

KANSAS REGISTER



State of Kansas

BILL GRAVES
Secretary of State

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State of Kansas
STATE CONSERVATION COMMISSION
 NOTICE TO CONTRACTORS

Sealed bids for the construction of a 24,500 cubic yard detention dam, Site SP-4 in Butler County, will be received by the Whitewater River Watershed Joint District No. 22 at the district office, 2435 W. Central, El Dorado 67406, until 2 p.m. May 26. Bids will be opened at 2:15 p.m. on May 26 at the district office.

A copy of the invitation for bids and plans and specifications can be obtained from the district office, (316) 321-5891.

KENNETH F. KERN
 Executive Director

Doc. No. 006532

State of Kansas
SOCIAL AND REHABILITATION SERVICES
STATE PLANNING COUNCIL ON
DEVELOPMENTAL DISABILITIES
SERVICES

NOTICE OF MEETING

The State Planning Council on Developmental Disabilities Services will meet at 9 a.m. Thursday, May 19, in the fifth floor north conference room, Docking State Office Building, Topeka.

JOHN KELLY
 Executive Director

Doc. No. 006542

State of Kansas
DEPARTMENT OF ADMINISTRATION
DIVISION OF ARCHITECTURAL SERVICES

NOTICE OF COMMENCEMENT
 OF NEGOTIATIONS
 FOR ENGINEERING SERVICES

Notice is hereby given of the commencement of negotiations for engineering services for the replacement of the alarm system at the Milford Fish Hatchery. The alarm system monitors environmental conditions and the operational status of equipment in a variety of locations throughout the facility.

Any questions or expressions of interest should be directed to Myron Reed, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, prior to May 20.

EDWARD A. DE VILBISS, AIA
 Director, Division of
 Architectural Services

Doc. No. 006533

State of Kansas
DEPARTMENT OF ADMINISTRATION
DIVISION OF ARCHITECTURAL SERVICES

NOTICE OF COMMENCEMENT
 OF NEGOTIATIONS
 FOR TECHNICAL SERVICES

Notice is hereby given of the commencement of negotiations for soil and subsurface investigation and testing services and compaction testing during construction for the proposed warehouse addition to the Printing Services Building at the University of Kansas, Lawrence.

Any questions or expressions of interest should be directed to Jack Nelson, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, prior to May 20.

EDWARD A. DE VILBISS, AIA
 Director, Division of
 Architectural Services

Doc. No. 006547

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



Phone: (913) 296-3489

**State of Kansas
DEPARTMENT OF TRANSPORTATION**

NOTICE TO CONSULTING ENGINEERS

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

K-3448-01 and C-2709-01, statewide inspection of and report on each pin and hangar strip connection. There are 15 structures on the state highway system and 35 structures on city and county roads. The inspection will require ultrasonic testing equipment.

Firms expressing interest in these projects must respond in writing and complete the Consulting Engineers Qualification Questionnaire (if not already prequalified) by May 19.

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

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

HORACE B. EDWARDS
Secretary of Transportation

Doc. No. 006492

**State of Kansas
BOARD OF INDIGENTS'
DEFENSE SERVICES**

**TABLE OF REASONABLE AND
NECESSARY LIVING EXPENSES**

Pursuant to the provisions of K.A.R. 105-40-2(c), the State Board of Indigents' Defense Services herewith publishes its table of reasonable and necessary living expenses to be used by the court in conjunction with other information to determine eligibility of persons for felony defense services (K.S.A. 22-4501 *et seq.*).

Size of Family Unit	Living Expenses Guideline
1	\$ 7,213
2	9,663
3	12,113
4	14,563
5	17,013
6	19,463
7	21,913
8	24,363

Add \$2,450 for each additional family member.

This table will be published in the *Kansas Register* each time the federal poverty income guidelines are revised, subject to consideration and approval by the board.

RONALD E. MILES
Director

Doc. No. 006535

**State of Kansas
BOARD OF INDIGENTS'
DEFENSE SERVICES**

NOTICE OF MEETING

The State Board of Indigents' Defense Services will meet at 1 p.m. Monday, May 9, in Room 503-N, Landon State Office Building, 900 S.W. Jackson, Topeka.

For additional information contact Ron Miles, Director, State Board of Indigents' Defense Services, Room 506, Landon State Office Building, (913) 296-4505.

RONALD E. MILES
Director

Doc. No. 006537

**State of Kansas
SOCIAL AND REHABILITATION SERVICES
STATE ECONOMIC OPPORTUNITY OFFICE**

**NOTICE CONCERNING WEATHERIZATION
ASSISTANCE PROGRAM**

In accordance with the Department of Energy regulations dated January 1, 1986, Part VI, Sections 440.14 and 440.15, the State Economic Opportunity Office, a section of Adult Services within the Department of Social and Rehabilitation Services, will conduct a public hearing to receive comments on the four agencies that applied for the weatherization assistance program to be operated in northern Wyandotte County.

The hearing is scheduled for 1:30 p.m. Monday, May 16, in Room 101, Gateway Center I, Kansas City area SRS office, Kansas City, Kansas. Written comments may be mailed to Jim Spano, State Economic Opportunity Office, Biddle Building, 1st Floor, 2700 W. 6th, Topeka 66606, prior to the hearing date. Comments will also be accepted at the hearing.

The four applicants are:

Craft Weatherization Trust
Suite 115
8000 W. 110th
Overland Park, KS 66210

East Central Kansas Opportunity Office
203 W. 3rd, Box 110
Ottawa, KS 66067

Turner House, Inc.
3rd and Stewart
Kansas City, KS 66101

Harvest America Corporation
Franklin Center
14th and Metropolitan
Kansas City, KS 66103

LOIS A. MARTIN, Administrator
State Economic Opportunity Office

Doc. No. 006543

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 May 1, 1988 through May 31, 1988 shall be 11.78 percent.

In testimony whereof: I have hereto set my hand and cause to be affixed my seal. Done at the City of Topeka, this 29th day of April, A.D. 1988.

BILL GRAVES
Secretary of State

Doc. No. 006546

State of Kansas
KANSAS WHEAT COMMISSION

NOTICE OF HEARING
ON PROPOSED
ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 9 a.m. Monday, May 23, at the office of the Kansas Wheat Commission, 2630 Claflin Road, Manhattan, on temporary and permanent regulation 24-1-1. All interested parties may present oral and written comments at the hearing.

The fiscal impact on the average Kansas wheat producer seeding 273 acres of wheat per year (as per Kansas agricultural statistics) is an increase in wheat assessment paid of approximately \$30.31. There will be no impact on the general public. The effective date of the regulation will be June 1, 1988.

Copies of the regulation and the fiscal impact statement can be obtained from the Kansas Wheat Commission, 2630 Claflin Road, Manhattan 66502-2743.

The regulation to be adopted is as follows:

24-1-1. Mill levy assessment. Wheat marketed through commercial channels in the state of Kansas shall be assessed at seven mills per bushel. The assessment shall be levied and assessed to the grower at the time of sale. (Authorized by and implementing K.S.A. 1987 Supp. 2-2608, as amended by Substitute for Senate Bill No. 448; effective, T-____-____-____: Effective May 1, 1989.)

STEVEN M. GRAHAM
Administrator

Doc. No. 006545

State of Kansas
DEPARTMENT OF HEALTH
AND ENVIRONMENT

NOTICE CONCERNING KANSAS
WATER POLLUTION CONTROL PERMIT

In accordance with state regulations 28-16-57 through 28-16-63 and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, tentative permits have been prepared for discharges to the waters of the United States and the state of Kansas for the applicants described below. The tentative determinations for permit content are based on preliminary staff review, applying the appropriate standards, regulations and effluent limitations of the state of Kansas and the EPA, and when issued will result in a state water pollution control permit and national pollutant discharge elimination system authorization to discharge subject to certain effluent limitations and special conditions.

Name and Address of Applicant	Waterway	Type of Discharge
High Plains Corporation 412 North St., Box 427 Colwich, KS 67030 Sedgwick County, KS	Arkansas River via Cowskin Creek via Unnamed Tributary, Lower Arkansas River Basin	Process, cooling and domestic wastewater

Kansas Permit No. 1-AR24-P002 Federal Permit No. KS-0081329
Description of Facility: This facility is engaged in processing grain into ethanol and high protein food. Wastewater treatment consists of a complete-mix aerated lagoon, clarifier and three aerobic ponds. This is an existing facility and the previous limitations have been modified. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

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 27 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-88-27) and name of applicant as listed when preparing comments.

If no objections are received, the Secretary of Health and Environment will issue the final determination. If response to this notice indicates significant public interest, a public hearing may be held in conformance with state regulation 28-16-61.

The application, proposed permit, including proposed effluent limitations and special conditions, 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 KDHE. 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. 006539

State of Kansas

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

The Kansas Water Office will be conducting three public hearings to obtain public views on modifications to the "Minimum Desirable Streamflow" and "Lower Arkansas Basin" sub-sections of the "Kansas Water Plan." Modifications to the minimum desirable streamflow sub-section consist of establishment of minimum desirable streamflow standards for five stream reaches of Chapman Creek, Solomon River, Whitewater River, Walnut River and Spring River. Modifications in the lower Arkansas basin sub-sections involve the combination of the basin plan into sub-sections on quantity and quality.

The public hearings are scheduled as follows:

Monday, May 16:

1:00 p.m.—Public Library, 4th and Broadway, Abilene
7:00 p.m.—Prairie State Bank, Augusta

Tuesday, May 17:

1:00 p.m.—Community Building, 11th and East
Avenue, Baxter Springs

An executive summary containing the complete text of the working drafts will be mailed to those individuals and organizations on the agency's mailing list. Each county conservation district office and county extension office will have a copy of the executive summary for public review. Additional copies of the executive summary may be obtained from the Kansas Water Office.

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

JOSEPH F. HARKINS
Director

Doc. No. 006538

State of Kansas

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

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

Monday, May 16, 1988

#73821

Department of Transportation—TRACTORS,
MOWERS, TILLERS, various locations

#73842

Department of Social and Rehabilitation Services—
CARPET AND INSTALLATION, Wichita

Tuesday, May 17, 1988

#A-5534(a)

Youth Center at Atchison—LOCKSET
REPLACEMENT IN OAK AND HICKORY
COTTAGES

#25501

Pittsburg State University—DIPLOMAS AND
CASES

#27216

University of Kansas—DRY ICE

#27217

Kansas State University—DRY ICE

#27814

The Kansas Lottery—SECURITY CONSULTANT
SERVICES

#27815

Winfield State Hospital and Training Center—
DISHWASHING SUPPLIES

Wednesday, May 18, 1988

#27070

University of Kansas—CLEANING CHEMICALS
AND SUPPLIES

#27816

Wichita State University—INSTALL CARPET

#73837

Department of Transportation—NUCLEAR TESTING
EQUIPMENT

#73838

Department of Transportation—CORRUGATED
METAL ARCH CULVERT, PIPE AND BANDS,
Chanute

#73841

University of Kansas Medical Center—GENETIC
RESEARCH EQUIPMENT

#73843

Kansas State University—VACUUM RESEARCH

#73855

University of Kansas Medical Center—ANIMAL
CAGES

#73856

Ellsworth Correctional Facility—TRACTOR AND
ATTACHMENTS

#73857

Department of Administration, Buildings and
Grounds Services—FURNISH AND INSTALL
ELECTRIC BOILER

#73858

University of Kansas Medical Center—FURNISH
AND INSTALL GLASS ENCLOSURE

Thursday, May 19, 1988

#73872

Kansas State University—SORTING SYSTEM

#73873

University of Kansas—ASPHALT SURFACE
TREATMENT

#73874

University of Kansas—FOLDING MACHINE/PAPER
CUTTER

#73875

Kansas State Penitentiary—TOBACCO

#73876

Department of Transportation—PORTABLE
GENERATORS, various locations

#73877

Department of Human Resources—TELEX
PRINTER RIBBONS

(continued)

#73878
 Kansas State University—GAS CHROMATOGRAPH
 #73879
 University of Kansas Medical Center—
 ELECTROSURGICAL GENERATOR
 #73880
 Wichita State University—ISOKINETIC EXERCISE
 UNIT

Friday, May 20, 1988

#73906
 Kansas State Fair—TICKETS
 #73908
 Pittsburg State University—BAND UNIFORMS
 #73909
 Winfield State Hospital and Training Center—
 DISHWASHER
 #73911
 University of Kansas Medical Center—SURGICAL
 TABLE
 #73912
 University of Kansas Medical Center—HOSPITAL
 SCALES
 #73913
 Department of Transportation—TRUCK AND
 DERRICK, Hutchinson
 #73914
 University of Kansas Medical Center—PULSE
 OXIMETER SYSTEM
 #73915
 University of Kansas Medical Center—SURGICAL
 CASE CART
 #73916
 University of Kansas Medical Center—STATION
 WAGON, Garden City
 #73920
 Wichita State University—LIBRARY FURNITURE

Monday, May 23, 1988

#27817
 Department of Administration—STATEWIDE
 INDIRECT COST ALLOCATION PLAN
 #73108
 Department of Administration, Division of
 Purchases—AUTOMATED PROCUREMENT
 MANAGEMENT SYSTEM

Tuesday, May 24, 1988

#73779
 State Corporation Commission—CONSTRUCTION
 OF INDIAN CREEK RECLAMATION PROJECT,
 Linn County

Thursday, May 26, 1988

#73859
 Adjutant General's Department—CONSTRUCTION
 OF PAOLA ARMORY

NICHOLAS B. ROACH
 Director of Purchases

Doc. No. 006540

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 296-3364.

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

Applications set for May 17, 1988

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

Service Cartage Co.) Docket No. 143,760 M
 2001 Guinotte)
 Kansas City, MO 64120) MC ID No. 116551
 Applicant's Attorney: None

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

Robert W. Woolsey) Docket No. 157,043 M
 1515 E. 2nd)
 Friend, NE 68359) MC ID No. 100995
 Applicant's Attorney: None

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

Frank Walker and) Docket No. 145,866 M
 O. D. Littrell, dba)
 F & O Roustabouts)
 Industrial Street)
 Route 1, Box 129)
 Hugoton, KS 67951) MC ID No. 122246

Applicant's Attorney: None

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

Between all points and places in the state of Kansas.

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

Farmers Oil Co., Inc.) Docket No. 145,505 M
 826 W. Main)
 Anthony, KS 67003) MC ID No. 115486

Applicant's Attorney: Brad Murphree, 400 N. Woodlawn,
 Suite 1, Wichita, KS 67208

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

Between all points in Kansas on and south of I-70.
Also,
Between all points in Kansas on and south of I-70, on the one hand, and on the other, all points and places in the state of Kansas.

Application for Extension of Certificate of Convenience and Necessity:

Jim Sanko) Docket No. 151,507 M
Spearville, KS 67876) MC ID No. 103232
Applicant's Attorney: Joseph Weiler, 1610 S.W. Topeka Blvd., P.O. Box 237, Topeka, KS 66612

Grain, hay, feed, feed ingredients, dry fertilizer and salt,
Between points and places in Kansas.

Machinery and building materials,

Between points and places in Kansas lying on or west of U.S. 81.

Also,

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

Application for Transfer of Certificate of Convenience and Necessity:

Quality Delivery, Inc.) Docket No. 148,297 M
1501 N. Topping)
Kansas City, MO 64802) MC ID No. 110276
TO:

Midwest All Cargo, Inc.
2111 Davis Blvd.
Joplin, MO 64802

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

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

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

James A. Nusz, dba) Docket No. 160,042 M
Jim's Trucking)
106 W. Water)
Severy, KS 67137) MC ID No. 103604

Applicant's Attorney: None

Grain, feed ingredients, hay,

Between all points and places in the counties of Elk, Greenwood, Wilson, Butler, Cowley, Sedgwick, Lyon, Harvey, Woodson, Reno and Sumner counties, Kansas.

Also,

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

Application for Extension of Certificate of Convenience and Necessity:

Fast Transportation, Inc.) Docket No. 144,132 M
1700 E. Iron)
Salina, KS 67401) MC ID No. 120894

Applicant's Attorney: None

Grain, feeds, seeds, feed ingredients, fertilizer, salt,
Between all points and places in the state of Kansas.

Application for Extension of Certificate of Convenience and Necessity:

Agricultural Carriers, Inc.) Docket No. 122,576M
2924 W. Harry)
Wichita, KS 67213) MC ID No. 103112

Applicant's Attorney: Brad Murphree, 400 N. Woodlawn, Suite 1, Wichita, KS 67208

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

Between all points and places in the state of Kansas.

Application for Extension of Certificate of Convenience and Necessity:

McFarland Truck Lines, Inc.) Docket No. 147,561 M
P.O. Box 16610)
Wichita, KS 67216-0610) MC ID No. 102949

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

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

Between all points and places in Sedgwick County, Kansas.

Also,

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

Application set for May 19, 1988

Application for Certificate of Convenience and Necessity:

Century Van Lines, Inc.) Docket No. 160,046 M
211 Marion)
Leavenworth, KS 66048)

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

Household goods,

Between points and places in the state of Kansas.

(continued)

Applications set for May 24, 1988

Application for Extension of Certificate of Convenience and Necessity:

OWS, Inc.) Docket No. 28,320 M
Box 386)
Plainville, KS 67663) MC ID No. 100200
Applicant's Attorney: William Barker, 3401 Harrison, Topeka, KS 66611

Oilfield equipment, materials and supplies,

Between points in Cheyenne, Rawlins, Decatur, Norton, Phillips, Smith, Sherman, Thomas, Sheridan, Graham, Rooks, Osborne, Wallace, Logan, Gove, Trego, Ellis, Russell, Ellsworth, Greeley, Wichita, Scott, Lane, Ness, Rush, Barton and Rice counties, on the one hand, and on the other, all points and places in Kansas.

Application for Abandonment of Certificate of Convenience and Necessity:

R. K. Miller Construction,) Docket No. 147,581 M
Inc., dba)
McPherson Charters)
300 S. Grand)
McPherson, KS 67460) MC ID No. 122305
Applicant's Attorney: None

Application for Certificate of Convenience and Necessity:

Scott Fruits, dba) Docket No. 160,049 M
Fruits Trucking)
Box 322)
Delphos, KS 67436) MC ID No. 130134
Applicant's Attorney: William Barker, 3401 Harrison, Topeka, KS 66611

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

Between points in Republic, Jewell, Lincoln, Ellsworth, Ottawa, Cloud, Saline, Mitchell, Smith, Osborne, Russell, Dickinson, Clay and Washington counties, Kansas, on the one hand, and on the other, all points and places in Kansas.

Application for Certificate of Convenience and Necessity:

Allen Drilling Company) Docket No. 160,050 M
1105 Walnut)
Great Bend, KS 67530) MC ID No. 119937
Applicant's Attorney: Larry Gregg, 3401 Harrison, Topeka, KS 66611

Oilfield equipment, machinery, materials and supplies,

Between points in Trego, Ellis, Russell, Ness, Rush, Barton, Rice, McPherson, Pawnee, Stafford, Reno, Harvey, Pratt, Clark, Barber, Sumner and Ellsworth counties.

Also,

Between points in Trego, Ellis, Russell, Ness, Rush,

Barton, Rice, McPherson, Pawnee, Stafford, Reno, Harvey, Pratt, Clark, Barber, Sumner and Ellsworth counties, on the one hand, and all points and places in the state of Kansas, on the other.

ALFONZO A. MAXWELL
Administrator
Transportation Division

Doc. No. 006541

State of Kansas
BOARD OF TECHNICAL PROFESSIONS

NOTICE OF MEETING

The State Board of Technical Professions will meet Friday, May 6, at the board office, Suite 507, Landon State Office Building, 900 S.W. Jackson, Topeka.

The Engineer and Land Surveyor Board and the Architect and Landscape Architect Board will meet at 8 a.m. A full board meeting will be at 1:30 p.m. The meetings are open to the public.

BETTY L. ROSE
Executive Secretary

Doc. No. 006526

(Published in the Kansas Register, May 5, 1988.)

NOTICE OF REDEMPTION
Shawnee County, Kansas
Industrial Revenue Bonds
(Falgers, Inc.)
Series 1981-1

Notice is hereby given that \$400,000 principal amount of bonds, as listed below, are called for redemption on June 1, 1988 at the price of 101 percent plus accrued interest thereon to the redemption date. This is a total call of the remaining outstanding bonds in this issue.

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

- June 1, 1989 maturities—CUSIP #820560AH3—81 through 100
June 1, 1991 maturities—CUSIP #820560AJ9—101 through 120
June 1, 1992 maturities—CUSIP #820560AK6—121 through 140
June 1, 1993 maturities—CUSIP #820560AL4—141 through 160

On June 1, 1988, all bonds designated for redemption will become due and payable upon presentation thereof at the address given below. On and after June 1, 1988, interest on the principal amount called for redemption will cease to accrue.

The bonds, along with IRS form W-9 (verification of taxpayer identification number) may be presented for payment in person or by mail at the following address: Merchants National Bank of Topeka, Attn: Corporate Trust, P.O. Box 178, Topeka, KS 66601 or 800 Jackson, Topeka, KS 66612.

JAMES D. DENNISON
Assistant Trust Officer

Doc. No. 006536

**State of Kansas
SOCIAL AND REHABILITATION SERVICES**

REQUEST FOR PROPOSALS

Kansas Rehabilitation Services is seeking requests for proposals to operate a sheltered workshop for the blind. The initial contract period is June 18, 1988 through June 30, 1989. Funds for subsequent periods are contingent upon approval from the Legislature.

A pre-bid conference is scheduled for May 17. Responses to the RFP are due no later than noon May 31. Copies of the "Request for Proposal" can be obtained by contacting Richard Schutz, Kansas Rehabilitation Services, (913) 296-4454.

STEPHEN SCHIFFELBEIN
Acting Commissioner

Doc. No. 006544

(Published in the *Kansas Register*, May 5, 1988.)

**NOTICE OF BOND SALE
\$789,521**

**General Obligation Bonds
City of Hesston, Harvey County, Kansas
Series 1988-A**

Sealed Bids

Sealed bids for the purchase of \$789,521 principal amount of general obligation bonds, Series 1988-A of the city, will be received by the undersigned, city clerk of the city of Hesston, Kansas, on behalf of the governing body of the city at the Hesston Municipal Building, 115 E. Smith, Hesston, KS 67062, until 5 p.m. C.D.T. on Monday, May 9, 1988. All bids will be publicly opened and read at 6 p.m. C.D.T. in the Hesston Municipal Building, at its regular place of meeting in the Hesston Municipal Building, and will be acted upon by the city immediately thereafter. No oral or auction bids will be considered. The sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice; and the bonds will be sold to the best bidder. The city reserves the right to reject any and all of the bids and to waive any irregularities or informalities.

Bond Details

The bonds will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof (except one bond in the denomination of \$9,521). The bonds will be dated May 1, 1988, and will become due serially on May 1 in each of the years and amounts as follows:

Date of Maturity	Total
May 1, 1989	\$69,521
May 1, 1990	\$80,000
May 1, 1991	\$80,000
May 1, 1992	\$80,000
May 1, 1993	\$80,000
May 1, 1994	\$80,000
May 1, 1995	\$80,000
May 1, 1996	\$80,000
May 1, 1997	\$80,000
May 1, 1998	\$80,000

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 May 1, 1989.

Redemption

The bonds maturing May 1, 1989 through May 1, 1995, inclusive, are not subject to redemption and payment prior to their respective maturities.

The bonds maturing May 1, 1996 and thereafter are callable at the option of the city prior to the stated maturities thereof, in whole or in part and in inverse numerical order, on any interest payment date on and after May 1, 1995, the date being so set for redemption and payment being referred to as the "redemption date," at a redemption price equal to the principal amount of the bond, together with accrued interest to the redemption date.

The city shall give notice of any call for redemption and payment in writing to the paying agent not less than 60 days prior to the redemption date; and the paying agent shall give notice of such call for redemption and payment in writing to the registered owners of the bonds not less than 30 days prior to the redemption date. Notice of any call for redemption and payment shall also be published one time in the official newspaper of the state of Kansas and in the official newspaper of the city not less than 30 days prior to the redemption date.

Prior to the redemption date, the city shall deposit with the paying agent sufficient funds to pay the bonds so called at the redemption price set forth above and all unpaid and accrued interest thereon to the redemption date. Upon the deposit of said funds, and the giving of notice in the form and manner hereinbefore specified, bonds thus called for redemption shall cease to bear interest from and after the redemption date.

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 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 each interest payment date.

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 bondholders.

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 conditions of this paragraph. The same rate shall apply to all bonds of the same maturity, and no more than five different interest rates may be specified by the bidder. Each interest rate specified shall be a multiply of 1/8 or 1/20 of 1 percent. No interest rate shall exceed the index of treasury bonds published by *Credit*

(continued)

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 city 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 city on the basis of such bid. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid. The successful bidder shall provide to the city at least one week prior to the closing date, in writing, the prices (exclusive of accrued interest), expressed as a dollar price and by maturity, at which it intends that 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 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 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 issued in connection with the construction of street improvements in the city, all of which improvements were made under the authority of K.S.A. 12-6a01 *et seq.* and 12-685, as amended and supplemented. The proceeds of the bonds, along with unexpended proceeds of temporary notes previously issued for the improvements and special assessments which have been collected in cash, will be used to pay and redeem the temporary notes and pay certain other final costs of the improvements.

The bonds will be general obligations of the city payable as to both principal and interest in part from special assessments levied upon specially benefited property, and the remainder of said principal and interest and any portion of the specially assessed part not so paid shall be payable 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 city.

Legal Opinion and Tax Exemption

All matters incidental to authorization and issuance of the bonds are subject to the approving opinion of Hinkle, Eberhart & Elkouri, bond counsel, Wichita, Kansas. Bond counsel's opinion will be printed on the reverse side of each bond, and a manually signed original will be furnished without expense to the successful bidder concurrently with the delivery of the bonds. All fees and expenses of bond counsel will be paid by the city.

In the opinion of bond counsel, assuming continued compliance by the city with the terms of the bond or-

inance, 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 exclusion mentioned in the preceding clause (a) is subject to compliance by the city with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to issuance of the bonds in order for the interest on the bonds to qualify for such exclusion. 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 will covenant to comply with all such requirements. 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 and townships.

Related Federal Tax Matters

Prospective bidders for purchase 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 obligations other than qualified tax-exempt obligations (as described below) or, in the case of a financial institution within the meaning of Section 265(b)(5) of the code, that portion of a bondholder's interest expense allocable to interest on such obligations; (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) of the code 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 prior to January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under Section 1375 of the code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if more 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 railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. The foregoing categories of prospective bondowners should consult their own tax advisers as to the applicability of any of these consequences.

Qualified Tax-Exempt Obligations

The city will covenant to take such actions as are nec-

essary to designate the bonds as "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.

Delivery and Payment

The city 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 June 15, 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 city. The denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the initial registered owners shall be submitted in writing by the successful bidder to the bond registrar not later than 10 a.m. C.D.T. on June 3, 1988. In the absence of such information, the bonds will be delivered one bond per maturity registered in the name of the successful bidder.

The successful bidder shall furnish the city by 10 a.m. C.D.T. on June 3, 1988, a certificate acceptable to the city's bond counsel to the effect that (i) the successful bidder has made a bona fide 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 \$15,790.42 (being 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. No interest will be paid upon the deposit 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 city 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 city. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check 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 city 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 city.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city 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 the Hesston Municipal Building and must be received by the undersigned prior to 5 p.m. C.D.T. on Monday, May 9, 1988.

Official Statement

Upon the sale of the bonds, the city will adopt an official statement in substantially the form as the preliminary official statement, subject to minor amendments and supplementation. Copies of the city's preliminary official statement relating to the bonds may be obtained from the city clerk. 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 bidder's expense.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property and the taxable value of motor vehicles within the city for the year 1987 is \$17,045,954. The total general obligation bonded indebtedness of the city as of the date of the bonds, including the bonds, is \$2,712,221, including as of the date of the bonds, temporary notes outstanding in the principal amount of \$629,700, all of which will be retired out of the proceeds of the bonds herein offered for sale.

Dated April 18, 1988.

CITY OF HESSTON, KANSAS
Jean Krehbiel, City Clerk
Hesston Municipal Building
115 E. Smith
(316) 327-4412
Hesston, KS 67062

Doc. No. 006531

(Published in the *Kansas Register*, May 5, 1988.)

NOTICE OF BOND SALE
\$1,632,717.22
General Obligation Bonds
Series CX
of the
City of Junction City, Kansas
(general obligation bonds payable
from unlimited ad valorem taxes)

Sealed Bids

Sealed bids will be received by the undersigned, acting city clerk of the city of Junction City, Kansas, on behalf of the governing body at the City Hall, 7th and Jefferson, Junction City, KS 66441, until 7 p.m. C.D.T. on Tuesday, May 10, 1988, for the purchase of \$1,632,717.22 principal amount of general obligation bonds, Series CX, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$7,717.22. The bonds will be dated May 1, 1988, and will become due serially on September 1 in the years as follows:

Year	Principal Amount
1989	\$ 67,717.22
1990	85,000.00
1991	90,000.00
1992	95,000.00
1993	100,000.00
1994	105,000.00
1995	105,000.00
1996	110,000.00
1997	110,000.00
1998	115,000.00
1999	65,000.00
2000	65,000.00
2001	65,000.00
2002	65,000.00
2003	65,000.00
2004	65,000.00
2005	65,000.00
2006	65,000.00
2007	65,000.00
2008	65,000.00

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

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.

Optional Municipal Bond Insurance

AMBAC Indemnity Corporation has issued a commitment for municipal bond insurance relating to the bonds. The bonds may be purchased with or without this insurance at the option of the successful bidder. All expenses associated with the purchase of said insurance will be the responsibility of the successful bidder. The insurance policy, if purchased, will insure the timely payment of the principal of and interest on the bonds.

