditions except for those conditions which manifest themselves to the insured by requiring medical diagnosis or treatment, or would cause a reasonably prudent person to seek medical diagnosis or treatment within six months preceding the effective date of the coverage as to the insured debtor, and which cause loss within the six months following effective date of

coverage. Disabilities thereafter resulting from the condition shall be covered.

(c) Each contract to which the foregoing rules apply may contain provisions excluding or restricting coverage in the event of total disability resulting from pregnancy, intentionally self-inflicted injuries, flight in nonscheduled aircraft, or war. The policies may contain the same age limitation on eligibility as set forth for credit life policies.

(d) Each new policy or certificate of consumer credit insurance issued after the effective date of this regulation shall not be at a rate exceeding any provision of this regulation.

(e) Each insurer may receive approval of a higher premium rate or schedule of rates to be used in connection with a particular policy form providing insurance on the debtors of a creditor or a class or classes of debtors if the insurer demonstrates, to the satisfaction of the commissioner, that the mortality or morbidity experience which may reasonably be anticipated shall develop a loss ratio in excess of 60 percent when the rate standards in K.A.R. 40-5-107 are used.

(f) On the basis of mortality or morbidity experience reported under K.A.R. 40-5-109, the premium rates may be continued, allowed to be increased, or required to be decreased. (Authorized by K.S.A. 40-103, 16a-4-112; implementing K.S.A. 16a-4-203; effective Jan. 1, 1974; amended May 1, 1979; amended May 1, 1986; amended May 1, 1988.)

40-5-108. Same; refunds. (a) Formulas for computing refunds of credit insurance premiums shall be acceptable to the commissioner for coverage as follows:

(1) Pro rata method. The pro rata unearned gross premium method for level term credit life insurance, credit accident and health insurance where the insured is covered for a constant maximum indemnity for a given period of time, after which the maximum indemnity begins to decrease in even amounts per month, and for credit insurance coverages under which premiums are collected from the consumer on a basis other than the single premium basis.

(2) Sum of the digits method. The "rule of 78" or "sum of the digits" unearned premium method of coverages other than those included in paragraph (1).

(b) At the option of the insurer but consistent with subsection (a):

(1) Any charge for credit insurance may not be made for the first 15 days of a loan month and a full month may not be charged for 16 days or more of a loan month; or

(2) a refund may be made on a pro rata basis for each day within the loan month.

(c) The requirements of K.S.A. 16a-4-108 that refund formulas be filed with the commissioner shall be considered fulfilled if the refund formulas shall be set forth in the individual policy or group certificate filed with the commissioner. If the appropriate refund formula is the "sum of the digits" formula, commonly known as the "rule of 78," reference by either phrase shall be sufficient.

(d) Any insurance refund need not be made to the consumer if all refunds and credits due to the consumer amount to less than \$1. (Authorized by K.S.A.

40-103, 16a-4-112; implementing K.S.A. 16a-4-108; effective Jan. 1, 1974; amended May 1, 1979; amended May 1, 1986; amended May 1, 1988.)

40-5-109. Same; experience reports. Each insurer doing consumer credit insurance business in this state shall annually file with the insurance department a report of credit life and credit accident and health business written on a calendar year basis. This report shall utilize the credit insurance supplement-annual statement blank promulgated by the national association of insurance commissioners June 1985. The filing shall be made not later than June 30 of each year. (Authorized by K.S.A. 40-103, 16a-4-112; implementing K.S.A. 16a-4-203; effective Jan. 1, 1974; amended May 1, 1979; amended May 1, 1986; amended May 1, 1988.)

Article 7.—AGENTS

40-7-7. Agents; procedure for obtaining licenses and company certification. (a) Licenses.

(1) Each individual desiring to become licensed shall complete and submit an application and evidence of graduation from an accredited four year high school or its equivalent. A copy of the high school or college diploma of the applicant, certified by school authorities, or a certificate of completion of the general education development test (GED) by the applicant shall be acceptable evidence.

(2) The examination fee prescribed by Kansas administrative regulation 40-7-21 shall accompany the application and other required material.

(3) When the applicant has met all requirements for an agent license as prescribed by statute and these rules and regulations, except the passing of a written examination, the applicant shall be notified by the commissioner that the applicant may appear for examination.

(4) If the applicant has not been licensed and certified as a resident agent in this state during the two years immediately preceding the date of the application, the applicant shall pass a written examination covering each class or subclass of insurance that the applicant intends to write.

(b) Certification.

(1) The company certification shall be completed to show the company name, name and address of the agent to be certified, the code number of the desired certification, the application date, and the address of the insurance company office submitting the certification.

(2) Certification shall be issued only upon request from an authorized representative of the insurance company and shall be accompanied by proper certification fees.

(c) A full certification fee shall be charged for any certification issued.

(d) The company certification of a nonresident agent shall be accompanied by a certification from the chief insurance regulatory official of the applicant's state of domicile indicating that the applicant is duly licensed as an insurance agent in this state for the classes of insurance to be transacted in Kansas. (Au-

thorized by K.S.A. 40-103; implementing K.S.A. 40-240, 40-241, 40-252 as amended by L. 1987, Ch. 159, Sec. 15; effective Jan. 1, 1966; amended Jan. 1, 1967; amended Jan. 1, 1970; amended, E-70-28, July 1, 1970; amended Jan. 1, 1971; amended, E-71-24, July 1, 1971; amended Jan. 1, 1972; amended Feb. 15, 1977; amended, E-79-25, Oct. 19, 1978; amended May 1, 1979; amended May 1, 1983; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988.)

Article 9.—ADVERTISING

40-9-118. Life insurance; advertising. The national association of insurance commissioners' rules governing the advertising of life insurance, June 1976 edition, are hereby adopted by reference subject to the following exceptions:

(a) Sections I and X are not adopted.

(b) Section V, 13(d) is completed by insertion of "6" in the space requiring specification of a number of months.

(c) Section VI, 1. is modified to contain the word "or" instead of the word "of" after "form number" in the first sentence (Authorized by K.S.A. 40-103, 40-240a; implementing K.S.A. 40-240(1) as amended by L. 1987, Ch. 171, Sec. 1; effective Feb. 15, 1977; amended May 1, 1979; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988.)

Article 10.—FIREFIGHTER'S RELIEF

40-10-15. Firefighters relief act; application of statutory formula. In applying the formula set forth in L. 1987, Ch. 168, Sec. 1(c)(5), the result of the calculation prescribed by subsection (A)(ii) and (B)(ii) shall be the "amount received from taxes collected for all of calendar year 1983" referenced in subsections (A)(iv) and (B)(iv) respectively. (Authorized by L. 1987, Ch. 168, Sec. 2(g); implementing L. 1987, Ch. 168, Sec. 1(c)(5); effective, T-88-21, July 1, 1987; amended May 1, 1988.)

FLETCHER BELL
Commissioner of Insurance

Doc. No. 066344

(Published in the *Kansas Register*, April 7, 1988.)

NOTICE OF REDEMPTION
Industrial Revenue Bonds
(Osborne County Grain, Inc.)
Series A, 1980, Dated May 1, 1980
 of
the City of Osborne, Kansas

Notice is hereby given that pursuant to Section 4 of Ordinance No. 779 of the city of Osborne, Kansas, passed and approved on May 7, 1980, all of the city's outstanding industrial revenue bonds, Series A, 1980, dated May 1, 1980, authorized and issued under the aforesaid ordinance, have been called for redemption and payment on May 1, 1988 (the redemption date). Said outstanding bonds are numbered and bear interest as follows:

Bond Numbers	Maturity Date	Interest Rate
31- 36	May 1, 1989	10¼%
37- 44	May 1, 1990	10¼%
45- 52	May 1, 1991	10¼%
53- 60	May 1, 1992	10½%
61- 70	May 1, 1993	10½%
71- 82	May 1, 1994	10½%
83-112	May 1, 1995	10¾%

The principal amount of the bonds shall become due and payable on May 1, 1988, at the principal amount thereof plus accrued interest thereon to the redemption date together with a redemption premium equal to 3 percent of the par value of the principal amount thereof.

The bonds called for redemption will be redeemed and must be presented for payment at the principal offices of the fiscal agent and paying agent, the Farmers National Bank, First and Main, P.O. Box 189, Osborne, KS 67473. All coupons maturing subsequent to May 1, 1988 must be attached to and surrendered with said bonds.

The method of presentation and delivery of a bond is at the option and risk of the holder of each bond. If mail is used, insured registered mail, return receipt requested, is suggested.

On May 1, 1988, the bonds called for redemption shall cease to bear interest provided funds are available in the hands of the paying agent to pay the same in accordance with their terms.

Tax identification form W-9 or an exemption certificate is required or tax may be withheld from payment.

Dated March 28, 1988.

The Farmers National Bank
 First and Main
 P.O. Box 189
 Osborne, KS 67473
 as Fiscal Agent and Paying Agent

Doc. No. 006393

(Published in the *Kansas Register*, April 7, 1988.)

NOTICE OF REDEMPTION
Kansas City, Kansas
Single Family Mortgage Revenue Bonds
1980 Series A

Notice is hereby given that pursuant to Section 3.01 of the Trust Indenture dated May 1, 1980, \$1,870,000 principal amount of the bonds are called for redemption May 1, 1988, at the redemption price of 100 percent of the principal amount being redeemed plus accrued interest thereon to the redemption date.

This notice was first published in the Thursday, March 31, 1988 *Kansas Register* and in *The Bond Buyer*, which was mistakenly referred to in the *Register* publication as *Credit Markets*. A list of the serial numbers of the bearer bonds and the registered bonds can be found in those publications.

Security Bank of Kansas City
 Kansas City, Kansas, Trustee

(Editor's Note: In the March 31 printing of the following bond redemption notice, *The Bond Buyer* was mistakenly referred to as *Credit Markets*. The entire notice is being republished.)

(Published in the *Kansas Register*, April 7, 1988.)

NOTICE OF REDEMPTION
Johnson County, Kansas
Single Family Mortgage Revenue Bonds
1980 Series A

Notice is hereby given that pursuant to Section 3.01 of the Trust Indenture dated May 1, 1980, \$4,135,000 principal amount of the bonds are called for redemption May 1, 1988, at the redemption price of 100 percent of the principal amount being redeemed plus accrued interest thereon to the redemption date. This notice was first published on Thursday, March 31, 1988 in the *Kansas Register* and *The Bond Buyer*.

The serial numbers of the bearer bonds to be redeemed are as follows:

NOTE: Coupons due May 1, 1988 should be presented in the normal manner. Coupons due November 1, 1988 and all subsequent coupons must be attached to bonds called for redemption.

Due May 1, 1989: 969, 972, 982, 1022, 1052, 1098, 1118, 1132, 1151

CUSIP 478747-AJ

Due May 1, 1990: 1177, 1178, 1215, 1245, 1267, 1277, 1318, 1330, 1354, 1370

CUSIP 478747-AK

Due May 1, 1991: 1399, 1449, 1454, 1468, 1491, 1522, 1532, 1544, 1592, 1598

CUSIP 478747-AL

Due May 1, 1992: 1638, 1654, 1694, 1704, 1708, 1749, 1790, 1792, 1808, 1819, 1890, 1891

CUSIP 478747-AM

Due May 1, 1993: 1940, 1956, 1984, 1989, 2020, 2042, 2061, 2117, 2157, 2170, 2190

CUSIP 478747-AN

Due May 1, 1994: 2221, 2245, 2256, 2273, 2319, 2322, 2344, 2398, 2413, 2427, 2451, 2480, 2518, 2524, 2525

CUSIP 478747-AP

Due May 1, 1995: 2611, 2618, 2624, 2637, 2657, 2683, 2705, 2893, 2899, 2902, 2911, 2925, 2929, 2951

CUSIP 478747-AQ

Due May 1, 1996: 2953, 2977, 2996, 3008, 3041, 3094, 3141, 3158, 3170, 3189, 3199, 3213, 3243, 3267, 3287, 3337, 3374, 3384, 3386
CUSIP 478747-AR

Due May 1, 1999: 3392, 3403, 3431, 3435, 3440, 3469, 3484, 3519, 3539, 3544, 3561, 3586, 3647, 3648, 3658, 3702, 3728, 3732, 3779, 3781, 3798, 3821, 3887, 3899, 3962, 3973, 3981, 4023, 4025, 4026, 4050, 4062, 4092, 4126, 4152, 4177, 4194, 4214, 4243, 4260, 4297, 4344, 4369, 4385, 4448, 4449, 4485, 4502, 4532, 4549, 4597, 4602, 4604, 4638, 4666, 4681, 4692, 4745, 4774, 4798, 4805, 4806, 4811, 4858, 4903, 4918, 4922, 4988
CUSIP 478747-AU

Due May 1, 2011
CUSIP 478747-AV

5210	7886	10647	13373	15839	18363
5327	8041	10660	13408	15847	18374
5462	8083	10784	13410	15896	18376
5487	8244	10862	13483	16019	18436
5491	8253	10908	13624	16089	18469
5492	8311	10914	13626	16113	18483
5514	8323	11034	13663	16169	18619
5639	8410	11038	13692	16206	18643
5687	8430	11094	13707	16217	18749
5795	8436	11131	13806	16288	18809
5813	8598	11135	13817	16305	18819
5830	8711	11204	14004	16335	18902
5831	8715	11220	14038	16805	18939
5976	8793	11252	14175	16809	18945
5981	8938	11280	14197	16825	18972
6043	8977	11285	14212	16847	19030
6046	8991	11287	14217	16929	19034
6202	9038	11348	14230	16939	19130
6216	9086	11591	14352	17100	19140
6304	9091	11659	14395	17210	19176
6368	9119	11721	14430	17214	19187
6537	9154	11723	14431	17281	19239
6572	9176	11728	14443	17290	19244
6596	9192	11745	14482	17315	19574
6598	9211	11761	14547	17328	19655
6599	9244	11982	14593	17336	19912
6737	9262	12252	14710	17432	19940
6778	9441	12395	14734	17433	19963
6779	9649	12611	14739	17504	20012
6793	9806	12626	14746	17610	20047
6799	9812	12629	14788	17643	20068
6877	9856	12777	14815	17651	20080
6911	9859	12782	14877	17693	20106
6913	9887	12796	14931	17716	20114
6983	9980	12902	14957	17725	
7139	10179	12986	14959	17731	
7147	10181	12999	14976	17734	
7259	10190	13034	14978	17889	
7298	10274	13052	14985	18024	
7503	10278	13138	15039	18026	
7519	10344	13148	15051	18043	
7560	10429	13159	15069	18069	
7567	10444	13174	15140	18168	
7581	10470	13176	15239	18195	
7783	10477	13217	15403	18200	
7838	10604	13243	15828	18313	
7855	10633	13273	15834	18349	