Bond Rating

The city has not applied for a rating on the bonds. If the successful bidder elects to purchase the bonds with municipal bond insurance, Standard & Poor's Corporation and Moody's Investors Service, Inc. will assign their ratings of "AAA" and "Aaa," respectively, to this issue with the understanding that upon delivery of the bonds, a policy insuring the payment when due of the principal of and interest on the bonds will be issued by AMBAC Indemnity Corporation.

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1989 to 1998, inclusive, shall become due without option of 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 (selection of bonds to be designated by the city in such equitable manner as it may determine) on September 1, 1998, or on any interest payment date thereafter at the redemption price of 100 percent (expressed as a percentage of the principal amount) plus accrued interest thereon to the date of redemption.

Whenever the city is to select bonds for the purpose of redemption, it will, 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 in the denomination of \$5,000.

If the city elects to call any bond for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, the same being described by maturity, said notice to be mailed by United States certified mail addressed to the owners of said bonds, to the Kansas State Treasurer, to the original purchaser of the bonds and to the paying agent, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The city shall also give such additional notice as may be required by Kansas law in effect as of the date of such notice. 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. 12-6a01

et seq. and 12-1736 *et seq.*, as amended, for the purpose of paying the cost of certain street, water, sewer and public building improvements. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special assessments levied upon the property benefited by the construction of said improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.

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 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 can not exceed 3 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be 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 shall 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 \$32,654.35 (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 governing body shall determine which bid, if any, will be accepted, and its determination is final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 7 p.m. 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 acting city clerk or the financial adviser. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid.

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned acting city clerk, and marked "Proposal for General Obligation 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 p.m. C.D.T. on May 10, 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 31, 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 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 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 two weeks prior to the closing date. In the absence of such information, the city will deliver one bond per maturity registered in the name of the manager of the successful bidder.

The reoffering prices to the public by the original purchaser must be furnished to the city at least one week

(continued)

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 a preliminary official statement dated April 26, 1988, copies of which may be obtained from the acting city clerk or from the financial adviser. Upon the sale of the bonds, the city will adopt the final official statement and 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	\$46,031,965
Tangible valuation of motor vehicles	\$ 9,497,022
Equalized assessed tangible valuation for computation of bonded debt limitations	\$55,528,987

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold and all outstanding temporary notes, is \$12,937,379.26. Temporary notes in the principal amount of \$1,591,062.04 will be retired out of proceeds of the bonds and other available funds.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Gilmore & Bell, Wichita, Kansas, and Fred W. Rausch, Jr., Topeka, Kansas, co-bond counsel, whose approving legal opinions 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 Co-Bond Counsel

In the opinion of co-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.

Co-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.

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

Related 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 if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income; and (vi) Section 86 of the code requires recipients of certain Social Security and certain railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. These categories of bondowners should consult their own tax advisers as to the applicability of these consequences.

Additional Information

Additional information regarding the bonds may be obtained from the acting city clerk or from the financial adviser, George K. Baum & Company, 1004 Baltimore Ave., Kansas City, MO 64105, (816) 474-1100.

Dated April 26, 1988.

CITY OF JUNCTION CITY, KANSAS
By Kristine B. Silver
Acting City Clerk
City Hall
7th and Jefferson
Junction City, KS 66441
(913) 238-3103

Doc. No. 006527

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EFFECTIVE MAY 1, 1988**

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

Regulation number	Action	Subject	Register page
5-10-1	Revoked	Water Appropriation	109
5-10-2	Revoked		109
5-10-3	Revoked		109
5-25-4	Amended	Big Bend Groundwater Management District No. 5	109

AGENCY 7: SECRETARY OF STATE

Regulation number	Action	Subject	Register page
7-31-4	Amended	Land Surveys	112

AGENCY 11: STATE CONSERVATION COMMISSION

Regulation number	Action	Subject	Register page
11-1-1	Revoked	Water Resources	111
11-1-5		Cost-Share Program	
11-1-6	New		111
11-1-7	New		111
11-1-8	New		111
11-2-1	Revoked	High Priority	111
11-2-2	Revoked	Cost-Share Program	111
11-2-3	Revoked		111
11-2-4	New		111
11-2-5	New		111
11-2-6	New		111

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

Regulation number	Action	Subject	Register page
13-1-1	Revoked	General Information	110

13-1-2	Revoked		
13-2-1	Revoked	Appeals and Hearings	110
13-2-15			
13-3-1	Revoked	Orders of Board	110
13-3-2	Revoked		110
13-4-1	Revoked	Regular Meetings	110
13-4-5			
13-5-1	Revoked	Price, Freight	110
13-5-2	Revoked	Determination	110
13-6-1	Revoked	Statutes, Regulations, Interpretations	110

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

Regulation number	Action	Subject	Register page
14-1-1	Revoked	Definitions	779
14-2-1	Revoked	Licensees and Vendors	779
14-2-23			
14-3-1	Revoked	Retailers	780
14-3-20			
14-3-22	Revoked		780, 781
14-3-42			
14-4-1	Revoked	Manufacturers; Distributors; Nonbeverage Users	781
14-4-11			
14-4-11a	Revoked		781
14-4-12	Revoked		781
14-4-16			
14-4-18	Revoked		782
14-4-23			
14-4-25	Revoked		782
14-4-28			
14-5-1	Amended	Transportation; Carriers; Storage	782
14-5-2	Amended		782
14-5-3	Revoked		782
14-5-4	Amended		782
14-5-6	Amended		782
14-8-4	Revoked	Advertising	783
14-8-5	Revoked		783
14-8-11	Revoked		783
14-9-1	Revoked	Salesmen's Permits	783
14-9-10			
14-10-1	Revoked	Trade Practices	783
14-10-4			
14-13-1	New	Retail Liquor Dealer	783-788
14-13-13			
14-16-1	Revoked	Licenses; Suspension, Revocation	789
14-16-3	Revoked		789
14-16-4	Revoked		789
14-16-5	Revoked		789
14-16-6	Revoked		789
14-16-9	Revoked		789
14-16-12			
14-16-14	New		789-792
14-16-24			
14-18-2	Revoked	Class A and B Clubs	793, 794
14-18-23			
14-18-25	Revoked		794
14-18-26	Revoked		794
14-18-28	Revoked		794
14-18-29	Revoked		794
14-18-30	Revoked		794
14-18-32	Revoked		794
14-18-33	Revoked		794
14-19-8	Revoked	Class A Clubs	794
14-19-9	Revoked		794
14-19-11	Revoked		794
14-19-12	Revoked		794

(continued)

14-19-13	Revoked		794	28-19-108a	New		715
14-19-14	New		794-801	28-19-109	Amended		715
through				28-19-119	Amended		715
14-19-37				through			
14-20-1	Revoked	Class B Clubs	801	28-19-121a			
14-20-2	Revoked		801	28-19-123	Amended		715
14-20-4	Revoked		801	28-19-124	Amended		715
14-20-7	Revoked		801	28-19-125	Amended		715
through				28-19-127	Amended		715
14-20-10				through			
14-20-14	New		801-809	28-19-141			
through				28-19-149	Amended		715
14-20-39				28-19-150	Amended		715
14-21-1	New	Drinking Establishments	809-816	28-19-151	Amended		715
through				28-19-153	Amended		715
14-21-20				28-19-154	Amended		715
14-22-1	New	Caterer	816-821	28-19-155	Amended		715
through				28-19-158	Amended		715
14-22-14				28-19-159	Amended		715
14-22-16	New		822	28-31-1	Amended	Hazardous Waste Management Standards	715
through				through			
14-22-20				28-31-4			
14-23-1	New	Temporary Permits	822-826	28-31-6	Amended		715
through				28-31-8	Amended		715
14-23-15				28-31-8a	Amended		715

AGENCY 23: DEPARTMENT OF WILDLIFE AND PARKS

Regulation number	Action	Subject	Register page				
23-1-10	Amended	Game Birds	367	28-31-9	Amended		715
23-1-12	New		367	28-31-10	Amended		715
23-2-7	Amended	Game Animals	368	28-31-10	Amended		715
23-2-14	Amended		371	28-31-14	Amended		715
23-2-15	Amended		371	28-31-14	Amended	Laboratories Performing Tests for Syphilis	716
23-2-16	New		372	28-33-1	Revoked		716
23-8-2	Amended	Wildlife Areas	372	through			
23-18-1	Amended	Fees	373	28-33-10			
23-18-3	New		373	28-35-146	Amended	Radiation	716
23-18-4	New		374	28-35-147	Amended		716
23-21-1	New	Falconry	374-376	28-39-77	Amended	Licensure of Adult Care Homes	716
through				28-39-83	Amended		716
23-21-14				28-39-87	Amended		716
				28-39-114	Revoked		716
				through			
				28-39-130	Revoked		716
				28-39-131	Revoked		716
				28-39-139	Revoked		716
				through			
				28-39-143			
				28-39-300	New		716
				through			
				28-39-312			
				28-39-400	New		716
				through			
				28-39-411			

AGENCY 25: GRAIN INSPECTION DEPARTMENT

Regulation number	Action	Subject	Register page				
25-4-1	Amended	Fees and Charges	220	28-50-1	Amended	Asbestos Control	716
25-4-4	Amended		221	28-50-2	Amended		716
				28-50-4	Amended		716
				28-50-5	Amended		716
				through			
				28-50-9			
				28-50-14	Amended		716
				28-60-1	Amended	Credentialing Program	716
				through			
				28-60-9			
				28-65-1	New	Emergency Planning and Right-to-Know	716
				28-65-2	New		716
				28-65-3	New		716

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

Regulation number	Action	Subject	Register page				
28-4-525	New	Reporting Certain Conditions of Pre-School Children	714	28-50-14	Amended		716
through				28-60-1	Amended		716
28-4-529				through			
28-14-2	Amended	Collection and Analysis of Water; Public Water Supplies	714	28-60-9			
28-15-35	Amended	Application for Permits; Domestic Water Supply	714	28-65-1	New		716
28-15-36	Amended		714	28-65-2	New		716
28-16-56a	Amended	Water Pollution Control	714	28-65-3	New		716
28-17-6	Amended	Division of Vital Statistics	714				
28-17-20	Amended		714				
28-17-21	New		714				
28-19-7	Amended	Ambient Air Quality Standards and Air Pollution Control	714				
28-19-8	Amended		714				
28-19-17f	Amended		715				
28-19-18	Amended		715				
28-19-19	Amended		715				
28-19-53	New		715				
28-19-61	Amended		715				
through							
28-19-66							
28-19-69	Amended		715				
through							
28-19-75							
28-19-84	Amended		715				
through							
28-19-96							
28-19-98	Amended		715				
through							
28-19-108							

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

Regulation number	Action	Subject	Register page
30-2-16	Amended	General	716
30-4-34	Amended	Public Assistance Program	716
39-4-35	Amended		717
30-4-36	Amended		717
30-4-41	Amended		717
30-4-54	Amended		717
30-4-56	Amended		717
30-4-57	Amended		717
30-4-62	Amended		717
30-4-74	Amended		717
30-4-75	Amended		717
30-4-78	Amended		717
30-4-80	Amended		717
30-4-90	Amended		718
30-4-91	Amended		718
30-4-100	Amended		718

30-4-101	Amended		718
30-4-102	Amended		718
30-4-106	Amended		718
30-4-108	Amended		718, 719
through			
30-4-113			
30-4-120	Amended		719
30-4-130	Amended		719
30-5-58	Amended	Medicaid/Medikan Program—	719
30-5-59	Amended	Provider Participation, Scope	720
30-5-65	Amended	of Services, Reimbursement	720
30-5-70	Amended		720
30-5-71	Amended		720
30-5-75	New		721
30-5-81	Amended		721
30-5-81t	Amended		721
30-5-83a	Amended		721
30-5-84	Amended		721
30-5-84a	Amended		721
30-5-86	Amended		721
30-5-86a	Amended		721
30-5-86b	Revoked		721
through			
30-5-86e			
30-5-87	Amended		721
30-5-87a	Amended		721
30-5-88	Amended		722
30-5-89	Amended		722
30-5-92	Amended		722
30-5-100	Amended		722
30-5-102	Amended		722
30-5-103	Amended		722
30-5-104	Amended		722
30-5-106a	Amended		722
30-5-110	Amended		722
30-5-110a	Amended		722
30-5-112	Amended		722
30-5-113	New		722
30-5-113a	New		722
30-5-114	New		722
30-5-114a	New		723
30-5-150	Amended		723
30-5-151	Amended		723
30-5-152	Amended		723
30-5-154	Amended		723
30-5-156	Amended		723
30-5-157	Amended		723
30-5-159	Amended		723, 724
through			
30-5-163			
30-5-167	Amended		724
through			
30-5-171			
30-6-35	Amended	Medicaid/Medikan Program—	724
30-6-36	Amended	Client Eligibility	724
30-6-41	Amended		724
30-6-54	Amended		724
30-6-56	Amended		724
30-6-57	Amended		724
30-6-65	Amended		725
30-6-74	Amended		725
30-6-78	Amended		725
30-6-79	Amended		725
30-6-103	Amended		725
30-6-106	Amended		725, 726
through			
30-6-113			
30-10-1a	Amended	Medicaid/Medikan Program—	726
30-10-1b	Amended	Adult Care Homes	727
30-10-2	Amended		727
30-10-3	Amended		727
30-10-4	Amended		727
30-10-9	Amended		727
30-10-11	Amended		727
30-10-15a	Amended		727
30-10-15b	Amended		727
30-10-17	Amended		727
30-10-19	Amended		727
30-10-21	Amended		727
30-10-23a	Amended		727
30-10-24	Amended		728
30-10-25	Amended		728
30-10-29	Amended		728

30-22-30	Amended	Licensing of Psychiatric Hospitals	728
30-22-32	Amended	and Community Mental Health	729
		Centers; Funding of Community	
		Mental Health Centers and	
		Facilities for the Mentally	
		Retarded and Facilities	
		for Handicapped Persons	
30-31-2	Amended	Alcohol and Drug Abuse	729
30-31-3	Amended	Treatment Programs	729
30-31-4	Amended		729
30-46-1	New	Child Abuse and Neglect	729, 730
through			
30-46-6			
30-51-1	New	Adult Abuse, Neglect or	730, 731
through		Exploitation	
30-51-5			

AGENCY 36: DEPARTMENT OF TRANSPORTATION

Regulation number	Action	Subject	Register page
36-27-2	Amended	Junkyard and Salvage	217
36-27-3	Amended	Control	217
36-27-4	Amended		217
36-27-5a	New		217
36-27-6	Amended		217
36-27-7	Amended		217
36-27-8	Amended		218
36-27-11	Amended		218
36-27-12	Amended		218
36-27-13	Amended		219

AGENCY 38: SAVINGS AND LOAN DEPARTMENT

Regulation number	Action	Subject	Register page
38-10-1	New	Interstate Branching	222
through			
38-10-7			

AGENCY 40: KANSAS INSURANCE DEPARTMENT

Regulation number	Action	Subject	Register page
40-1-28	Amended	General	583
40-1-29	Revoked		584
40-1-36	Amended		584
40-2-14	Amended	Life Insurance	585
40-2-15	Amended		586
40-2-16	Amended		586
40-2-22	Amended		586
40-3-12	Amended	Fire and Casualty	588
40-3-33	Amended	Insurance	588
40-4-22	Amended	Accident and Health	591
		Insurance	
40-5-107	Amended	Credit Insurance	592
40-5-108	Amended		592
40-5-109	Amended		593
40-7-7	Amended	Agents	593
40-9-118	Amended	Advertising	593
40-10-15	Amended	Firefighter's Relief	593

AGENCY 44: DEPARTMENT OF CORRECTIONS

Regulation number	Action	Subject	Register page
44-6-136	Amended	Good Time Credits	308
44-6-138	Amended		308
44-6-141	Amended		309
44-7-104	Amended	Programs and	309
		Activities	
44-12-205	Amended	Conduct and Penalties	311
44-12-207	Amended		311
44-12-327	New		311
44-12-401	Amended		311
44-12-601	Amended		311
44-13-402	Amended	Disciplinary Procedure	313
44-13-704	Amended		313
44-15-101b	Amended	Grievance Procedure	313
44-15-102	Amended	for Inmates	313

(continued)

AGENCY 45: KANSAS PAROLE BOARD

Regulation number	Action	Subject	Register page
45-4-7	Amended	Parole Hearings	219
45-7-1	Amended	Parole Release	219
45-9-1	Amended	Parole Violators	219

AGENCY 47: MINED-LAND CONSERVATION AND RECLAMATION BOARD

Regulation number	Action	Subject	Register page
47-2-75	Amended	Meaning of Terms	409
47-3-42	Amended	Application for Mining Permit	410
47-7-2	Amended	Coal Exploration	411
47-9-1	Amended	Performance Standards	411
47-10-1	Amended	Underground Mining	412
47-12-4	Amended	Lands Unsuitable for Surface Mining	412

AGENCY 49: DEPARTMENT OF HUMAN RESOURCES

Regulation number	Action	Subject	Register page
49-49-1	Amended	Fee Schedule for Boiler Inspections	223

AGENCY 50: DEPARTMENT OF HUMAN RESOURCES—DIVISION OF EMPLOYMENT

Regulation number	Action	Subject	Register page
50-3-1	Amended	Unemployment Insurance Benefits	399
50-4-2	Amended	Disclosure of Information	400

AGENCY 51: DEPARTMENT OF HUMAN RESOURCES—DIVISION OF WORKERS' COMPENSATION

Regulation number	Action	Subject	Register page
51-2-5	Amended	Fees	514
51-7-8	Amended	Measurement of Disability	514
51-9-7	Amended	Medical and Hospital	515
51-15-2	Amended	Second Injury Fund	515
51-24-3 through 51-24-7	New	Rehabilitation	515-517

AGENCY 60: BOARD OF NURSING

Regulation number	Action	Subject	Register page
60-13-102 through 60-13-108	New	Fees; Registered Nurse Anesthetists	361, 362

AGENCY 61: BOARD OF BARBER EXAMINERS

Regulation number	Action	Subject	Register page
61-1-19	Amended	Sanitary Rules	401
61-3-7	Amended	Schools; Requirements	401
61-3-22	Amended		401
61-3-26	New		401

AGENCY 63: BOARD OF MORTUARY ARTS

Regulation number	Action	Subject	Register page
63-1-1	Amended	Embalming; Continuing Education of Embalmers and Funeral Directors	362
63-1-3	Amended		362
63-1-5	Amended		363
63-1-6	Amended		363
63-1-7	Revoked		364
63-1-8	Revoked		364
63-1-12	Amended		364
63-1-14 through 63-1-18	Revoked		364

63-1-20	Revoked		364
63-1-21	Revoked		364
63-1-22	Revoked		364
63-2-8	Revoked	Funeral Directing	364
63-2-13	Amended		364
63-3-10	Amended	Preparation and Transportation of Bodies; Burial in Mausoleums; Funeral Establishments	365
63-3-13	Amended		365

63-4-1	Amended	Fees	365
63-5-1	New	Administrative Hearings and Disciplinary Actions	365
63-5-2	New	Continuing Education	365, 366
63-6-1 through 63-6-8	New		

AGENCY 65: BOARD OF EXAMINERS IN OPTOMETRY

Regulation number	Action	Subject	Register page
65-6-6	Revoked	General Provisions	358
65-6-8	Amended		358
65-6-11	Amended		358
65-6-12	Amended		358
65-6-17	Revoked		358
65-6-24	Revoked		358
65-6-25	Amended		358
65-6-30	Amended		359
65-6-31	Revoked		360
65-6-32	Revoked		360
65-6-33	Amended		360
65-6-37	New		360
65-7-3	Revoked	Code of Ethics	360
65-7-10	Revoked		360

AGENCY 68: BOARD OF PHARMACY

Regulation number	Action	Subject	Register page
68-2-5	Amended	Drug Stores	327
68-2-20	Amended		327
68-5-1	Amended	General Rules	327
68-7-11	Amended	Miscellaneous Provisions	328
68-7-13	Amended		329
68-7-14	Amended		329
68-8-1	Amended	Advertising Fees	329
68-11-1	Amended		329
68-11-2	Amended		330
68-12-2	New	Resale of Medication	330
68-13-1	New	Parenteral Products	330
68-20-11	Amended	Controlled Substances	330
68-20-15a	Amended		331
68-20-18	Amended		332

AGENCY 69: BOARD OF COSMETOLOGY

Regulation number	Action	Subject	Register page
69-3-23	New	Schools	406
69-3-24	New		406
69-3-25	New		407
69-11-1	Amended	Fees	407

AGENCY 70: BOARD OF VETERINARY MEDICAL EXAMINERS

Regulation number	Action	Subject	Register page
70-1-3	Revoked	Definitions	358

AGENCY 71: KANSAS DENTAL BOARD

Regulation number	Action	Subject	Register page
71-1-14	Revoked	General Rules	377
71-1-15	New		377

AGENCY 74: BOARD OF ACCOUNTANCY

Regulation number	Action	Subject	Register page
74-5-202	Amended	Code of Professional Conduct	377
74-5-203	Amended		377
74-7-2	Amended	Registered Partnerships	378

74-8-2	Amended	Corporate Practice	378
74-8-5	New		
74-12-1	New	Fees	378

AGENCY 91: DEPARTMENT OF EDUCATION

AGENCY 81: OFFICE OF THE SECURITIES COMMISSIONER

Regulation number	Action	Subject	Register page
81-2-1	Amended	Filing, Fees, Forms	401
81-4-1	Amended	Registration of Securities	401
81-5-8	Amended	Exemptions	402
81-7-1	Amended	Policy Relating to Registration	402
81-8-1	Amended	Effectiveness and Post-Effectiveness Requirements	405
81-9-1	Amended	Annual Reports	405

AGENCY 82: STATE CORPORATION COMMISSION

Regulation number	Action	Subject	Register page
82-1-231	Amended	Rules of Practice	413
82-1-231a	New	and Procedure	416
82-3-101	Amended	Production and Conservation	417
82-3-103	Amended	of Oil and Gas	420
82-3-106	Amended		421-423
through			
82-3-109			
82-3-112	Amended		423
82-3-117	Amended		424
82-3-123	Amended		424
82-3-124	Amended		424
82-3-131	Amended		425
82-3-132	Amended		426
82-3-135	Amended		426
82-3-138	Amended		426
82-3-140	Amended		427
82-3-141	New		427
82-3-202	Amended		427
82-3-204	Amended		428
82-3-207	Amended		428
82-3-300	Amended		428
82-3-302	Revoked		428
82-3-304	Amended		428
82-3-306	Amended		429
82-3-311	Amended		429
82-3-312	Amended		429
82-3-400	Amended		430
82-3-401	Amended		430
82-3-502	Amended		431
82-3-602	Amended		432
82-3-603	Amended		432
82-4-3	Amended	Motor Carriers of	432
82-4-20	Amended	Persons and Property	433
82-4-65	Amended		433

AGENCY 86: REAL ESTATE COMMISSION

Regulation number	Action	Subject	Register page
86-1-11	Amended	Examination and Registration	408
86-1-13	Amended		408
86-3-6a	Amended	Persons Holding Licenses;	408
86-3-18	Amended	Duties	408
86-3-22	New		409

AGENCY 88: BOARD OF REGENTS

Regulation number	Action	Subject	Register page
88-3-10	New	Guidelines for the Determination	465
88-3-11	New	of Residency for Fee Purposes	465
88-8-1	New	Kansas Career Work-Study	465, 466
through		Program	
88-8-8			
88-10-6	Amended	Tax-Sheltered Annuity Program	466
88-11-7	Amended	Tax-Sheltered Annuity Program	467
		for Persons Covered by 74-4925b	
88-14-1	New	Community Resource Program	467
through			
88-14-4			
88-17-2	New	Waiver of Fees or Tuition	468
88-17-3	New	for Selected ROTC Members	468
88-17-4	New		468

Regulation number	Action	Subject	Register page
91-1-27	Amended	Certificate Regulations	517
91-1-28	Amended		518
91-1-33	Amended		518
91-1-44	Amended		518
91-1-101b	New		519
91-1-107a	Amended		519
91-1-110b	New		520
91-1-112a	Amended		521
91-1-132a	Amended		521
91-1-146d	Amended		522
91-1-146e	New		523
91-1-147	Revoked		523
91-12-22	Amended	Special Education	523-528
through			
91-12-25			
91-12-28	Amended		528
91-12-31	Amended		529
91-12-32	Amended		529
91-12-40	Amended		530
91-12-50	Amended		531-534
through			
91-12-55			
91-12-58	Amended		535
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State of Kansas

KANSAS INSURANCE DEPARTMENT

TEMPORARY ADMINISTRATIVE
REGULATIONSArticle 4.—ACCIDENT AND
HEALTH INSURANCE

40-4-37. Long term care insurance; definitions; limitations; requirements; disclosure provisions. (a) This regulation shall apply to individual or group long term care insurance policies, subscriber contracts and endorsements and riders delivered or issued for delivery in this state on or after the effective date hereof, by the following:

- (1) Insurance companies;
- (2) fraternal benefit societies;
- (3) nonprofit hospital and medical service corporations; and
- (4) health maintenance organizations.

(b) A policy, rider or endorsement shall not be advertised, described, solicited or issued for delivery in this state as long term care insurance unless it conforms to the requirements of this regulation.

(c) As used in this regulation, these terms shall have the following meanings:

(1) "Long term care insurance," "group long term care insurance," "commissioner," "applicant," "certificate" and "policy" shall have the meanings set forth in L. 1987, Ch. 156, Sec. 3.

(2) "Medicare" means the "Health Insurance for the Aged Act," Title XVIII of the social security amendments of 1965, as then constituted or later amended.

(3) "Nursing home" means a facility, other than a hospital, which is primarily engaged in providing nursing care and related services on an inpatient basis under a license issued by the appropriate licensing agency. It may be a freestanding facility, including skilled nursing homes, intermediate care homes, intermediate personal care homes, one-bed adult care homes and two-bed adult care homes or it may be a distinct part of a facility, including a ward, wing or unit or a swing-bed of a hospital or other institution. Any definition of a nursing facility shall adhere to the above definition unless otherwise approved by the commissioner of insurance.

(4) "Mental or nervous disorder" shall not be defined more restrictively than including neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder. However, no policy, contract or rider shall exclude or limit benefits on the basis of organic brain disease, including alzheimer's disease or senile dementia.

(5) "Nurse" may be defined so that the description of a nurse is restricted to a type of nurse, whether a registered graduate professional nurse, a licensed practical nurse, or a licensed vocational nurse. If the words "nurse," "trained nurse" or "registered nurse" are used without specific instruction, then the insurer shall recognize the services of any individual who qualified under this terminology in accordance with

the applicable statutes or administrative rules of the licensing or registry board of the state.

(6) "Physician" may be defined by including the words "duly qualified physician" or "duly licensed physician." An insurer using these terms shall recognize and accept, to the extent of its obligation under the contract, all providers of medical care and treatment when these services are within the scope of the provider's licensed authority and are provided pursuant to applicable laws.

(7) "Sickness" shall not be defined to be more restrictive than the following: Sickness means illness or disease of an insured person which first manifests itself after the effective date of insurance and while the insurance is in force. A definition of sickness may provide for a waiting period which will not exceed 30 days from the effective date of the coverage of the insured person. The definition may be further modified to exclude illnesses or diseases for which benefits are provided under any workers' compensation, occupational disease, employer's liability or similar law.

(8) "Skilled nursing care," "intermediate nursing care," and "personal/custodial care" shall not be defined to be more restrictive than the definitions set forth in K.S.A. 39-923 for skilled nursing care, supervised nursing care, and simple nursing care, respectively.

(9) "Guaranteed renewable" means:

(A) The insured has the right to continue the long term care insurance in force by the timely payment of premiums; and

(B) the insurer has no unilateral right to make any change in any provision of the policy or rider while the insurance is in force and cannot decline to renew the policy. However, rates may be revised by the insurer on a class basis.

(10) "Noncancellable" means the insured has the right to continue the long term care insurance in force by the timely payment of premiums during which period the insurer has no right to unilaterally make any change in any provision of the insurance or in the premium rate.

(11) "Lapse" means termination of a policy due to failure by the policyholder to pay the premium within the time required.

(d) A certificate or individual policy delivered or issued for delivery shall not contain renewal provisions less favorable to the insured than "guaranteed renewable" for life. Any insurer may receive approval of another type of renewal provision if the insurer demonstrates to the satisfaction of the commissioner that the approval would be in recognition of the unique, developing and experimental nature of long term care insurance.

(e) A policy shall not be advertised, described, solicited, delivered or issued for delivery in this state as long term care insurance if the policy, contract or rider limits or excludes coverage by type of illness, treatment, medical condition or accident, except as follows:

- (1) Mental or nervous disorders without demon-

(continued)

strable organic disease. This provision shall not exclude coverage for loss which results from organic brain disease including alzheimer's disease or senile dementia;

(2) alcoholism and drug addiction;
 (3) illness, treatment, medical condition or accident arising from:

(A) Participation in a felony, riot or insurrection;

(B) suicide, attempted suicide, or intentionally self-inflicted injury, whether sane or insane;

(C) aviation; or

(D) war or act of war, whether declared or undeclared.

(4) benefits provided under medicare or other governmental programs, except medicaid, any state or federal workers' compensation, employer's liability or occupational disease law;

(5) services performed by a member of the covered person's immediate family; and

(6) services for which no charge is normally made in the absence of insurance.

(f) If a long term care insurance policy is terminated while an insured is confined in a nursing home, benefits provided as a result of receiving nursing home services shall continue until discharge from the nursing home, expiration of the policy benefit period, if any, or payment of the maximum benefits for nursing home services or maximum aggregate benefits under the policy, whichever comes first. For the purpose of this provision, continuous nursing confinement shall include transfer to another nursing home or receiving another level of nursing care in a nursing home. This subsection shall not apply if coverage under the policy terminates because of a lapse as defined in subsection (c)(11).

(g) A long term care policy may require a recommendation by a physician that the services are necessary due to illness, injury or infirmity, but shall not condition such benefits on medical necessity.

(h) A policy may contain a provision relating to recurrent confinements. However, a provision shall not specify that a recurrent condition be separated by a period greater than six months.

(i) Family coverage shall continue for any child who:

(1) is incapable of self-sustaining employment due to mental retardation or physical handicap on the date that the child's coverage would otherwise terminate under the policy due to the attainment of a specified age limit; and

(2) is chiefly dependent on the insured for support and maintenance. The policy may require that within 31 days of such date the company receive due proof of the incapacity for the insured to elect to continue the policy in force with respect to the child, or may require that a separate converted policy be issued at the option of the insured or policyholder.

(j) A long term care policy shall not contain an elimination period:

(1) Greater than 100 days for each period of confinement in a nursing home; or

(2) for all confinements in a nursing home which

are due to the same or related causes and separated from each other by less than six months.

(k) A long term care policy may contain non-duplication of coverage provisions consistent with Kansas insurance statutes, administrative regulations or specific approval by the commissioner.

(l) Subsections (d), (v), (w), (x), (y) and (z) of this regulation shall not apply to group long term care insurance policies issued to an employer-employee group.

(m) A long term care policy shall not exclude coverage for confinement to an intermediate nursing facility when benefits are provided for nursing care.

(n) A long term care policy shall not be delivered or issued for delivery to any person in this state unless every printed portion of the text of the policy is plainly printed in not less than 10 point type.

(o) A long term care policy shall not require prior confinement to a hospital or prior confinement for a greater level of nursing care as a condition precedent to the payment of inpatient benefits.

(p) A long term care insurance policy shall have the words "this is a limited policy—read it carefully" printed on or attached to the face of the policy in not less than 18 point bold face type or in some other manner that distinguishes it from the print otherwise appearing in the policy.

(q)(1) A long term care policy shall not be delivered in this state unless the following notice is attached to the policy:

"IMPORTANT NOTICE"

"Please read the copy of the application attached to this policy. Carefully check the application and write to the company . . . (address) . . . , within 30 days, if any information shown on it is not correct and complete, or if any past medical history has been left out of the application. This application is a part of the policy and the policy was issued on the basis that answers to all questions and the information shown on the application are correct and complete."

(2) This statement, preferably in the form of a sticker to be placed on the policy, shall be printed in a prominent manner on paper or in ink of a contrasting color. The insurer may, with the approval of the commissioner of insurance, substitute wording of similar import whereby equal results are obtained. This rule shall not apply if the application for insurance is not attached to and made a part of the contract.

(r) Individual long term care insurance policies shall include a renewal provision which complies with subsection (d) of this regulation. The provisions shall:

(1) Be appropriately captioned;

(2) appear on the first page of the policy; and

(3) clearly state the terms of renewability.

(s) A long term care insurance policy that provides for the payment of benefits based on standards described as "usual and customary," "reasonable and customary" or words of similar import shall include a definition of these terms and an explanation of these terms in its accompanying outline of coverage.

(t) If a long term care insurance policy or certificate contains any limitations with respect to pre-existing conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "pre-existing condition limitations."

(u) "Accident," "accidental injury," or "accidental means" shall not include words which establish an accidental means test or use words such as "external, violent, visible wounds" or similar words of description or characterization.

(1) The definition of accident, accidental injury or accidental means shall not be more restrictive than the following: Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force.

(2) This definition may provide that injuries shall not include injuries for which benefits are provided under any workers' compensation, employer's liability or similar law.

(v) Right to return—free look provision. Long term care insurance policies or certificates shall have a notice printed on or attached to the first page of the policy stating that the policyholder shall have the right to return the policy within 30 days of its delivery and to have the premium refunded if, after examination of the policy, the insured person is not satisfied for any reason. The notice required by this section shall be printed in bold face type or in some other manner which distinguishes it from the print otherwise appearing in the policy.

(w) Long term care insurance application forms shall request information as to other accident and health insurance coverage in force and whether the insurance to be issued is intended to replace any other accident and sickness policy presently in force. A supplementary application or other form to be signed by the applicant containing such a question may be used.

(x) Upon determining that a sale will involve replacement, an insurer, other than a direct response insurer, or its agent, shall furnish the applicant, prior to issuance or delivery of the individual long term care insurance policy, notice regarding replacement of accident and sickness coverage. One copy of the notice shall be retained by the applicant and an additional copy signed by the applicant shall be retained by the insurer. A direct response insurer shall deliver to the applicant upon issuance of the policy the notice regarding replacement of accident and sickness coverage.

(y) If a long term care policy replaces another long term care policy issued by the company or by an affiliated company, the insurer shall waive any time periods applicable to pre-existing conditions, waiting periods, elimination periods and probationary periods in the new long term care policy for similar benefits to the extent such time was spent under the original policy.

(z) The notice required by subsection (x) for an

insurer, other than a direct response insurer, shall be provided in substantially the following form:

**NOTICE TO APPLICANT
REGARDING REPLACEMENT OF
INDIVIDUAL ACCIDENT AND
SICKNESS INSURANCE**

According to (your application) (information you have furnished), you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with individual long term care insurance policy to be issued by (company name) Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

1. Health conditions which you may presently have (pre-existing conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a payment for benefits under the new policy, whereas a similar claim may be payable under your present policy.
2. You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
3. If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical/health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, reread it carefully to be certain that all information has been properly recorded.

The above "Notice to Applicant" was delivered to me on:

DATE

(Applicant's Signature)

(aa) The notice required by section (x) for a direct response insurer shall be as follows:

**NOTICE TO APPLICANT
REGARDING REPLACEMENT OF ACCIDENT
AND SICKNESS INSURANCE**

According to (your application) (information you have furnished) you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with the long term care in-

(continued)

insurance policy delivered herewith issued by (company name) Insurance Company. Your new policy provides 30 days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

1. Health conditions which you may presently have (pre-existing conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a payment for benefits under the new policy, whereas a similar claim may be payable under your present policy.
2. You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
3. (To be included only if the application is attached to the policy.) If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, read the copy of the application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to (company name and address) within 30 days if any information is not correct and complete, or if any past medical history has been left out of the application.

(Company Name)

(bb) Long term care insurance policies shall return to policyholders in the form of aggregate benefits under the policy, as estimated for the entire period for which rates are computed:

- (1) At least 60 percent of the aggregate amount of premiums earned in the case of group policies; and
- (2) At least 55 percent of the aggregate amount of premiums earned in the case of individual policies.

Aggregate benefits shall be determined on the basis of incurred claims experience and earned premiums for such period in accordance with accepted actuarial principles and practices. (Authorized by K.S.A. 40-103, L. 1987, Ch. 156, Sec. 4 and implementing L. 1987, Ch. 156, Secs. 2, 3, 4; effective, T-89-9, March 18, 1988.)

FLETCHER BELL
Commissioner of Insurance

Doc. No. 006529

State of Kansas

DEPARTMENT OF HEALTH AND ENVIRONMENT

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 50.—ASBESTOS CONTROL

28-50-9. Work practices for asbestos removal projects in areas to be reoccupied. (a) Each asbestos removal project that involves the removal of friable asbestos containing materials from a structural item or equipment that is located in any area that can be expected to subsequently be reoccupied by any person after the project is completed, or in an area that is only directly accessible from an area that is, or subsequently will be, occupied by any person other than persons directly involved in the project, shall be conducted in accordance with the following requirements:

(1) Each proposed work area shall be isolated from other areas of the building and outside areas by erecting airtight temporary partitions around the work area or by installing airtight seals over doorways, windows and ventilation system openings, except that doorways between the work area and decontamination facilities shall be closed off with a control curtain. Each wall surface on the work area side of temporary partitions shall be of rigid and airtight construction. Plastic sheeting used for the construction of airtight seals shall be not less than four mils thick. Whenever possible, each heating and ventilation system serving the work area shall be shut down and locked out. If these systems cannot be shut down, special provisions shall be made to assure that airborne contamination from the work area cannot enter the ventilation system and be carried to other areas of the building. Appropriate warning signs shall be prominently posted at all entryways into the work area. Provisions shall be made to prevent any person other than those persons having responsibilities directly related to the project from entering the area before final cleanup has been completed and approved in accordance with requirements applicable to the project.

(2) All movable furnishings, equipment and fixtures in the proposed work area shall be precleaned with a HEPA filter equipped vacuuming device or wet cleaning methods. After cleaning, the items shall be removed from the work area and stored in an area that is not subject to contamination with asbestos fibers. The items shall not be returned to the work area until final room cleanup has been completed and approved in accordance with requirements applicable to the project.

(3) All wall and floor surface areas, other than those from which asbestos is to be removed, and all non-movable furnishings, equipment and fixtures remaining in the proposed work area shall be precleaned with a HEPA filter equipped vacuuming device or wet cleaning methods and covered with not less than four mil thick plastic sheeting, except that floors shall be covered with a minimum of two layers of six mil thick

plastic sheeting that extends up the walls at least 12 inches. Plastic sheeting on walls shall be affixed to the wall in a manner that will assure that it will remain in position throughout the length of the project and shall overlap the floor sheeting at least 12 inches above the intersection of the walls with the floor. Any tears that are noted in the protective plastic sheeting required by this subsection shall be immediately repaired.

(4) HEPA filter equipped ventilation fans shall be installed in a manner that will continually exhaust air from all locations within the work area. The total capacity of the fans shall be sufficient to remove the entire volume of air contained in the workroom area within 15 minutes or less, unless a longer time period is specifically approved by the department. The removed air shall be discharged through a duct that has been installed through the plastic on the walls in a manner that will provide an airtight seal between the plastic and the outside surface of the duct. The exhausted air shall be discharged outside of the building whenever possible and shall not be discharged inside the building, unless this discharge is specifically approved by the department in writing. Each ventilation fan shall be continuously operated throughout the duration of the project until at least 24 hours after the action required by subsection (a)(11) of this regulation is completed. Each fan shall be operated in a manner that will establish and maintain a flow of air into the work area from all adjacent areas of the building as demonstrated by use of smoke producing tubes or other appropriate means. As a minimum, these determinations shall be made and the results recorded before asbestos removal operations are initiated and at the start of each day's operation.

(5) A decontamination facility shall be provided between the work area and building areas intended to remain uncontaminated with asbestos fibers generated by the asbestos removal operations. Each decontamination facility shall consist of the following designated areas which are each to be entered through a doorway that is covered by control curtains:

(A) A clean room that must be first entered by any persons entering the work area. This room shall be used for removing or putting on street clothing, putting on and fit testing respirators, and putting on protective clothing and other protective equipment required to be worn in the work area. The clean room may also be used as a rest and eating area for employees after they have passed through the decontamination process.

(B) A shower room that must be first passed through by any person that moves from the work area into the clean room. These persons shall be required to shower before entering the clean room. Each shower room shall be provided with at least one shower head that is supplied with hot and cold or warm water. Adequate quantities of soap, hair shampoo and towels shall be provided to accommodate each person who emerges from the work area. Shower enclosures shall be leak proof and constructed of disposable or easily washable material. Shower water may be drained directly into the building's plumbing system or collected for sub-

sequent disposal in accordance with the requirements of K.A.R. 28-50-14.

(C) An equipment room that must be passed through before the shower room can be entered from the work area. The equipment room shall be used for temporary storage of contaminated tools, equipment and protective clothing used in the work area. The floor and walls of the room shall be lined with not less than four mil thick plastic sheeting. Tools, equipment and protective clothing shall be free of gross contamination before removal from the work area into the equipment room.

(D) All decontamination facility areas shall be contiguous to each other and the work area unless connected to one another by enclosed passageways that are effectively isolated from areas intended to remain free of asbestos contamination.

(6) All exposed surfaces of friable asbestos containing materials shall be maintained in a wet condition while the material is being removed or cleaned from structural or equipment items. Any friable asbestos containing material shall be wetted with a water solution containing an effective wetting agent. The wetting solution shall be applied with a low pressure spraying system. The effectiveness of the solution in penetrating the asbestos containing materials shall be determined by applying it to a small representative sample of the material before the gross removal operation is initiated. The removed friable asbestos containing materials shall be maintained in a wet condition and placed in sealed containers as quickly as practicable. All accumulations of loose debris shall be removed from floors and other surfaces and placed in sealed bags or containers at least daily.

(7) After the asbestos containing materials have been removed from the structural or equipment items, all plastic sheeting, equipment and surfaces in the work area shall be cleaned with a HEPA filter equipped vacuuming device or by wet cleaning methods and shall be free of all visible residue, except that if more than one layer of plastic sheeting has been used on walls and floors this additional layer of sheeting may be removed and disposed of instead of being cleaned. Sheetting that is removed shall be enclosed in a six mil thick plastic bag or clean plastic sheeting and disposed of in compliance with the requirements of K.A.R. 28-50-14. Any liquid or material that has leaked through these additional layers of sheeting shall be removed by wet cleaning methods.

(8) The surfaces from which the friable asbestos containing materials have been removed shall be covered with an effective sealing material before the final layer of plastic sheeting covering the floors, walls and non-movable items is removed.

(9) A minimum of 24 hours shall be allowed between application of the sealant and removal of the final layer of plastic sheeting. The removed plastic sheeting shall be enclosed in a six mil thick plastic bag or clean plastic sheeting and disposed of in compliance with the requirements of K.A.R. 28-50-14.

(10) After the plastic sheeting has been removed, all previously covered surfaces in the work area shall be cleaned with a HEPA filter equipped vacuuming de-

(continued)

vice or by wet cleaning methods and shall be free of all visible debris.

(11) Not less than 24 hours after completing the cleanup required by subsection (a)(10) of this regulation, an air stream from a high speed leaf blower or equivalent device shall be swept across all cleaned surfaces for a period of not less than five minutes for each 1000 square feet of surface area.

(12) Each airtight seal provided for doors, windows and duct openings in accordance with subsection (a)(1) of this regulation shall remain in place for not less than 24 hours after completion of the actions required by subsection (a)(11) and until the cleanup is approved in accordance with any other special requirements applicable to the project.

(b) The department may waive any individual requirement of subsection (a) of this regulation for asbestos removal projects if the notification submitted in accordance with K.A.R. 28-50-8 identifies the requirements for which waiver is requested, the reason for requesting the waiver, and any alternate procedure that is proposed. A waiver shall not be granted unless the health and safety of the workers and building occupants are adequately protected. The following minimum requirements shall also be met:

(1) The work area in which the asbestos is to be removed shall be completely isolated from any other areas of the building by the construction or installation of airtight barriers that shall continually remain in place for the duration of the asbestos removal project until final cleanup is completed and approved in accordance with requirements applicable to the project.

(2) Appropriate warning signs shall be prominently posted at all entryways into the work area and access to the work area shall be restricted to only those persons that are required to enter it because of responsibilities directly related to the project until final cleanup is completed and approved in accordance with requirements applicable to the project.

(3) The surfaces from which the asbestos containing materials have been removed shall be cleaned and free of all visible residue and all visible asbestos containing debris shall be removed from the surfaces of all other structural items, furnishings, equipment and fixtures located in the work area by the time that the project is completed.

(4) Asbestos contamination shall be removed from all persons that have been in the work area before they leave the premise or enter any area intended to remain free from asbestos contamination. All equipment used on the project shall be cleaned free of visible debris before it is removed from the work area.

(5) The waiver and all proposed alternative procedures shall be approved by the department in writing before the project is initiated, except that verbal approval may be provided in situations where the 10 day notification period has been waived in accordance with the provisions of K.A.R. 28-50-8(a).

(c) The department may waive the requirements of subsections (a) and (b) of this regulation for the removal of friable asbestos containing materials from the surface of pipes or other similar conduits if the notifi-

cation submitted in accordance with the requirements of K.A.R. 28-50-8 demonstrates, to the satisfaction of the department, that the following requirements will be met:

(1) All friable asbestos containing materials proposed to be removed in the work area shall be removed using at least six mil thick leak proof glove bags in accordance with the manufacturer's instructions. A copy of these instructions shall be submitted to the department along with each notification.

(2) Appropriate warning signs shall be prominently posted at all entryways into the work area. Provisions shall be made to prevent any person other than those persons that have responsibilities directly related to the project from entering the work area before final cleanup is completed and approved in accordance with requirements applicable to the project.

(3) Each person using the glove bag shall avoid damaging or otherwise causing the release of asbestos fibers from any other friable asbestos containing materials that are located within the work area, including any debris that may have accumulated in the area prior to the start of the project. Each section of the pipe or conduit from which damaged or loose hanging friable asbestos containing material is to be removed that is not immediately enclosed within a glove bag shall be tightly enclosed in six mil thick plastic sheeting until a glove bag is placed over it and the asbestos containing material is removed.

(4) Glove bags shall be sealed to pipe or conduit in a manner that provides an airtight seal around the area from which the asbestos is to be removed unless the air space within the bag is maintained at a lower air pressure than the air outside of the bag. Airtight seals shall be continuously maintained until the pipe or conduit surface that is enclosed within the glove bag has been cleaned and is free of all visible residue.

(5) All exposed surfaces of friable asbestos containing materials shall be wetted with a water solution containing an effective wetting agent while the material is removed and be maintained in a wet condition while it remains in the glove bag until the bag is sealed for final disposal in accordance with the requirements of K.A.R. 28-50-14.

(6) A sealing material shall be applied to all surfaces from which the asbestos containing material is removed, and to all friable asbestos containing material surfaces that become exposed as a result of this removal, by the time that final cleanup is completed.

(7) At the completion of the project and before the warning signs required by subsection (c)(2) are removed and the area can be reoccupied by persons other than those having responsibilities directly related to the project, the work area shall be free of all visible asbestos containing debris, including accumulations that existed prior to the start of the project.

(8) Each project activity in the work area shall be immediately discontinued if any asbestos contamination of the general work area results from damage or improper use of the glove bags or damage to any other friable asbestos containing materials located within the area. Project activities shall not be resumed until all surfaces in the area that are likely to have become

contaminated with asbestos fibers have been thoroughly cleaned with a HEPA filter equipped vacuuming device or by wet cleaning methods. Each person who is likely to be contaminated with asbestos fibers resulting from these sources, including the cleanup operation shall remove or use a HEPA filter equipped vacuuming device or wet cleaning methods to clean all contaminated outer work clothing before leaving the work area. The department shall be notified of the date and nature of such occurrences and the cleanup measures that were used before the work area is approved for occupancy by persons other than those directly involved in the removal project. The department may require that additional cleaning be completed before the area is reoccupied.

(d) The department may waive the requirements of subsections (a) and (b) of this regulation for an asbestos removal project that involves the removal of friable asbestos containing materials from structural items or equipment that are installed in, and accessible from, outdoor areas, provided that the following requirements are met:

(1) Each door, window or other opening into enclosed areas that is adjacent to the work area shall be securely covered with not less than four mil thick plastic sheeting if the opening is located 100 feet or less from the work area.

(2) A person other than the persons that have responsibilities directly related to the project shall not be allowed to occupy or pass through any unenclosed area that is located 50 feet or less from the work area. This area shall be identified and defined by fences or other effective means. Appropriate warning signs shall be prominently posted at all entryways into the area until the project is completed.

(3) All exposed surfaces of friable asbestos containing material shall be wetted with a water solution that contains an effective wetting agent while the material is being removed. All removed material, including debris that falls on surfaces below the location from which the material is removed, shall be immediately placed in sealed containers for disposal in accordance with the requirements of K.A.R. 28-50-14. Friable asbestos containing debris resulting from the removal operation shall not be allowed to accumulate in a dry condition. All friable asbestos containing debris including accumulations that existed prior to the start of the project shall be removed from the work area before the warning signs required by subsection (d)(2) are removed and the area is permitted to be reoccupied by persons other than those having responsibilities directly related to the project.

(4) Each person who removes asbestos containing materials or otherwise occupies the restricted area identified in subsection (d)(2) of this regulation shall remove outerwear that is worn in the area before entering any enclosed area that is occupied by any person other than those persons engaged in the project.

(e) The department may waive the requirements of subsections (a) and (b) of this regulation for an asbestos project that involves the removal of friable asbestos containing materials from structural items

that are installed in, and accessible from, any structure or portion of a structure that is demolished after the material is removed, provided that the following requirements are met:

(1) A person other than the persons that have responsibilities directly related to the asbestos removal project shall not be allowed to occupy or pass through the work area until the project is completed. Appropriate warning signs shall be prominently posted at all entryways into the work area until the project is completed.

(2) Each window, door and other direct opening between any area where asbestos is to be removed and any other area of the structure that is not intended to be demolished shall be sealed airtight with securely fastened plastic sheeting until the project is completed. The plastic sheeting seals shall be not less than four mils thick.

(3) All exposed surfaces of friable asbestos containing material shall be maintained in a wet condition while the material is being removed. The material shall be wetted with a water solution containing an effective wetting agent. All removed friable asbestos containing material including debris that falls on surfaces below the location from which the material is removed shall be placed in sealed containers as quickly as practicable. Friable asbestos containing debris resulting from the removal operation shall not be allowed to accumulate in a dry condition. All friable asbestos containing debris including accumulations that existed prior to the start of the project shall be removed from the work area before the warning signs required by subsection (e)(1) are removed and the area is permitted to be reoccupied by persons other than those having responsibilities directly related to the project.

(4) Each person who removes asbestos containing materials or otherwise occupies the work area before the project is completed shall remove outerwear that is worn in the area before entering any enclosed area that is occupied by any person other than those persons engaged in the project.

(5) Structural items from which friable asbestos containing material is removed shall not be sold or reused for any purpose unless the surfaces from which the material has been removed are free from visible residue and have been covered with an effective sealing material, unless the sealing requirement is waived by the department in writing.

(f) Each person engaged in an asbestos removal project or entering an asbestos removal project work area shall be provided with, and shall wear, an appropriate respirator and protective clothing. This temporary rule and regulation shall expire on May 1, 1988. (Authorized by and implementing K.S.A. 65-5303; effective, T-86-1, Jan. 6, 1986; effective May 1, 1987; amended, T-88-54, Dec. 16, 1987; amended T-89-8, March 18, 1988.)

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

Doc. No. 006530

State of Kansas

OFFICE OF JUDICIAL ADMINISTRATION

COURT OF APPEALS DOCKET

Kansas Court of Appeals
Courtroom 11-1, 11th Floor, Sedgwick County Courthouse
Wichita, Kansas

Before Abbott, C.J.; Six and Elliott, JJ.

Monday, May 9, 1988

10:30 a.m.

Case No.	Case Name	Attorneys	County
61,329	City of Wichita, Appellee, v. Robert C. Hughes, Appellant.	Elizabeth Harlenske, Assistant County Attorney James S. Phillips, Jr.	Sedgwick
61,418	State of Kansas, Appellee, v. Edgar L. Butts, Appellant.	Debra Barnett, Assistant District Attorney Attorney General Edgar L. Butts	Sedgwick
61,103	In the Matter of the Estate of John S. L. Chen, Deceased.	Larry A. Bolton Charles Rauh	Reno

Before Abbott, C.J.; Elliott and Gernon, JJ.

1:00 p.m.

61,081	In the Matter of the Marriage of Stephen Richard LaForge and Kristine Rene LaForge.	F. Greg Mathias Doyle Eugene White, Jr.	Butler
61,516	J. D. Hatter, v. Steven Ford-Mercury of Augusta, Inc., Appellant, v. Downing's, Inc., a Kansas Corporation, Appellee.	Michael G. Coash Ricky E. Bailey O. J. Connell, Jr.	Butler
60,942	M. Lorene McBeth, Appellee, v. Terrill La Clef and Lynda La Clef, Appellant.	Tim Connell Roger L. Falk	Butler
60,969	State of Kansas, Appellee, v. Glen L. Fondaw, Appellant.	Robert Fox, Assistant County Attorney Attorney General Stanley R. Juhnke	Reno

- | | | | |
|----------------|---|---|-----------|
| 61,454 | State of Kansas, Appellee,
v.
Kandy Massey, Appellant. | Ken Smith
Gene Olander, District Attorney
Attorney General

Benjamin C. Wood | Shawnee |
| 60,949 | State of Kansas, Appellee,
v.
Jerry W. Hall, Appellant. | Randy Hendershot
Gene Olander, District Attorney
Attorney General

Benjamin C. Wood | Shawnee |
| 61,403
S.C. | State of Kansas, Appellee,
v.
Alonzo Louis Plakio, Appellant. | Kenneth R. Smith, Assistant District
Attorney
Attorney General

William K. Rork | Shawnee |
| 61,344
S.C. | State of Kansas, Appellee,
v.
Marlin Haupt, Appellant. | William Ossman
Gene Olander, District Attorney
Attorney General

Benjamin C. Wood
Teresa Wineinger
Steven R. Zinn | Shawnee |
| 1:30 p.m. | | | |
| 61,348 | State of Kansas, Appellee,
v.
Thomas E. Howard, Appellant. | John McNish, County Attorney
Attorney General

John J. Ambrosio | Dickinson |
| 61,565 | The Board of County
Commissioners of Osage County,
Kansas, Appellee,
v.
Ensley Earl Schmidt and
Mildred Ruth Schmidt, Appellants. | James W. Lusk, County Attorney
Marian M. Burns

Stephen Jones | Osage |
| 61,524 | Frank K. Eckdall, Appellant,
v.
Guy, <i>et al.</i> , Michael C.
Helbert, and Louise C.
Throgmorton, Appellees. | Zygmunt J. Jarczyk

Thomas E. Wright
Thomas A. Krueger | Lyon |
| 59,778 | Thompson-Crawley Furniture
Rentals, Inc., Appellee,
v.
Wild Cat Creek Partners, Ltd.,
G. C. Cole Corp. General
Partner,
v.
Broadway Realty Co., Ltd.,
Garnishee, Appellant. | Larry Karns
Todd B. Butler

Robert L. Pottroff | Riley |

Tuesday, May 10, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,051	Rocking Horse Academy, Appellant, v. Kansas Department of Health and Environment, Appellee.	Kenneth M. Carpenter Cedric B. Gardner	Shawnee
61,447	William H. Workman, <i>et al.</i> , Appellees, v. Shawnee Federal Savings & Loan Association, Appellant.	Randy L. Baird Justice B. King	Shawnee
61,216	In the Matter of the Marriage of J. Hernandez and I. Hernandez.	Nancy Norton Goodall F. G. Manzanares	Shawnee
61,271	Roger D. Seward, Appellant, v. Jeffrey S. Boyd, <i>et al.</i> , Appellees.	Jerry K. Levy Gregory Lee Larry Pepperdine	Shawnee

Summary Calendar Cases—No Oral Arguments

61,205	Rito Mejia, Jr., Appellant, v. State of Kansas, Appellee.	Charles D. Dedmon Benjamin C. Wood Rodney H. Symmonds, C.A. Attorney General	Lyon
61,284	In the Interest of the H. Children, Minors Under 18 Years of Age.	Margaret Lindeberg, Assistant District Attorney Diane Simpson, Grd. A/L Randy McGrath Sherri Loveland	Douglas

Kansas Court of Appeals
Courtroom 1, Room 300, Johnson County Courthouse
Olathe, Kansas

Before Rulon, P.J.; Rees and Brazil, JJ.

Monday, May 9, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
61,405	Bruce A. Pyle, Appellant, v. Darrell E. Parcell and Doris Parcell, Appellees.	Steven R. McConnell James L. Sanders Bruce Keplinger	Johnson

(continued)

60,929	State of Kansas, Appellee, v. Carol Gene Caughran, Appellant.	Paul Morrison, Assistant District Attorney Attorney General James F. Vano	Johnson
61,281	Deborah T. Schallenberger, Appellant, v. Gloria T. Rudd, Appellee.	David M. Rhodus Clifford T. Mueller	Johnson
60,732	State of Kansas, Appellee, v. Anita S. Lewis, Appellant.	Richard Guinn, Assistant District Attorney Attorney General Robert L. Morse	Johnson
1:30 p.m.			
61,236	State of Kansas, Appellee, v. Jimmy Dean Farrill, Appellant.	Bruce Beye, Assistant District Attorney Attorney General Michael D. Reed	Johnson
61,135	Martha Olson, Appellant, v. The State Highway Commission of Kansas, and J. A. Tobin Construction Company, Appellees.	R. Owen Watchous Lisa Schwinn	Johnson
61,483	State of Kansas, Appellee, v. Kevin N. Watkins, Appellant.	Bruce Beye, Assistant District Attorney Attorney General James F. Vano	Johnson
60,749	State of Kansas, Appellee, v. Cloteal D. McMillan, aka Denise McMillan, aka Cloteal McMillan, aka Essie Price, aka Cheryl Jones, Appellant.	Robin Lewis, Assistant District Attorney Attorney General Charles D. Dedmon Benjamin C. Wood	Johnson
60,523	State of Kansas, Appellee, v. Alphonso S. Thomas, Appellant.	Paul Morrison, Assistant District Attorney Bruce Beye Attorney General Michelle Worrall Benjamin C. Wood	Johnson

Tuesday, May 10, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,613	State of Kansas, <i>ex rel.</i> , Secretary State Department of Social and Rehabilitation Services, Appellants, v. Betty Dunagan and James Robinson, Jr., a minor child, <i>et al.</i> , Appellees.	John J. Phillips John M. Cox	Johnson
61,203	Paul S. Sieracki, <i>et al.</i> , Appellees, v. James L. Grunder, <i>et al.</i> , Appellants.	James P. O'Hara Roger M. Phillips Cindy L. Reams Edward A. McConwell T. Bradley Manson	Johnson
61,314	City of Shawnee, Kansas, Appellee, v. Donald E. Nachbar, Appellant.	M. Ellis Rainey John Ivan	Johnson
61,222	In the Matter of the Marriage of Monica L. Carson and Philip R. Carson.	Thad Nugent Philip R. Carson	Johnson

Summary Calendar Cases—No Oral Arguments

61,195	John L. Rupe, Appellant, v. State of Kansas, Appellee.	Benjamin C. Wood Paul J. Morrison Michael B. Buser Attorney General	Johnson
61,039	Dennis M. Shephard, Appellant, v. State of Kansas, Appellee.	Benjamin C. Wood Steven R. Zinn Michael B. Buser Paul Morrison, Assistant District Attorney Attorney General	Johnson

LEWIS C. CARTER
Clerk of the Appellate Courts

(Published in the *Kansas Register*, May 5, 1988.)