The numbers of the registered bonds to be partially or fully redeemed in the amounts described below are as follows:

Due May 1, 1991:
CUSIP 478747-AL

Registered Bond Number	Amount Called
R545	5,000

Due May 1, 1993:
CUSIP 478747-AN

Registered Bond Number	Amount Called
R513	5,000
R523	5,000

Due May 1, 1995:
CUSIP 478747-AQ

Registered Bond Number	Amount Called
R530	5,000
R531	5,000

Due May 1, 1999:
CUSIP 478747-AU

Registered Bond Number	Amount Called
R102	5,000
R389	5,000

Due May 1, 2011:
CUSIP 478747-AV

Registered Bond Number	Amount Called
R269	5,000
R282	5,000
R320	5,000
R329	10,000
R344	10,000
R391	5,000
R418	135,000
R419	790,000
R420	785,000
R459	10,000
R461	5,000
R468	25,000
R472	5,000
R477	10,000
R481	5,000
R485	5,000
R490	10,000
R546	15,000
R547	5,000
R548	10,000
R549	15,000
R550	10,000
R551	15,000
R552	5,000
R553	5,000
R554	5,000
R555	5,000

Payment of the redemption price of the bearer bonds and the registered bonds to be redeemed will be made at Security Bank of Kansas City, One Security Plaza, Kansas City, KS 66117. To avoid a 20 percent backup withholding required by the Interest and Dividend Tax Act of 1983, bondholders should submit certified taxpayer identification numbers when presenting their securities for collection.

Notice is hereby given that on and after May 1, 1988, interest on the bonds hereby called for redemption shall cease to accrue.

Security Bank of Kansas City
Kansas City, Kansas, Trustee

Doc. No. 006380

(Published in the *Kansas Register*, April 7, 1988.)

NOTICE OF BOND SALE
\$1,685,000
Crawford County, Kansas
General Obligation Bridge Bonds
Series A, 1988

Sealed Bids

Sealed bids for the purchase of \$1,685,000 principal amount of general obligation bridge bonds, Series A, 1988, of the county hereinafter described, will be received by the undersigned, county clerk of Crawford County, Kansas, on behalf of the governing body of the county of Crawford County Courthouse until 10 a.m. C.D.T. on Tuesday, April 12, 1988. All bids will be publicly opened and read at said time and place and will be acted upon by the county immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The bonds will be dated May 1, 1988, and will become due serially on November 1 in the years as follows:

Year	Principal Amount
1990	\$250,000
1991	175,000
1992	150,000
1993	150,000
1994	160,000
1995	165,000
1996	180,000
1997	220,000
1998	235,000

The bonds will bear interest at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 1989.

Place of Payment and Bond Registration

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Kansas State Treasurer, Topeka, Kansas (the paying agent and bond registrar). The principal of the bonds will be payable at maturity or upon earlier redemption to the registered owners upon presentation and surrender of the bonds at the office of the paying agent. Interest on the bonds will be paid by check or draft mailed by the paying agent to the persons in whose names the bonds are registered on the registration books maintained by the bond registrar at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date.

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

Redemption of Bonds Prior to Maturity

At the option of the county, bonds maturing on No-

vember 1, 1996 and thereafter will be subject to redemption and payment prior to maturity on November 1, 1995, and thereafter in whole or in part on any interest payment date (bonds of less than a single maturity to be selected by lot in multiples of \$5,000 principal amount by the paying agent and bond registrar in such equitable manner as it shall designate), at the principal amount thereof, plus accrued interest to the redemption date, without premium.

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

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of $\frac{1}{8}$ or $\frac{1}{20}$ of 1 percent. No interest rate shall exceed the index of treasury bonds published by 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. The difference between the highest rate specified and the lowest rate specified shall not exceed 1.5 percent. No supplemental interest payments will be authorized. No bid of less than the principal amount of the bonds and accrued interest will be considered. Each bid shall specify the total interest cost to the county during the life of the bond issue on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the county on the basis of such bid. Each bid shall also specify the average annual net interest rate to the county on the basis of such bid. Bidders shall specify in the bid form the prices (exclusive of accrued interest), expressed as a dollar price, at which the bidder intends that each maturity amount of the bonds shall be initially offered to the public (the initial reoffering prices).

Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the county, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the county. If there is any discrepancy between the net interest cost

and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the county shall determine which bid, if any, shall be accepted, and its determination shall be final.

Authorization, Purpose and Security for the Bonds

The bonds are being authorized and issued to finance certain bridge repair or reconstruction of the county in accordance with K.S.A. 68-1103 *et seq.*, as amended and supplemented. The bonds will be general obligations of the county payable as to both principal and interest from ad valorem taxes which may be levied without limitation upon all the taxable tangible property, real and personal, within the territorial limits of the county.

Internal Revenue Code of 1986

The Internal Revenue Code of 1986 imposes requirements on the county which must be met subsequent to the issuance of the bonds by the county and, as a result, the county will and does hereby covenant that it will diligently undertake those steps necessary to maintain the tax-exempt status of the bonds. The county's failure to comply with such requirements could adversely affect the tax-exempt status of the bonds. Purchasers of the bonds should be aware that should the bonds lose their status as tax-exempt obligations as a result of the county's failure to comply with such requirements, the bonds are neither callable nor will the rate of interest on the bonds be adjusted to reflect such circumstances.

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

The code also requires property and casualty insurance companies, for taxable years beginning on or after January 1, 1987, to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986.

With the exception of certain "qualified tax-exempt obligations," the code provides that banks and thrift institutions may not deduct any portion of the interest cost

of purchasing or carrying tax-exempt obligations such as the bonds if such interest cost in incurred in taxable years ending after December 31, 1986, with respect to obligations acquired after August 7, 1986. The county does intend to designate the bonds as "qualified tax-exempt obligations" under Section 265 of the code.

Legal Opinion

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the county, printed on the bonds and delivered to the successful bidder when the bonds are delivered. Said opinion will also state that in the opinion of bond counsel, assuming continued compliance by the county with the provisions of the resolution authorizing the issuance of the bonds and the code, under existing law, the interest on the bonds is exempt from federal income taxation.

Delivery and Payment

The county will pay for printing the bonds and will deliver the bonds, without cost to the successful bidder, properly prepared, executed and registered, on or prior to May 12, 1988, at such bank or trust company in the contiguous United States of America as may be specified by the successful bidder. Said bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate regarding the completeness and accuracy of the official statement. Payment for the bonds shall be made in Federal Reserve funds, immediately subject to use by the county. The denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the county and bond registrar not later than 5 p.m. C.D.T. on April 29, 1988. In the absence of such information, the county will deliver bonds in the denomination of each maturity registered in the name of the successful bidder.

The successful bidder shall furnish the county by 5 p.m. C.D.T. on April 22, 1988, a certificate acceptable to the county's bond counsel to the effect that (i) the successful bidder has made a bona fide public offering of the bonds at the initial reoffering prices, and (ii) a substantial amount of the bonds was sold to the public (excluding brokers and other intermediaries) at such initial reoffering prices. Such certificate shall state that (1) it is made on the best knowledge, information and belief of the successful bidder and (2) 10 percent or more in par amount of the bonds of each maturity was sold to the public at or below the initial reoffering prices (such amount being sufficient to establish the sale of a "substantial amount" of the bonds).

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$33,700 payable to the order of the county to secure the county from any loss resulting from the failure of the bidder to comply with the terms of the bid. No interest will be paid upon the deposit

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made by the successful bidder. Said check shall be returned to the bidder if the bid is not accepted. If a bid is accepted, said check shall be held by the county until the bidder shall have complied with all of the terms and conditions of this notice, at which time said check shall be returned to the successful bidder or deducted from the purchase price at the option of the county. If a bid is accepted but the county shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check shall be returned to the bidder. If a bid is accepted but the bidder shall default in the performance of any of the terms and conditions of this notice, the proceeds of such check shall be retained by the county as and for liquidated damages.

CUSIP Numbers

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

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned county clerk and marked "Proposal for the Purchase of General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at Crawford County Courthouse and must be received by the undersigned prior to 10 a.m. C.D.T. on Tuesday, April 12, 1988.

Official Statement

Upon the sale of the bonds, the county will adopt an official statement in substantially the form as the preliminary official statement, subject to minor amendments and supplementation. Copies of the county's preliminary official statement relating to the bonds may be obtained from the county clerk or the county's financial adviser, United Securities, Inc., 444 Board of Trade Center, 120 S. Market, Wichita, KS 67202, (316) 265-9421. Upon request, a reasonable number of copies of the official statement will be made available to the successful bidder without charge. Additional copies may be obtained at the successful bidder's expense.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the county for the year 1987 is \$81,777,863. The total general obligation bonded indebtedness of the county as of the date of the bonds, including the bonds, is \$3,850,000. The financial adviser will not be submitting

a bid or participating in a group submitting a bid for the purchase of the bonds.

Dated March 25, 1988.

CRAWFORD COUNTY, KANSAS
Bette Lessen
County Clerk
Crawford County Courthouse
Girard, KS 66743
(316) 724-6115

Doc. No. 006372

(Published in the Kansas Register, April 7, 1988.)

NOTICE OF BOND SALE

\$2,300,000

Electric Utility Improvement Revenue Bonds
Series of 1988
of

The City of Lakin, Kearny County, State of Kansas
(Special obligation bonds payable only from the
revenues of the City's Electric Supply
and Distribution System)

Sealed Bids

Sealed bids will be received by the undersigned, city clerk of the city of Lakin, Kearny County, Kansas, on behalf of the city council of said city at the City Hall, 106 E. Waterman, Lakin, KS 67860, until 7:30 p.m. local time on Monday, April 18, for the purchase of \$2,300,000 principal amount of electric revenue bonds, Series of 1988, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the city council immediately thereafter. No oral or auction bids will be considered. The city of Lakin is on Mountain Daylight Time.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. The bonds will be dated May 1, 1988, and will become due serially on September 1, in the years as follows:

Year	Principal Amount
1990	\$ 95,000
1991	\$100,000
1992	\$110,000
1993	\$120,000
1994	\$130,000
1995	\$140,000
1996	\$150,000
1997	\$165,000
1998	\$175,000
1999	\$190,000
2000	\$205,000
2001	\$220,000
2002	\$240,000
2003	\$260,000

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

Other details of the bonds including the use of the bond proceeds, the establishment of a bond reserve fund and other funds, are set forth in the official statement,

as are the covenants of the city in regard to the operation of the facility, the establishing of rates, fees and charges to be charged by the city, coverage covenants and the city's authority to issue parity bonds under certain conditions.

Place of Payment and Bond Registration

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Kansas State Treasurer, Topeka, Kansas (the paying agent and bond registrar), to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day (whether or not a business day) of the calendar month next preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Kansas Attorney General and the Kansas State Treasurer.

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

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1990-1998, inclusive, shall become due without option or prior payment. At the option of the city, bonds maturing in the years 1999 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 manner to be by lot by the city in such equitable manner as it may determine) on September 1, 1998, or on any interest payment date thereafter at a redemption price equal to 100 percent of the principal amount of the bonds to be redeemed, without premium, plus accrued interest to 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 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 owner of said bonds, the Kansas State Treasurer, Topeka, Kansas, and to the manager of or managers of the underwriting account which originally purchased said bonds, 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.

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 10-1201 et seq., for the purpose of paying the cost of enlarging, extending and improving the city's electric supply and

distribution system. The bonds and the interest thereon will constitute general obligations of the city. The bonds shall be payable solely and only from the revenues produced from the operation of the city's electric supply and distribution system.

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiply of $\frac{1}{8}$ or $\frac{1}{20}$ of 1 percent. No interest rate may exceed a rate equal to the index of treasury bonds published by 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. The difference between the highest rate specified and the lowest rate specified cannot exceed 2 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be considered. Each bid must specify the total interest cost to the city during the term of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid must also specify the average annual net interest rate to the city on the basis of such bid.

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$46,000 (2 percent of the principal amount of the bonds) payable to the order of the city to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. Good faith checks submitted by unsuccessful bidders will be returned. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder has complied with all of the terms and conditions of this notice. If a bid is accepted but the city fails to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

Basis of Award

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

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to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 7:30 p.m. local time on the date of sale will be returned to the bidder unopened.

Bid Forms

All bids must be made on forms which may be procured from the city clerk, the city's financial adviser or bond counsel. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid.

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk, and marked "Proposal for Electric Revenue Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 7:30 p.m. local time on Monday, April 18, 1988.

CUSIP Numbers

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

Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before May 25, 1988, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. Delivery elsewhere will be made at the expense of the successful bidder. The successful bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including 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 must be made in federal reserve funds, immediately subject to use by the city.

The number and denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners must be submitted in writing by the successful bidder to the city and bond registrar at least 10 days prior to the closing date. In the absence of such information, the city will deliver one bond per maturity registered in the name of the manager of the successful bidder.

The reoffering prices to the public by the original purchaser must be furnished to the city at least one week prior to the closing date. A certificate stating that at least 10 percent of the bonds of each maturity has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at such reoffering prices must be furnished to the city by the original purchaser at closing.