HOUSE BILL No. 2959

AN ACT relating to financing of certain facilities or improvements by municipalities and counties; concerning use of countywide and city retailers' sales tax proceeds; amending K.S.A. 1987 Supp. 12-187 and 12-195 and repealing the existing sections.

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

Section 1. K.S.A. 1987 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) No class B city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any class B city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

(b) (1) The board of county commissioners of any county may submit the question of imposing a countywide retailers' sales tax to the electors at an election called and held thereon, and any such board shall be required to submit the question upon submission of a petition signed by electors of such county equal in number to not less than 10% of the electors of such county who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than $\frac{2}{3}$ of the membership of the governing body of each of one or more cities within such county which contains a population of not less than 25% of the entire population of the county, or upon receiving resolutions requesting such an election passed by $\frac{2}{3}$ of the membership of the governing body of each of one or more taxing subdivisions within such county which levy not less than 25% of the property taxes levied by all taxing subdivisions within the county.

(2) The board of county commissioners of *Jefferson*, *Montgomery* and *Wyandotte* counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail or law enforcement center facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in the financing of such facility. Nothing in this paragraph shall be construed to allow the rate of tax imposed by *Jefferson* or *Montgomery* county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

(c) The boards of county commissioners of any two or more contiguous counties, upon adoption of a joint resolution by such boards, may submit the question of imposing a retailers' sales tax within such counties to the electors of such counties at an election called and held thereon and such boards of any two or more contiguous counties shall be required to submit such question upon submission of a petition in each of such counties, signed by a number of electors of each of such counties where submitted equal in number to not less than 10% of the electors of each of such counties who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than $\frac{2}{3}$ of the membership of the governing body of each of one or more cities within each of such counties which contains a population of not less than 25% of the entire population of each of such counties, or upon receiving resolutions requesting such an election passed by $\frac{2}{3}$ of the membership of the governing body of each of one or more taxing subdivisions within each of such counties which levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) Any city retailers' sales tax in the amount of .5% being levied by a class A city on June 30, 1978, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance so providing. In addition to any city retailers' sales tax being levied by a class A city on June 30, 1978, any such city may adopt an additional city retailers' sales tax in the amount of .5%, provided that such additional tax is adopted and approved in the

manner provided for the adoption and approval of a city retailers' sales tax by a class B city. Any countywide retailers' sales tax in the amount of .5% or 1% in effect on June 30, 1978, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

(e) Any city retailers' sales tax in the amount of .5% being levied by a class B city on July 1, 1982, shall continue in effect until repealed in the manner provided for the adoption and approval of such tax or until repealed by the adoption of an ordinance so providing. In addition to any city retailers' sales tax being levied by a class B city on July 1, 1982, any such city may adopt an additional city retailers' sales tax in an amount of .5% provided that such additional tax is adopted and approved in the manner provided for the adoption and approval of such tax. Any class B city or county proposing to adopt a retailers' sales tax shall give notice of its intention to submit such proposition for approval by the electors in the manner required by K.S.A. 10-120, and amendments thereto. The notices shall state the time of the election and the rate and effective date of the proposed tax. If a majority of the electors voting thereon at such election fail to approve the proposition, such proposition may be resubmitted under the conditions and in the manner provided in this act for submission of the proposition. If a majority of the electors voting thereon at such election shall approve the levying of such tax, the governing body of any such city or county shall provide by ordinance or resolution, as the case may be, for the levy of the tax. Any repeal of such tax or any reduction or increase in the rate thereof, within the limits prescribed by K.S.A. 12-189, and amendments thereto, shall be accomplished in the manner provided herein for the adoption and approval of such tax except that the repeal of any such city retailers' sales tax may be accomplished by the adoption of an ordinance so providing.

(f) The sufficiency of the number of signers of any petition filed under this section shall be determined by the county election officer. Every election held under this act shall be conducted by the county election officer.

Sec. 2. K.S.A. 1987 Supp. 12-195 is hereby amended to read as follows: 12-195. (a) Except as otherwise provided in subsection (b), no city or county shall commit any of the funds or proceeds derived from a retailers' sales tax as a guarantee for the payment of bonds issued by such city or county.

(b) Any city or county which is the recipient of funds derived from a local option sales tax pursuant to K.S.A. 12-187 *et seq.*, and amendments thereto is hereby authorized to issue revenue bonds to provide for the payment of all or any portion of the cost of public facilities or improvements of such city or county for which such city or county is authorized pursuant to the constitution or laws of this state to issue general obligation bonds, ~~excluding and to pledge revenues received from countywide or city retailers' sales taxes for the payment thereof. No such bonds shall be issued for the payment of all or any portion of the cost of any facilities or improvements to be used for commercial or retail purposes, except that such prohibition shall not apply to revenue bonds issued for the payment of the cost of constructing or improving a convention or exposition hall or center or public auditorium.~~ In the event the governing body of a city or county proposes to issue such bonds, and the question of pledging the revenues received from the countywide or city retailers' sales tax has not previously been submitted to and approved by the voters of the city or county, such proposition shall be published once each week for two consecutive weeks in the official city or county newspaper, as the case requires. If, within 30 days after the last publication of the proposition, a petition is filed with the county election officer signed by not less than 4% of the electors of the city or county, as the case requires, who voted for the office of secretary of state at the last preceding general election for such office requesting an election thereon, no such bonds shall be issued unless the proposition is submitted to and approved by a majority of the voters of the city or county, as the case requires, voting at an election held thereon. Any such election shall be called and held in accordance with the provisions of K.S.A. 10-120, and amendments thereto, or in accordance with the provisions of the mail ballot election act.

(1) Such bonds shall be authorized by ordinance of the gov-

erning body of such city or resolution of the governing body of such county. The bonds may be issued as registered bonds or coupon bonds, payable to bearer, and, if coupon bonds, may be registrable as to principal only or as to principal and interest, and may be made exchangeable for bonds of another denomination or in another form. The bonds may be in such form and denominations, may have such date or dates, may be stated to mature at such time or times, may bear interest payable at such times and at such rate or rates, may be payable at such places within or without the state, may be subject to such terms of redemption in advance of maturity at such prices, and may contain such terms and conditions, all as the city or county shall determine. The bonds shall have all the qualities of and shall be deemed to be negotiable instruments under the laws of the state of Kansas. The authorizing ordinance or resolution may contain any other terms, covenants and conditions that the city or county deems reasonable and desirable, including without limitation those pertaining to the maintenance of various funds and reserves, the nature and extent of any security for payment of the bonds, the custody and application of the proceeds of the bonds, the collection, transfer and disposition of sales tax revenues, the investing of bond proceeds or any funds pledged to the repayment of the bonds, and the rights, duties and obligations of the city or county and the owners of the bonds.

(2) The authorizing ordinance or resolution may provide for the execution of a trust indenture between the city or county and any financial institution within or without the state of Kansas. The trust indenture may contain any terms, covenants and conditions that are deemed desirable by the city or county.

(3) Any authorizing ordinance or resolution and trust indenture relating to the issuance of and security for the bonds shall constitute a contract between the city or county and the owners of the bonds, which contract, and all covenants, agreements and obligations therein, shall be promptly performed in strict compliance with the terms and provisions of such contract, and the covenants, agreements and obligations of the city or county may be enforced by mandamus or other appropriate proceeding at law or in equity. The pledge of revenues made by the city or county shall be valid and binding from the time when such pledge is made and the revenues so pledged and thereafter received by the city or county shall immediately be subject to the lien of such pledge without such physical delivery thereof or further act on the part of the city or county, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the issuer, irrespective of whether such parties have notice thereof. Neither the authorizing ordinance or resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the city or county.

(4) The revenue bonds may be sold in such manner, either at public or private sale, and upon such terms as the city or county shall determine to be reasonable, including sale at discount. It shall be plainly stated on the face of *each* such bond that it has been issued under this act, that the bonds shall be special obligations of the city or county, payable solely and only from the revenues derived from the collection of such local sales taxes, and pledged to the payment of the bonds and that in no event, shall the bonds constitute an indebtedness of the state of Kansas or the city or county for which the faith and credit of the state of Kansas or city or county is pledged.

(5) Any bonds issued under the provisions of this section and the interest thereon, shall be exempt from all taxes levied by the state of Kansas, or any political or taxing subdivision thereof, except inheritance taxes.

(6) Bonds may be issued for the purpose of refunding, either at maturity or in advance of maturity, any bonds issued under this section. Such refunding bonds may either be sold or delivered in exchange for the bonds being refunded. If sold, the proceeds may either be applied to the payment of the bonds being refunded or deposited in trust and there maintained in cash or investments for the retirement of the bonds being refunded, as shall be specified by the city or county and the authorizing ordinance or resolution or trust indenture securing such refunding bonds. The authorizing ordinance or resolution

or trust indenture securing the refunding bonds may provide that the refunding bonds shall have the same security for their payment as provided for the bonds being refunded. Refunding bonds shall be sold and secured in accordance with the provisions of this act pertaining to the sale and security of the bonds.

(7) Bonds issued under the provisions of this act shall be eligible to secure the deposit of public funds under article 14 of chapter 9 of the Kansas Statutes Annotated and amendments thereto.

(8) Bonds issued under the provisions of this act shall be in addition to and not subject to any statutory limitation of bonded indebtedness imposed on such city or county.

Sec. 3. K.S.A. 1987 Supp. 12-187 and 12-195 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 29, 1988.

HOUSE adopted Conference Committee report April 9, 1988.

JAMES D. BRADEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

Passed the SENATE as amended April 7, 1988.

SENATE adopted Conference Committee report April 9, 1988.

ROBERT V. TALKINGTON

President of the Senate,

LU KENNEY

Secretary of the Senate.

APPROVED April 21, 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 21st day of April, 1988.

BILL GRAVES

Secretary of State.

(SEAL)

(Published in the *Kansas Register*, May 5, 1988.)

SENATE BILL No. 571

AN ACT making and concerning appropriations for the fiscal year ending June 30, 1988, for the state finance council, department of administration, state corporation commission, department on aging, department of revenue—homestead property tax refund, department of social and rehabilitation services, youth center at Atchison, youth center at Beloit, youth center at Topeka, Kansas highway patrol, Kansas neurological institute, Parsons state hospital and training center, Norton state hospital, Winfield state hospital and training center, Osawatomie state hospital, Rainbow mental health facility, Larned state hospital, Topeka state hospital, department of health and environment, state historical society, department of wildlife and parks, adjutant general, Kansas commission on the bicentennial of the United States constitution and Kansas parole board; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

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

Section 1. For the fiscal year ending June 30, 1988, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2.

STATE FINANCE COUNCIL

(a) On the effective date of this act, the director of accounts

(continued)

and reports shall transfer \$106,000 from the state general fund to the state emergency fund.

Sec. 3.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund the following:

Accounting and reporting services \$2,201

(b) The expenditure limitation established by section 2(b) of chapter 25 of the 1987 Session Laws of Kansas on the municipal accounting services recovery fund is hereby increased from \$68,500 to \$82,777.

(c) The expenditure limitation established by section 2(b) of chapter 25 of the 1987 Session Laws of Kansas on the Wichita office building fund is hereby increased from \$811,742 to \$811,752.

(d) The expenditure limitation established by the state finance council on the capitol area mail services fund is hereby increased from \$329,091 to \$329,443.

(e) The expenditure limitation established by section 2(b) of chapter 25 of the 1987 Session Laws of Kansas on the accounting services recovery fund is hereby decreased from no limit to \$404,995.

(f) The position limitation established by section 8 of chapter 25 of the 1987 Session Laws of Kansas for the department of administration is hereby decreased from 929.0 to 922.0.

(g) The expenditure limitation established by the state finance council on the motor pool service fund is hereby increased from \$1,842,474 to \$2,442,474.

Sec. 4.

STATE CORPORATION COMMISSION

(a) The expenditure limitation established by section 6(a) of chapter 25 of the 1987 Session Laws of Kansas on the conservation fee fund is hereby decreased from \$4,334,807 to \$3,226,597.

(b) The expenditure limitation established by section 6(a) of chapter 25 of the 1987 Session Laws of Kansas on the salaries and wages account of the conservation fee fund is hereby decreased from \$3,212,908 to \$2,427,246.

(c) The position limitation established by section 8 of chapter 25 of the 1987 Session Laws of Kansas for the state corporation commission is hereby decreased from 275.5 to 272.5.

(d) The expenditure limitation established by the state finance council on the public service regulation fund is hereby decreased from \$3,857,917 to \$3,632,917.

(e) The expenditure limitation established by the state finance council on the salaries and wages account of the public service regulation fund is hereby decreased from \$2,987,866 to \$2,812,866.

Sec. 5.

DEPARTMENT ON AGING

(a) There is appropriated for the above agency from the state general fund the following:

Administration \$11,814

(b) The expenditure limitation established by the state finance council on the state operation account of the older Americans act—federal fund is hereby decreased from \$446,317 to \$446,036.

(c) The expenditure limitation established by section 5(b) of chapter 22 of the 1987 Session Laws of Kansas on the state operations account of the older workers job training partnership act employment program—federal fund is hereby decreased from \$40,839 to \$36,896.

(d) The expenditure limitation established by section 27(a) of chapter 37 of the 1987 Session Laws of Kansas on the state operations account of the senior community service employment program — federal fund is hereby decreased from \$39,440 to \$37,440.

Sec. 6.

DEPARTMENT OF REVENUE—HOMESTEAD PROPERTY TAX REFUND

(a) There is appropriated for the above agency from the state general fund the following:

Homestead tax refunds \$1,000,000

Sec. 7.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund the following:

Medical assistance	\$10,245,037
Health care finance administration deferral settlement	2,155,945
Homemaker services	1,753,437
Blind services	31,362
Administration	96,117
Kansas City workshop for the blind	250,000

Provided, That expenditures shall be made from this account for the transition of the Kansas City workshop for the blind from a state function to a private operation or to continue the workshop as a state function.

Total \$14,531,898

(b) The expenditure limitation established by the state finance council on the state operations account of the social services clearing fund is hereby decreased from \$144,814,459 to \$139,426,831.

(c) The expenditure limitation established by the state finance council on the community alcoholism and intoxication programs fund is hereby increased from \$1,397,093 to \$1,397,125.

(d) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the charitable institutional commodity program fund is hereby increased from \$199,108 to \$283,431.

(e) The expenditure limitation established by the state finance council on the department of energy training and technical assistance—federal fund is hereby increased from \$134,236 to \$134,278.

(f) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the rehabilitation program—social security—federal fund is hereby increased from \$475,696 to \$480,927.

(g) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the child abuse and neglect program fund—federal is hereby increased from \$175,000 to \$180,500.

(h) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the vocational rehabilitation — client assistance project—federal fund is hereby increased from \$61,088 to \$62,668.

(i) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the mental health services and management block grant—federal fund is hereby increased from \$2,500,000 to \$2,503,421.

(j) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the rehabilitation services—Title III—federal fund is hereby increased from \$406,106 to \$409,315.

(k) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the community supplemental food program—federal fund is hereby increased from \$199,924 to \$206,203.

(l) The expenditure limitation established by section 3(b) of chapter 22 of the 1987 Session Laws of Kansas on the family and children trust fund is hereby increased from \$255,000 to \$255,664.

(m) The expenditure limitation increase established by the state finance council on the certification of community-based alcohol and drug safety action programs fee fund is hereby increased from \$13,061 to \$13,065.

(n) On the effective date of this act, of the \$58,405,204 appropriated for the above agency for the fiscal year ending June 30, 1988, by section 3(a) of chapter 22 of the 1987 Session Laws of Kansas from the state general fund in the public assistance account, the sum of \$245,168 is hereby lapsed.

(o) On the effective date of this act, of the \$5,884,309 appropriated for the above agency for the fiscal year ending June 30, 1988, by section 3(a) of chapter 22 of the 1987 Session Laws of Kansas from the state general fund in the adult services account, the sum of \$75,046 is hereby lapsed.

(p) On the effective date of this act, of the \$2,146,899 appro-

priated for the above agency for the fiscal year ending June 30, 1988, by section 36(a) of chapter 37 of the 1987 Session Laws of Kansas from the state general fund in the special purpose community mental retardation assistance grants account, the sum of \$55,000 is hereby lapsed.

(q) The expenditure limitation established by section 2(a) of chapter 27 of the 1987 Session Laws of Kansas on the drug abuse fund—department of social and rehabilitation services—federal fund is hereby increased from \$883,000 to \$1,537,000.

(r) In addition to the purposes for which expenditures may be made for fiscal year 1988 from the public assistance account of the state general fund as prescribed by section 3(a) of chapter 22 of the 1987 Session Laws of Kansas, expenditures shall be made by the department of social and rehabilitation services for the KanWork program: *Provided*, That expenditures for fiscal year 1988 from the public assistance account for the KanWork program shall include expenditures for a director of KanWork which shall be in the unclassified service under the Kansas civil service act and shall be in addition to other positions in the department of social and rehabilitation services in the unclassified service under the Kansas civil service act: *Provided further*, That the department of social and rehabilitation services shall not transfer any part of the item of appropriation for public assistance to another of its items of appropriation and this item of appropriation for public assistance, including all moneys in such account, shall not be subject to the provisions of K.S.A. 75-3726a and amendments thereto.

(s) The position limitation established by section 6 of chapter 22 of the 1987 Session Laws of Kansas for the department of social and rehabilitation services is hereby increased from 2,865.45 to 2,866.45.

Sec. 8.

YOUTH CENTER AT ATCHISON

(a) The expenditure limitation established by section 4(b) of chapter 24 of the 1987 Session Laws of Kansas on the elementary and secondary education fund — federal is hereby increased from \$58,644 to \$96,813.

(b) On the effective date of this act, of the \$3,688,512 appropriated for the above agency for the fiscal year ending June 30, 1988, by section 4(a) of chapter 24 of the 1987 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$49,567 is hereby lapsed.

Sec. 9.

YOUTH CENTER AT BELOIT

(a) The expenditure limitation established by section 3(b) of chapter 24 of the 1987 Session Laws of Kansas on the elementary and secondary education fund—federal is hereby increased from \$66,670 to \$91,174.

(b) On the effective date of this act, of the \$3,135,779 appropriated for the above agency for the fiscal year ending June 30, 1988, by section 3(a) of chapter 24 of the 1987 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$14,000 is hereby lapsed.

Sec. 10.

YOUTH CENTER AT TOPEKA

(a) The expenditure limitation established by section 2(b) of chapter 24 of the 1987 Session Laws of Kansas on the elementary and secondary education fund—federal is hereby increased from \$118,958 to \$202,676.

Sec. 11.

KANSAS HIGHWAY PATROL

(a) There is appropriated for the above agency from the state general fund the following:

Salaries and wages	\$34,080
Other operating expenditures	38,162
Capitol area security	23,660
Total	\$95,902

(b) The expenditure limitation established by the state finance council on the motor carrier safety assistance program fund is hereby increased from \$809,300 to \$810,728.

(c) The expenditure limitation established by the state fi-

nance council on the for patrol of Kansas turnpike fund is hereby increased from \$1,277,746 to \$1,278,020.

(d) The expenditure limitation established by the state finance council on the capitol area security fund is hereby increased from \$829,279 to \$832,618.

(e) The expenditure limitation established by section 3(b) of chapter 23 of the 1987 Session Laws of Kansas on the general fees fund is hereby decreased from \$326,910 to \$248,748.

(f) The expenditure limitation established by section 24(c) of chapter 37 of the 1987 Session Laws of Kansas on the vehicle identification number fee fund is hereby increased from \$260,000 to \$300,000.

Sec. 12.

KANSAS NEUROLOGICAL INSTITUTE

(a) The expenditure limitation established by section 37(b) of chapter 37 of the 1987 Session Laws of Kansas on the Kansas neurological institute fee fund is hereby decreased from \$605,706 to \$570,141.

(b) The position limitation established by section 37(i) of chapter 37 of the 1987 Session Laws of Kansas for the Kansas neurological institute is hereby decreased from 781.5 to 781.0.

Sec. 13.

PARSONS STATE HOSPITAL AND TRAINING CENTER

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$56,519
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(b) The expenditure limitation established by section 39(b) of chapter 37 of the 1987 Session Laws of Kansas on the Parsons state hospital and training center fee fund is hereby decreased from \$765,597 to \$665,597.

(c) The expenditure limitation established by section 39(b) of chapter 327 of the 1987 Session Laws of Kansas on the title XIX fund is hereby increased from \$5,995,156 to \$6,095,156.

(d) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$94,675 from the institutional receipts from the title XIX—federal fund of the department of social and rehabilitation services to the title XIX fund of Parsons state hospital and training center.

(e) The superintendent, upon approval of the director of accounts and reports, shall transfer \$2,000 from the canteen fund to the patient benefit fund.

Sec. 14.

NORTON STATE HOSPITAL

(a) The expenditure limitation established by section 38(b) of chapter 37 of the 1987 Session Laws of Kansas on the Norton state hospital fee fund is hereby decreased from \$301,582 to \$291,582.

(b) Subject to the limitations prescribed by the secretary of social and rehabilitation services, expenditures may be made from appropriations for the fiscal year ending June 30, 1988, for Norton state hospital for the payment of moving and subsistence expenses for employees of Norton state hospital who are transferred to job positions in other institutions or programs under the jurisdiction of the department of social and rehabilitation services.

Sec. 15.

WINFIELD STATE HOSPITAL AND TRAINING CENTER

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$2,565,925
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(b) The expenditure limitation established by section 40(b) of chapter 37 of the 1987 Session Laws of Kansas on the Title XIX fund is hereby increased from \$8,787,238 to \$8,837,238.

(c) The expenditure limitation established by section 40(b) of chapter 37 of the 1987 Session Laws of Kansas on the Winfield state hospital and training center fee fund is hereby decreased from \$1,142,738 to \$1,092,738.

(d) The position limitation established by section 40(h) of chapter 37 of the 1987 Session Laws of Kansas for the Winfield

(continued)

state hospital and training center is hereby increased from 938.0 to 994.0.

Sec. 16.

OSAWATOMIE STATE HOSPITAL

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$671,659
Retirement costs	24,500
Total	\$696,159

(b) The expenditure limitation established by section 6(b) of chapter 24 of the 1987 Session Laws of Kansas on the Osawatome state hospital fee fund is hereby decreased from \$2,330,427 to \$1,830,427.

(c) The position limitation established by section 9 of chapter 24 of the 1987 Session Laws of Kansas for the Osawatome state hospital is hereby increased from 608.0 to 627.3.

Sec. 17.

RAINBOW MENTAL HEALTH FACILITY

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$438,438
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(b) The expenditure limitation established by section 7(b) of chapter 24 of the 1987 Session Laws of Kansas on the Rainbow mental health facility fee fund is hereby decreased from \$592,757 to \$165,746.

(c) The position limitation established by section 9 of chapter 24 of the 1987 Session Laws of Kansas for Rainbow mental health facility is hereby increased from 122.0 to 123.0.

Sec. 18.

LARNED STATE HOSPITAL

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$755,714
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(b) The expenditure limitation established by section 41(b) of chapter 37 of the 1987 Session Laws of Kansas on the Larned state hospital fee fund is hereby decreased from \$1,979,750 to \$1,743,829.

(c) The expenditure limitation established by section 41(c) of chapter 37 of the 1987 Session Laws of Kansas on the Title XIX fund is hereby decreased from \$1,104,075 to \$780,370.

(d) On the effective date of this act, the amount of \$1,104,075 authorized by section 41(d) of chapter 37 of the 1987 Session Laws of Kansas to be transferred by the director of accounts and reports from the institutional receipts from title XIX—federal fund of the department of social and rehabilitation services to the title XIX fund of Larned state hospital, is hereby decreased to \$780,370.

(e) The position limitation established by section 41(e) of chapter 37 of the 1987 Session Laws of Kansas for the Larned state hospital is hereby increased from 881.0 to 911.0

(f) The expenditure limitation established by section 5(b) of chapter 24 of the 1987 Session Laws of Kansas on the elementary and secondary education fund—federal is hereby increased from \$63,128 to \$86,692.

Sec. 19.

TOPEKA STATE HOSPITAL

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$883,973
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(b) The expenditure limitation established by section 44(b) of chapter 37 of the 1987 Session Laws of Kansas on the Topeka state hospital fee fund is hereby increased from \$3,604,364 to \$3,681,859.

(c) The expenditure limitation established by section 44(c) of chapter 37 of the 1987 Session Laws of Kansas on the Title XIX fund is hereby decreased from \$3,085,869 to \$2,581,011.

(d) On the effective date of this act, the amount of \$526,297 authorized by section 44(d) of chapter 37 of the 1987 Session Laws of Kansas to be transferred by the director of accounts and reports from the institutional receipts from title XIX—federal

fund of the department of social and rehabilitation services to the title XIX fund of Topeka state hospital, is hereby decreased to \$17,846.

(e) The position limitation established by section 9 of chapter 24 of the 1987 Session Laws of Kansas for Topeka state hospital is hereby increased from 657.5 to 671.0.

(f) The expenditure limitation established by section 8(b) of chapter 24 of the 1987 Session Laws of Kansas on the elementary and secondary education fund—federal is hereby increased from \$83,834 to \$89,726.

Sec. 20.

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) There is appropriated for the above agency from the state general fund the following:

Operating expenditures	\$194,191
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(b) The expenditure limitation established by section 4(b) of chapter 22 of the 1987 Session Laws of Kansas on the federal EPA 205(g) construction grant program administration fund is hereby increased from \$1,269,002 to \$1,269,263.

(c) The expenditure limitation established by section 4(b) of chapter 22 of the 1987 Session Laws of Kansas on the state operations account of the AIDS project—education and risk reduction—federal fund is hereby increased from \$83,128 to \$142,956.

(d) The expenditure limitation established by section 4(b) of chapter 22 of the 1987 Session Laws of Kansas on the AIDS surveillance grant fund is hereby decreased from \$59,828 to \$0.

Sec. 21.

STATE HISTORICAL SOCIETY

(a) There is appropriated for the above agency from the state general fund the following:

Administration	\$7,577
Collections	2,028
Historic preservation	186
Total	\$9,791

(b) The expenditure limitation established by the state finance council on the archeology fee fund is hereby increased from \$167,484 to \$168,856.

(c) The expenditure limitation established by the state finance council on the national historic preservation fund—state is hereby increased from \$114,605 to \$114,791.

Sec. 22.

DEPARTMENT OF WILDLIFE AND PARKS

(a) There is appropriated for the above agency from the state general fund the following:

Administration	\$88,334
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(b) The expenditure limitation established by section 5(a) of chapter 25 of the 1987 Session Laws of Kansas on the nongame wildlife improvement fund is hereby increased from \$139,977 to \$140,026.

(c) The number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, for the department of wildlife and parks that are financed by appropriations made for the department of wildlife and parks for the fiscal year ending June 30, 1988, shall not exceed 394.0.

Sec. 23.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund the following:

Physical plant operations	\$70,000
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(b) On the effective date of this act, of the \$986,540 appropriated for the above agency for the fiscal year ending June 30, 1988, by section 2(a) of chapter 21 of the 1987 Session Laws of Kansas from the state general fund in the operational management account, the sum of \$70,000 is hereby lapsed.

(c) On the effective date of this act, the appropriation of \$10,197 made for the above agency for the fiscal year ending June 30, 1988, by section 2(a) of chapter 21 of the 1987 Session Laws of Kansas from the state general fund in the Topeka armory improvements account is hereby lapsed.

(Published in the Kansas Register, May 5, 1988.)

(Editor's Note: Sections of the following bill have been line-item vetoed by Governor Hayden. A veto message by the Governor is on page 896.)

HOUSE BILL No. 2808

(d) The expenditure limitation established by the state finance council on the emergency preparedness—nuclear civil protection—federal fund is hereby increased from \$63,855 to \$68,644.

Sec. 24.

KANSAS COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

(a) There is appropriated for the above agency from the state general fund the following:

Grant to Kansas commission on the bicentennial of the United States constitution, inc. \$50,000
Provided, That the Kansas commission on the bicentennial of the United States constitution shall administer the above grant.

Sec. 25.

KANSAS PAROLE BOARD

(a) There is appropriated for the above agency from the state general fund the following:

Parole from adult correctional institutions \$5,051

Sec. 26. Position limitations. The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations made in this act or in any appropriations act of the 1987 regular session of the legislature or in any other appropriations act of the 1988 regular session of the legislature may be exceeded upon approval of the state finance council.

Sec. 27. Appeals to exceed limitations. Upon written application to the governor and approval of the state finance council expenditures from special revenue funds may exceed the amounts specified in this act.

Sec. 28. 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 17, 1988.

SENATE adopted Conference Committee report April 27, 1988.
ROBERT V. TALKINGTON
President of the Senate.
LU KENNEY
Secretary of the Senate.

Passed the HOUSE as amended April 8, 1988.