Official Statement

The city has prepared an informational statement dated April 1, 1988, copies of which may be obtained from the city clerk, from bond counsel, or from the city's financial

adviser, George K. Baum and Company, 1004 Baltimore, Kansas City, MO 64105. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered at the successful bidder's expense.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city, for the year 1987, is as follows:

Equalized assessed valuation of taxable, tangible property	\$3,837,063
Tangible valuation of motor vehicles	\$ 17,254
Equalized assessed tangible valuation for computation of bonded debt limitations	\$3,854,317

The total general obligation bonded indebtedness of the city as of the date of the bonds is \$576,203. The Series of 1988 bonds are not subject to the city's bonded indebtedness limitations.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Fred W. Rausch, Jr., Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

Opinion of Bond Counsel

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. The opinion set forth in clause (a) above is subject to the condition that the city comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the bonds in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with certain of 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. The city has covenanted to comply with all such requirements.

The bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the code), a deduction is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest on the bonds. The city does not intend to issue bonds in excess of \$10,000,000 during calendar 1988.

Bond counsel expresses no opinion regarding other federal tax consequences arising with respect to the bonds.

The bonds are exempt from intangible personal property taxes levied by Kansas counties, cities or townships.

(Published in the KANSAS REGISTER, April 7, 1988.)

Other Federal Tax Matters

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, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the code); (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 is 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.

Outstanding Electric Utility Revenue Bonds

The city currently has outstanding an issue of electric utility system revenue bonds, Series 1975, in the amount of \$110,000, all of which bonds will be called for redemption and payment on October 1, 1988. Prior to said date, said bonds will be defeased by virtue of an escrow trust agreement, which trust will be fully funded from the proceeds of a reserve fund established for the payment of said bonds, interest thereon and call premiums. The Series of 1988 electric utility bonds will establish a first lien upon the net operating revenues of the electric utility system.

Additional Information

Additional information regarding the bonds may be obtained from the city clerk, any city employee, bond counsel or the city's financial adviser, George K. Baum and Company, Kansas City, Missouri, or any other source available to a prospective bidder.

Dated March 21, 1988.

THE CITY OF LAKIN, KANSAS
By Cindy I. Bernbeck, City Clerk
City Hall
106 E. Waterman
Lakin, KS 67860
(316) 355-6252

Doc. No. 006405

HOUSE BILL No. 2664

AN ACT concerning Cheney recreation commission; concerning the commission's authority and levy of taxes therefor by Unified School District No. 268.

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

Section 1. Unified School District No. 268 is authorized to annually levy the taxes authorized under the provisions of article 19 of chapter 12 of the Kansas Statutes Annotated subject to the limitations specified therein for the Cheney recreation commission upon all taxable tangible property in the school district. Such taxes shall not be levied in the year 1988 and subsequent years until a resolution authorizing such levies is adopted by the governing body of Unified School District No. 268 and published once a week for three consecutive weeks in a newspaper having general circulation in such district. After the adoption of such resolution the levies may be made unless a petition in opposition thereto, signed by not less than 5% of the qualified electors of such district, is filed with the Sedgwick county election officer within 60 days following the last publication of the resolution. In the event such a petition is filed, the governing body of such district shall submit the question to the qualified electors of the district at an election called for such purpose. No taxes shall be levied thereafter unless a majority of those voting at the election on the proposition vote in favor thereof.

Following the expiration of the 60-day period specified in the preceding paragraph, if no election was held, or the election, if one was held and the tax levies were approved by a majority of the electors, the Cheney recreation commission shall continue in existence and operation and be authorized to exercise the powers and perform the duties as provided under the provisions of article 19 of chapter 12 of the Kansas Statutes Annotated.

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 March 1, 1988.

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

Passed the SENATE March 21, 1988.

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

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2882

AN ACT concerning school districts; affecting the purposes for which capital outlay taxes may be levied; amending K.S.A. 72-8801 and 72-8804, and repealing the existing sections.

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

Section 1. K.S.A. 72-8801 is hereby amended to read as follows: 72-8801. (a) The board of education of any school district may make an annual tax levy for a period of not to exceed five years in an amount not to exceed four mills upon the assessed taxable tangible property in the school district for the purposes specified in this act and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. No levy shall be made under this act until a resolution is adopted by the board of education in the following form:

Unified School District No. _____ County, Kansas.

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed _____ years in an amount not to exceed _____ mills upon the assessed taxable tangible property in such school district for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board, architectural expenses incidental thereto, the acquisition of building sites, *the undertaking and maintenance of asbestos control projects*, the acquisition of school buses and the acquisition of other equipment and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy authorized by this resolution may be made, unless a petition in opposition to the same, signed by not less than 10% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 40 days after the last publication of this resolution. In the event a petition is filed the county election officer shall submit the question of whether the tax levy shall be authorized to the electors in the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the above school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____ County, Kansas, on the _____ day of _____, 19_____.

Clerk of the above board of education.

All of the blanks in the above resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the word "mills" shall be filled with a specific number, and no word shall be inserted in either of the blanks. The resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district. In the event that no petition as specified above is filed in accordance with the provisions of the notice, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the notice, the board of education may notify the county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. In the event that the board of education fails to notify the county election officer within 60 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following the first publication of the notice.

(b) As used in this act:

(1) "Unconditionally authorized to make a tax levy under authority of K.S.A. 72-8801, as amended," means that the school district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election has been held by which the tax levy of the school district under this section was approved;

(2) "asbestos control project" means any activity which is necessary or incidental to the control of asbestos-containing

material in buildings of school districts and includes, but not by way of limitation, any activity undertaken for the removal or encapsulation of asbestos-containing material, for any remodeling, renovation, replacement, rehabilitation or other restoration necessitated by such removal or encapsulation, for conducting inspections, reinspections and periodic surveillance of buildings, performing response actions, and developing, implementing and updating operations and maintenance programs and management plans;

(3) "asbestos" means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtonite-grunerite), anthophyllite, tremolite, and actinolite; and

(4) "asbestos-containing material" means any material or product which contains more than 1% asbestos.

Sec. 2. K.S.A. 72-8804 is hereby amended to read as follows: 72-8804. Any moneys in the capital outlay fund of any school district and any moneys received from issuance of bonds under K.S.A. 72-8805, as amended, or 72-8810, and amendments thereto, may be used for the purpose of the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board of education, architectural expenses incidental thereto, the acquisition of building sites, *the undertaking and maintenance of asbestos control projects*, the acquisition of school buses and the acquisition of other equipment. The board of education of any school district is hereby authorized to invest any portion of the capital outlay fund of the school district which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or may invest the same in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the capital outlay fund.

Sec. 3. K.S.A. 72-8801 and 72-8804 are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 7, 1988.

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

Passed the SENATE March 17, 1988.

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

APPROVED March 31, 1988:

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2647

AN ACT concerning school districts; providing for the disposition of certain revenues received from the federal government as a result of the sale thereby of certain oil, gas and mineral rights; amending K.S.A. 1987 Supp. 72-7062 and repealing the existing section.

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

Section 1. K.S.A. 1987 Supp. 72-7062 is hereby amended to read as follows: 72-7062. (a) ~~Subject to the provisions of subsections (b) and (c)~~ Except as otherwise provided in this section, any revenues of a district, not required by law to be deposited in or credited to a specific fund, shall be deposited in or credited to any fund of the district specified in K.S.A. 72-7057 through 72-7061, and amendments to such sections, or to the capital outlay fund, the adult education fund, the adult supplementary education fund, the bilingual education fund, or the inservice education fund.

(b) At the discretion of the board of any district, revenues earned from the investment of an activity fund of the district in accordance with the provisions of K.S.A. 12-1675, and amendments thereto, may be deposited in or credited to such activity fund.

(c) (1) At the discretion of the board of any district and subject to provision (2), any revenues specified in subsections (a) and (b) may be deposited in or credited to the general fund of the district in any school year for which the allotment system authorized under K.S.A. 75-3722, and amendments thereto, has been inaugurated and applied to appropriations made for school district equalization aid or in any school year for which any portion of the appropriations made for school district equalization aid are lapsed by act of the legislature.

(2) In no event may the amount of revenues deposited in or credited to the general fund of the district under authority of provision (1) exceed an amount equal to the amount of the reduction in school district equalization aid entitlement of the district determined by the state board to be the result of application of the allotment system to the appropriations made for school district equalization aid or of the lapse of any portion thereof by act of the legislature.

(d) *At the discretion of the board of any district, revenues received by the district from the federal government as the district's share of the proceeds derived from sale by the federal government of its rights to oil, gas and other minerals located beneath the surface of lands within the district's boundaries may be deposited in the bond and interest fund of the district and used for the purposes of such fund. If at any time all indebtedness and obligations of such fund have been fully paid and canceled, the revenues authorized by this subsection to be deposited in such fund shall be disposed of as provided in subsection (a).*

(e) To the extent that K.S.A. 72-1623, 72-8804 and 79-2958, and amendments to such sections, conflict with this section, this section shall control.

Sec. 2. K.S.A. 1987 Supp. 72-7062 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 2, 1988.

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

Passed the SENATE March 21, 1988.

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

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2658

AN ACT concerning agricultural ethyl alcohol; relating to information to be filed with the department of revenue; amending K.S.A. 1987 Supp. 79-34,163 and repealing the existing section.

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

Section 1. K.S.A. 1987 Supp. 79-34,163 is hereby amended to read as follows: 79-34,163. (a) A Kansas qualified agricultural ethyl alcohol producer shall be paid a production incentive for distilling agricultural ethyl alcohol. The incentive shall be payable to the Kansas qualified agricultural ethyl alcohol producer from the Kansas qualified agricultural ethyl alcohol producer incentive fund. The amount of the production incentive shall not exceed \$.20 per gallon of agricultural ethyl alcohol sold to an alcohol blender.

(b) The Kansas qualified agricultural ethyl alcohol producer shall file for the production incentive beginning October 1, 1987, and quarterly thereafter, on a form furnished by the department of revenue. The form shall require the producer to file such information as the secretary of revenue may require by rules and regulations, but shall include in such filing information relating to the original production records and invoices issued to the alcohol blender at the time of delivery, showing the total number of gallons of agricultural ethyl alcohol sold to the alcohol blender for the previous three months.

(c) The secretary of revenue may adopt such rules and regulations necessary to administer the provisions of this act, including the development of a procedure for the payment of the production incentive.

Sec. 2. K.S.A. 1987 Supp. 79-34,163 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 9, 1988.

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

Passed the SENATE March 17, 1988.

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

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

SUBSTITUTE FOR HOUSE BILL No. 2776

AN ACT amending the Kansas parimutuel racing act; relating to procedures for the grant or denial of certain licenses; amending K.S.A. 1987 Supp. 74-8813 and 74-8815 and repealing the existing sections.

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

Section 1. K.S.A. 1987 Supp. 74-8813 is hereby amended to read as follows: 74-8813. (a) A nonprofit organization may apply to the commission for an organization license to conduct horse races or an organization license to conduct greyhound races, or both such licenses. In addition, an organization license may authorize the licensee to construct or own a racetrack facility if so provided by the commission. The application for an organization license shall be filed with the commission at a time and place prescribed by rules and regulations of the commission. The application shall specify the days when, the exact location where it proposes to conduct such races and shall be in a form and include such information as the commission prescribes. A nonrefundable application fee in the form of a certified check or bank draft shall accompany the application. Except as provided pursuant to K.S.A. 1987 Supp. 74-8814 and amendments thereto, such fee shall be as follows:

(1) For an application for an organization license to conduct horse or greyhound races with parimutuel wagering, a fee of \$5,000 for each application; and

(2) for an application for an organization license to conduct horse races without parimutuel wagering, a fee of \$500 for each application.

(b) If an applicant for an organization license is proposing to construct a racetrack facility, such applicant, at the time of submitting the application, shall deposit with the commission, in such form as prescribed by rules and regulations of the commission, the sum of (1) \$500,000, if the number of racing days applied for in a racing season is 150 days or more; (2) \$250,000, if the number of racing days applied for is less than 150 days; or (3) a lesser sum established by the commission, if the applicant meets the qualifications set forth in subsection (a)(1) or (a)(2) of K.S.A. 1987 Supp. 74-8814 and amendments thereto or if the applicant will be conducting races only on the state fairgrounds. Only one such deposit shall be required for a dual racetrack facility. The executive director shall promptly remit any deposit received pursuant to this subsection to the state treasurer. The state treasurer shall deposit the entire amount in the state treasury and credit it to the racing applicant deposit fund created by K.S.A. 1987 Supp. 74-8828 and amendments thereto. If the application is denied by the commission, the deposit, and any interest accrued thereon, shall be refunded to the applicant. If the license is granted by the commission in accordance with the terms of the application or other terms satisfactory to the applicant, the deposit, and any interest accrued thereon, shall be refunded to the licensee upon completion of the racetrack facility in accordance with the terms of the license. If the licensee fails to complete the racetrack facility in accordance with the terms of the license, the deposit, and any interest accrued thereon, shall be forfeited by the applicant.

(c) To qualify for an organization license to conduct horse or greyhound races:

(1) The applicant shall be a bona fide, nonprofit organization which, if applicable, meets the requirements of subsection (d);

(2) the applicant shall have, either by itself or through contractual relationships with other persons or businesses approved by the commission, the financial capability, manpower and technical expertise, as determined by the commission, to properly conduct horse races or greyhound races, or both, and, if applicable, to operate a parimutuel wagering system;

(3) if the applicant is proposing to construct a racetrack facility, the applicant shall submit detailed plans for the construction of such facility, including the means and source of financing such construction and operation, sufficient to convince the commission that such plans are feasible;

(4) submit for commission approval a written copy of each contract and agreement which the applicant proposes to enter into, including all those listed in subsection (n), which contracts

and agreements shall conform to the restrictions placed thereon by subsections (n), (o) and (p);

(5) the applicant shall propose to conduct races within only one county, and in such county the majority of the qualified electors have approved either: (A) The constitutional amendment permitting the conduct of horse and dog races and parimutuel wagering thereon; or (B) a proposition permitting horse and dog races and parimutuel wagering thereon within the boundaries of such county;

(6) no director, officer, employee or agent of the applicant shall have been convicted of any of the following in any court of any state or of the United States: (A) Fixing of horse or greyhound races; (B) illegal gambling activity; (C) illegal sale or possession of any controlled substance; (D) operation of any illegal business; (E) repeated acts of violence; or (F) any felony; and

(7) no director or officer of the applicant shall be addicted to, and a user of, alcohol or a controlled substance.

(d) To qualify for an organization license to conduct horse or greyhound races, a nonprofit organization, other than a county fair association or a nonprofit organization conducting races only on the state fair grounds, shall:

(1) Distribute all of its net earnings from the conduct of horse and greyhound races, other than that portion of the net earnings which is necessary to satisfy the debt service obligations, not otherwise deducted from net earnings, of an organization licensee owning the racetrack facility or that portion of the net earnings which is set aside as reasonable reserves for future improvement, maintenance and repair of the racetrack facility owned by the organization licensee, only to organizations, other than itself, which: (A) Have been exempted from the payment of federal income taxes pursuant to section 501(c)(3) of the federal internal revenue code of 1986, as in effect July 1, 1987, (B) are domiciled in this state and (C) expend the moneys so distributed only within this state;

(2) distribute not more than 25% of such net earnings to any one such organization in any calendar year;

(3) not engage in, and have no officer, director or member who engages in, any prohibited transaction, as defined by section 503(b) of the federal internal revenue code of 1986, as in effect July 1, 1987; and

(4) have no officer, director or member who is not a bona fide resident of this state.

(e) Within 30 days after the date specified for filing, the commission shall examine each application for an organization license for compliance with the provisions of this act and rules and regulations of the commission. If any application does not comply with the provisions of this act or rules and regulations of the commission, the application may be rejected or the commission may direct the applicant to comply with the provisions of this act or rules and regulations of the commission within a reasonable time, as determined by the commission. ~~Denial of an organization license by the commission shall be in accordance with the Kansas administrative procedure act.~~ Upon proof by the applicant of compliance, the commission may reconsider the application. If an application is found to be in compliance and the commission finds that the issuance of the license would be within the best interests of horse and greyhound racing within this state from the standpoint of both the public interest and the horse or greyhound industry, as determined solely within the discretion of the commission, the commission may issue an organization license to the applicant. The commission shall approve the issuance of organization licenses for a period established by the commission but not to exceed 25 years. Such license may provide that during its term it constitutes an exclusive license within a radius of the location specified in the license, as determined by the commission. No racing of any kind regulated by this act shall be conducted by any other person within the territory covered by such exclusive license without the written consent of the licensee. For each license issued, the commission shall specify the location, type, time and date of all races and race meetings which the commission has approved for the licensee to conduct. The license shall be issued upon receipt of the license fee and the furnishing of a surety bond or other financial security approved by the commission, conditioned on,

and in an amount determined by the commission as sufficient to pay, the licensee's potential financial liability for unpaid taxes, purses and distribution of parimutuel winnings and breakage. No organization license shall be transferred to any other organization or entity.

(f) When considering the granting of organization licenses or racing days between two or more competing applicants, the commission shall give consideration to the following factors:

(1) The character, reputation, experience and financial stability of those persons within the applicant organizations who will be supervising the conduct of the races and parimutuel wagering for the organization;

(2) the quality of the racing facilities and adjoining accommodations;

(3) the amount of revenue that can reasonably be expected to be generated from state and local taxes, the economic impact for the respective horse or greyhound breeding industries in Kansas and the indirect economic benefit to the surrounding area, in the determination of which economic benefit the commission shall solicit written recommendations from all interested parties in the surrounding area;

(4) the location of the race meetings in relation to the principal centers of population and the effect of such centers on the ability of the organization to sustain a financially sound racing operation; and

(5) testimony from interested parties at public hearings to be conducted in the geographic areas where the applicants would be conducting their race meetings.

(g) Except as otherwise provided pursuant to K.S.A. 1987 Supp. 74-8814 and amendments thereto, each organization licensee shall pay a license fee in the amount of \$200 for each day of racing approved by the commission. Such fees shall be paid at such times and by such means as prescribed by rules and regulations of the commission. The commission may authorize the state treasurer to refund from the state racing fund a fee paid for any racing day which was canceled with advance notice to and with the approval of the commission.

(h) Organization licensees may apply to the commission for changes in approved race meetings or dates or for additional race meetings or dates as needed throughout the terms of their licenses. Application shall be made upon forms furnished by the commission and shall contain or be accompanied by such information as the commission prescribes. Upon approval by the commission, the organization licensee shall pay an additional license fee for any race days in excess of the number originally approved and included in the calculation of the initial license fee.

(i) All organization licenses shall be reviewed annually by the commission to determine if the licensee is complying with the provisions of this act and rules and regulations of the commission and following such proposed plans and operating procedures as were approved by the commission. The commission may review an organization license more often than annually upon its own initiative or upon the request of any interested party. The commission shall require each organization licensee, other than a county fair association, to file annually with the commission a certified financial audit of the licensee by an independent certified public accountant, which audit shall be open to inspection by the public, and may require an organization licensee to provide any other information necessary for the commission to conduct the annual or periodic review.

(j) Subject to the provisions of subsection (k), the commission, in accordance with the Kansas administrative procedure act, may suspend or revoke an organization license or may impose a civil fine not exceeding \$5,000, or may both suspend such license and impose such fine, for each of the following violations by a licensee:

(1) One or more violations, or a pattern of repeated violations, of the provisions of this act or rules and regulations of the commission;

(2) failure to follow one or more provisions of the licensee's plans for the financing, construction or operation of a racetrack facility as submitted to and approved by the commission;

(3) failure to maintain compliance with the requirements of

subsection (c) or (d), if applicable, for the initial issuance of an organization license;

(4) failure to properly maintain or to make available to the commission such financial and other records sufficient to permit the commission to verify the licensee's nonprofit status and compliance with the provisions of this act or rules and regulations of the commission;

(5) providing to the commission any information material to the issuance, maintenance or renewal of the licensee's license knowing such information to be false or misleading;

(6) failure to meet the licensee's financial obligations incurred in connection with the conduct of a race meeting; or

(7) a violation of K.S.A. 1987 Supp. 74-8833 and amendments thereto or any rules and regulations adopted pursuant to that section.

(k) Prior to suspension or revocation of a license pursuant to subsection (j), the commission shall give written notice of the reason therefor in detail to the organization licensee and to all facility owner and facility manager licensees with whom the organization licensee is doing business. Upon receipt of such notice by all of such licensees, the organization licensee shall have 30 days in which to cure the alleged violation, if it can be cured. If the commission finds that the violation has not been cured upon expiration of the 30 days, or upon a later deadline granted by the commission, or if the commission finds that the alleged violation is of such a nature that it cannot be cured, the commission shall proceed to suspend or revoke the license pursuant to subsection (j). Nothing in this subsection shall be construed to preclude the commission from imposing a fine pursuant to subsection (j) even if the violation is cured with 30 days or such other period as provided by the commission.

(l) Prior to the expiration of an organization license, the organization may apply to the commission for renewal of such license. The renewal application shall be in a form and include such information as the commission prescribes. The commission shall grant such renewal if the organization meets all of the qualifications required for an initial license. The commission may charge a fee for the processing of the renewal application not to exceed the application fee authorized for an initial license.

(m) Once an organization license has been issued, no person thereafter and during the term of such license shall in any manner become the owner or holder, directly or indirectly, of any shares of stock or certificates or other evidence of ownership or become a director or officer of such organization licensee without first having obtained the written approval of the commission.

(n) An organization licensee shall submit to the commission for approval a copy of each contract and agreement which the organization licensee proposes to enter into and any proposed modification of any such contract or agreement, including but not limited to those involving:

(1) Any person to be employed by the organization licensee;

(2) any person supplying goods and services to the organization licensee, including management, consulting or other professional services;

(3) any lease of facilities, including real estate or equipment or other personal property; or

(4) the operation of any concession within or adjacent to the racetrack facility.

The commission shall reject any such contract or agreement which violates any provision of this act or rules and regulations of the commission, which provides for payment of money or other valuable consideration which is clearly in excess of the fair market value of the goods, services or facilities being purchased or leased or which, in the case of a contract or agreement with a facility owner licensee or a facility manager licensee, would not protect the organization licensee from incurring losses due to contractual liability.

(o) Organization licensees shall not by lease, contract, agreement, understanding or arrangement of any kind grant, assign or turn over to any person the parimutuel system of wagering described in K.S.A. 1987 Supp. 74-8819 and amendments thereto or the operation and conduct of any horse or greyhound race to which such wagering applies, but this subsection shall not pro-

(continued)

hibit the organization licensee from contracting with and compensating others for providing services in connection with the financing, acquisition, construction, equipping, maintenance and management of the racetrack facility; the hiring and training of personnel; and the promotion of the facility.

(p) An organization licensee shall not in any manner permit a person other than such licensee to have a share, percentage or proportion of money received from parimutuel wagering at the racetrack facility except as specifically set forth in this act, except that:

(1) A facility owner licensee may receive gross percentage rental fees under a lease if all terms of the lease are disclosed to the commission and such lease is approved by the commission; and

(2) a person who has contracted with an organization licensee to provide one or more of the services permitted by subsection (o) may receive compensation in the form of a percentage of the money received from parimutuel wagering if such contract is approved by the commission and such person is licensed as a facility manager.

(q) Directors or officers of an organization licensee are not liable in a civil action for damages arising from their acts or omissions when acting as individual directors or officers, or as a board as a whole, of a nonprofit organization conducting races pursuant to this act, unless such conduct constitutes willful or wanton misconduct or intentionally tortious conduct, but only to the extent the directors and officers are not required to be insured by law or are not otherwise insured against such acts or omissions. Nothing in this section shall be construed to affect the liability of an organization licensee for damages in a civil action caused by the negligent or wrongful acts or omissions of its directors or officers, and a director's or officer's negligence or wrongful act or omission, while acting as a director or officer, shall be imputed to the organization licensee for the purpose of apportioning liability for damages to a third party pursuant to K.S.A. 60-258a and amendments thereto.

(r) If an applicant for an organization license proposes to construct a racetrack facility and the commission determines that such license should be issued to the applicant, the commission shall issue to the applicant an organization license conditioned on the submission by the licensee to the commission, within a period of time prescribed by the commission, of a commitment for financing the construction of the racetrack facility by a financial institution or other source, subject to approval by the commission. If such commitment is not submitted within the period of time originally prescribed by the commission or such additional time as authorized by the commission, the license shall expire at the end of such period.

(s) If an organization licensee's license authorizes the construction of a dual racetrack facility, such license shall be conditioned on the completion of such facility within a time specified by the commission. If, within the time specified by the commission, the licensee has not constructed a dual racetrack facility in accordance with the plans submitted to the commission pursuant to subsection (c)(3), the commission, in accordance with the Kansas administrative procedure act, shall:

(1) Impose upon the licensee a civil fine equal to 2% of the total parimutuel pools for all races held at the licensee's facility on and after the date that racing with parimutuel wagering is first conducted at such facility and until the date that was specified by the commission for completion of such facility as a condition of the licensee's license; and

(2) revoke the licensee's license unless the licensee demonstrates reasonable cause for the failure to complete the facility.

(t) Any license granted an organization licensee to conduct races at a dual racetrack facility shall be conditioned on the organization licensee's conducting horse races on not less than 20% of the annual racing days granted the licensee by the commission. If an organization licensee fails to comply with such condition, the commission shall revoke the organization licensee's license unless the licensee demonstrates reasonable justification for the failure to complete the facility.

(u) *The refusal to renew an organization license shall be in accordance with the Kansas administrative procedure act and*

shall be subject to review under the act for judicial review and civil enforcement of agency actions.

(v) *The grant or denial of an original organization license shall not be subject to the Kansas administrative procedure act. Such grant or denial shall be a matter to be determined in the sole discretion of the commission, whose decision shall be final upon the grant of a license to one of two or more competing applicants without the necessity of a hearing on the denial of a license to each other competing applicant. Any action for judicial review of such decision shall be by appeal to the supreme court in accordance with the act for judicial review and civil enforcement of agency actions, except that the scope of review shall be limited to whether the action of the commission was arbitrary or capricious or constituted an abuse of discretion. All competing applicants for the organization license shall be parties to such appeal. Any such appeal shall have priority over other cases except those having statutory priority.*

Sec. 2. K.S.A. 1987 Supp. 74-8815 is hereby amended to read as follows: 74-8815. (a) Any person, partnership, corporation or association, or the state of Kansas or any political subdivision thereof, may apply to the commission for a facility owner license to construct or own, or both, a racetrack facility which includes a racetrack and other areas designed for horse racing or greyhound racing, or both.

(b) Any person, partnership, corporation or association may apply to the commission for a facility manager license to manage a racetrack facility.

(c) A facility owner license or a facility manager license shall be issued for a period established by the commission but not to exceed 25 years. The application for a facility owner license shall be accompanied by a nonrefundable fee of \$5,000. An application for a facility manager license shall be accompanied by a nonrefundable fee of \$5,000.

(d) If an applicant for a facility owner license is proposing to construct a racetrack facility, such applicant, at the time of submitting the application, shall deposit with the commission, in such form as prescribed by rules and regulations of the commission, the sum of (1) \$500,000, if the number of racing days applied for by organization licensee applicants proposing to race at the facility is 150 days or more in a racing season; (2) \$250,000, if such number of racing days applied for is less than 150 days; or (3) a lesser sum established by the commission, if the applicant is the state or a political subdivision of the state. Only one such deposit shall be required for a dual racetrack facility. The executive director shall promptly remit any deposit received pursuant to this subsection to the state treasurer. The state treasurer shall deposit the entire amount in the state treasury and credit it to the racing applicant deposit fund created by K.S.A. 1987 Supp. 74-8828 and amendments thereto. If the application is denied by the commission, the deposit, and any interest accrued thereon, shall be refunded to the applicant. If the license is granted by the commission in accordance with the terms of the application or other terms satisfactory to the applicant, the deposit, and any interest accrued thereon, shall be refunded to the licensee upon completion of the racetrack facility in accordance with the terms of the license. If the licensee fails to complete the racetrack facility in accordance with the terms of the license, the deposit, and any interest accrued thereon, shall be forfeited by the applicant.