HOUSE adopted Conference Committee report April 27, 1988.
JAMES D. BRADEN
Speaker of the House.
GENEVA SEWARD
Chief Clerk of the House.

APPROVED April 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 2nd day of May, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

AN ACT making and concerning appropriations for the fiscal years ending June 30, 1988, and June 30, 1989, for the commission on civil rights, attorney general, attorney general—Kansas bureau of investigation, Kansas public disclosure commission, governor's department, department of human resources, department of commerce, insurance department, Kansas arts commission, lieutenant governor, state board of tax appeals, secretary of state, Kansas commission on veterans affairs, Kansas soldiers' home, state treasurer, Kansas commission on the bicentennial of the United States constitution, Kansas, Inc., Kansas technology enterprise corporation, department of administration and department of education; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing; amending K.S.A. 1987 Supp. 44-716a and repealing the existing section.

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

Section 1. For the fiscal years ending June 30, 1988, and June 30, 1989, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, fees, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2.

COMMISSION ON CIVIL RIGHTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Promotion of civil rights \$925,839
Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: Provided, however, That expenditures from such reappropriated balance shall not exceed \$3,092 except upon approval of the state finance council: Provided further, That expenditures from this account for official hospitality shall not exceed \$150.

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Federal fund \$441,910
Conversion of materials and equipment 1,004

Sec. 3.

ATTORNEY GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Salaries and wages \$1,627,759
Other operating expenditures 296,267
Provided, That expenditures from this account for official hospitality shall not exceed \$600.
Litigation costs 50,000
Additional operating expenditures for investigation and litigation regarding interstate water rights 500,000
Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989.

Total \$2,474,026

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Court cost fund No limit
Conversion of materials and equipment fund No limit
Attorney general's antitrust special revenue fund \$128,000
Private gifts fund No limit
Attorney general's antitrust suspense fund No limit
Attorney general's antitrust shared costs fund No limit
Attorney general's consumer protection clearing fund No limit
Attorney general's distribution of court awarded counsel fees fund No limit
Tort claims fund No limit
Board of polygraphists fee fund 20,683
Criminal justice block grant — federal fund No limit
Work-study reimbursement fund No limit

(continued)

Sec. 4.

ATTORNEY GENERAL—KANSAS
BUREAU OF INVESTIGATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Administration and support services	\$3,264,580
<i>Provided</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, in the salaries and wages account is hereby reappropriated to the administration and support services account for fiscal year 1989: <i>Provided, however</i> , That expenditures from such reappropriated balance shall be made only upon approval of the state finance council: <i>Provided further</i> , That expenditures from this account for official hospitality shall not exceed \$300.	
Investigations	1,301,134
Special services	1,537,341
Laboratory services	1,461,888
Total	\$7,564,943

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Attorney general's private detective fees suspense fund	No limit
Conversion of materials and equipment fund	\$10,000
Drug enforcement—federal fund	No limit
Criminal justice statistics—federal fund	No limit
Missing persons clearinghouse—federal fund	15,000
Local law enforcement personnel education and training fees fund	No limit

Provided, That expenditures may be made from this fund for operating expenditures directly or indirectly related to education and training classes conducted for special agents and other personnel, including official hospitality: *Provided further*, That the director of the Kansas bureau of investigation is hereby authorized to fix, charge and collect fees for education and training services made available to local law enforcement personnel in classes conducted for special agents and other personnel of the Kansas bureau of investigation: *And provided further*, That such fees shall be fixed in order to recover all or part of the direct and indirect operating expenses incurred for such classes, including official hospitality: *And provided further*, That all fees received for such classes shall be deposited in the state treasury and credited to this fund.

Evidence purchase and investigation fund

Provided, That expenditures may be made from this fund for purchase of illegal drugs, to make contacts and acquire information leading to illegal drug outlets, contraband and stolen property, and for similar investigatory purposes: *Provided further*, That all moneys which are expended for any such purpose from whatever funding source and which are recovered shall be deposited in the state treasury and credited to this fund.

Criminal history record check fees fund

Provided, That expenditures may be made from this fund for operating expenditures directly or indirectly related to criminal history record checks conducted for noncriminal justice entities: *Provided further*, That the director of the Kansas bureau of investigation is hereby authorized to fix, charge and collect fees for criminal history record checks conducted for noncriminal justice entities including governmental agencies and private organizations: *And provided further*, That such fees shall be fixed in order to recover all or part of the direct and indirect operating expenses incurred for such record checks: *And provided further*, That all fees received for such record checks shall be deposited in the state treasury and credited to this fund.

Attorney general's committee on crime prevention fee fund

Provided, That expenditures may be made from this fund for operating expenditures directly or indirectly related to conducting training seminars organized by the attorney general's committee on crime prevention, including official hospitality: *Provided further*, That the director of the Kansas bureau of investigation is hereby authorized to fix, charge and collect fees for conducting training seminars organized by the attorney general's committee on crime prevention: *And provided further*, That such fees shall be fixed in order to recover all or part of the direct and indirect operating expenses incurred for conducting such seminars, including official hospitality: *And provided further*, That all fees received for conducting such seminars shall be deposited in the state treasury and credited to this fund.

Forensic laboratory and materials fee fund

Provided, That expenditures may be made from this fund for the acquisition of laboratory equipment and materials and for other direct or indirect operating expenditures for the forensic laboratory of the Kansas bureau of investigation incurred for laboratory tests conducted for noncriminal justice entities, including gov-

ernmental agencies and private organizations, which testing activity is hereby authorized: *Provided further*, That the director of the Kansas bureau of investigation is hereby authorized to fix, charge and collect fees for laboratory tests conducted for such noncriminal justice entities: *And provided further*, That such fees shall be fixed in order to recover all or part of the direct and indirect operating expenses incurred for conducting laboratory tests for such noncriminal justice entities: *And provided further*, That all fees received for such laboratory tests shall be deposited in the state treasury and credited to this fund.

Lottery and racing investigations fee fund

Provided, That expenditures may be made from this fund for operating expenditures, directly or indirectly related to investigations and related activities conducted by the Kansas bureau of investigation for the Kansas lottery or the Kansas racing commission: *Provided further*, That the director of the Kansas bureau of investigation is hereby authorized to fix, charge and collect fees for investigations and related activities conducted for the Kansas lottery or the Kansas racing commission: *And provided further*, That such fees shall be fixed to recover all of the direct and indirect expenses incurred for such investigations and related activities: *And provided further*, That all fees received for such investigations and related activities shall be deposited in the state treasury and credited to this fund.

Sec. 5.

KANSAS PUBLIC DISCLOSURE COMMISSION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Operating expenditures	\$184,766
<i>Provided</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however</i> , That expenditures from such reappropriated balance shall not exceed \$10,159 except upon approval of the state finance council.	

Sec. 6.

GOVERNOR'S DEPARTMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Administration	\$1,055,048
<i>Provided</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989.	
Governor's residence	165,278
<i>Provided</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989.	
Contingencies to be used without limitation at the discretion of the governor	75,000
Total	\$1,295,326

(b) Expenditures may be made from appropriations for the fiscal year ending June 30, 1989, by the above agency for travel expenses of the governor's spouse when accompanying the governor or when representing the governor on official state business and for travel and subsistence expenditures for security personnel when traveling with the governor from the amount appropriated by subsection (a) from the state general fund in the administration account.

(c) Expenditures may be made from appropriations for the fiscal year ending June 30, 1989, by the above agency for entertainment of officials and other persons as guests from the amount appropriated by subsection (a) from the state general fund in the administration account and from the amount appropriated by subsection (a) from the state general fund in the governor's residence account.

(d) There is appropriated for the above agency from the following special revenue fund for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures shall not exceed the following:

Conversion of materials and equipment fund	No limit
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Sec. 7.

DEPARTMENT OF HUMAN RESOURCES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Salaries and wages	\$969,742
<i>Provided</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989:	

Provided, however, That expenditures from such reappropriated balance shall not exceed \$45,289 except upon approval of the state finance council.

Other operating expenditures	238,092
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989:	
<i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$13,788 except upon approval of the state finance council.	
Contingency for court reporting	5,000
<i>Provided,</i> That expenditures may be made from this account for the costs incurred for court reporting under K.S.A. 72-5413 et seq. and 75-4321 et seq., and amendments thereto.	
Contingency for fact-finding and mediation	5,500
Total	\$1,218,334

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Workmen's compensation fee fund	\$2,039,534
Publication and sale of labor laws fund	0
Conversion of materials and equipment fund	0
Occupational health and safety—federal fund	294,849
Boiler inspection fee fund	189,605
Special employment security fund	No limit
Employment security administration fund	No limit
<i>Provided,</i> That expenditures may be made from this fund from moneys made available to the state under section 903 of the federal social security act, as amended: <i>Provided, however,</i> That expenditures from this fund of moneys made available to the state under section 903 of the federal social security act, as amended, shall be made only for the following purposes: (1) For major maintenance of existing buildings used by the department of human resources for employment security purposes; (2) for paving, landscaping and acquiring fixed equipment as may be required for the use and operation of such buildings; or (3) for any combination of these purposes: <i>Provided further,</i> That expenditures from this fund of moneys made available to the state under section 903 of the federal social security act, as amended, shall not exceed \$83,500: <i>And provided further,</i> That expenditures from this fund for the operating expenditures of the work incentive program shall not exceed \$164,506: <i>Provided, however,</i> That any transfers of work incentive program moneys from this fund to state agencies shall be in addition to any expenditure limitation imposed on this fund.	
Wage claims assignment fee fund	0
Work incentive program—federal fund	0
Employment security computer systems institute fund	No limit
Job training partnership act—title III—dislocated workers fund ..	No limit
<i>Provided,</i> That any expenditures from this fund for state operations shall not exceed \$157,930.	
Job training partnership act—title III—dislocated workers discretionary fund	No limit
Job training partnership act—title III—dislocated farmers and farmworkers fund	No limit
Job training partnership act—title II-A—disadvantaged training fund	No limit
<i>Provided,</i> That any expenditures from this fund for state operations shall not exceed \$3,017,290.	
Job training partnership act—title II-B—summer youth training fund	No limit
<i>Provided,</i> That any expenditures from this fund for state operations shall not exceed \$599,525.	
Occupational information system—federal fund	112,575
<i>Provided,</i> That any transfers of moneys from this fund to state agencies or to any other special revenue fund of the above agency shall be in addition to any expenditure limitation imposed on this fund.	
Human resources special projects fund	No limit
Advisory committee on Hispanic affairs—donations fund	No limit
Committee on employment of the handicapped—gifts, grants and donations fund	No limit
Dispute resolution fund	No limit
<i>Provided,</i> That all moneys received by the secretary of human resources for reimbursement of expenditures for the costs incurred for mediation under K.S.A. 72-5427 and amendments thereto and for fact-finding under K.S.A. 72-5428 and amendments thereto shall be deposited in the state treasury and credited to this fund: <i>Provided further,</i> That expenditures may be made from this fund to pay the costs incurred for mediation under K.S.A. 72-5427 and amendments thereto and for fact-finding under K.S.A. 72-5428 and amendments thereto, subject to full reimbursement therefor by the board of education and the professional employees' organization involved in such mediation and fact-finding procedures.	

Employment security fund. No limit

Sec. 8.

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

General administration (including official hospitality)	\$1,285,048
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall be made only upon approval of the state finance council.	
Existing industry development	783,399
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$20,849 except upon approval of the state finance council.	
Trade development	472,998
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$76,992 except upon approval of the state finance council.	
Industrial development	953,389
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$88,464 except upon approval of the state finance council.	
Travel and tourism development	797,849
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$4,280 except upon approval of the state finance council.	
Community development	494,064
<i>Provided,</i> That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however,</i> That expenditures from such reappropriated balance shall not exceed \$833 except upon approval of the state finance council.	
Grants for certified development companies	325,000
Grants for small business development centers	175,000
Coal commission studies	12,500
<i>Provided,</i> That all expenditures from this account shall be matched on a one-to-one basis by expenditures from the coal commission contribution fund.	
Total	\$6,530,798

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Publication and other sales fund	No limit
Linger longer program fund	\$89,000
NTA motorcoach picnic campaign fund	15,000
Low income housing tax credit fee fund	47,987
Conversion of materials and equipment fund	0
Community development block grant—federal fund	No limit
Community development block grant administrative match—federal fund	491,179
State economic development initiatives fund	6,372,327
<i>Provided,</i> That expenditures from this fund are hereby authorized only for the following purposes, subject to the expenditure limitations prescribed therefor:	
Kansas economic development endowment account	66,372,327
<i>Provided,</i> That expenditures from this account for the Kansas industrial training program shall not exceed \$1,200,000: <i>Provided further,</i> That expenditures from this account for state operations, other than expenditures for the Kansas industrial training program, shall not exceed \$371,327: <i>And provided further,</i> That expenditures from this account for main street program assistance grants shall not exceed \$51,000: <i>And provided further,</i> That expenditures from this account for the infrastructure loan program shall not exceed \$4,500,000: <i>And provided further,</i> That expenditures from this account for grants to certified development companies shall not exceed \$100,000: <i>And provided further,</i> That ex-	

(continued)

penditures from this account for grants to small business development centers shall not exceed \$100,000: *And provided further*, That expenditures from this account for the education award program shall not exceed \$50,000.

Job training partnership act fund—federal	No limit
National main street center fund	5,000
Coal commission contribution fund	12,500
Greyhound tourism fund	No limit

Sec. 9.

INSURANCE DEPARTMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Insurance company regulation	\$4,050,619
<i>Provided</i> , That expenditures from this account for official hospitality shall not exceed \$750: <i>Provided further</i> , That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: <i>Provided, however</i> , That expenditures from such reappropriated balance shall not exceed \$89,559 except upon approval of the state finance council.	
Consulting actuary fees	30,000
Total	\$4,080,619

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Insurance company examination fund	No limit
Insurance company annual statement examination fund	\$41,201
Insurance company examiner training fund	No limit
Conversion of materials and equipment fund	No limit
Commissioner's travel reimbursement fund	No limit

Provided, That expenditures may be made from this fund only to reimburse the commissioner of insurance for expenses incurred for in-state or out-of-state travel for official purposes, including travel to meetings of public or private associations: *Provided further*, That all moneys received by the commissioner of insurance for such travel from any nonstate agency source shall be deposited in the state treasury to the credit of this fund.

Health care stabilization fund	No limit
Workers' compensation fund	No limit

Provided, That expenditures from this fund for attorney fees and other costs and benefit payments may be made regardless of when services were rendered or when the initial award of benefits was made: *Provided further*, That expenditures from this fund for administration shall not exceed \$164,801.

State firefighters relief fund	No limit
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Provided, That expenditures from this fund for administration shall not exceed \$51,368.

Suspense fund	No limit
Insurance company tax and fee refund fund	No limit
Group-funded workers' compensation pools fee fund	No limit
Municipal group-funded pools fee fund	No limit

(c) On July 1, 1988, the director of accounts and reports shall transfer \$4,000,000 from the state general fund to the workers' compensation fund in accordance with K.S.A. 44-566a and amendments thereto.

Sec. 10.

KANSAS ARTS COMMISSION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Promotion of the arts	\$601,642
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Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: *Provided, however*, That expenditures from such reappropriated balance shall not exceed \$20,128 except upon approval of the state finance council: *Provided further*, That expenditures from this account for arts programming grants or challenge grant program grants shall be made only for the purpose of matching an equal or greater amount of federal grant moneys or local grant moneys, or both, for arts programming: *And provided further*, That expenditures from this account shall be made in a manner to benefit the maximum number of Kansas communities in the development of Kansas talent and art: *And provided further*, That expenditures from this account for official hospitality shall not exceed \$300.

(b) There is appropriated for the above agency from the

following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

State capitol dome sculpture fund	No limit
Kansas arts commission fee fund	No limit
Kansas arts commission gifts, grants and bequests fund	No limit
Kansas arts commission special gifts fund	No limit
Arts programming grants fund	No limit

Provided, That moneys received by the Kansas arts commission from the remittance of the unexpended balance of arts programming grants to the commission shall be deposited in the state treasury and credited to this fund: *Provided further*, That expenditures from this fund shall be made only for the purpose of matching an equal or greater amount of federal grant moneys or local grant moneys, or both, for arts programming: *And provided further*, That expenditures from this fund shall be made in a manner to benefit the maximum number of Kansas communities in the development of Kansas talent and art.

Economic development initiatives grant fund	\$450,000
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Provided, That expenditures of \$400,000 from this fund shall be used for arts programming that promotes economic development, such as the rural arts initiatives program.

(c) On July 1, 1988, the director of accounts and reports shall transfer \$50,000 from the state economic development initiatives fund of the department of commerce to the economic development initiatives grant fund of the Kansas arts commission.

(d) On October 1, 1988, the director of accounts and reports shall transfer \$200,000 from the state economic development initiatives fund of the department of commerce to the economic development initiatives grant fund of the Kansas arts commission.

(e) On January 1, 1989, the director of accounts and reports shall transfer \$200,000 from the state economic development initiatives fund of the department of commerce to the economic development initiatives grant fund of the Kansas arts commission.

Sec. 11.

LIEUTENANT GOVERNOR

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Operations	\$105,971
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Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989.

(b) Expenditures may be made from appropriations for the fiscal year ending June 30, 1989, by the above agency for travel expenses of the lieutenant governor's spouse when accompanying the lieutenant governor on official state business and for travel and subsistence expenditures for security personnel when traveling with the lieutenant governor on official state business from the amount appropriated by subsection (a) from the state general fund in the operations account.

(c) Expenditures may be made from appropriations for the fiscal year ending June 30, 1989, by the above agency for official hospitality from the amount appropriated by subsection (a) from the state general fund in the operations account, except that such expenditures shall not exceed \$1,000.

Sec. 12.

STATE BOARD OF TAX APPEALS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Operating expenditures	\$782,512
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Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988 in the other operating expenditures account is hereby reappropriated to the operating expenditures account for fiscal year 1989: *Provided, however*, That expenditures from such reappropriated balance shall not exceed \$3,179 except upon approval of the state finance council.

(b) There is appropriated for the above agency from the following special revenue fund for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:

Duplicating fees fund	No limit
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Sec. 13.

SECRETARY OF STATE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Table with 2 columns: Description and Amount. Includes Salaries and wages (\$914,694), Other operating expenditures (401,698), Official hospitality (2,500), and Total (\$1,318,892).

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Table with 2 columns: Description and Limit. Lists various funds such as State flag and banner fund, Secretary of state fee refund fund, etc., with limits like 'No limit'.

Sec. 14.

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Table with 2 columns: Description and Amount. Includes Operating expenditures (\$1,315,391), Grant to Veterans of World War I, Department of Kansas (2,000), and Total (\$1,337,391).

(b) There is appropriated for the above agency from the following special revenue fund for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:

Table with 2 columns: Description and Amount. Includes Kansas commission on veterans affairs fund (\$60,253).

Sec. 15.

KANSAS SOLDIERS' HOME

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Table with 2 columns: Description and Amount. Includes Operating expenditures (\$1,055,932).

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Table with 2 columns: Description and Amount. Includes Soldiers' home fee fund (\$2,188,887) and Benefit and gift fund (No limit).

(c) Any unencumbered balance as of June 30, 1988, in each of the following accounts of the state institutions building fund is hereby lapsed: Construction of wastewater treatment facility; installation of fire retardant doors; renovation of water tower; fire safety sprinkler system; reroof maintenance building.

(d) There is appropriated for the above agency from the state institutions building fund for the fiscal year ending June 30, 1989, the following:

Table with 2 columns: Description and Amount. Includes Replace and repair street (\$108,927) and Raze 13 cottages (7,800), Total (\$116,727).

Sec. 16.

STATE TREASURER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Table with 2 columns: Description and Amount. Includes Administration and fiscal services (\$1,731,069).

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:

Table with 2 columns: Description and Limit. Lists various funds such as State treasurer investment clearing fund, Fiscal agency fund, etc., with limits like 'No limit' or '\$6,500'.

(c) On June 30, 1989, the director of accounts and reports shall transfer all moneys credited to the bond registration fees fund from the bond registration fees fund to the state general fund. On June 30, 1989, the bond registration fees fund is hereby abolished.

Sec. 17.

KANSAS COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

(a) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Table with 2 columns: Description and Limit. Includes Kansas commission on the bicentennial of the United States Constitution—gifts, grants and donations fund (No limit) and Conversion of materials and equipment fund (No limit).

(b) Any unencumbered balance in excess of \$100 as of June 30, 1988, in the grant to Kansas commission on the bicentennial

(continued)

of the United States constitution account of the state general fund is hereby reappropriated for fiscal year 1989.

Sec. 18.

KANSAS, INC.

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

Kansas, Inc. \$276,582

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, is hereby reappropriated for fiscal year 1989: Provided, however, That expenditures from such reappropriated balance shall not exceed \$15,188 except upon approval of the state finance council.

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Kansas, Inc. matching fund No limit
Special studies fund \$75,000

Provided, That expenditures from this fund shall not be subject to the provisions of K.S.A. 1987 Supp. 74-8009 and amendments thereto.

(c) On October 1, 1988, the director of accounts and reports shall transfer \$75,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce to the special studies fund of Kansas, Inc.

Sec. 19.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1989, the following:

State operations (including official hospitality) \$157,048

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1988, in the Kansas technology enterprise corporation operations account is hereby reappropriated to the state operations (including official hospitality) account for fiscal year 1989: Provided, however, That expenditures from such reappropriated balance shall not exceed \$67,843 except upon approval of the state finance council.

Any unencumbered balance in excess of \$100 as of June 30, 1988, in the Kansas technology enterprise corporation research grant account is hereby reappropriated for fiscal year 1989.

(b) There is appropriated for the above agency from the following special revenue funds for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Economic development research and development fund \$5,518,809

Provided, That except upon approval of expenditures for any other purposes by the state finance council, expenditures from this fund are hereby authorized only for the following purposes, subject to the expenditure limitations prescribed therefore:

State operations \$ 368,809
Special projects 300,000
Research matching grants 1,250,000
Research equipment grants 700,000
Training equipment grants 250,000
Industrial liaison program 150,000

Provided, however, That no expenditures shall be made from this account until the plans for any industrial liaison program have been presented to the joint committee on economic development.

Centers of excellence grants 1,200,000
Seed capital investments 1,000,000
Business innovation research grants 300,000

And provided further, That expenditures from this fund are hereby authorized to be made from the Kansas technology enterprise corporation setaside program account, advanced technology research matching grant program account and the additional grants for acquisition of business training or research equipment account: And provided further, That expenditures from each such account shall not exceed the unencumbered balance in such account on June 30, 1988: And provided further, That any expenditures from any such account shall be in addition to the expenditure limitation imposed on total expenditures from this fund.

KTEC special revenues fund No limit

Provided, That all moneys received by the Kansas technology enterprise corporation from the recovery of expenses or for the reimbursement of expenditures incurred by the Kansas technology enterprise corporation and all other moneys received from any other source of revenue shall be deposited in the state treasury and credited to this fund.

(c) On July 1, 1988, the director of accounts and reports shall transfer \$689,851 from the Kansas economic development research and development account of the state economic development initiatives fund of the department of commerce to the economic development research and development fund of the Kansas technology enterprise corporation.

(d) On October 1, 1988, the director of accounts and reports shall transfer \$1,379,702 from the Kansas economic development research and development account of the state economic development initiatives fund of the department of commerce to the economic development research and development fund of the Kansas technology enterprise corporation.

(e) On January 1, 1989, the director of accounts and reports shall transfer \$1,379,702 from the Kansas economic development research and development account of the state economic development initiatives fund of the department of commerce to the economic development research and development fund of the Kansas technology enterprise corporation.

(f) On April 1, 1989, the director of accounts and reports shall transfer \$1,379,703 from the Kansas economic development research and development account of the state economic development initiatives fund of the department of commerce to the economic development research and development fund of the Kansas technology enterprise corporation.

(g) On July 1, 1988, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$689,851 from the Kansas economic development research and development account of the state economic development initiatives fund of the department of commerce to the economic development research and development fund of the Kansas technology enterprise corporation.

Sec. 20.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state buildings operating fund for the fiscal year ending June 30, 1989, the following:

Special maintenance—statehouse, judicial center, printing plant and Cedar Crest \$200,000
Reroofing—Cedar Crest 40,100
Interior repairs and renovation—statehouse 75,000
Energy conservation—capitol complex 50,000
Clean and treat capitol dome 18,000
Total \$383,100

(b) On July 1, 1988, the expenditure limitation established by section 2(b) of 1988 Senate Bill No. 550 on the state buildings operating fund is hereby increased from \$7,554,033 to \$7,937,133.

Sec. 21.

STATE TREASURER

~~(a) On the effective date of this act, the director of accounts and reports shall transfer \$15,000,000 from the state general fund to the local ad valorem tax reduction fund.~~

Sec. 22.

DEPARTMENT OF EDUCATION

~~(a) There is appropriated for the above agency from the following special revenue fund for the fiscal year ending June 30, 1989, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:~~

~~Unified school district ad valorem tax reduction fund No limit~~

~~Provided, That the state board of education shall apportion and pay from this fund all moneys in such fund to the several unified school districts on October 15, 1988, as follows: (1) 50% of the amount to be distributed shall be apportioned on the basis of the enrollment of the unified school district as defined by K.S.A. 1987 Supp. 74-7003 and amendments thereto, and (2) 50% of each amount shall be apportioned on the basis of the adjusted enrollment of unified school districts determined in accordance with this section: Provided further, That the adjusted enrollment of each unified school district shall be determined by dividing the state per pupil assessed tangible value of all property of the~~

~~state on November 1 of the preceding year by the per pupil assessed tangible value of all property of the unified school district on November 1 of the preceding year and multiplying the resulting quotient by the total enrollment of the unified school district. And provided further, That as used in this subsection "pupil" shall have the meaning ascribed thereto by K.S.A. 72-7033 and amendments thereto. And provided further, That each unified school district shall submit a unified school district ad valorem tax reduction fund item of income for the general operating fund, in its budget for the current year tax levies. Provided, however, That no unified school district shall be entitled to participate in the distribution of any such moneys until such unified school district has adopted and certified a budget for the ensuing year which shows as a separate item the amount of the distribution to the general operating fund of such district and has certified a tax levy for such fund that will produce a sum of money less than the amount which a maximum levy would produce for such fund, in an amount equal to or in excess of the amount of such distribution.~~

~~(b) On the effective date of this act, the director of accounts and reports shall transfer \$15,000,000 from the state general fund to the unified school district ad valorem tax reduction fund.~~

Sec. 23. *Position limitations.* The number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal year ending June 30, 1989, made in this act for the following agencies shall not exceed the following, except upon approval of the state finance council:

Agency	Number of Positions Equated To Full-Time
Commission on Civil Rights	40.0
Attorney General	56.0
Attorney General—Kansas Bureau of Investigation	167.0
Kansas Public Disclosure Commission	5.0
Department of Human Resources	874.0
Department of Commerce	100.5
Insurance Department	149.2
Kansas Arts Commission	8.0
Lieutenant Governor	3.0
State Board of Tax Appeals	18.0
Secretary of State	61.0
<i>Provided, That all full-time and regular part-time positions equated to full-time, for the Kansas state census shall be in addition to any position limitation imposed on the secretary of state for fiscal year 1989.</i>	
Kansas Commission on Veterans Affairs	58.0
Kansas Soldiers' Home	135.8
State Treasurer	52.0
Kansas Commission on the Bicentennial of the United States Constitution	0

Sec. 24. *Appeals to exceed limitations.* Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act for the fiscal year ending June 30, 1989.

Sec. 25. *Savings.* Any unencumbered balance in any special revenue fund, or account thereof, which is not otherwise specifically appropriated or limited by this or other appropriation act of the 1988 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 1989, for the same use and purpose as the same was heretofore appropriated.

Sec. 26. Any state institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 1988 regular session of the legislature and having an unencumbered balance as of June 30, 1988, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 1989, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 27. *Federal grants.* Each federal grant or other federal receipt which is received for the fiscal year ending June 30, 1989, by a state agency named in this act and which is not otherwise appropriated to that state agency by this or other appropriation act of the 1988 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 1989, for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appro-

priated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 28. Any transfers of money during the fiscal year ending June 30, 1989, from any special revenue fund of any state agency named in this act to the audit services fund of the division of post audit under K.S.A. 46-1121 and amendments thereto shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 1989.

Sec. 29. K.S.A. 1987 Supp. 44-716a is hereby amended to read as follows: 44-716a. (a) There is hereby created in the state treasury a special fund to be known as the special employment security fund. All interest and penalties collected under the provisions of the Kansas employment security law shall be paid into this fund. No such moneys shall be expended or available for expenditure in any manner which would permit their substitution for, or a corresponding reduction in, federal funds which in the absence of such moneys would be available to finance expenditures for the administration of the employment security law. Nothing in this section shall prevent such moneys from being used as a revolving fund, to cover expenditures, necessary and proper under the law, for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. Except as otherwise authorized by this section, the moneys in this fund may be used by the secretary of human resources only for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants, or other funds, received for or in the employment security administration fund. In addition to the other purposes for which expenditures may be made from the special employment security fund as authorized by this section, moneys from this fund may be used to finance activities as deemed necessary by the secretary of human resources for the efficient operation of activities under or the administration of the employment security law, except that (1) no moneys shall be used for such purposes unless the secretary has determined that no other funds are available or can be properly used to finance expenditures for such purposes, (2) expenditures are hereby authorized and directed to be made from the special employment security fund for employment and training under the rural employment assistance program during the fiscal year ending June 30, 1987, for such purposes shall not exceed \$250,000 1989, except that expenditures from this fund for all authorized purposes for fiscal year 1989 shall not exceed \$435,000 and, within such limitation for all authorized purposes, expenditures from this fund for the rural employment assistance program for fiscal year 1989 shall not exceed \$325,000 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto, and (3) expenditures during the fiscal year ending June 30, 1988 1990, or any fiscal year thereafter for such purposes authorized under this section shall not exceed \$100,000 \$110,000 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto. No expenditures of this fund shall be made except on written authorization by the governor and the secretary of human resources.