(e) A facility owner license shall be granted only to an applicant that already owns an existing racetrack facility or has submitted with its application detailed plans for the construction of such facility, including the means and source of financing such construction and operation sufficient to convince the commission that such plans are feasible or has submitted detailed plans for the construction of a racetrack facility, including the means and source of financing such construction and operation, sufficient to convince the commission that such plans are feasible. A facility manager license shall be granted only to an applicant that has a facility management contract with an organization licensed pursuant to K.S.A. 1987 Supp. 74-8813 and amendments thereto. ~~Denial of a facility owner license or facility manager license by the commission shall be in accordance with the Kansas administrative procedure act.~~

(f) An applicant for a facility owner license or facility manager license, or both, shall not be granted a license if there is substantial evidence that the applicant for the license, or any officer or director, stockholder, member or owner of or other person having a financial interest in the applicant:

(1) Has been suspended or ordered to cease operation of a parimutuel racing facility in another jurisdiction by the appropriate authorities in that jurisdiction, has been ordered to cease association or affiliation with such a racing facility or has been banned from such a racing facility;

(2) has been convicted by a court of any state or of the United States of any criminal act involving fixing or manipulation of parimutuel races, violation of any law involving gambling or controlled substances, drug violations involving horses or greyhounds or if any employee or agent assisting the applicant in activities relating to ownership or management of a racetrack facility or to the conduct of races has been so convicted;

(3) has been convicted by a court of any state or of the United States of any felony involving dishonesty, fraud, theft, counterfeiting, alcohol violations or embezzlement or if any employee or agent assisting the applicant in activities relating to ownership or management of a racetrack facility or to the conduct of races has been so convicted;

(4) has not demonstrated financial responsibility sufficient to meet the obligations being undertaken pursuant to its contract with the organization licensee;

(5) is not in fact the person or entity authorized to or engaged in the licensed activity;

(6) is or becomes subject to a contract or option to purchase under which 10% or more of the ownership or other financial interest or membership interest are subject to purchase or transfer, unless the contract or option has been disclosed to the commission and the commission has approved the sale or transfer during the license period;

(7) has made a statement of a material fact in the application or otherwise in response to official inquiry by the commission knowing such statement to be false; or

(8) has failed to meet any monetary or tax obligation to the federal government or to any state or local government, whether or not relating to the conduct or operation of a race meet held in this state or any other jurisdiction.

(g) No person or entity shall be qualified to hold a facility manager license if such person or entity, or any director, officer, employee or agent thereof, is addicted to, and a user of, alcohol or a controlled substance.

(h) If the commission finds probable cause to believe that a facility owner licensee has failed to follow one or more provisions of the licensee's plans for the financing, construction or operation of a racetrack facility as submitted to and approved by the commission or that a facility owner licensee or facility manager licensee has violated any of the terms and conditions of licensure provided by this section or any other provision of this act or any rule and regulation of the commission, the commission shall give written notice thereof to the licensee and all other interested parties. The licensee shall have 30 days from receipt of the notice to cure such alleged failure or violation, if it can be cured. If the commission finds that such violation has not been cured upon expiration of such 30 days or upon a later deadline granted by the commission, or if the alleged violation is of such a nature that it cannot be cured, the commission may suspend or revoke the licensee's license in accordance with the Kansas administrative procedure act.

(i) If an applicant for a facility owner license proposes to construct a racetrack facility and the commission determines that such license should be issued to the applicant, the commission shall issue to the applicant a facility owner license conditioned on the submission by the licensee to the commission, within a period of time prescribed by the commission, of a commitment for financing the construction of the racetrack facility by a financial institution or other source, subject to approval by the commission. If such commitment is not submitted within the period of time originally prescribed by the commission or such additional time as authorized by the commission, the license shall expire at the end of such period.

(j) If a facility owner licensee's license authorizes the con-

struction of a dual racetrack facility, such license shall be conditioned on the completion of such facility within a time specified by the commission. If, within the time specified by the commission, the licensee has not constructed a dual racetrack facility in accordance with the plans submitted to the commission pursuant to subsection (e), the commission, in accordance with the Kansas administrative procedure act, shall:

(1) Impose upon the licensee a civil fine equal to 2% of the total parimutuel pools for all races held at the licensee's facility on and after the date that racing with parimutuel wagering is first conducted at such facility and until the date that was specified by the commission for completion of such facility as a condition of the licensee's license; and

(2) revoke the licensee's license unless the licensee demonstrates reasonable cause for the failure to complete the facility.

(k) *The refusal to renew a facility owner license or a facility manager license shall be in accordance with the Kansas administrative procedure act and shall be subject to review under the act for judicial review and civil enforcement of agency actions.*

(l) *The grant or denial of an original facility owner license or facility manager license shall not be subject to the Kansas administrative procedure act. Such grant or denial shall be a matter to be determined in the sole discretion of the commission, whose decision shall be final upon the grant of a license to one of two or more competing applicants without the necessity of a hearing on the denial of a license to each other competing applicant. Any action for judicial review of such decision shall be by appeal to the supreme court in accordance with the act for judicial review and civil enforcement of agency actions, except that the scope of review shall be limited to whether the action of the commission was arbitrary or capricious or constituted an abuse of discretion. All competing applicants for the facility owner license or facility manager license shall be parties to such appeal. Any such appeal shall have priority over other cases except those having statutory priority.*

Sec. 3. K.S.A. 1987 Supp. 74-8813 and 74-8815 are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body March 1, 1988.

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

Passed the SENATE March 16, 1988.

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

APPROVED March 30, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the *Kansas Register*, April 7, 1988.)

SENATE BILL No. 467

AN ACT concerning the crime of promoting obscenity; amending K.S.A. 1987 Supp. 21-4301 and repealing the existing section.

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

Section 1. K.S.A. 1987 Supp. 21-4301 is hereby amended to read as follows: 21-4301. (1) Promoting obscenity is knowingly or recklessly:

(a) Manufacturing, issuing, selling, giving, providing, lending, mailing, delivering, transmitting, publishing, distributing, circulating, disseminating, presenting, exhibiting or advertising any obscene material or obscene device; or

(b) possessing any obscene material or obscene device with intent to issue, sell, give, provide, lend, mail, deliver, transfer, transmit, publish, distribute, circulate, disseminate, present, exhibit or advertise such material or device; or

(c) offering or agreeing to manufacture, issue, sell, give, provide, lend, mail, deliver, transfer, transmit, publish, distribute, circulate, disseminate, present, exhibit or advertise any obscene material or obscene device; or

(d) producing, presenting or directing an obscene performance or participating in a portion thereof which is obscene or which contributes to its obscenity.

(2) Evidence that materials or devices were promoted to emphasize their prurient appeal or sexually provocative aspect shall be relevant in determining the question of the obscenity of such materials or devices. There shall be a presumption that a person promoting obscene materials or obscene devices did so knowingly or recklessly if:

(a) The materials or devices were promoted to emphasize their prurient appeal or sexually provocative aspect; or

(b) the person is not a wholesaler and promotes the materials or devices in the course of the person's business.

(3) (a) Any material or performance is "obscene" if:

(i) The average person applying contemporary community standards would find that:

(+) the material or performance, taken as a whole, appeals to the prurient interest;

(ii) the average person applying contemporary community standards would find that the material or performance has patently offensive representations or descriptions of (A) ultimate sexual acts, normal or perverted, actual or simulated, including sexual intercourse or sodomy, or (B) masturbation, excretory functions, sadomasochistic abuse or lewd exhibition of the genitals; and

(iii) the material or performance, taken as a whole, a reasonable person would find that the material or performance lacks serious literary, educational, artistic, political or scientific value.

(b) "Material" means any tangible thing which is capable of being used or adapted to arouse interest, whether through the medium of reading, observation, sound or other manner.

(c) "Obscene device" means a device, including a dildo or artificial vagina, designed or marketed as useful primarily for the stimulation of human genital organs.

(d) "Performance" means any play, motion picture, dance or other exhibition performed before an audience.

(e) "Sexual intercourse" and "sodomy" have the meanings provided by K.S.A. 21-3501 and amendments thereto.

(f) "Wholesaler" means a person who sells, distributes or offers for sale or distribution obscene materials or devices only for resale and not to the consumer and who does not manufacture, publish or produce such materials or devices.

(4) It is a defense to a prosecution for obscenity that:

(a) The persons to whom the allegedly obscene material was disseminated, or the audience to an allegedly obscene performance, consisted of persons or institutions having scientific, educational or governmental justification for possessing or viewing the same;

(b) the defendant is an officer, director, trustee or employee of a public library and the allegedly obscene material was acquired by such library and was disseminated in accordance with regular library policies approved by its governing body; or

(c) the allegedly obscene material or obscene device was purchased, leased or otherwise acquired by a public, private or

parochial school, college or university, and that such material was either sold, leased, distributed or disseminated by a teacher, instructor, professor or other faculty member or administrator of such school as part of or incident to an approved course or program of instruction at such school.

(5) The provisions of this section and the provisions of ordinances of any city prescribing a criminal penalty for exhibit of any obscene motion picture shown in a commercial showing to the general public shall not apply to a projectionist, or assistant projectionist, if such projectionist or assistant projectionist has no financial interest in the show or in its place of presentation other than regular employment as a projectionist or assistant projectionist and no personal knowledge of the contents of the motion picture. The provisions of this section shall not exempt any projectionist or assistant projectionist from criminal liability for any act unrelated to projection of motion pictures in commercial showings to the general public.

(6) Promoting obscenity is a class A misdemeanor on conviction of a first offense and a class E felony on conviction of a second or subsequent offense. Conviction of a violation of a municipal ordinance prohibiting acts which constitute promoting obscenity shall be considered a conviction of promoting obscenity for the purpose of determining the number of prior convictions and the classification of the crime under this section.

(7) Upon any conviction of promoting obscenity, the court may require, in addition to any fine or imprisonment imposed, that the defendant enter into a reasonable recognizance with good and sufficient surety, in such sum as the court may direct, but not to exceed \$50,000, conditioned that, in the event the defendant is convicted of a subsequent offense of promoting obscenity within two years after such conviction, the defendant shall forfeit the recognizance.

Sec. 2. K.S.A. 1987 Supp. 21-4301 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 9, 1988.

ROBERT V. TALKINGTON

President of the Senate.

LU KENNEY

Secretary of the Senate.

Passed the HOUSE March 22, 1988.

JAMES D. BRADEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES

Secretary of State.

(SEAL)

(Published in the *Kansas Register*, April 7, 1988.)

SENATE BILL No. 546

AN ACT concerning federal liens; relating to places of filing; duties of filing officer; establishing fees; repealing K.S.A. 79-2607, 79-2608, 79-2609, 79-2610, 79-2611 and 79-2612.

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

Section 1. This act applies only to federal tax liens and to other federal liens' notices of which under any act of congress or any regulation adopted pursuant thereto are required or permitted to be filed in the same manner as notices of federal tax liens.

Sec. 2. (a) Notices of liens, certificates and other notices affecting federal tax liens or other federal liens must be filed in accordance with the provisions of this act.

(b) Notices of liens upon real property for obligations payable to the United States and certificates and notices affecting the liens shall be filed in the office of the register of deeds of the county in which the real property subject to the liens is situated.

(c) Notices of federal liens upon personal property, whether tangible or intangible, for obligations payable to the United States and certificates and notices affecting the liens shall be filed as follows:

(1) If the person against whose interest the lien applies is a corporation or a partnership whose principal executive office is in this state, as these entities are defined in the federal internal revenue code of 1986 as in effect on December 31, 1987, in the office of the secretary of state;

(2) if the person against whose interest the lien applies is a trust that is not covered by paragraph (1), in the office of the secretary of state;

(3) if the person against whose interest the lien applies is the estate of a decedent, in the office of the secretary of state; and

(4) in all other cases, in the office of the register of deeds of the county where the person against whose interest the lien applies resides at the time of filing of the notice of lien.

Sec. 3. Certification of notices of liens, certificates or other notices affecting federal liens by the secretary of the treasury of the United States or the secretary's designee, or by any official or entity of the United States responsible for filing or certifying of notice of any other lien, entitles them to be filed and no other attestation, certification or acknowledgment is necessary.

Sec. 4. (a) If a notice of federal lien, a refiling of a notice of federal lien or a notice of revocation of any certificate described in subsection (b) is presented to a filing officer who is:

(1) The secretary of state, the secretary shall cause the notice to be marked, held and indexed in accordance with the provisions of subsection (4) of K.S.A. 84-9-403 and amendments thereto as if the notice were a financing statement within the meaning of the uniform commercial code, except the notice shall remain filed for six years from the date of filing, and liens filed prior to the effective date of this act shall remain on file for a period of six years from the effective date of this act; or

(2) any other officer described in section 2, the officer shall endorse thereon the officer's identification and the date and time of receipt and file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice; the date and time of receipt, the title and address of the official or entity certifying the lien and the total amount appearing on the notice of lien.

(b) If a certificate of release, nonattachment, discharge or subordination of any lien is presented to the secretary of state for filing, the secretary shall:

(1) Cause a certificate of release or nonattachment to be marked, held and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code; and

(2) cause a certificate of discharge or subordination to be marked, held and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in subsection (a) or any of the certificates or notices referred to in subsection (b) is presented for filing to any other filing officer specified in section 2, such officer shall enter the refiled notice or the certificate with the date of filing in any alphabetical lien index.

(d) Upon request of any person, the filing officer shall issue a certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed pursuant to this act or pursuant to the uniform federal tax lien registration act, K.S.A. 79-2608 *et seq.*, as it existed prior to the effective date of this act, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is \$5. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of \$.25 per page, unless the filing officer is the secretary of state, in which case, the fee shall be an amount fixed by the secretary of state and approved by the director of accounts and reports pursuant to K.S.A. 45-204 and amendments thereto.

Sec. 5. The fee for filing and indexing each notice of lien or certificate or notice affecting the lien is:

- (1) For a lien on real estate, \$5;
- (2) for a lien on tangible and intangible personal property, \$5;
- (3) for a certificate of discharge or subordination, \$5; and
- (4) for all other notices, except for a certificate of release or nonattachment, \$2.

Sec. 6. This act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this act among states enacting it.

Sec. 7. This act may be cited as the uniform federal lien registration act.

Sec. 8. K.S.A. 79-2607, 79-2608, 79-2609, 79-2610, 79-2611 and 79-2612 are hereby repealed.

Sec. 9. 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 23, 1988.

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

Passed the HOUSE March 22, 1988.

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

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2706

AN ACT concerning bridges; relating to the construction or repair thereof; amending K.S.A. 1987 Supp. 68-1103 and repealing the existing section.

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

Section 1. K.S.A. 1987 Supp. 68-1103 is hereby amended to read as follows: 68-1103. (a) Whenever the board of county commissioners of any county shall determine that it is necessary to build or repair any bridge or culvert, the county's share of the cost of which shall be less than the sum of \$250,000, the board shall appropriate an amount equal to its share and shall immediately make all contracts for labor, material and all other expense necessary for the construction or repair of such work in the manner provided by law or shall make and let a contract for the construction or the repair thereof, but the amount appropriated shall not exceed the county engineer's estimated cost to the county for the work.

In any county having a population of more than 25,000 and containing two or more cities of the second class, the board of county commissioners shall determine the necessity of building or repairing any bridge or bridges; shall pass a resolution declaring that such a necessity exists and shall immediately build such bridge or bridges at a cost to be determined by the county engineer's estimate of not to exceed \$100,000 per bridge and appropriate money therefor. The levy for such purpose shall not exceed two mills upon the assessed valuation of the county.

(b) In any such county or counties where there has been constructed prior to the passage of this act or shall be hereafter constructed any bridge or bridges which shall have been destroyed or rendered impassable, or shall be hereafter destroyed or rendered impassable by flood, high water, fire or other casualty, or where there is any bridge or bridges condemned by the board of county commissioners and the county engineer as unsafe and inadequate to meet the demands of present day traffic and the bridge or bridges are more than 30 years old, then such board of county commissioners may immediately thereafter repair and reconstruct such bridge or bridges; may adopt a resolution finding and determining a necessity for such repair or reconstruction and may at once proceed to repair or rebuild the same at a cost to be determined by the county engineer's estimate not exceeding \$250,000 per bridge and shall appropriate a sufficient amount of money therefor, or if there be not a sufficient amount of money therefor in the proper funds of the county, such board is hereby authorized and empowered to issue bonds or warrants of the county to pay the costs for the work herein provided for. Any bonds issued under the authority of the foregoing provision of this section shall not be subject to any limitation on the bonded indebtedness of the county. In Jewell county, bonds also may be issued for the construction and repair of roads in accordance with the provisions of this subsection.

(c) Such board is hereby authorized and empowered to levy and collect taxes for the purpose herein named or for the purpose of retiring any warrants that have been issued, which shall not exceed two mills upon the assessed valuation of the county.

(d) Under the provisions of this section those bridges which are situated across any stream on any county road are hereby declared to have a preference over the bridges on other roads and shall be repaired and reconstructed before any other bridges are repaired and reconstructed.

Sec. 2. K.S.A. 1987 Supp. 68-1103 is hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 24, 1988.

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

Passed the SENATE March 22, 1988.

ROBERT V. TALKINGTON
President of the Senate.

LU KENNEY
Secretary of the Senate.

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the Kansas Register, April 7, 1988.)

HOUSE BILL No. 2645

AN ACT enacting the Kansas private activity bond allocation act; also repealing K.S.A. 74-5041, 74-5042 and 74-5043.

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

Section 1. This act shall be known and may be cited as the Kansas private activity bond allocation act.

Sec. 2. As used in this act:

(a) "Allocation" means the allocation of the state ceiling among governmental issuers as provided in this act.

(b) "Code" means the internal revenue code of 1986.

(c) "Governmental issuer" means the state and any instrumentality or political subdivision thereof which is authorized to issue private activity bonds.

(d) "Private activity bond" has the meaning ascribed thereto in the code.

(e) "Secretary" means the secretary of commerce.

(f) "State" means the state of Kansas.

(g) "State ceiling" means the ceiling applicable under the code to the aggregate face amount of qualified private activity bonds, the interest on which is exempt from federal income taxation, which may be issued within this state during any calendar year.

Sec. 3. (a) The secretary shall determine the state ceiling for each calendar year in accordance with the formula provided therefor in the code and shall allocate the state ceiling among governmental issuers in accordance with the provisions of this act.

(b) The secretary shall reserve until October 15 of each year (1) an amount equal to \$5,000,000 for allocation in accordance with the provisions of section 141(b)(5) of the code for private activity use of a portion of the proceeds of bonds issued by governmental issuers, (2) an amount equal to \$5,000,000 for allocation for qualified student loan bonds as defined in section 144(b) of the code, and (3) an amount equal to \$25,000,000 for allocation for qualified small issue bonds as defined in section 144(a) of the code. On and after October 15 of each year, any portion of the state ceiling remaining unused or uncommitted shall be available for allocation to governmental issuers by the secretary without regard to the reservations provided for in this subsection.

(c) Prior to any issuance of private activity bonds subject to the state ceiling, a governmental issuer shall submit to the secretary on a form prescribed by the secretary a written application for an allocation of the state ceiling for such issue.

(d) Subject to the provisions of subsection (b), the secretary shall approve each properly filed application for an allocation of \$5,000,000 or less on the basis of the chronological order of receipt of applications. If an application is for an allocation in excess of \$5,000,000, the secretary may approve the total amount, approve a partial amount or reject the application.

(e) Within five business days after receipt of an application for an allocation, the secretary shall notify the governmental issuer in writing that (1) the application has been approved and

shall specify the amount approved, or (2) the application has been denied, or (3) the application has been placed on hold pending receipt of additional information with respect to the application or pending a review of the effect approval of the application will have on the state ceiling.

(f) Unless an extension or a carryforward election is approved by the secretary, an approved allocation, or any portion thereof, that is not utilized by the issuance of the private activity bonds for which the allocation was approved shall expire at the earliest of (1) the time of 11:59 p.m. on the date which is 60 days after the date the notification of the approved allocation is mailed to the governmental issuer or on such other date as the secretary may specify in the notification, or (2) the date upon which the approved allocation is voluntarily surrendered to the secretary by the governmental issuer, or (3) the time of 11:59 p.m. on December 1 of the calendar year in which the allocation was approved.

(g) A governmental issuer may request an extension of the expiration date of an approved allocation by filing a written application therefor with the secretary. Any such application must be received by the secretary not less than two days prior to the expiration date of the approved allocation. In such instances, the secretary may approve an extension for a period ending at the earliest of (1) the time of 11:59 p.m. on the date which is 30 days after the initial expiration date, or (2) the date upon which the approved allocation is voluntarily surrendered to the secretary by the governmental issuer, or (3) the time of 11:59 p.m. on December 1 of the calendar year in which the allocation was approved. The secretary shall notify the governmental issuer within five business days after receipt of the application if the request for extension has been approved or denied. If the private activity bonds for which an extension has been approved are not issued on or before the last day of the extension period approved by the secretary, the approved allocation shall expire unless a carryforward election is approved by the secretary.

(h) Notwithstanding any other provision of this act, if an approved allocation or an approved extension period expires on December 1, the secretary may grant an extension, or a further extension, for any period ending not later than the time of 11:59 p.m. on December 31 of the calendar year in which the allocation was approved.

(i) The secretary shall provide to the governmental issuer on or prior to the date of issuance of any private activity bonds for which an approved allocation has not expired a certification that such bonds meet the requirements of section 146 of the code.

(j) On or after December 16 of each calendar year, the secretary may approve a carryforward election with respect to an approved allocation or any approved extension if the governmental issuer, in writing (1) requests such action, and (2) indicates that the private activity bonds for which the allocation was approved cannot be issued during the calendar year in which the allocation was approved. Such approved carryforward election shall be made by the governmental issuer by means of a statement, signed by a duly authorized official of such issuer. Such statement shall be filed with the secretary and with the internal revenue service prior to the end of such calendar year in accordance with section 146(f) of the code. A governmental issuer may elect to carryforward such issuing authority only for qualified mortgage bonds, mortgage credit certificates, qualified student loan bonds, qualified redevelopment bonds, as defined in sections 142, 143 and 144 of the code, or for bonds to finance a project described in section 141(d)(1)(A) of the code. In no event shall such carryforward be effective for a period longer than permitted by section 146(f) of the code.

(k) If an approved allocation expires, a governmental issuer may submit another application for an allocation of the state ceiling for the same purpose for which the expired allocation was approved. Any such applications shall be reviewed in order of receipt with no preference or priority being given as a result of the prior application and allocation.

Sec. 4. (a) All governmental issuers are hereby required to report the amount of all private activity bonds issued pursuant to an approved allocation under this act to the secretary by telephone no later than the second business day after the date of

issuance of such bonds. Such reports shall be confirmed in writing by overnight delivery service approved by the secretary, or by certified mail, return receipt requested, postmarked not later than five calendar days after the issuance of such bonds. The written reports required by this subsection shall be on forms prescribed by the secretary.

(b) Failure by a governmental issuer to report in accordance with the provisions of subsection (a), or otherwise to abide by the terms of this act, may result in the forfeiture of future allocations for private activity bonds.

Sec. 5. The secretary, from time to time, shall review and evaluate the use of and demand for allocations of the state ceiling for issuance of private activity bonds and may utilize an advisory committee to assist in the determination of such allocations. If it appears to the secretary that the allocation of the state ceiling pursuant to the provisions of this act should be revised, the secretary shall recommend to the governor and the legislature an alternative method for allocation of the state ceiling.

Sec. 6. K.S.A. 74-5041, 74-5042 and 74-5043 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 HOUSE, and passed that body February 17, 1988.

HOUSE concurred in SENATE amendments March 18, 1988.

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

Passed the SENATE as amended March 16, 1988.

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

APPROVED March 31, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2773

AN ACT amending the Kansas parimutuel racing act; concerning payment for expenses of investigating certain applicants for licensure thereunder; amending K.S.A. 1987 Supp. 74-8813, 74-8815 and 74-8826 and repealing the existing sections.

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

Section 1. K.S.A. 1987 Supp. 74-8813 is hereby amended to read as follows: 74-8813. (a) A nonprofit organization may apply to the commission for an organization license to conduct horse races or an organization license to conduct greyhound races, or both such licenses. In addition, an organization license may authorize the licensee to construct or own a racetrack facility if so provided by the commission. The application for an organization license shall be filed with the commission at a time and place prescribed by rules and regulations of the commission. The application shall specify the days when, and the exact location where it proposes to conduct such races and shall be in a form

(continued)

and include such information as the commission prescribes. A nonrefundable application fee in the form of a certified check or bank draft shall accompany the application. Except as provided pursuant to K.S.A. 1987 Supp. 74-8814 and amendments thereto, such fee shall be as follows: (1) For an application for an organization license to conduct horse or greyhound races with parimutuel wagering, a fee of \$5,000 for each application; and (2) for an application for an organization license to conduct horse races without parimutuel wagering, a fee of \$500 for each application. *If the application fee is insufficient to pay the reasonable expenses of processing the application and investigating the applicant's qualifications for licensure, the commission shall require the applicant to pay to the commission, at such times and in such form as required by the commission, any additional amounts necessary to pay such expenses. No license shall be issued to an applicant until the applicant has paid such additional amounts in full, and such amounts shall not be refundable except to the extent that they exceed the actual expenses of processing the application and investigating the applicant's qualifications for licensure.*

(b) If an applicant for an organization license is proposing to construct a racetrack facility, such applicant, at the time of submitting the application, shall deposit with the commission, in such form as prescribed by rules and regulations of the commission, the sum of (1) \$500,000, if the number of racing days applied for in a racing season is 150 days or more; (2) \$250,000, if the number of racing days applied for is less than 150 days; or (3) a lesser sum established by the commission, if the applicant meets the qualifications set forth in subsection (a)(1) or (a)(2) of K.S.A. 1987 Supp. 74-8814 and amendments thereto or if the applicant will be conducting races only on the state fairgrounds. Only one such deposit shall be required for a dual racetrack facility. The executive director shall promptly remit any deposit received pursuant to this subsection to the state treasurer. The state treasurer shall deposit the entire amount in the state treasury and credit it to the racing applicant deposit fund created by K.S.A. 1987 Supp. 74-8828 and amendments thereto. If the application is denied by the commission, the deposit, and any interest accrued thereon, shall be refunded to the applicant. If the license is granted by the commission in accordance with the terms of the application or other terms satisfactory to the applicant, the deposit, and any interest accrued thereon, shall be refunded to the licensee upon completion of the racetrack facility in accordance with the terms of the license. If the licensee fails to complete the racetrack facility in accordance with the terms of the license, the deposit, and any interest accrued thereon, shall be forfeited by the applicant.