(b) The director of accounts and reports is hereby directed to draw warrants upon the state treasurer against the money in the special employment security fund for the use and purposes as herein specified upon vouchers, approved by the secretary of human resources, and accompanied by the written authorization of the governor and the secretary of human resources. The moneys in this fund are hereby specifically made available to replace, within a reasonable time, any moneys received by this state pursuant to section 302 of the federal social security act, as amended, which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those necessary for the proper administration of the employment security law. The moneys in this fund

(continued)

shall be continuously available to the secretary of human resources for expenditure in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as otherwise authorized in subsection (c).

(c) In addition to expenditures authorized by this section, the director of accounts and reports may transfer funds from the special employment security fund to the accounting services recovery fund as provided in K.S.A. 75-3728b and 75-6210 and amendments thereto.

Sec. 30. K.S.A. 1987 Supp. 44-716a is hereby repealed.

Sec. 31. *Effective date.* 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 16, 1988.

HOUSE concurred in SENATE amendments April 7, 1988.

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

Passed the SENATE as amended April 7, 1988.

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

APPROVED April 10, 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 27th day of April, 1988.

BILL GRAVES
Secretary of State.

(SEAL)

State of Kansas

OFFICE OF THE GOVERNOR

Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the constitution of the State of Kansas, I hereby return House Bill No. 2808 to you with my signature approving the bill, except for the following portions which I line item veto.

- Section 21 is vetoed in its entirety. This provision would take \$15 million out of the state general fund balances for the local ad valorem tax reduction fund. I object to this measure because of the expectations this measure brings for the State to provide a similar transfer annually and the impact such action would have on the state general fund. My budget recommendations and existing provisions already provide for \$30.8 million in FY 1988 and \$32.9 million in FY 1989 for local ad valorem tax reduction.
- Section 22 is vetoed in its entirety. This provision for additional state aid for school districts also would take \$15 million out of the state general fund and create an expectation for similar amounts in subse-

quent years. The distribution methodology for this money deviates from our efforts to equalize educational funding.

My budget recommendations for FY 1989 provide for \$481 million in general state aid for schools, an increase of \$24.9 million over the prior year. Additionally, my budget recommended \$45.2 million, a \$1.1 million increase, in school transportation aid and \$94.6 million, a \$4 million increase, for special education aid. Further, under my tax proposals, there will be over \$18 million in new funds through income tax rebate for public schools.

On January 12, 1988, I presented the Kansas Legislature with my recommendations for a balanced budget. At that time I urged caution and restraint on spending and pledged not to hesitate to exercise the full powers of my office to maintain a balanced budget in behalf of the citizens of Kansas.

With a majority of the major spending bills yet unresolved and final decisions still to come regarding tax reform and sales tax exemptions, the state's available revenue picture is far from clear at this time. The future fiscal integrity of our state is not yet assured.

Actions taken by either the House or the Senate have exceeded my budget recommendations by over \$100 million, clearly threatening a balanced budget and undermining our fiscal integrity. If all of the spending and tax relief measures were sent to my desk in their current form, our state's general fund would be dealt a severe blow. The gains we have made in restoring fiscal integrity would be lost. In fact, if no legislative adjustments were made to reduce spending contained in pending bills, Kansas lawmakers would be forced to pass a tax increase next year simply to meet the obligations they have made to date.

In order to protect Kansans from such a tax increase and to have the resources available to address known future demands relating to education, reappraisal, and other primary state obligations, I have vetoed these two \$15 million items.

It should be pointed out that several of the lawmakers who supported these amendments have subsequently urged me not to hesitate to exercise my veto authority in order to maintain fiscal integrity and a balanced budget.

Some who supported these costly provisions attempted to justify their actions by indicating their interest in returning a portion of the additional revenue that resulted from changes to federal tax law. These provisions do not accomplish this. The additional revenue for the local ad valorem tax reduction fund would not guarantee any reduction in property taxes. I have recommended that 40 percent of the additional revenue from changes to federal tax law be returned and legislation enacting that return is pending in a conference committee. If it is felt that additional revenue can be returned, the most appropriate mechanism for such action would be the pending tax reform measure.

Dated April 10, 1988.

MIKE HAYDEN
Governor

(Published in the Kansas Register, May 5, 1988.)

HOUSE BILL No. 3123

AN ACT concerning corporations; relating to cumulative voting; annual franchise tax; corporation code; reviving and amending K.S.A. 17-6009, 17-6102, 17-6204, 17-6302, 17-6402, 17-6404, 17-6410, 17-6411, 17-6418, 17-6420, 17-6422, 17-6423, 17-6426, 17-6501, 17-6503, 17-6504, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6511, 17-6512, 17-6513, 17-6515, 17-6520, 17-6601, 17-6602, 17-6604, 17-6605, 17-6704, 17-6705, 17-6706, 17-6707, 17-6709, 17-6805, 17-6807, 17-6808 and 17-7507 and K.S.A. 1987 Supp. 17-6002, 17-6301, 17-6401, 17-6406, 17-6408, 17-6409, 17-6603, 17-6701, 17-6702 and 17-6703, all as repealed by 1988 House Bill No. 3018, and repealing the revised sections; also repealing K.S.A. 17-6009, 17-6102, 17-6204, 17-6302, 17-6402, 17-6404, 17-6410, 17-6417, 17-6418, 17-6420, 17-6422, 17-6423, 17-6426, 17-6503, 17-6504, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6511, 17-6512, 17-6513, 17-6515, 17-6520, 17-6601, 17-6602, 17-6604, 17-6605, 17-6704, 17-6705, 17-6706, 17-6707, 17-6709, 17-6805, 17-6807, 17-6808 and 17-7507 and K.S.A. 1987 Supp. 17-6002, 17-6301, 17-6401, 17-6406, 17-6408, 17-6409, 17-6603, 17-6701, 17-6702 and 17-6703, all as amended by 1988 House Bill No. 3018.

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

Section 1. K.S.A. 17-6504, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6504. At all elections of directors, each stockholder shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them as he may see fit. The articles of incorporation of any corporation may provide that at all elections of directors of the corporation, or at elections held under specified circumstances, each holder of stock or of any class or classes or of a series or series thereof shall be entitled to as many votes as shall equal the number of votes which, except for such provision as to cumulative voting, such holder would be entitled to cast for the election of directors with respect to such holder's shares of stock multiplied by the number of directors to be elected by each holder, and that such holder may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as such holder may see fit, provided that this act shall not apply to a corporation organized prior to the effective date of this act unless the stockholders of such corporation shall amend its articles of incorporation to eliminate the requirements of cumulative voting in force at the time of its organization.

Sec. 2. K.S.A. 17-7507, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-7507. No corporation shall be required to file its first annual report under this act, or pay any annual franchise tax required to accompany such report, unless such corporation has filed its articles of incorporation or certificate of good standing at least six (6) months prior to the last day of its tax period. If any corporation shall file with the secretary of state a notice of change in its tax period, and the next annual report filed by such corporation subsequent to such notice is based on a tax period of less than twelve (12) months, there shall be no reduction or proration of the annual tax required to accompany such report 12 months. The annual tax liability shall be determined by multiplying the annual franchise tax liability for such year by a fraction the numerator of which is the number of months, or any portion thereof, covered by the annual report and the denominator of which is 12. Notwithstanding the foregoing, the minimum annual franchise tax shall be \$20. This section shall be applicable to all annual reports filed by corporations with tax periods ending after November 30, 1987.

Sec. 3. K.S.A. 1987 Supp. 17-6002, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6002. (a) The articles of incorporation shall set forth:

(1) The name of the corporation which, except for banks, shall contain one of the words "association," "church," "college," "company," "corporation," "club," "foundation," "fund," "incorporated," "institute," "society," "union," "syndicate" or "limited," or one of the abbreviations "co.," "corp.," "inc.," "Ltd.," or words or abbreviations of like import in other languages if they are written in Roman characters or letters, and which shall be such as to distinguish it upon the records in the office of the secretary of state from the names of other corpora-

tions and partnerships organized, reserved or registered under the laws of this state, unless there shall be obtained the written consent of such other corporation, executed, acknowledged and filed in accordance with K.S.A. 17-6003 and amendments thereto. The name of every corporation heretofore organized, except for banks, may be changed to conform to the provisions of this section, but such change of name for existing corporations shall not be required, and nothing herein shall be construed as requiring any corporation which is subject to special statutory regulation to include any of such names or abbreviations in the name of such corporation if such name or abbreviation would be inconsistent or in conflict with such special statutory regulation;

(2) the address, which shall include the street, number, city and county of the corporation's registered office in this state, and the name of its resident agent at such address;

(3) the nature of the business or purposes to be conducted or promoted. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Kansas general corporation code, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any;

(4) if the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that all such shares are to be without par value. If the corporation is to be authorized to issue more than one class of stock, the articles of incorporation shall set forth the total number of shares of all classes of stock which the corporation shall have authority to issue and the number of shares of each class that are to have a par value and the par value of each share of each such class, the number of shares of each class that, and shall specify each class the shares of which are to be without par value, and each class the shares of which are to have a par value and the par value of the shares of each such class. The articles of incorporation shall also set forth a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by K.S.A. 17-6401 and amendments thereto, in respect to any class or classes of stock or any series of any class of stock of the corporation and the fixing of which by the articles of incorporation is desired, and an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions any thereof that may be desired but which shall not be fixed by the articles of incorporation. The foregoing provisions of this paragraph (4) shall not apply to corporations which are not organized for profit and which are not to have authority to issue capital stock. In the case of such corporations, the fact that they are not to have authority to issue capital stock shall be stated in the articles of incorporation. The conditions of membership of such corporations shall likewise be stated in the articles of incorporation or the articles may provide that the conditions of membership shall be stated in the bylaws, and if a corporation not organized for profit is to have authority to issue capital stock, such fact shall be stated in the articles of incorporation;

(5) the name and mailing address of the incorporator or incorporators; and

(6) if the powers of the incorporator or incorporators are to terminate upon the filing of the articles of incorporation, the names and mailing addresses of the persons who are to serve as directors until the first annual meeting of stockholders or until their successors are elected and qualify.

(b) In addition to the matters required to be set forth in the articles of incorporation by subsection (a) of this section, the articles of incorporation may also contain any or all of the following matters:

(1) Any provision for the management of the business and for the conduct of the affairs of the corporation, and any provision creating, defining, limiting and regulating the sale or other disposition of stock and the powers of the corporation, the directors and the stockholders, or any class of the stockholders, or the members of a nonstock corporation, if such provisions are not contrary to the laws of this state. Any provision which is

(continued)

required or permitted by any section of this act to be stated in the bylaws may be stated instead in the articles of incorporation;

(2) the following provisions, in these words: "Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them or between this corporation and its stockholders or any class of them, any court of competent jurisdiction within the state of Kansas, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6901 and amendments thereto, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6808 and amendments thereto, may order a meeting of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing $\frac{3}{4}$ in value of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation";

(3) such provisions as may be desired granting to the holders of the stock of the corporation, or the holders of any class or series of a class thereof, the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes or series thereof, or to any securities of the corporation convertible into such stock. No stockholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into such stock unless, and except to the extent that, such right is expressly granted to such stockholder in the articles of incorporation. All such rights in existence on July 1, 1972, shall remain in existence unaffected by this paragraph (3) unless and until changed or terminated by appropriate action which expressly provides for such change or termination;

(4) provisions requiring for any corporate action, the vote of a larger portion of the stock or of any class or series thereof, or of any other securities having voting power, or a larger number of the directors, than is required by this act;

(5) a provision limiting the duration of the corporation's existence to a specified date; otherwise, the corporation shall have perpetual existence;

(6) a provision imposing personal liability for the debts of the corporation on its stockholders or members to a specified extent and upon specified conditions; otherwise, the stockholders or members of a corporation shall not be personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts;

(7) the manner of adoption, alteration and repeal of bylaws; and

(8) a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders, policyholders or members for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (A) for any breach of the director's duty of loyalty to the corporation or its stockholders, policyholders or members, (B) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (C) under the provisions of K.S.A. 17-6424 and amendments thereto or (D) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in this subsection to a director shall be deemed also to refer to a member of the governing body of a corporation which is not authorized to issue capital stock.

(c) It shall not be necessary to set forth in the articles of incorporation any of the powers conferred on corporations by this act.

Sec. 4. K.S.A. 17-6009, as repealed by section 61 of 1988

House Bill No. 3018, is hereby revived and amended to read as follows: 17-6009. (a) ~~Unless otherwise provided in the articles of incorporation, The original or other bylaws of a corporation may be adopted, amended or repealed by the incorporators or by the initial directors if they were named in the articles of incorporation. Thereafter, or, before a corporation has received any payment for any of its stock, by its board of directors. After a corporation has received any payment for any of its stock, the power to make, alter adopt, amend or repeal bylaws shall be in the stockholders entitled to vote or, in the case of a non-stock corporation, in its members and such power also may be conferred concurrently upon the directors or, in the case of a non-stock corporation, upon its governing body by whatever name designated entitled to vote; provided, however, any corporation may in its articles of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors or, in the case of a nonstock corporation, upon its governing body by whatever name designated. The fact that such power has been so conferred upon the directors or governing body, as the case may be, shall not divest the stockholders or members of the power, nor limit their power to adopt, amend or repeal bylaws.~~ The right to make, alter or repeal bylaws of any corporation in existence on July 1, 1972 shall be vested in the board of directors, unless otherwise provided in such corporation's articles of incorporation and subject to the right of the stockholders to make, alter or repeal the bylaws.

(b) The bylaws may contain any provision, not inconsistent with law or with the articles of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees.

Sec. 5. K.S.A. 17-6102, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6102. Every domestic corporation subject to the provisions of this act shall have power to:

(1) Have perpetual succession by its corporate name, unless a limited period of duration is stated in its articles of incorporation;

(2) Sue and be sued in all courts and participate, as a party or otherwise, in any judicial, administrative, arbitral or other proceeding, in its corporate name;

(3) Have a corporate seal, which may be altered at pleasure, and use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

(4) Purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated;

(5) Appoint such officers and agents as the business of the corporation requires and to pay or otherwise provide for them suitable compensation;

(6) Adopt, amend and repeal bylaws;

(7) Wind up and dissolve itself in the manner provided in this act;

(8) Conduct its business, carry on its operations and have offices and exercise its powers within or without this state;

(9) Make donations for the public welfare or for charitable, scientific or educational purposes, and in time of war or other national emergency in aid thereof;

(10) Be an incorporator, promoter or manager of other corporations of any type or kind;

(11) Participate with others in any corporation, partnership, limited partnership, joint venture or other association of any kind, or in any transaction, undertaking or arrangement which the participating corporation would have power to conduct by itself, whether or not such participation involves sharing or delegation of control with or to others;

(12) Transact any lawful business which the corporation's board of directors shall find to be in aid of governmental authority;

(13) Make contracts, including contracts of guaranty and suretyship, incur liabilities, borrow money at such rates of inter-

est as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or other encumbrance of all or any of its property, franchises and income, and make contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of: (A) A corporation all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation; (B) a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation; or (C) a corporation all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, which contracts of guaranty and suretyship shall be deemed to be necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation, and make other contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation;

(14) Lend money for its corporate purposes, invest and reinvest its funds and take, hold and deal with real and personal property as security for the payment of funds so loaned or invested;

(15) Pay pension and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive and compensation plans, trusts and provisions for any or all of its directors, officers, and employees, and for any or all of the directors, officers, and employees of its subsidiaries;

(16) Provide insurance for its benefit on the life of any of its directors, officers or employees, or on the life of any stockholder for the purpose of acquiring at his death shares of its stock owned by such stockholder.

Sec. 6. K.S.A. 17-6204, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6204. (a) A resident agent may change the address of the registered office of the corporation or corporations for which he or she is resident agent to another address in this state by filing with the secretary of state a certificate, executed and acknowledged by such resident agent, setting forth the names of all the corporations represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such corporations, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the corporations recited in the certificate. Upon the filing of such certificate, with one copy thereof for each corporation listed on the certificate, the secretary of state shall furnish a certified copy of the same under his or her hand and seal of office, and the certified copy shall be recorded by the resident agent in the office of the register of deeds of the county where the registered office of the corporation is located in this state, and thereafter, or until further change of address, as authorized by law, the registered office in this state of each of the corporations recited in the certificate shall be located at the new address of the resident agent thereof as given in the certificate. If the location of such office shall be changed from one county to another county, a certified copy of such certificate shall also be recorded in the office of the register of deeds for the county in which such office was formerly located.

(b) Whenever the location of a resident agent's office is moved to another room or suite within the same structure and such change is reported in writing to the secretary of state, said secretary shall charge no fee for recording such change on the appropriate records on file with said secretary.

(c) In the event of a change of name of any person or corporation acting as registered agent in this state, such registered agent shall file with the secretary of state a certificate, executed and acknowledged by such registered agent, setting forth the new name of such registered agent, the name of such registered agent before it was changed, the names of all the corporations represented by such registered agent, and the address at which such registered agent has maintained the registered office for each of such corporations. Upon the filing

of such certificate, with one copy thereof for each corporation listed on the certificate, the secretary of state shall furnish a certified copy of the same under the secretary's hand and seal of office, and the certified copy shall be recorded by the resident agent in the office of the register of deeds of the county where the registered office of each of the corporations recited in the certificate is located in this state.

Sec. 7. K.S.A. 1987 Supp. 17-6301, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6301. (a) The business and affairs of every corporation shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this act or in the articles of incorporation. If any such provision is made in the articles of incorporation, the powers and duties conferred or imposed upon the board of directors by this act shall be exercised or performed to such extent and by such person or persons as shall be provided in the articles of incorporation.

(b) The board of directors of a corporation shall consist of one or more members. The number of directors shall be fixed by, or in the manner provided in, the bylaws, unless the articles of incorporation establish the number of directors, in which case a change in the number of directors shall be made only by amendment of the articles. Directors need not be stockholders unless so required by the articles of incorporation or the bylaws. *The articles of incorporation or bylaws may prescribe other qualifications for directors.* Each director shall hold office until a successor is elected and qualified or until such director's earlier resignation or removal. Any director may resign at any time upon written notice to the corporation. A majority of the total number of directors shall constitute a quorum for the transaction of business unless the articles of incorporation or the bylaws require a greater number. Unless the articles of incorporation provide otherwise, the bylaws may provide that a number less than a majority shall constitute a quorum which in no case shall be less than $\frac{1}{3}$ of the total number of directors except that, when a board of one director is authorized under the provisions of this section, one director shall constitute a quorum. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the articles of incorporation or the bylaws shall require a vote of a greater number.

(c) The board of directors may designate, by resolution passed by a majority of the whole board, one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the articles of incorporation, *except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in K.S.A. 17-6401, and amendments thereto, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series, adopting an agreement of merger or consolidation pursuant to K.S.A. 17-6701 or 17-6702, and amendments thereto, recommending to the stockholders the*

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sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; and, unless the resolution, bylaws or articles of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to K.S.A. 17-6703, and amendments thereto.

(d) The directors of any corporation may be divided into one, two or three classes by the articles of incorporation or by an initial bylaw, or by a bylaw adopted by a vote of the stockholders; the term of office of those of the first class to expire at the annual meeting next ensuing; of the second class one year thereafter; of the third class two years thereafter; and at each annual election held after such classification and election, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. The articles of incorporation may confer upon holders of any class or series of stock the right to elect one or more directors who shall serve for such term, and have such voting powers, as stated in the articles of incorporation. The terms of office and voting powers of the directors elected in the manner so provided in the articles of incorporation may be greater than or less than those of any other director or class of directors. *If the articles of incorporation provide that directors elected by the holders of a class or series of stock shall have more or less than one vote per director on any matter, every reference in this act to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of such directors.*

(e) A member of the board of directors or governing body of any corporation, or a member of any committee designated by the board of directors or governing body, shall be fully protected in the performance of such member's duties in relying in good faith upon the books of account or reports made to the corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the board of directors or by any such committee, or in relying in good faith upon other records of the corporation records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

(f) Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors, or governing body, or of any committee thereof may be taken without a meeting if all members of the board or governing body or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board, governing body or committee.

(g) Unless otherwise restricted by the articles of incorporation or bylaws, the board of directors or governing body of any corporation organized under this act may hold its meetings, and have an office or offices, outside of this state.

(h) Unless otherwise restricted by the articles of incorporation or bylaws, the board of directors shall have the authority to fix the compensation of directors.

(i) Unless otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or the governing body of any corporation, or any committee designated by such board or body, may participate in a meeting of such board, body or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

(j) The articles of incorporation of any corporation organized under this chapter which is not authorized to issue capital stock may provide that less than 1/3 of the members of the governing body may constitute a quorum thereof and may otherwise provide that the business and affairs of the corporation shall be

managed in a manner different from that provided in this section. Except as provided by the articles of incorporation, the provisions of this section shall apply to such a corporation and, when so applied, all references to the board of directors, to members thereof and to stockholders shall be deemed to refer to the governing body of the corporation, the members thereof and the members of the corporation respectively.

(k) Any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except as follows:

(1) Unless the articles of incorporation otherwise provides, in the case of a corporation whose board is classified as provided in subsection (d), shareholders may effect such removal only for cause; or

(2) if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the articles of incorporation, the provisions of this subsection shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole.

Sec. 8. K.S.A. 17-6302, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6302. (a) Every corporation organized under this act shall have a president, secretary and treasurer, who shall be chosen as the bylaws may direct. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The secretary shall record all the proceedings of the meetings of the stockholders and directors in a book to be kept for that purpose, and shall perform such other duties as shall be assigned to him such officers with such titles and duties as shall be stated in the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws and as may be necessary to enable it to sign instruments and stock certificates which comply with subsection (a)(2) of K.S.A. 17-6003 and K.S.A. 17-6408; and amendments thereto. One of the officers shall have the duty to record the proceedings of the meetings of the stockholders and directors in a book to be kept for that purpose. Any number of offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

(b) The corporation may have such other officers and agents as are desired, who shall be chosen in such manner and Officers shall be chosen in such manner and shall hold their offices for such terms as are prescribed by the bylaws or determined by the board of directors or other governing body. Each officer shall hold the office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation.

(c) The corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

(d) A failure to elect annually a president, secretary, treasurer or other officers shall not dissolve a corporation.

(e) Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled as the bylaws provide. In the absence of such provision, the vacancy shall be filled by the board of directors or other governing body.

(f) A corporation not for profit, without capital stock, may elect such officers as its articles of incorporation or bylaws may specify, who shall exercise the respective duties ordinarily exercised by the president, secretary, treasurer and other officers commonly elected by a stock corporation.

Sec. 9. K.S.A. 1987 Supp. 17-6401, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6401. (a) Every corporation, whether or not organized for profit, may issue one or more classes of stock or one

or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value and which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the articles of incorporation or of any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the provisions of its articles of incorporation. *Any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any such class or series of stock may be made dependent upon facts ascertainable outside the articles of incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the provisions of its articles of incorporation, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such class or series of stock is clearly and expressly set forth in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors.* The power to increase or decrease or otherwise adjust the capital stock as provided in this act shall apply to all or any such classes of stock.

(b) *Any preferred or special stock may be made subject to redemption at such time or times and at such price or prices and may be issued in such series, with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided. Any stock which is entitled upon any distribution of the corporation's assets, whether by dividend or by liquidation, to a preference over another class or series of stock may be made subject to redemption by the corporation at its option or at the option of the holders of such stock or upon the happening of a specified event. Any stock of a regulated investment company registered under the investment company act of 1940 (15 U.S.C.A. 80a-1 et seq.), as heretofore or hereafter amended, may be given the right to require the corporation to redeem or repurchase the stock at the option of the holder of the stock, provided such redemption or repurchase would not impair or cause a further impairment of the capital of the corporation. Any stock of a corporation which has a license or franchise from a governmental agency to conduct its business or is a member of a national securities exchange, which license, franchise or membership is conditioned upon some or all of the holders of its stock possessing prescribed qualifications, may be made subject to redemption by the corporation to the extent necessary to prevent the loss of such license, franchise or membership or to reinstate it. Any stock which may be made redeemable under this section may be redeemed for cash, property or rights, including securities of the same or another corporation, at such time or times, price or prices, or rate or rates, and with such adjustments, as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided.*

(c) The holders of preferred or special stock of any class or of any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes or of any other series of stock, and cumulative or non-cumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes or series of stock may then be paid out

of the remaining assets of the corporation available for dividends as elsewhere in this act provided.

(d) The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided.

(e) At the option of either the holder or the corporation or upon the happening of a specified event, any stock of any class or of any series thereof may be made convertible into or exchangeable for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation, at such price or prices or at such rate or rates of exchange and with such adjustments as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided.

(f) If any corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent certificated shares of such class or series of stock. Except as otherwise provided in K.S.A. 17-6426 and amendments thereto, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation issues to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights. *Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or K.S.A. 17-6406, subsection (a) of K.S.A. 17-6426 or subsection (a) of K.S.A. 17-6508, and amendments thereto, or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights, or both. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.*

(g) *Before* When any corporation shall desires to issue any shares of stock of any class or of any series of any class of which the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the articles of incorporation or in any amendment thereto, but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation or any amendment thereto, a certificate of designations setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be executed, acknowledged, filed and recorded in accordance with K.S.A. 17-6003 and amendments thereto. Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such class or series so set forth in to which such resolution or resolutions apply may be increased or decreased, but not below the total number of authorized shares thereof then outstanding of the class or series or decreased, but not below the number of shares thereof then outstanding, by a certificate likewise executed, acknowledged, filed and recorded setting forth a statement that a specified increase or decrease therein

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had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors. In case the number of such shares shall be decreased, the number of shares so specified in the certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions. *When no share of any such class or series are outstanding, either because none were issued or because no issued shares of any such class or series remain outstanding, a certificate setting forth a resolution or resolutions adopted by the board of directors that none of the authorized shares of such class or series are outstanding and that none will be issued may be executed, acknowledged, filed and recorded in accordance with K.S.A. 17-6003, and amendments thereto, and, when such certificate becomes effective, it shall have the effect of eliminating from the articles of incorporation all reference to such class or series of stock. Unless otherwise provided in the articles of incorporation, if no shares of stock have been issued of a class or series of stock established by a resolution of the board of directors, the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, may be amended by a resolution or resolutions adopted by the board of directors. A certificate which (1) states that no shares of the class or series have been issued, (2) sets forth a copy of the resolution or resolutions and (3) if the designation of the class or series is being changed, indicates the original designation and the new designation, shall be executed, acknowledged, filed, recorded and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto. When any certificate filed under this subsection becomes effective, it shall have the effect of amending the articles of incorporation, except that neither the filing of such certificate nor the filing of restated articles of incorporation pursuant to K.S.A. 17-6605, and amendments thereto, shall prohibit the board of directors from subsequently adopting such resolutions as authorized by this subsection.*

(h) Unless otherwise provided by the articles of incorporation or bylaws, the board of directors of a corporation may provide by resolution that some or all of any or all classes and series of its stock shall be uncertificated shares, but such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to subsection (f). Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical.

Sec. 10. K.S.A. 17-6402, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6402. *Subscriptions to, or the purchase price of, the capital stock of any corporation organized under any law of this state may be paid for, wholly or partly, by cash, or labor done, by personal property, or by real property or leases thereof, and the stock so issued shall be declared and taken to be full paid stock and not liable to any further call, nor shall the holder thereof be liable for any further payments under the provisions of this act. In the absence of actual fraud in the transaction, the judgment of the directors shall be conclusive as to the value of such labor, property, real estate or leases thereof. The consideration, as determined pursuant to subsections (a) and (b) of K.S.A. 17-6403, and amendments thereto, for subscriptions to, or the purchase of, the capital stock, to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessible stock if: (a) The entire amount of such consideration has been received by the corporation in the form of cash, services rendered, personal property, real property, leases of real property, or a combination thereof; or (b) not less than the amount of the consideration determined to be capital pursuant to K.S.A. 17-6404, and amendments thereto, has been received by the corporation in*

such form and the corporation has received a binding obligation of the subscriber or purchaser to pay the balance of the subscription or purchase price; provided, however, nothing contained herein shall prevent the board of directors from issuing partly paid shares under K.S.A. 17-6406, and amendments thereto.

Sec. 11. K.S.A. 17-6404, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6404. Any corporation, by resolution of its board of directors, may determine that only a part of the consideration which shall be received by the corporation for any of the shares of its capital stock which it shall issue from time to time shall be capital; but, in the event that any of the shares issued shall be shares having a par value, the amount of the part of such consideration so determined to be capital shall be in excess of the aggregate par value of the shares issued for such consideration having a par value, unless all the shares issued shall be shares having a par value, in which case the amount of the part of such consideration so determined to be capital need be only equal to the aggregate par value of such shares. In each such case, the board of directors shall specify in dollars the part of such consideration which shall be capital. If the board of directors shall not have determined what part of the consideration for such shares shall be capital (1) at the time of issue of any shares of the capital stock of the corporation issued for cash or (2) within ~~sixty~~ 60 days after the issue of any shares of the capital stock of the corporation issued for property other than cash, the capital of the corporation in respect of such shares shall be an amount equal to the aggregate par value of such shares having a par value, plus the amount of the consideration for such shares without par value. *The amount of the consideration so determined to be capital in respect of any shares without par value shall be the stated capital of such shares.* The capital of the corporation may be increased from time to time by resolution of the board of directors, directing that a portion of the net assets of the corporation in excess of the amount so determined to be capital be transferred to the capital account. The board of directors may direct that the portion of such net assets so transferred shall be treated as capital in respect of any shares of the corporation of any designated class or classes. At any given time, the excess, if any, of the net assets of the corporation over the amount so determined to be capital shall be surplus. Net assets means the amount by which total assets exceed total liabilities, but capital and surplus are not liabilities for this purpose.