(c) To qualify for an organization license to conduct horse or greyhound races:

(1) The applicant shall be a bona fide, nonprofit organization which, if applicable, meets the requirements of subsection (d);

(2) the applicant shall have, either by itself or through contractual relationships with other persons or businesses approved by the commission, the financial capability, manpower and technical expertise, as determined by the commission, to properly conduct horse races or greyhound races, or both, and, if applicable, to operate a parimutuel wagering system;

(3) if the applicant is proposing to construct a racetrack facility, the applicant shall submit detailed plans for the construction of such facility, including the means and source of financing such construction and operation, sufficient to convince the commission that such plans are feasible;

(4) submit for commission approval a written copy of each contract and agreement which the applicant proposes to enter into, including all those listed in subsection (n), which contracts and agreements shall conform to the restrictions placed thereon by subsections (n), (o) and (p);

(5) the applicant shall propose to conduct races within only one county, and in such county the majority of the qualified electors have approved either: (A) The constitutional amendment permitting the conduct of horse and dog races and parimutuel wagering thereon; or (B) a proposition permitting horse and dog races and parimutuel wagering thereon within the boundaries of such county;

(6) no director, officer, employee or agent of the applicant

shall have been convicted of any of the following in any court of any state or of the United States: (A) Fixing of horse or greyhound races; (B) illegal gambling activity; (C) illegal sale or possession of any controlled substance; (D) operation of any illegal business; (E) repeated acts of violence; or (F) any felony; and

(7) no director or officer of the applicant shall be addicted to, and a user of, alcohol or a controlled substance.

(d) To qualify for an organization license to conduct horse or greyhound races, a nonprofit organization, other than a county fair association or a nonprofit organization conducting races only on the state fair grounds, shall:

(1) Distribute all of its net earnings from the conduct of horse and greyhound races, other than that portion of the net earnings which is necessary to satisfy the debt service obligations, not otherwise deducted from net earnings, of an organization licensee owning the racetrack facility or that portion of the net earnings which is set aside as reasonable reserves for future improvement, maintenance and repair of the racetrack facility owned by the organization licensee, only to organizations, other than itself, which: (A) Have been exempted from the payment of federal income taxes pursuant to section 501(c)(3) of the federal internal revenue code of 1986, as in effect July 1, 1987, (B) are domiciled in this state and (C) expend the moneys so distributed only within this state;

(2) distribute not more than 25% of such net earnings to any one such organization in any calendar year;

(3) not engage in, and have no officer, director or member who engages in, any prohibited transaction, as defined by section 503(b) of the federal internal revenue code of 1986, as in effect July 1, 1987; and

(4) have no officer, director or member who is not a bona fide resident of this state.

(e) Within 30 days after the date specified for filing, the commission shall examine each application for an organization license for compliance with the provisions of this act and rules and regulations of the commission. If any application does not comply with the provisions of this act or rules and regulations of the commission, the application may be rejected or the commission may direct the applicant to comply with the provisions of this act or rules and regulations of the commission within a reasonable time, as determined by the commission. Denial of an organization license by the commission shall be in accordance with the Kansas administrative procedure act. Upon proof by the applicant of compliance, the commission may reconsider the application. If an application is found to be in compliance and the commission finds that the issuance of the license would be within the best interests of horse and greyhound racing within this state from the standpoint of both the public interest and the horse or greyhound industry, as determined solely within the discretion of the commission, the commission may issue an organization license to the applicant. The commission shall approve the issuance of organization licenses for a period established by the commission but not to exceed 25 years. Such license may provide that during its term it constitutes an exclusive license within a radius of the location specified in the license, as determined by the commission. No racing of any kind regulated by this act shall be conducted by any other person within the territory covered by such exclusive license without the written consent of the licensee. For each license issued, the commission shall specify the location, type, time and date of all races and race meetings which the commission has approved for the licensee to conduct. The license shall be issued upon receipt of the license fee and the furnishing of a surety bond or other financial security approved by the commission, conditioned on, and in an amount determined by the commission as sufficient to pay, the licensee's potential financial liability for unpaid taxes, purses and distribution of parimutuel winnings and breakage. No organization license shall be transferred to any other organization or entity.

(f) When considering the granting of organization licenses or racing days between two or more competing applicants, the commission shall give consideration to the following factors:

(1) The character, reputation, experience and financial stability of those persons within the applicant organizations who

will be supervising the conduct of the races and parimutuel wagering for the organization;

(2) the quality of the racing facilities and adjoining accommodations;

(3) the amount of revenue that can reasonably be expected to be generated from state and local taxes, the economic impact for the respective horse or greyhound breeding industries in Kansas and the indirect economic benefit to the surrounding area, in the determination of which economic benefit the commission shall solicit written recommendations from all interested parties in the surrounding area;

(4) the location of the race meetings in relation to the principal centers of population and the effect of such centers on the ability of the organizations to sustain a financially sound racing operation; and

(5) testimony from interested parties at public hearings to be conducted in the geographic areas where the applicants would be conducting their race meetings.

(g) Except as otherwise provided pursuant to K.S.A. 1987 Supp. 74-8814 and amendments thereto, each organization licensee shall pay a license fee in the amount of \$200 for each day of racing approved by the commission. Such fees shall be paid at such times and by such means as prescribed by rules and regulations of the commission. The commission may authorize the state treasurer to refund from the state racing fund a fee paid for any racing day which was canceled with advance notice to and with the approval of the commission.

(h) Organization licensees may apply to the commission for changes in approved race meetings or dates or for additional race meetings or dates as needed throughout the terms of their licenses. Application shall be made upon forms furnished by the commission and shall contain or be accompanied by such information as the commission prescribes. Upon approval by the commission, the organization licensee shall pay an additional license fee for any race days in excess of the number originally approved and included in the calculation of the initial license fee.

(i) All organization licenses shall be reviewed annually by the commission to determine if the licensee is complying with the provisions of this act and rules and regulations of the commission and following such proposed plans and operating procedures as were approved by the commission. The commission may review an organization license more often than annually upon its own initiative or upon the request of any interested party. The commission shall require each organization licensee, other than a county fair association, to file annually with the commission a certified financial audit of the licensee by an independent certified public accountant, which audit shall be open to inspection by the public, and may require an organization licensee to provide any other information necessary for the commission to conduct the annual or periodic review.

(j) Subject to the provisions of subsection (k), the commission, in accordance with the Kansas administrative procedure act, may suspend or revoke an organization license or may impose a civil fine not exceeding \$5,000, or may both suspend such license and impose such fine, for each of the following violations by a licensee:

(1) One or more violations, or a pattern of repeated violations, of the provisions of this act or rules and regulations of the commission;

(2) failure to follow one or more provisions of the licensee's plans for the financing, construction or operation of a racetrack facility as submitted to and approved by the commission;

(3) failure to maintain compliance with the requirements of subsection (c) or (d), if applicable, for the initial issuance of an organization license;

(4) failure to properly maintain or to make available to the commission such financial and other records sufficient to permit the commission to verify the licensee's nonprofit status and compliance with the provisions of this act or rules and regulations of the commission;

(5) providing to the commission any information material to the issuance, maintenance or renewal of the licensee's license knowing such information to be false or misleading;

(6) failure to meet the licensee's financial obligations in-

curred in connection with the conduct of a race meeting; or

(7) a violation of K.S.A. 1987 Supp. 74-8833 and amendments thereto or any rules and regulations adopted pursuant to that section.

(k) Prior to suspension or revocation of a license pursuant to subsection (j), the commission shall give written notice of the reason therefor in detail to the organization licensee and to all facility owner and facility manager licensees with whom the organization licensee is doing business. Upon receipt of such notice by all of such licensees, the organization licensee shall have 30 days in which to cure the alleged violation, if it can be cured. If the commission finds that the violation has not been cured upon expiration of the 30 days, or upon a later deadline granted by the commission, or if the commission finds that the alleged violation is of such a nature that it cannot be cured, the commission shall proceed to suspend or revoke the license pursuant to subsection (j). Nothing in this subsection shall be construed to preclude the commission from imposing a fine pursuant to subsection (j) even if the violation is cured with 30 days or such other period as provided by the commission.

(l) Prior to the expiration of an organization license, the organization may apply to the commission for renewal of such license. The renewal application shall be in a form and include such information as the commission prescribes. The commission shall grant such renewal if the organization meets all of the qualifications required for an initial license. The commission may charge a fee for the processing of the renewal application not to exceed the application fee authorized for an initial license.

(m) Once an organization license has been issued, no person thereafter and during the term of such license shall in any manner become the owner or holder, directly or indirectly, of any shares of stock or certificates or other evidence of ownership, or become a director or officer of such organization licensee without first having obtained the written approval of the commission.

(n) An organization licensee shall submit to the commission for approval a copy of each contract and agreement which the organization licensee proposes to enter into and any proposed modification of any such contract or agreement, including but not limited to those involving:

(1) Any person to be employed by the organization licensee;

(2) any person supplying goods and services to the organization licensee, including management, consulting or other professional services;

(3) any lease of facilities, including real estate or equipment or other personal property; or

(4) the operation of any concession within or adjacent to the racetrack facility.

The commission shall reject any such contract or agreement which violates any provision of this act or rules and regulations of the commission, which provides for payment of money or other valuable consideration which is clearly in excess of the fair market value of the goods, services or facilities being purchased or leased or which, in the case of a contract or agreement with a facility owner licensee or a facility manager licensee, would not protect the organization licensee from incurring losses due to contractual liability.

(o) Organization licensees shall not by lease, contract, agreement, understanding or arrangement of any kind grant, assign or turn over to any person the parimutuel system of wagering described in K.S.A. 1987 Supp. 74-8819 and amendments thereto or the operation and conduct of any horse or greyhound race to which such wagering applies, but this subsection shall not prohibit the organization licensee from contracting with and compensating others for providing services in connection with the financing, acquisition, construction, equipping, maintenance and management of the racetrack facility; the hiring and training of personnel; and the promotion of the facility.

(p) An organization licensee shall not in any manner permit a person other than such licensee to have a share, percentage or proportion of money received from parimutuel wagering at the racetrack facility except as specifically set forth in this act, except that:

(1) A facility owner licensee may receive gross percentage

(continued)

rental fees under a lease if all terms of the lease are disclosed to the commission and such lease is approved by the commission; and

(2) a person who has contracted with an organization licensee to provide one or more of the services permitted by subsection (o) may receive compensation in the form of a percentage of the money received from parimutuel wagering if such contract is approved by the commission and such person is licensed as a facility manager.

(q) Directors or officers of an organization licensee are not liable in a civil action for damages arising from their acts or omissions when acting as individual directors or officers, or as a board as a whole, of a nonprofit organization conducting races pursuant to this act, unless such conduct constitutes willful or wanton misconduct or intentionally tortious conduct, but only to the extent the directors and officers are not required to be insured by law or are not otherwise insured against such acts or omissions. Nothing in this section shall be construed to affect the liability of an organization licensee for damages in a civil action caused by the negligent or wrongful acts or omissions of its directors or officers, and a director's or officer's negligence or wrongful act or omission, while acting as a director or officer, shall be imputed to the organization licensee for the purpose of apportioning liability for damages to a third party pursuant to K.S.A. 60-258a and amendments thereto.

(r) If an applicant for an organization license proposes to construct a racetrack facility and the commission determines that such license should be issued to the applicant, the commission shall issue to the applicant an organization license conditioned on the submission by the licensee to the commission, within a period of time prescribed by the commission, of a commitment for financing the construction of the racetrack facility by a financial institution or other source, subject to approval by the commission. If such commitment is not submitted within the period of time originally prescribed by the commission or such additional time as authorized by the commission, the license shall expire at the end of such period.

(s) If an organization licensee's license authorizes the construction of a dual racetrack facility, such license shall be conditioned on the completion of such facility within a time specified by the commission. If, within the time specified by the commission, the licensee has not constructed a dual racetrack facility in accordance with the plans submitted to the commission pursuant to subsection (c)(3), the commission, in accordance with the Kansas administrative procedure act, shall:

(1) Impose upon the licensee a civil fine equal to 2% of the total parimutuel pools for all races held at the licensee's facility on and after the date that racing with parimutuel wagering is first conducted at such facility and until the date that was specified by the commission for completion of such facility as a condition of the licensee's license; and

(2) revoke the licensee's license unless the licensee demonstrates reasonable cause for the failure to complete the facility.

(t) Any license granted an organization licensee to conduct races at a dual racetrack facility shall be conditioned on the organization licensee's conducting horse races on not less than 20% of the annual racing days granted the licensee by the commission. If an organization licensee fails to comply with such condition, the commission shall revoke the organization licensee's license unless the licensee demonstrates reasonable justification for the failure to complete the facility.

Sec. 2. K.S.A. 1987 Supp. 74-8815 is hereby amended to read as follows: 74-8815. (a) Any person, partnership, corporation or association, or the state of Kansas or any political subdivision thereof, may apply to the commission for a facility owner license to construct or own, or both, a racetrack facility which includes a racetrack and other areas designed for horse racing or greyhound racing, or both.

(b) Any person, partnership, corporation or association may apply to the commission for a facility manager license to manage a racetrack facility.

(c) A facility owner license or a facility manager license shall be issued for a period established by the commission but not to exceed 25 years. The application for a facility owner license shall be accompanied by a nonrefundable fee of \$5,000. An applica-

tion for a facility manager license shall be accompanied by a nonrefundable fee of \$5,000. *If the application fee is insufficient to pay the reasonable expenses of processing the application and investigating the applicant's qualifications for licensure, the commission shall require the applicant to pay to the commission, at such times and in such form as required by the commission, any additional amounts necessary to pay such expenses. No license shall be issued to an applicant until the applicant has paid such additional amounts in full, and such amounts shall not be refundable except to the extent that they exceed the actual, expenses of processing the application and investigating the applicant's qualifications for licensure.*

(d) If an applicant for a facility owner license is proposing to construct a racetrack facility, such applicant, at the time of submitting the application, shall deposit with the commission, in such form as prescribed by rules and regulations of the commission, the sum of (1) \$500,000, if the number of racing days applied for by organization licensee applicants proposing to race at the facility is 150 days or more in a racing season; (2) \$250,000, if such number of racing days applied for is less than 150 days; or (3) a lesser sum established by the commission, if the applicant is the state or a political subdivision of the state. Only one such deposit shall be required for a dual racetrack facility. The executive director shall promptly remit any deposit received pursuant to this subsection to the state treasurer. The state treasurer shall deposit the entire amount in the state treasury and credit it to the racing applicant deposit fund created by K.S.A. 1987 Supp. 74-8828 and amendments thereto. If the application is denied by the commission, the deposit, and any interest accrued thereon, shall be refunded to the applicant. If the license is granted by the commission in accordance with the terms of the application or other terms satisfactory to the applicant, the deposit, and any interest accrued thereon, shall be refunded to the licensee upon completion of the racetrack facility in accordance with the terms of the license. If the licensee fails to complete the racetrack facility in accordance with the terms of the license, the deposit, and any interest accrued thereon, shall be forfeited by the applicant.