Sec. 12. K.S.A. 1987 Supp. 17-6406, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6406. Any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid certificated shares, *or upon the books and records of the corporation in the case of uncertificated partly paid shares*, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

Sec. 13. K.S.A. 1987 Supp. 17-6408, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6408. *Every holder of certificated shares of stock in a corporation shall be entitled to have a certificate signed by or in the name of the corporation by the chairperson or vice chairperson of the board of directors, or by the president or a vice president, and by the treasurer or an assistant treasurer, or by the secretary or an assistant secretary of such corporation, certifying the number of shares owned by the stockholder in such corporation. The shares of a corporation shall be represented by certificates, provided that the board of directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption*

of such a resolution by the board of directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson or vice-chairperson of the board of directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if the person were such officer, transfer agent or registrar at the date of issue.

Sec. 14. K.S.A. 1987 Supp. 17-6409, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6409. The shares or stock in every corporation shall be deemed personal property and transferable as provided in the acts contained in article 8 of chapter 84 of the Kansas Statutes Annotated. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the transfer is registered when the certificates are presented to the corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the corporation to do so.

Sec. 15. K.S.A. 17-6410, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6410. (a) Every corporation may purchase, receive, take or otherwise acquire, own and hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares; but no corporation shall use its funds or property for the purchase of its own shares of capital stock when the capital of the corporation is impaired or when such use would cause any impairment of the capital of the corporation, except that it may purchase or redeem out of capital its own shares of preferred or special stock in accordance with K.S.A. 17-6603. Shares of its own capital stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the corporation, shall neither be entitled to vote nor counted for quorum purposes. Nothing in this section shall be construed as limiting the right of the corporation to vote its own stock held by it in a fiduciary capacity provided, however, that no corporation shall:

(1) Purchase or redeem its own shares of capital stock for cash or other property when the capital of the corporation is impaired or when such purchase or redemption would cause any impairment of the capital of the corporation, except that a corporation may purchase or redeem out of capital any of its own shares which are entitled upon any distribution of its assets, whether by dividend or in liquidation, to a preference over another class or series of its stock if such shares will be retired upon their acquisition and the capital of the corporation reduced in accordance with K.S.A. 17-6603 and 17-6604, and amendments thereto. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of a corporation given by it as consideration for its acquisition by purchase, redemption or exchange of its shares of stock if at the time such note, debenture or obligation was delivered by the corporation its capital was not then impaired or did not thereby become impaired.

(2) purchase, for more than the price at which they may then be redeemed, any of its shares which are redeemable at the option of the corporation; or

(3) redeem any of its shares unless their redemption is authorized by subsection (b) of K.S.A. 17-6401, and amendments thereto, and then only in accordance with such section and the articles of incorporation.

(b) Nothing in this section limits or affects a corporation's right to resell any of its shares theretofore purchased or redeemed out of surplus and which have not been retired, for such consideration as shall be fixed by the board of directors.

(c) Shares of its own capital stock belonging to the corporation or to another corporation, if a majority of the other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes. Nothing in this section shall be construed as limiting the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

(d) Shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to the holder thereof and a sum sufficient to redeem such share has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

Sec. 16. K.S.A. 17-6417, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6417. A corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the allegedly lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Sec. 17. K.S.A. 17-6418, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6418. (a) If a corporation refuses to issue a new certificate of stock in place of one theretofore issued by it, or by any corporation of which it is the lawful successor, which certificate is alleged to have been lost, stolen or destroyed, the owner of the lost, stolen or destroyed certificate or his the owner's legal representative, may commence an action in district court to compel the corporation to issue for an order requiring the corporation to show cause why it should not issue new uncertificated shares or a new certificate of stock in place of the one so lost, stolen or destroyed. The petition in such action shall state the name of the corporation, the number and date of the certificate, if known or ascertainable by the plaintiff, the number of shares of stock represented thereby and to whom issued, and a statement of the circumstances attending such loss, theft or destruction. Thereupon the court shall make an order requiring the corporation to show cause at a time and place therein designated, why it should not issue new uncertificated shares or a new certificate of stock in place of the one described in the complaint. A copy of the complaint and order shall be served upon the corporation at least five days before the time designated in the order.

(b) If, upon hearing, the court is satisfied that the plaintiff is the lawful owner of the number of shares of capital stock, or any part thereof, described in the petition, and that the certificate therefor has been lost, stolen or destroyed, and no sufficient cause has been shown why new uncertificated shares or a new certificate should not be issued in place thereof, it shall enter an order directing requiring the corporation to issue and deliver to the plaintiff new uncertificated shares or a new certificate for such shares. In its order the court shall direct that, prior to the issuance and delivery to the plaintiff of such new uncertificated shares or a new certificate, the plaintiff give the corporation a bond in such form and with such security as to the court appears sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. No corporation which has issued uncertificated shares or a certificate pursuant to an order of the court entered hereunder shall be liable in an amount in excess of the amount specified in such bond.

Sec. 18. K.S.A. 17-6420, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6420. (a) The directors of every corporation, subject to any restrictions contained in its articles of incorporation, may declare and pay dividends upon the shares of its capital stock either (1) out of its surplus, as defined in and computed in

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accordance with K.S.A. 17-6404, ~~17-6602, 17-6603 and 17-6604, and amendments thereto~~, or (2) in case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year. If the capital of the corporation, computed in accordance with K.S.A. 17-6404, ~~17-6602, 17-6603 and 17-6604, and amendments thereto~~, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of such corporation shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired.

(b) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets, including but not limited to a corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or engaged primarily in the liquidation of specific assets, may determine the net profits derived from the exploitation of such wasting assets or the net proceeds derived from such liquidation without taking into consideration the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets.

Sec. 19. K.S.A. 17-6422, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6422. A director shall be fully protected in relying in good faith upon the books of account or other records of the corporation or statements prepared by any of its officers or by independent public accountants or by an appraiser selected with reasonable care by the board of directors as to the value and amount of the assets, liabilities or net profits of the corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the corporation's stock might properly be purchased or redeemed. A member of the board of directors, or a member of any committee designated by the board of directors, shall be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of its officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation, as to the value and amount of the assets, liabilities and net profits of the corporation, or both, or any other facts pertinent to the existence and amount of net profits of the corporation, or with which the corporation's stock might properly be purchased or redeemed.

Sec. 20. K.S.A. 17-6423, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6423. No corporation shall pay dividends except in accordance with the provisions of this act. Dividends may be paid in cash, in property or in shares of the corporation's capital stock; ~~in the case of shares with par value at par; and in the case of shares without par value at such price as may be fixed by the board of directors. If the dividend is to be paid in shares of the corporation's theretofore unissued capital stock, the board of directors shall, by resolution, direct that there be designated as capital in respect of such shares an amount which is not less than the aggregate par value of par value shares being declared as a dividend and, in the case of shares without par value being declared as a dividend, such amount as shall be determined by the board of directors. No such designation as capital shall be necessary if shares are being distributed by a corporation pursuant to a split-up or division of its stock rather than as payment of a dividend declared payable in stock of the corporation.~~

Sec. 21. K.S.A. 17-6426, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6426. (a) A written restriction on the transfer or registration of transfer of a security of a corporation, if permitted

by this section and noted conspicuously on the *certificate representing the security, or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401, and amendments thereto*, may be enforced against the holder of the restricted security or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the *certificate representing the security, or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401, and amendments thereto*, restriction, even though permitted by this section, is ineffective except against a person with actual knowledge of the restriction.

(b) A restriction on the transfer or registration of transfer of securities of a corporation may be imposed either by the articles of incorporation or by the bylaws or by an agreement among any number of security holders or among such holders and the corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

(c) A restriction on the transfer of securities of a corporation is permitted by this section if it:

(1) Obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities; or

(2) Obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing, to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities; or

(3) Requires the corporation or the holders of any class of securities of the corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities; or

(4) Prohibits the transfer of the restricted securities to designated persons or classes of persons, and such designation is not manifestly unreasonable.

(d) Any restriction on the transfer of the shares of a corporation for the purpose of maintaining its status as an electing small business corporation under subchapter S of the United States internal revenue code or of maintaining any other tax advantage to the corporation, is conclusively presumed to be for a reasonable purpose.

(e) Any other lawful restriction on transfer or registration of transfer of securities is permitted by this section.

Sec. 22. K.S.A. 17-6501, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6501. (a) Meetings of stockholders may be held at such place, either within or without this state, as may be designated by or in the manner provided in the bylaws or, if not so designated, at the registered office of the corporation in this state.

(b) An annual meeting of stockholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Any other proper business may be transacted at the annual meeting.

(c) A failure to hold the annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation, except as may be otherwise specifically provided in this act. If the annual meeting for election of directors is not held on the date designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient. If there be a failure to hold the annual meeting for a period of ~~thirty (30)~~ 30 days after the date designated therefor, or if no date has been designated, for a period of ~~thirteen (13)~~ 13 months after the organization of the corporation or after its last annual meeting, the district court may summarily order a meeting to be held upon the application of any stockholder or director. The shares of stock represented at such meeting, either in person or by proxy, and entitled to vote

thereat, shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the articles of incorporation or bylaws to the contrary. The district court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of such meeting, the record date for determination of stockholders entitled to vote and the form of notice of such meeting.

(d) Special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.

(e) Unless otherwise provided in the articles of incorporation, all elections of directors shall be by written ballot if requested by any stockholder or member of a non-stock corporation entitled to vote.

Sec. 23. K.S.A. 17-6503, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6503. (a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action:

(b) If no record date is fixed:

(1) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(2) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the board of directors is necessary, shall be the day on which the first written consent is expressed.

(3) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

(e) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, except that the board of directors may fix a new record date for the adjourned meeting.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting except that the board of directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by this act, shall be the first date on which a

signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in this state, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by this act, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Sec. 24. K.S.A. 17-6505, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6505. (a) The provisions of K.S.A. 17-6501 to 17-6504, inclusive and K.S.A. 17-6506, and amendments thereto, shall not apply to corporations not authorized to issue stock.

(b) Unless otherwise provided in the articles of incorporation of a non-stock corporation, each member shall be entitled at every meeting of members to one vote in person or by proxy, but no proxy shall be voted after three (3) years from its date, unless the proxy provides for a longer period.

(c) Unless otherwise provided in this act, the articles of incorporation or bylaws of a non-stock corporation may specify the number of members having voting power who shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business. In the absence of such specification in the articles of incorporation or bylaws of a nonstock corporation, $\frac{1}{3}$ of the members of such corporation shall constitute a quorum at a meeting of such members, and the affirmative vote of a majority of such members present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by this chapter, the articles of incorporation or bylaws.

(d) If the election of the governing body of any non-stock corporation shall not be held on the day designated by the bylaws, the governing body shall cause the election to be held as soon thereafter as convenient. The failure to hold such an election at the designated time shall not work any forfeiture or dissolution of the corporation, but the district court may summarily order such an election to be held upon the application of any member of the corporation. At any election pursuant to such order, the persons entitled to vote in such election who shall be present at such meeting, either in person or by proxy, shall constitute a quorum for such meeting, notwithstanding any provision of the articles of incorporation or the bylaws of the corporation to the contrary.

Sec. 25. K.S.A. 17-6506, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6506. Subject to the provisions of this act with respect to the vote that shall be required for a specified action, the articles of incorporation or bylaws of any corporation may specify the number of shares or the amount of other securities having voting power, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business but in no event shall a quorum consist of less than $\frac{1}{3}$ of the shares entitled to vote at the meeting. In the absence of

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such specification in the articles of incorporation or bylaws of the corporation:

(a) A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders;

(b) in all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders;

(c) directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and

(d) where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class.

Sec. 26. K.S.A. 17-6508, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6508. (a) One or more stockholders, by agreement in writing, may transfer capital stock to any person or persons, or corporation or corporations authorized to act as trustee, for the purpose of vesting in such person or persons, corporation or corporations, who may be designated voting trustee, or voting trustees, the right to vote thereon for any period of time determined by such agreement, not exceeding ~~ten (10)~~ 10 years, upon the terms and conditions stated in such agreement. The validity of a voting trust agreement, otherwise lawful, shall not be affected during a period of ~~ten (10)~~ 10 years from the date when it was created or last extended, as provided in subsection (b), by the fact that under its terms it will or may last beyond such ~~ten-year~~ 10-year period. The agreement may contain any other lawful provisions not inconsistent with such purpose. After the filing of a copy of the agreement in the registered office of the corporation in this state, which copy shall be open to the inspection of any stockholder of the corporation, or any beneficiary of the trust under the agreement, daily during business hours, any certificates of stock or uncertificated stock shall be issued to the voting trustee or trustees to represent any stock of an original issue so deposited with such trustee or such trustees, and any certificates of stock so transferred to the voting trustee or trustees shall be surrendered and cancelled and new certificates or uncertificated stock therefor shall be issued to the voting trustee or trustees. In the certificates so issued, if any, it shall be stated that they are issued pursuant to such agreement, and that fact shall also be stated in the stock ledger of the corporation. The voting trustee or trustees may vote the stock so issued or transferred during the period specified in the agreement. Stock standing in the name of the voting trustee or trustees may be voted either in person or by proxy, and in voting the stock, the voting trustee or trustees shall incur no responsibility as stockholder, trustee or otherwise, except for his or their own individual malfeasance. In any case where two or more persons are designated as voting trustees, and the right and method of voting any stock standing in their names at any meeting of the corporation are not fixed by the agreement appointing the trustees, the right to vote the stock and the manner of voting it at the meeting shall be determined by a majority of the trustees, or if they be equally divided as to the right and manner of voting the stock in any particular case, the vote of the stock in such case shall be divided equally among the trustees.

(b) At any time within two ~~(2)~~ years prior to the time of expiration of any voting trust agreement, as originally fixed or as last extended as provided in this subsection, one or more beneficiaries of the trust under the voting trust agreement, by written agreement and with the written consent of the voting trustee or trustees, may extend the duration of the voting trust agreement for an additional period not exceeding ~~ten (10)~~ 10 years from the expiration date of the trust as originally fixed or as last extended, as provided in this subsection. Prior to the time of expiration of any such voting trust agreement, as originally fixed or as previously extended, as the case may be, the voting trustee or

trustees shall file in the registered office of the corporation in this state a copy of such extension agreement and of his or their consent thereto, and thereupon the duration of the voting trust agreement shall be extended for the period fixed in the extension agreement; but no such extension agreement shall affect the rights or obligations of persons not parties thereto.

(c) This section shall not be deemed to invalidate or otherwise affect any voting or other agreement among stockholders or any irrevocable proxy which is not otherwise illegal.

Sec. 27. K.S.A. 17-6509, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6509. (a) ~~If~~ The officer who has charge of the stock ledger of a corporation is requested in writing by any stockholder at least ~~twenty (20)~~ 10 days prior to any shall prepare and make, at least 10 days before every meeting of stockholders, he shall prepare and make a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ~~ten (10)~~ 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

(b) Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting.

(c) The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the corporation, or to vote in person or by proxy at any meeting of the stockholders.

Sec. 28. K.S.A. 17-6510, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6510. (a) As used in this section, "stockholder" means a stockholder of record.

(b) Any stockholder, in person or by attorney or other agent, upon written demand under oath stating the purpose thereof, shall have the right during the usual hours for business to inspect for any proper purpose the corporation's bylaws, stock register, a list of its stockholders, books of account, records of the proceedings of the stockholders and directors and the corporation's other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

(c) If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a stockholder or attorney or other agent acting for the stockholder pursuant to subsection (b) or does not reply to the demand within five ~~(5)~~ business days after the demand has been made, the stockholder may apply to the district court for an order to compel such inspection. The district court is hereby vested with exclusive jurisdiction to determine whether or not the person seeking inspection is entitled to the inspection sought. The court may summarily order the corporation to permit the stockholder to inspect any such records or instruments, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the stockholder a list of its stockholders as of a specific date on condition that the stockholder first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate. Where the stockholder seeks to inspect the corporation's books and records, other than its stock ledger or list of stockholders, he such stockholder shall first establish (1) that he such stockholder has complied with the provisions of this section respecting the form and manner of

making demand for inspection of such documents; and (2) that the inspection ~~be~~ *such stockholder* seeks is for a proper purpose. Where the stockholder seeks to inspect the corporation's stock ledger or list of stockholders and ~~he~~ *such stockholder* has complied with the provisions of this section respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection ~~he~~ *such stockholder* seeks is for an improper purpose. The court, in its discretion, may prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper. The court may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this state and kept in this state upon such terms and conditions as the order may prescribe.

(d) *Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to such director's position as a director. The district court is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger and the stock list and to make copies or extracts therefrom. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the court may deem just and proper.*

Sec. 29. K.S.A. 17-6511, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6511. In its articles of incorporation, every corporation may confer upon the holders of any bonds, debentures or other obligations issued or to be issued by the corporation the power to vote in respect to the corporate affairs and management of the corporation to the extent and in the manner provided in the articles of incorporation, and it may confer upon such holders of bonds, debentures or other obligations the same right of inspection of its books, accounts and other records, and also any other rights, which the stockholders of the corporation have or may have by reason of the provisions of this act or of its articles of incorporation. *If the articles of incorporation so provide such holders of bonds, debentures or other obligations shall be deemed to be stockholders, and their bonds, debentures or other obligations shall be deemed to be shares of stock, for the purpose of any provision of this chapter which requires the vote of stockholders as a prerequisite to any corporate action and the articles of incorporation may divest the holders of capital stock, in whole or in part, of their right to vote on any corporate matter whatsoever, except as set forth in K.S.A. 17-6602 and amendments thereto.*

Sec. 30. K.S.A. 17-6512, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6512. (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Unless otherwise provided in this act, the written notice of any meeting shall be given not less than ~~ten (10)~~ 10 nor more than ~~fifty (50)~~ 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation. An affidavit of the secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall be prima facie evidence of the facts stated therein in the absence of fraud.

(c) When a meeting is adjourned to another time or place, unless the bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than ~~thirty (30)~~ 30 days, or if after the adjournment a new record date is fixed for the adjourned meet-

ing, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Sec. 31. K.S.A. 17-6513, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6513. (a) Unless otherwise provided in the articles of incorporation or bylaws: (1) Vacancies and newly created directorships resulting from any increase in the authorized number of directors *elected by all of the stockholders having the right to vote as a single class* may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director or; (2) *whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the articles of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.* If at any time, by reason of death or resignation or other cause, a corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the articles of incorporation or the bylaws, or may apply to the district court for a decree summarily ordering an election as provided in K.S.A. 17-6501, and amendments thereto.

(b) In the case of a corporation the directors of which are divided into classes, any directors chosen under subsection (a) ~~of this section~~ shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be elected and qualified.

(c) If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board, as constituted immediately prior to any such increase, the district court, upon application of any stockholder or stockholders holding at least ~~ten percent (10%)~~ 10% of the total number of the shares at the time outstanding having the right to vote for such directors, may summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of K.S.A. 17-6501, and amendments thereto, as far as applicable.

(d) Unless otherwise provided in the articles of incorporation or bylaws, when one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Sec. 32. K.S.A. 17-6515, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6515. (a) Upon application of any stockholder or director, or any officer whose title to office is contested, or any member of a corporation without capital stock, the district court may hear and determine the validity of any election of any director, member of the governing body, or officer of any corporation, and the right of any person to hold such office, and, in case any such office is claimed by more than one person, may determine the person entitled thereto. In making such determination, the court may make such order or decree in any such case as may be just and proper, with power to enforce the production of any books, papers and records of the corporation relating to the issue. In case it should be determined that no valid election has been held, the court may order an election to be held in accordance with K.S.A. 17-6501 or 17-6505, and amendments thereto. In any such application, service of copies of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the person whose title to office is contested and upon the person, if any, claiming such office; and the resident agent shall forward immediately a copy of the application to the corporation and to the person whose title

(continued)

to office is contested and to the person, if any, claiming such office, in a postpaid, sealed, registered letter addressed to such corporation and such person at their post-office addresses last known to the resident agent or furnished to the resident agent by the applicant stockholder. The court may make such order respecting further or other notice of such application as it deems proper under the circumstances.

(b) *Upon application of any stockholder or any member of a corporation without capital stock, the district court may hear and determine the result of any vote of stockholders or members, as the case may be, upon matters other than the election of directors, officers or members of the governing body. Service of the application upon the registered agent of the corporation shall be deemed to be service upon the corporation, and no other party need be joined in order for the court to adjudicate the result of the vote. The court may make such order respecting notice of the application as it deems proper under the circumstances.*

Sec. 33. K.S.A. 17-6520, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6520. (a) Whenever notice is required to be given, under any provision of this act or of the articles of incorporation or bylaws of any corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this act, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(b) *Whenever notice is required to be given, under any provision of this act or the articles of incorporation or bylaws of any corporation, to any stockholder or, if the corporation is a nonstock corporation, to any member, to whom (1) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two consecutive annual meetings, or (2) all, and at least two payments, if sent by first class mail, of dividends or interest on securities during a 12-month period, have been mailed addressed to such person at the address as shown on the records of the corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the corporation a written notice setting forth the then current address, the requirement that notice be given to such person shall be reinstated. In the event that the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this chapter, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to this subsection.*

Sec. 34. K.S.A. 17-6601, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6601. (a) Before a corporation has received any payment for any of its stock, it may amend its articles of incorporation at any time or times, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of filing the amendment.

(b) The amendment of the articles of incorporation authorized by this section shall be adopted by a majority of the incorporators, if directors were not named in the original articles of incorporation or have not yet been elected, or, if directors were named in the original articles of incorporation or have been elected and have qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the

corporation has not received any payment for any of its stock and that the amendment has been duly adopted in accordance with the provisions of this section shall be executed, acknowledged, filed and recorded in accordance with K.S.A. 17-6003, and amendments thereto. Upon such filing, the corporation's articles of incorporation shall be deemed to be amended accordingly as of the date on which the original articles of incorporation became effective except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

Sec. 35. K.S.A. 17-6602, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6602. (a) After a corporation has received payment for any of its capital stock, it may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of the filing of the amendment. If a change in stock or the rights of stockholders, or an exchange, reclassification or cancellation of stock or rights of stockholders is to be made, the amendment to the articles of incorporation shall contain such provisions as may be necessary to effect such change, exchange, reclassification or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration. Any or all such changes or alterations may be effected by one certificate of amendment.

(b) ~~Whenever an amendment effects any change in the issued shares of the corporation, the aggregate amount of capital represented by all issued shares immediately after the amendment shall not be less than the aggregate amount of capital represented by all issued shares immediately before the amendment and the certificate of amendment shall state that the capital of the corporation will not be reduced under or by reason of the amendment.~~

(c) (b) Every amendment authorized by subsection (a) of this section shall be made and effected in the following manner:

- (1) If the corporation has capital stock, its board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders. Such special or annual meeting shall be called and held upon notice in accordance with K.S.A. 17-6512, and amendments thereto. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be

executed, acknowledged, filed and recorded, and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto.

(2) The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the articles of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this paragraph. The number of authorized shares of any such class or classes of stock may be increased or decreased, but not below the number of shares then outstanding, by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote, if so provided in the original articles of incorporation or in any amendment thereto which created such class or classes of stock or in any amendment thereto which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of such class or classes of stock.

(3) If the corporation has no capital stock, then the governing body thereof shall adopt a resolution setting forth the amendment proposed and declaring its advisability. If at a subsequent meeting, held not earlier than fifteen (15) 15 days and not later than sixty (60) 60 days from the meeting at which such resolution has been passed, a majority of all the members of the governing body shall vote in favor of such amendment, a certificate thereof shall be executed, acknowledged, filed and recorded, and shall become effective, in accordance with K.S.A. 17-6003. Notice of the subsequent meeting, stating the purpose thereof, shall be given by publication at least once each week for two (2) consecutive weeks in a newspaper having general circulation in the county where the corporation's registered office is located, or in lieu of publication, notice may be mailed to each member of the corporation in substantial compliance with subsection (b) of K.S.A. 17-6512, and amendments thereto. The articles of incorporation of any such corporation without capital stock may contain a provision requiring any amendment thereto to be approved by a specified number or percentage of the members or of any specified class of members of such corporation, in which event only one meeting of the governing body thereof shall be necessary, and such proposed amendment shall be submitted to the members or to any specified class of members of such corporation without capital stock in the same manner, so far as applicable, as is provided in this section for an amendment to the articles of incorporation of a stock corporation; and in the event of the adoption thereof, a certificate evidencing such amendment shall be executed, filed, acknowledged, recorded and shall become effective in accordance with K.S.A. 17-6003, and amendments thereto.

(4) Whenever the articles of incorporation shall require for action by the board of directors, by the holders of any class or series of shares or by the holders of any other securities having voting power the vote of a greater number or proportion than is required by any section of this act, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

Sec. 36. K.S.A. 1987 Supp. 17-6603, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6603. (a) Subject to the provisions of the articles of incorporation, whenever any corporation has issued any preferred or special shares it may:

(1) Redeem all or any part of such shares, if subject to redemption, at such time or times, at such price or prices, and otherwise as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation; or

(2) at any time or from time to time purchase all or any part of

such shares, but in the case of shares subject to redemption, at not exceeding the price or prices at which such shares may be redeemed; or

(3) at any time or from time to time, by resolution of the board of directors, retire any such shares redeemed or purchased out of surplus, as defined in K.S.A. 17-6404 and amendments thereto.

(b) The corporation may apply to such redemption or purchase an amount of its capital which shall not be greater than the sum of:

(1) That part of the consideration received for such shares which shall be capital pursuant to the provisions of K.S.A. 17-6404 and amendments thereto and that part of surplus which shall have been transferred and treated as capital in respect of such shares pursuant to the provisions of that section; and

(2) any amounts by which the capital of the corporation shall have been increased by other transfers from surplus in accordance with the provisions of that section, except those transfers, if any, which shall have been made in respect of other preferred or special shares.

(c) Whenever, upon the conversion or exchange of any shares, regardless of class, into or for any other shares of the corporation, the amount of capital represented by such shares exceeds the total aggregate par or allocated value represented by such other shares, the corporation by resolution of the board of directors may as herein provided reduce its capital at any time thereafter by all or any part of such excess.

(d) No redemption or purchase of shares pursuant to subsection (a) shall be made out of capital, and there shall be no reduction of capital after the conversion of shares pursuant to subsection (c), unless the assets of the corporation remaining after such redemption or purchase shall be sufficient to pay any debts of the corporation, the payment of which shall not have been otherwise provided for. Upon the filing of the certificate required by this section, any such shares so redeemed or purchased by the application of capital or otherwise retired pursuant to the provisions of this section, and any such shares of the corporation surrendered to it on the conversion or exchange thereof into or for other shares of the corporation, after such conversion or exchange, shall have the status of authorized and unissued shares of the class of stock to which such shares belong; but if the articles of incorporation prohibit the reissue of such shares, the authorized capital stock of the corporation of the class to which such shares belong, upon such redemption, purchase, retirement, conversion or exchange shall be deemed to be reduced, and upon such filing shall be reduced, to the extent of the aggregate par value of the shares so redeemed, purchased, retired, converted or exchanged or, if such shares are without par value, shall be reduced to the extent of the total number of such shares.

(e) Whenever any capital of the corporation is applied to the redemption or the purchase of shares or any shares are retired pursuant to the provisions of this section, or whenever following the conversion or exchange of shares of the corporation pursuant to subsection (c) the capital of the corporation is to be reduced as provided herein, a certificate thereof shall be executed, acknowledged, filed and recorded, and shall become effective, in accordance with K.S.A. 17-6003 and amendments thereto. Upon such certificate becoming effective, the capital of the corporation shall be deemed to be and shall thereby be reduced by the amount thereof so applied to such redemption or purchase or the amount thereof represented by the shares so redeemed or purchased, whichever shall be greater; or, in the case of shares redeemed or purchased out of surplus and so retired, or, following the conversion or exchange of shares of the corporation, by the amount specified by resolution of the board of directors as aforesaid, without the necessity of any other proceedings under any other section of this act.

(f) If the articles of incorporation prohibit the reissue of the shares so redeemed, purchased, retired or surrendered to the corporation on the conversion or exchange thereof into other shares of the corporation, the filing of such certificate containing a recital of such fact shall constitute an amendment to the articles of incorporation effecting a reduction in the authorized capital stock of the corporation to the extent of the aggregate par value of

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the shares so redeemed, purchased, retired or surrendered on conversion or exchange, or, if such shares are without par value, to the extent of the total number of such shares subject to the provisions of subsection (d) of K.S.A. 17-6003 and amendments thereto. If the shares so redeemed, purchased, retired or surrendered on conversion or exchange constitute all the outstanding shares of any particular class and the reissue thereof is so prohibited, the filing of such certificate, containing a recital of such fact, shall constitute an amendment to the articles of incorporation effecting a reduction in the authorized capital stock of the corporation by the elimination therefrom of all reference to the particular class of stock, subject to the provisions of subsection (d) of K.S.A. 17-6003 and amendments thereto.

(g) Nothing in this section shall be construed as limiting the exercise of the rights given by K.S.A. 17-6410 and amendments thereto, or as in any way affecting the right of any corporation to resell any of its shares theretofore purchased or redeemed out of surplus for such consideration as shall be fixed from time to time by the board of directors.