(e) A facility owner license shall be granted only to an applicant that already owns an existing racetrack facility or has submitted with its application detailed plans for the construction of such facility, including the means and source of financing such construction and operation sufficient to convince the commission that such plans are feasible or has submitted detailed plans for the construction of a racetrack facility, including the means and source of financing such construction and operation, sufficient to convince the commission that such plans are feasible. A facility manager license shall be granted only to an applicant that has a facility management contract with an organization licensed pursuant to K.S.A. 1987 Supp. 74-8813 and amendments thereto. Denial of a facility owner license or facility manager license by the commission shall be in accordance with the Kansas administrative procedure act.

(f) An applicant for a facility owner license or facility manager license, or both, shall not be granted a license if there is substantial evidence that the applicant for the license, or any officer or director, stockholder, member or owner of or other person having a financial interest in the applicant:

(1) Has been suspended or ordered to cease operation of a parimutuel racing facility in another jurisdiction by the appropriate authorities in that jurisdiction, has been ordered to cease association or affiliation with such a racing facility or has been banned from such a racing facility;

(2) has been convicted by a court of any state or of the United States of any criminal act involving fixing or manipulation of parimutuel races, violation of any law involving gambling or controlled substances, drug violations involving horses or greyhounds or if any employee or agent assisting the applicant in activities relating to ownership or management of a racetrack facility or to the conduct of races has been so convicted;

(3) has been convicted by a court of any state or of the United States of any felony involving dishonesty, fraud, theft, counterfeiting, alcohol violations or embezzlement or if any employee, or agent assisting the applicant in activities relating to ownership or

management of a racetrack facility or to the conduct of races has been so convicted;

(4) has not demonstrated financial responsibility sufficient to meet the obligations being undertaken pursuant to its contract with the organization licensee;

(5) is not in fact the person or entity authorized to or engaged in the licensed activity;

(6) is or becomes subject to a contract or option to purchase under which 10% or more of the ownership or other financial interest or membership interest are subject to purchase or transfer, unless the contract or option has been disclosed to the commission and the commission has approved the sale or transfer during the license period;

(7) has made a statement of a material fact in the application or otherwise in response to official inquiry by the commission knowing such statement to be false; or

(8) has failed to meet any monetary or tax obligation to the federal government or to any state or local government, whether or not relating to the conduct or operation of a race meet held in this state or any other jurisdiction.

(g) No person or entity shall be qualified to hold a facility manager license if such person or entity, or any director, officer, employee or agent thereof, is addicted to, and a user of, alcohol or a controlled substance.

(h) If the commission finds probable cause to believe that a facility owner licensee has failed to follow one or more provisions of the licensee's plans for the financing, construction or operation of a racetrack facility as submitted to and approved by the commission or that a facility owner licensee or facility manager licensee has violated any of the terms and conditions of licensure provided by this section or any other provision of this act or any rule and regulation of the commission, the commission shall give written notice thereof to the licensee and all other interested parties. The licensee shall have 30 days from receipt of the notice to cure such alleged failure or violation, if it can be cured. If the commission finds that such violation has not been cured upon expiration of such 30 days or upon a later deadline granted by the commission, or if the alleged violation is of such a nature that it cannot be cured, the commission may suspend or revoke the licensee's license in accordance with the Kansas administrative procedure act.

(i) If an applicant for a facility owner license proposes to construct a racetrack facility and the commission determines that such license should be issued to the applicant, the commission shall issue to the applicant a facility owner license conditioned on the submission by the licensee to the commission, within a period of time prescribed by the commission, of a commitment for financing the construction of the racetrack facility by a financial institution or other source, subject to approval by the commission. If such commitment is not submitted within the period of time originally prescribed by the commission or such additional time as authorized by the commission, the license shall expire at the end of such period.

(j) If a facility owner licensee's license authorizes the construction of a dual racetrack facility, such license shall be conditioned on the completion of such facility within a time specified by the commission. If, within the time specified by the commission, the licensee has not constructed a dual racetrack facility in accordance with the plans submitted to the commission pursuant to subsection (e), the commission, in accordance with the Kansas administrative procedure act, shall:

(1) impose upon the licensee a civil fine equal to 2% of the total parimutuel pools for all races held at the licensee's facility on and after the date that racing with parimutuel wagering is first conducted at such facility and until the date that was specified by the commission for completion of such facility as a condition of the licensee's license; and

(2) revoke the licensee's license unless the licensee demonstrates reasonable cause for the failure to complete the facility.

Sec. 3. K.S.A. 1987 Supp. 74-8826 is hereby amended to read as follows: 74-8826. (a) There is hereby created the state racing fund in the state treasury.

(b) Except as otherwise provided by K.S.A. 1987 Supp. 74-8824 and section 4, and amendments thereto, all taxes on pari-

mutuel wagering, admissions tax, application fees, license fees and fines which are collected by the commission shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the state racing fund. All moneys credited to such fund shall be expended or transferred only for the purposes and in the manner provided by this act. Expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission or a person designated by the chairperson.

(c) Except as otherwise provided by this act, all operating expenses of the commission and moneys for the promotion of horse and greyhound racing appropriated by the legislature shall be paid from the state racing fund. On July 15 of each year and at such other times as provided by law, the director of accounts and reports shall transfer to the state gaming revenues fund created by K.S.A. 1986 1987 Supp. 79-4801 and amendments thereto any moneys in the state racing fund in excess of those so appropriated.

New Sec. 4. (a) There is hereby created the racing investigative expense fund in the state treasury.

(b) All amounts, other than the application fee, which the commission collects from applicants for licensure pursuant to subsection (a) of K.S.A. 1987 Supp. 74-8813 or subsection (c) of K.S.A. 1987 Supp. 74-8815, and amendments thereto, shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the racing investigative expense fund. All moneys credited to such fund shall be expended or transferred only for the purposes and in the manner provided by this act. Expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission or a person designated by the chairperson.

(c) All expenses of investigation of an applicant's qualifications for an organization license, facility owner license or facility manager license shall be paid from the racing investigative expense fund. Whenever another state agency assists the commission in such investigation and incurs costs in addition to those attributable to the operations of such agency, such additional costs shall be paid from the racing investigative expense fund. The furnishing of assistance in such investigation shall be a transaction between the commission and the respective agency and shall be settled in accordance with K.S.A. 75-5516 and amendments thereto.

(d) This section shall be part of and supplemental to the Kansas parimutuel racing act.

Sec. 5. K.S.A. 1987 Supp. 74-8813, 74-8815 and 74-8826 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body February 25, 1988.

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

Passed the SENATE March 16, 1988.

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

APPROVED March 30, 1988.

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 31st day of March, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

SENATE BILL No. 601

AN ACT relating to political parties; concerning the membership of state party committees; amending K.S.A. 25-3804 and 25-3805 and repealing the existing sections.

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

Section 1. K.S.A. 25-3804 is hereby amended to read as follows: 25-3804. The state committee of each party shall consist of 22 members elected by each congressional district committee; the chairperson and vice-chairperson of each of the congressional district committees; *the chairperson of the parties' official organization of blacks*; the president of the political parties' official state organization for women; the chairperson of the political parties' official state organization for young persons; the representatives elected to the national committee by the respective state committees; and, as to the respective parties with which each is affiliated, the following: The president of the senate or a senator of the same party designated by the president, the majority leader of the senate or a senator of the same party designated by the majority leader, the speaker of the house of representatives or a member of the house of the same party designated by the speaker, the majority leader of the house of representatives or a member of the house of the same party designated by the majority leader, the minority leader of each house, or a member of the same house and party designated by such minority leader, the assistant minority leader of each house or a member of the same house and party designated by such minority leader, one member appointed by the governor and one member appointed by each United States senator. When the majority leader and minority leader of each house have been selected under K.S.A. 46-142 *et seq.*, and any amendments thereto, such officers shall serve in lieu of the previous majority leader and minority leader on the state committee and state executive committee. When the majority party candidates for president of the senate and speaker of the house of representatives have been nominated under K.S.A. 46-142 *et seq.*, and amendments thereto, such candidates shall serve in lieu of the named officers on the state committee and state executive committee. Wherever in article 38, chapter 25 of Kansas Statutes Annotated the words chairman or vice-chairman occur, the same shall mean chairperson or vice-chairperson.

Sec. 2. K.S.A. 25-3805 is hereby amended to read as follows: 25-3805. The state committee of each party shall organize by electing a chairperson, a vice-chairperson, secretary and treasurer. Each person elected to the office of chairperson, vice-chairperson, secretary or treasurer of the state committee shall thereupon become a member of the state committee with full voting rights as such a member or shall retain membership and voting rights if such person is a member of the state committee at the time of such person's election. A meeting for such purpose, to be held at Topeka, Kansas, not sooner than all of the district party committee organization meetings required to be held under K.S.A. 25-3803, and amendments thereto, have been held and not later than 120 days after each general election, shall be called by the state party chairperson, or if the chairperson fails to do so for any reason, by the state party vice-chairperson. Such meetings shall be called by mailing a notice to each member and alternate member of the state committee at least 10 days before the date of the meeting. The person calling such meeting shall serve as temporary chairperson thereof. When the 22 members are elected by each congressional district committee; there shall also be elected an alternate for each. Alternate members shall represent their respective regular member in the absence of the regular member. No member of the state committee shall be represented by proxy at its meetings.

The executive committee of each state party committee shall consist of the state chairperson, state vice-chairperson, state secretary, state treasurer, the representatives elected to the national committee by the respective state committees, *the chairperson of the parties' official organization of blacks*, the president of the political parties' official state organization for women, the chairperson of the political parties' official state organization for young persons and the chairperson and vice-chairperson of each of the congressional district committees. In addition, as to

the respective parties with which each is affiliated, the president of the senate or a senator of the same party designated by the president, the majority leader of the senate or a senator of the same party designated by the majority leader, the speaker of the house of representatives or a member of the house of the same party designated by the speaker, the majority leader of the house of representatives or a member of the house of the same party designated by the majority leader, the minority leader of each house, or a member of the same house and party designated by such minority leader, the assistant minority leader of each house or a member of the same house and party designated by such assistant minority leader, a person designated by each United States senator and a person designated by the governor shall be members of the executive committee. The state chairperson shall be chairperson of the executive committee.

Sec. 3. K.S.A. 25-3804 and 25-3805 are hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 8, 1988.

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

Passed the HOUSE, March 22, 1988.

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

APPROVED April 1, 1988.

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 1st day of April, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

HOUSE BILL No. 2655

AN ACT concerning registered nurse anesthetists; amending K.S.A. 1987 Supp. 65-1152 and repealing the existing section.

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

Section 1. K.S.A. 1987 Supp. 65-1152 is hereby amended to read as follows: 65-1152. (a) In order to obtain authorization from the board of nursing to practice as a registered nurse anesthetist an individual shall meet the following requirements:

(a) (1) Is licensed to practice professional nursing under the Kansas nurse practice act;

(b) (2) has successfully completed a course of study in nurse anesthesia in a school of nurse anesthesia accredited or approved by the board; and

(c) (3) has successfully completed an examination approved by the board or has been certified by a national organization whose certifying standards are approved by the board as equal to or greater than the corresponding standards established under this act for obtaining authorization to practice as a registered nurse anesthetist.

(b) Schools of nurse anesthesia accredited or approved by the board under this section may offer, but shall not be required to offer, a masters level degree program in nurse anesthesia.

Sec. 2. K.S.A. 1987 Supp. 65-1152 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 7, 1988.

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

Passed the SENATE March 22, 1988.

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

APPROVED April 1, 1988.

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 1st day of April, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

(Published in the KANSAS REGISTER, April 7, 1988.)

SENATE BILL No. 666

AN ACT concerning the grain inspection department; relating to fees; amending K.S.A. 34-103a and repealing the existing section.

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

Section 1. K.S.A. 34-103a is hereby amended to read as follows: 34-103a. (a) The Kansas state grain inspection department shall collect from an applicant requesting services a fee for such services rendered by the department. Such fees shall be determined and fixed by the director by rules and regulations. Prior to determining and fixing such fees, the director shall consider recommendations thereon by the state grain advisory commission. Such fees shall not be more than the amounts shown in the following fee schedule:

Table with 2 columns: Description of service and Fee amount. Includes items like Hopper car, per inspection or reinspection (\$20.00), Extra sample secured at time of original, per request (6.00), etc.

Table with 2 columns: Description of service and Fee amount. Includes items like Charge for services performed on overtime (after eight hours per day) by state grain personnel, Edible bean inspection (official warehouse lot), etc.

(b) Where any service is performed in a business community where the department does not regularly maintain an inspection station, the department may charge for subsistence and transportation of personnel and equipment from the headquarters of such personnel to such point and return. Such charges shall be set by adoption of rules and regulations as provided by law. The director may fix the manner in which the charges are collected.

(c) If any person, warehouse or railroad corporation or any of their agents or employees refuses or prevents the officers of the department from having access to their scales, elevators, warehouses and other places in the regular performance of their duties in inspecting, sampling, sampling for inspection and weighing grain or other property in accordance with the tenor and meaning of this act or any law now in force or that may be enacted in relation to the same, such persons or corporations shall be guilty of a misdemeanor.

Sec. 2. K.S.A. 34-103a is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body March 3, 1988.

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

Passed the HOUSE March 22, 1988.

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

APPROVED April 1, 1988.

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 1st day of April, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

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