(h) Whenever any corporation operated as an investment company shall be obligated, pursuant to its articles of incorporation, to redeem or repurchase any of its shares at the option of the shareholder, the provisions of this section shall be applicable to all shares redeemed or repurchased pursuant to any method authorized under its articles of incorporation for the purpose of effecting redemption or repurchase of its shares at the option of the shareholder, and such shares may be retired, the capital of the corporation reduced and such shares restored to the status of authorized and issued shares, by compliance with the provisions of this section.

(i) Certificated shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem such certificated shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

(a) A corporation, by resolution of its board of directors, may retire any shares of its capital stock that are issued but are not outstanding.

(b) Whenever any shares of the capital stock of a corporation are retired, they shall resume the status of authorized and unissued shares of the class or series to which they belong unless the articles of incorporation otherwise provides. If the articles of incorporation prohibits the reissuance of such shares, or prohibits the reissuance of such shares as a part of a specific series only, a certificate stating that reissuance of the shares, as part of the class or series, is prohibited, identifying the shares and reciting that their retirement shall be executed, acknowledged and filed and shall become effective in accordance with K.S.A. 17-6003, and amendments thereto. When such certificate becomes effective, it shall have the effect of amending the articles of incorporation so as to reduce accordingly the number of authorized shares of the class or series to which such shares belong or, if such retired shares constitute all of the authorized shares of the class or series to which they belong, of eliminating from the articles of incorporation all reference to such class or series of stock.

(c) If the capital of the corporation shall be reduced by or in connection with the retirement of shares, the reduction of capital shall be effected pursuant to K.S.A. 17-6604, and amendments thereto.

Sec. 37. K.S.A. 17-6604, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6604. (a) Any corporation may reduce its capital at any time in one or more of the following manners:

(1) By retiring or reducing the outstanding shares of any class.

(2) By purchasing shares of any class for retirement either by lot or pro rata from all holders of shares of the class.

(3) By purchasing shares for retirement from time to time in the open market or at private sale, in both cases at not exceeding such price or prices as may be fixed or approved by the stock-

holders entitled to vote upon the reduction of capital to be effected in that manner.

(4) By the exchange by the holders of outstanding shares of any class of stock, with or without par value, for the same or a greater or lesser number of shares of the same or of a different class or classes of stock, with or without par value, the effect of which is to work a reduction in capital.

(5) By reducing the par value of the shares of any class of stock having par value in conjunction with appropriate action under K.S.A. 17-6602.

(6) By reducing the aggregate amount of capital represented by shares of par or no par stock, but the capital represented by shares of stock having par value shall not be reduced to an amount less than the aggregate par value of such shares.

(7) By retransferring to surplus all or any part of the amount by which capital shall have been increased by the transfer thereto from surplus pursuant to the provisions of K.S.A. 17-6404 if such transfer shall not have been made in respect of any designated class or classes of stock.

(8) By retiring shares owned by the corporation. If such reduction of capital be effected by retiring shares, then, if the consent or resolution of stockholders referred to in subsection (b) shall so provide, an amount not exceeding that part of the capital of the corporation represented by such shares may be charged against or paid out of the capital of the corporation in respect of such shares.

No reduction of capital however, shall be made unless the assets of the corporation remaining after such reduction are sufficient to pay any debts, the payment of which shall not have been otherwise provided for, and the certificate of reduction required by subsection (b) shall so state.

(b) Any reduction of capital may be effected by resolution of the directors of the corporation, supplemented by a resolution adopted by the holders of record of a majority of the shares of the corporation having voting power at a meeting of the stockholders held upon notice given in accordance with K.S.A. 17-6512. A certificate stating that such resolutions have been adopted and specifying the manner in and the extent to which the capital of the corporation is to be reduced shall be executed, acknowledged, filed and recorded in accordance with K.S.A. 17-6003.

(c) If such reduction of capital shall have been effected by retiring or reducing the issued shares of any class, whether or not already owned by the corporation, in any of the manners permitted by subsection (a), and if the articles of incorporation do not prohibit the reissue thereof, such shares, upon filing of such certificate and subject to the provisions of subsection (d) of K.S.A. 17-6003, shall have the status of authorized and unissued shares of the class of stock to which such shares belong.

(d) If the articles of incorporation prohibit the reissue of such shares, the filing and recording of the certificate required by subsection (b), containing a recital of such fact, shall constitute an amendment to the articles of incorporation effecting a reduction of the authorized capital stock of the corporation to the extent of the aggregate par value of such shares, or, if such shares are without par value, to the extent of the total number of such shares, subject to the provisions of subsection (d) of K.S.A. 17-6003. If such shares constitute all the outstanding shares of any particular class and the reissue is so prohibited, the filing of such certificate containing a recital of such fact shall constitute an amendment of the articles of incorporation effecting a reduction in the authorized capital stock of the corporation by the elimination therefrom of all reference to the particular class of stock, subject to the provisions of subsection (d) of K.S.A. 17-6003.

(e) When any corporation shall decrease the amount of its capital as provided in this section, notice of the reduction of capital shall be published at least once in a newspaper of general circulation in the county in which the registered office of the corporation is located within fifteen (15) days after the filing of the certificate as provided in this section, and in default thereof the directors of the corporation shall be jointly and severally liable to any creditors of the corporation who shall suffer loss by reason of the noncompliance with the provisions of this section, and the stockholders shall be similarly liable up to the amount of such sums as they may respectively receive of the amount so

reduced. No such decrease of capital shall release the liability of any stockholder, whose shares have not been fully paid, for debts of the corporation theretofore contracted.

(a) A corporation, by resolution of its board of directors, may reduce its capital in any of the following ways by:

(1) Reducing or eliminating the capital represented by shares of capital stock which have been retired;

(2) applying to an otherwise authorized purchase or redemption of outstanding shares of its capital stock some or all of the capital represented by the shares being purchased or redeemed, or any capital that has not been allocated to any particular class of its capital stock;

(3) transferring to surplus: (A) Some or all of the capital not represented by any particular class of its capital stock; (B) some or all of the capital represented by issued shares of its par value capital stock, which capital is in excess of the aggregate par value of such shares; or (C) some of the capital represented by issued shares of its capital stock without par value.

(b) Notwithstanding the other provisions of this section, no reduction of capital shall be made or effected unless the assets of the corporation remaining after such reduction shall be sufficient to pay any debts of the corporation for which payment has not been otherwise provided. No reduction of capital shall release any liability of any stockholder whose shares have not been fully paid.

Sec. 38. K.S.A. 17-6605, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6605. (a) Whenever it is so desired, a corporation may integrate into a single instrument all of the provisions of its articles of incorporation which are then in effect and operative as a result of there having theretofore been filed with the secretary of state one or more certificates or other instruments pursuant to any of the sections referred to in K.S.A. 17-6004, and amendments thereto, and it may at the same time also further amend its articles of incorporation by adopting a restated articles of incorporation.

(b) If the restated articles of incorporation merely restate and integrate but do not further amend the articles of incorporation, as theretofore amended or supplemented by any instrument that was filed pursuant to any of the sections mentioned in K.S.A. 17-6004, and amendments thereto, said such restated articles may be adopted by the board of directors without a vote of the stockholders, or they may be proposed by the directors and submitted by them to the stockholders for adoption, in which case the procedure and vote required by K.S.A. 17-6602, and amendments thereto, for amendment of the articles of incorporation shall be applicable. If the restated articles of incorporation restate and integrate and also further amend in any respect the articles of incorporation, as theretofore amended or supplemented, they shall be proposed by the directors and adopted by the stockholders in the manner and by the vote prescribed by K.S.A. 17-6602, and amendments thereto, or, if the corporation has not received any payment for any of its stock, in the manner and by the vote prescribed by K.S.A. 17-6601, and amendments thereto.

(c) Any restated articles of incorporation shall be specifically designated as such in its heading. They shall state, either in the heading or in an introductory paragraph, the corporation's present name, and, if it has been changed, the name under which it was originally incorporated, and the date of filing of its original articles of incorporation with the secretary of state. Any restated articles shall also state that they were duly adopted by the directors or stockholders, as the case may be, in accordance with the provisions of this section. If they were adopted by the board of directors without a vote of the stockholders unless it was adopted pursuant to the provisions of K.S.A. 17-6601, and amendments thereto, they shall state that they only restate and integrate and do not further amend the provisions of the corporation's articles of incorporation as theretofore amended or supplemented, and that there is no discrepancy between those provisions and the provisions of the restated articles. Any restated articles of incorporation may omit such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors and the original

subscribers for shares; and such omission shall not be deemed a further amendment. A restated articles of incorporation may omit: (1) Such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors, and the original subscribers for shares; and (2) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification or cancellation of stock if such change, exchange, reclassification or cancellation has become effective. Any such omissions shall not be deemed a further amendment.

(d) Any restated articles of incorporation shall be executed, acknowledged, filed and recorded in accordance with K.S.A. 17-6003, and amendments thereto. Upon filing with the secretary of state, the corporation's original articles of incorporation, as theretofore amended or supplemented, shall be superseded; and thenceforth the restated articles, including any further amendments or changes made thereby, shall be the articles of incorporation of the corporation, but the original date of incorporation shall remain unchanged.

(e) Any amendment or change effected in connection with the restatement and integration of the articles of incorporation shall be subject to any other provisions of this act, not inconsistent with this section, which would apply if a separate certificate of amendment were filed to effect such amendment or change.

Sec. 39. K.S.A. 1987 Supp. 17-6701, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6701. (a) Any two or more corporations existing under the laws of this state and authorized to issue capital stock may merge into a single corporation, which may be any one of the constituent corporations or they may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) The board of directors of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving or resulting corporation as are desired to be effected by the merger or consolidation; or, if no such amendments or changes are desired, a statement that the articles of incorporation of one of the constituent surviving or resulting corporations shall be the its articles of incorporation of the surviving or resulting corporation; (4) in the case of consolidation, that the articles of incorporation of the resulting corporation shall be as is set forth in an attachment to the agreement; (5) the manner of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation, and, if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the surviving or resulting corporation, the cash, property, rights or securities of any other corporation which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of the certificates evidencing certificated shares, which cash, property, rights or securities of any other corporation may be in addition to or in lieu of shares or other securities of the surviving or resulting corporation; and (6) such other details or provisions as are deemed desirable, including, without limiting, the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, interests or rights, or for any other arrangement with respect thereto, consistent with the provisions of K.S.A. 17-6405 and amendments thereto. The agreement so adopted shall be executed in accordance with K.S.A. 17-6003 and amendments thereto. Any terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.

(c) The agreement required by subsection (b) shall be submitted to the stockholders of each constituent corporation at an annual or special meeting thereof for the purpose of acting on the

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agreement. Due notice of the time, place and purpose of the meeting shall be mailed to each holder of stock of the corporation, whether voting or nonvoting, at the stockholder's address as it appears on the records of the corporation, at least 20 days prior to the date of the meeting. At the meeting the agreement shall be considered and a vote taken for its adoption or rejection. If a majority of the outstanding stock of the corporation entitled to vote thereon shall be voted for the adoption of the agreement, that fact shall be certified on the agreement by the secretary or assistant secretary of the corporation ~~under the seal thereof~~. If the agreement shall be so adopted and certified by each constituent corporation, it shall then be executed, acknowledged and filed, and shall become effective, in accordance with K.S.A. 17-6003 and amendments thereto. It shall be recorded in the office of the register of deeds of each county of this state in which the registered office of any such constituent corporation is located; or if any of the constituent corporations shall have been specially created by an act of the legislature, then the agreement shall be recorded in the county where such corporation had its principal place of business in this state. *In lieu of filing and recording the agreement of merger or consolidation, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. 17-6003, and amendments thereto, which states: (1) The name and state of incorporation of each of the constituent corporations; (2) that an agreement of merger or consolidation has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with this subsection; (3) the name of the surviving or resulting corporation; (4) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger or, if no such changes or amendments are desired, a statement that the articles of incorporation of one of the surviving corporations shall be the articles of incorporation; (5) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as is set forth in an attachment to the certificate; (6) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving corporation, stating the address thereof; and (7) that a copy of the agreement of consolidation or merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation.*

(d) Any agreement of merger or consolidation may contain a provision that at any time prior to the filing of the agreement with the secretary of state, the agreement may be terminated by the board of directors of any constituent corporation notwithstanding approval of the agreement by the stockholders of all or any of the constituent corporations. *Any agreement of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the agreement at any time prior to the filing of the agreement, or a certificate in lieu thereof, with the secretary of state provided that an amendment made subsequent to the adoption of the agreement by the stockholders of any constituent corporation shall not: (1) Alter or change the amount or kind of shares, securities, cash, property or rights, or any of the proceedings, in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation; (2) alter or change any term of the articles of incorporation of the surviving corporation to be effected by the merger or consolidation; or (3) alter or change any of the terms and conditions of the agreement if such alteration or change would adversely affect the holders of any class or series thereof of such constituent corporation.*

(e) In the case of a merger, the articles of incorporation of the surviving corporation shall automatically be amended to the extent, if any, that changes in the articles of incorporation are set forth in the agreement of merger.

(f) Notwithstanding the requirements of subsection (c), unless required by its articles of incorporation, no vote of stockholders of a constituent corporation surviving a merger shall be necessary to authorize a merger if: (1) The agreement of merger does not amend in any respect the articles of incorporation of the surviving corporation; and (2) the authorized unissued shares or the treasury shares of any class of stock of the surviving corpora-

tion to be issued or delivered under the plan of merger do not exceed 15% of the shares of the surviving corporation of the same class outstanding immediately prior to the effective date of the merger. If an agreement of merger is adopted by the constituent corporation surviving the merger, by action of its board of directors and without any vote of its stockholders pursuant to this subsection, the secretary or assistant secretary of that corporation shall certify on the agreement, under its seal, that the agreement has been adopted pursuant to this subsection and that, as of the date of such certificate, the outstanding shares of the corporation were such as to render this subsection applicable. The agreement so adopted and certified shall then be executed, acknowledged and filed, and shall become effective, in accordance with K.S.A. 17-6003 and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

Sec. 40. K.S.A. 1987 Supp. 17-6702, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6702. (a) Any one or more corporations of this state ~~authorized to issue capital stock~~ may merge or consolidate with one or more other stock corporations of any other state or states of the United States, or of the District of Columbia if the laws of such other jurisdiction permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more corporations existing under the laws of this state, if the surviving or resulting corporation will be a corporation of this state, and if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) the manner of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation and, if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the surviving or resulting corporation, the cash, property, rights or securities of any other corporation which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of the certificates evidencing certificated shares, which cash, property, rights or securities of any other corporation may be in addition to or in lieu of the shares or other securities of the surviving or resulting corporation; (4) such other details or provisions as are deemed desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares of the surviving or resulting corporation or of any other corporation the securities of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto consistent with the provisions of K.S.A. 17-6405 and amendments thereto; and (5) such other provisions or facts as shall be required to be set forth in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. *Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.*

(c) The agreement shall be adopted, approved, certified, ex-

executed and acknowledged by each of the constituent corporations in accordance with the laws under which it is formed, and, in the case of a Kansas corporation, in the same manner as provided in K.S.A. 17-6701 and amendments thereto. The agreement shall be filed and recorded and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701 and amendments thereto with respect to the merger or consolidation of corporations of this state. *In lieu of filing and recording the agreement of merger or consolidation, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. 17-6003, and amendments thereto, which states: (1) The name and state of incorporation of each of the constituents; (2) that an agreement of merger or consolidation has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with this subsection; (3) the name of the surviving or resulting corporation; (4) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation; (5) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as is set forth in an attachment to the certificate; (6) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving corporation and the address thereof; (7) that a copy of the agreement of consolidation or merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation; (8) if the corporation surviving or resulting from the merger or consolidation is to be a corporation of this state, the authorized capital stock of each constituent corporation which is not a corporation of this state; and (9) the agreement, if any, required by subsection (d).*

(d) If the corporation surviving or resulting from the merger or consolidation is to be governed by the laws of the District of Columbia or any state other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of K.S.A. 17-6712 and amendments thereto, and shall irrevocably appoint the secretary of state as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary of state. Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies to such surviving or resulting corporation at its address so specified, unless such surviving or resulting corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated.

(e) The provisions of subsection (d) of K.S.A. 17-6701 and amendments thereto shall apply to any merger or consolidation under this section; the provisions of subsection (e) of K.S.A. 17-6701 and amendments thereto shall apply to a merger under this section in which the surviving corporation is a corporation of this state; the provisions of subsection (f) of K.S.A. 17-6701 and amendments thereto shall apply to any merger under this section.

Sec. 41. K.S.A. 1987 Supp. 17-6703, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6703. (a) In any case in which at least 90% of the outstanding shares of each class of the stock of a corporation or corporations is owned by another corporation and one of such corporations is a corporation of this state and the other or others are corporations of this state or of any other state or states or of the District of Columbia and the laws of such other jurisdiction permit a corporation of such jurisdiction to merge with a

corporation of another jurisdiction, the corporation having such stock ownership may either merge such other corporation or corporations into itself and assume all of its or their obligations, or merge itself, or itself and one or more of such other corporations, into one of such other corporations by executing, acknowledging and filing, in accordance with K.S.A. 17-6003 and amendments thereto, a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors to so merge and the date of the adoption thereof, except that in case the parent corporation shall not own all the outstanding stock of all the subsidiary corporations, parties to a merger as aforesaid, the resolution of the board of directors of the parent corporation shall state the terms and conditions of the merger, including the securities, cash, property or rights to be issued, paid, delivered or granted by the surviving corporation upon surrender of each share of the subsidiary corporation or corporations not owned by the parent corporation. If the parent corporation is not the surviving corporation, the resolution shall include provision for the pro rata issuance of stock of the surviving corporation to the holders of the stock of the parent corporation and for the surrender of the certificates evidencing certificated shares, and the certificate of ownership and merger shall state that the proposed merger has been approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon at a meeting thereof duly called and held after 20 days' notice of the purpose of the meeting mailed to each such stockholder at the stockholder's address as it appears on the records of the corporation. A certified copy of the certificate shall be recorded in the office of the register of deeds of the county in this state in which the registered office of each constituent corporation which is a corporation of this state is located. If the surviving corporation exists under the laws of the District of Columbia or any state other than this state, the provisions of subsection (d) of K.S.A. 17-6702 and amendments thereto shall also apply to a merger under this section.

(b) If the surviving corporation is a Kansas corporation, it may change its corporate name by the inclusion of a provision to that effect in the resolution of merger adopted by the directors of the parent corporation and set forth in the certificate of ownership and merger, and upon the effective date of the merger, the name of the corporation shall be so changed.

(c) Any merger which effects any changes other than those herein specifically authorized with respect to the parent corporation shall be accomplished under the provisions of K.S.A. 17-6701 or 17-6702 and amendments thereto. The provisions of K.S.A. 17-6712 and amendments thereto shall not apply to any merger effected under this section, except as provided in subsection (d).

(d) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under this section is not owned by the parent corporation immediately prior to the merger, the surviving corporation shall, within 10 days after the effective date of the merger, notify each stockholder of such Kansas corporation that the merger has become effective. The notice shall be sent by certified or registered mail, return receipt requested, addressed to the stockholder at the stockholder's address as it appears on the records of the corporation. Any such stockholder, within 20 days after the date of mailing of the notice, may demand in writing from the surviving corporation payment of the value of the stockholder's stock exclusive of any element of value arising from the expectation or accomplishment of the merger. If during a period of 30 days after such period of 20 days the surviving corporation and any such objecting stockholder fail to agree as to the value of such stock, any such stockholder or the corporation may file a petition in the district court as provided in subsection (e) of K.S.A. 17-6712 and amendments thereto and thereupon the parties shall have the rights and duties and follow the procedure set forth in subsections (d) through (j) of K.S.A. 17-6712 and amendments thereto.

(e) A merger may be effected under this section although one or more of the corporations party to the merger is a corporation organized under the laws of a jurisdiction other than one of the United States; if the laws of such jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another

(continued)

jurisdiction and if the surviving or resulting corporation shall be a corporation of this state.

(f) The provisions of subsection (d) of K.S.A. 17-6701 and amendments thereto shall apply to a merger under this section and the provisions of subsection (e) of K.S.A. 17-6701 and amendments thereto shall apply to a merger under this section in which the surviving corporation is a corporation of this state.

(c) The provisions of subsection (d) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section, and the provisions of subsection (e) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section in which the surviving corporation is the subsidiary corporation and is a corporation of this state. References to "agreement of merger" in subsections (d) and (e) of K.S.A. 17-6701, and amendments thereto, shall mean, for the purposes of this subsection (c), the resolution of merger adopted by the board of directors of the parent corporation. Any merger which effects any changes other than those authorized by this section or made applicable by this subsection shall be accomplished under the provisions of K.S.A. 17-6701 or 17-6702, and amendments thereto. The provisions of K.S.A. 17-6712, and amendments thereto, shall not apply to any merger effected under this section, except as provided in subsection (d).

(d) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under this section is not owned by the parent corporation immediately prior to the merger, the stockholders of the subsidiary Kansas corporation party to the merger shall have appraisal rights as set forth in K.S.A. 17-6712, and amendments thereto.

(e) A merger may be effected under this section although one or more of the corporations party to the merger is a corporation organized under the laws of a jurisdiction other than one of the United States; provided that the laws of such jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction; and provided further that the surviving corporation shall be a corporation of this state.

Sec. 42. K.S.A. 17-6704, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6704. (a) The term "joint-stock association," as used in this section, includes any association of the kind commonly known as joint-stock association or joint-stock company and any unincorporated association, trust or enterprise having outstanding shares of stock or other evidences of financial or beneficial interest therein, whether formed by agreement or under statutory authority or otherwise, but does not include a corporation. The term "stockholder," as used in this section, includes every member of such joint-stock association or holder of a share of stock or other evidence of financial or beneficial interest therein.

(b) Any one or more corporations of this state may merge or consolidate with one or more joint-stock associations, except a joint-stock association formed under the laws of a state which forbids such merger or consolidation. Such corporation or corporations and any such joint-stock association or associations may merge into a single corporation, which may be any one of such corporations, or they may consolidate into a new corporation formed by the consolidation, which shall be a corporation of this state, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving constituent corporation or the new corporation may be organized for profit or not organized for profit and may be a stock corporation or a nonstock corporation.

(c) Each such corporation and joint-stock association shall enter into a written agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) the manner of converting the shares of each of the corporations and the shares of each of the joint-stock associations or financial or beneficial interests therein into shares or other securities of the corporation surviving or resulting from such merger or consolidation; and if any shares of any of the corporations or any shares of any of the joint-stock associations, or any of the financial or beneficial interests therein, are not to be converted solely into shares or other securities of the surviving or resulting corporation, the amount of cash or securities of any other corpo-

ration which is to be paid or delivered in exchange for or upon the surrender of such shares or interests, which cash or securities of any other corporation may be in addition to the shares or other securities of the surviving or resulting corporation into which any of such shares or interests are to be converted the manner of converting the shares of stock of each stock corporation, the interests of members of each nonstock corporation, and the shares, memberships or financial or beneficial interests in each of the joint-stock associations into shares or other securities of a stock corporation surviving or resulting from such merger or consolidation, or into shares or other securities of any other corporation, or into cash or other consideration, or of converting the shares of stock of each stock corporation, the interest of members of each nonstock corporation and the shares, memberships or financial or beneficial interests in each of the joint-stock associations into membership interests of a nonstock corporation surviving or resulting from such merger or consolidation or into cash or other property, as the case may be; and (4) such other details or provisions as are deemed desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance of fractional shares of the surviving or resulting corporation. There shall also be set forth in the agreement such other matters or provisions as shall then be required to be set forth in articles of incorporation by the laws of this state and that can be stated in the case of such merger or consolidation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.

(d) The agreement shall be adopted, approved, executed and acknowledged by each of the corporations in the same manner as is provided in K.S.A. 17-6701, and amendments thereto, and in the case of the joint-stock associations in accordance with their articles of association or other instrument containing the provisions by which they are organized or regulated or in accordance with the laws of the state under which they are formed, as the case may be. The agreement shall be filed and recorded and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger or consolidation of corporations of this state. In lieu of filing and recording the agreement of merger or consolidation, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. 17-6003, and amendments thereto, which states:

(1) The name and state of domicile of each of the constituent entities;

(2) that an agreement of merger or consolidation has been approved, adopted, certified, executed and acknowledged by each of the constituent entities in accordance with this subsection;

(3) the name of the surviving or resulting corporation;

(4) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation;

(5) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as is set forth in an attachment to the certificate;

(6) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving corporation and the address thereof; and

(7) that a copy of the agreement of consolidation or merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent entity.

(e) The provisions of subsections (d) and (e) of K.S.A. 17-6701, 17-6709 to through 17-6712, inclusive, and 17-7103, and amendments thereto, shall apply, insofar as they are applicable, to mergers or consolidations between corporations and joint-stock associations; and the word "corporation" where applicable, as used in those sections, shall be deemed to include joint-stock

associations as defined herein. The personal liability, if any, of any stockholder of a joint-stock association existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such stockholder and shall not become the liability of any subsequent transferee of any share of stock in such surviving or resulting corporation or of any other stockholder of such surviving or resulting corporation.

(f) *Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired, but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.*

Sec. 43. K.S.A. 17-6705, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6705. (a) Any two or more nonstock, nonprofit corporations of this state may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock, nonprofit corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) The governing body of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) such other provisions or facts required or permitted by this act to be stated in articles of incorporation for nonstock, nonprofit corporations as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require; (4) the manner of converting the memberships of each of the constituent corporations into memberships of the corporation surviving or resulting from the merger or consolidation; and (5) such other details or provisions as are deemed desirable. *Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.*

(c) The agreement shall be submitted to the members of each constituent corporation who have the right to vote for the election of the members of the governing body of their corporation, at an annual or special meeting thereof for the purpose of acting on the agreement. Due notice of the time, place and purpose of the meeting shall be mailed to each member of each such corporation who has the right to vote for the election of the members of the governing body of his such corporation, at his the member's address as it appears on the records of the corporation, at least ~~twenty (20)~~ 20 days prior to the date of the meeting. *The notice shall contain a copy of the agreement or a brief summary thereof, as the governing body shall deem advisable.* At the meeting the agreement shall be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of the agreement, each member who has the right to vote for the election of the members of the governing body of his corporation being entitled to one vote. If the votes of ~~two-thirds (2/3)~~ 2/3 of the total number of members of each such corporation who have the voting power above mentioned shall be for the adoption of the agreement, then that fact shall be certified on the agreement by the officer of each such corporation performing the duties ordinarily performed by the secretary or assistant secretary of a corporation, under the seal of each such corporation. The agreement so adopted and certified shall be executed, acknowledged and filed, and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto. It shall be recorded in the office of the register of deeds of the county in this state in which the registered office of each such constituent corporation is located; or if any of the constituent corporations shall have been specially created by act of the legislature, then the agreement shall be recorded in the county where such corporation had its principal place of business in this state. *The provisions set forth in the last sentence of subsection (c) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section,*

and the reference therein to "stockholder" shall be deemed to include "member" hereunder.

(d) If, under the provisions of the articles of incorporation of any one or more of the constituent corporations, there shall be no members who have the right to vote for the election of the members of the governing body of the corporation other than the members of that body themselves, the agreement duly entered into as provided in subsection (b) of this section shall be submitted to the members of the governing body of such corporation or corporations, at a meeting thereof. Notice of the meeting shall be mailed to the members of the governing body in the same manner as is provided in the case of a meeting of the members of a corporation. If at the meeting ~~two-thirds (2/3)~~ 2/3 of the total number of members of the governing body shall vote by ballot, in person, for the adoption of the agreement, that fact shall be certified on the agreement in the same manner as is provided in the case of the adoption of the agreement by the vote of the members of a corporation; thereafter, the same procedure shall be followed to consummate the merger or consolidation.

(e) The provisions of subsection (e) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section.

(f) *Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a nonstock corporation if such charitable nonstock corporation would thereby have its charitable status lost or impaired, but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.*

Sec. 44. K.S.A. 17-6706, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6706. (a) Any one or more nonstock, nonprofit corporations of this state may merge or consolidate with one or more other nonstock, nonprofit corporations of any other state or states of the United States or of the District of Columbia, if the laws of such other jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock, nonprofit corporation formed by the consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more nonstock, nonprofit corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more nonstock, nonprofit corporations of this state if the surviving or resulting corporation will be a corporation of this state, and if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) the manner of converting the memberships of each of the constituent corporations into memberships of the corporation surviving or resulting from such merger or consolidation; (4) such other details and provisions as shall be deemed desirable; and (5) such other provisions or facts as shall then be required to be stated in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. *Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.*

(c) The agreement shall be adopted, approved, executed and acknowledged by each of the constituent corporations in accordance with the laws under which it is formed and, in the case of a Kansas corporation, in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and recorded and shall become effective for all purposes

(continued)

of the laws of this state when and as provided in K.S.A. 17-6705, and amendments thereto, with respect to the merger of nonstock, nonprofit corporations of this state. *Insofar as they may be applicable, the provisions set forth in the last sentence of subsection (c) of K.S.A. 17-6702, and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.*

(d) If the corporation surviving or resulting from the merger or consolidation is to be governed by the laws of any state other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation, and shall irrevocably appoint the secretary of state as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary of state. Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies to such surviving or resulting corporation at its address so specified, unless such surviving or resulting corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated.

(e) The provisions of subsection (e) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section, if the corporation surviving the merger is a corporation of this state.

Sec. 45. K.S.A. 17-6707, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6707. (a) Any one or more nonstock corporations of this state, whether or not organized for profit, may merge or consolidate with one or more stock corporations of this state, whether or not organized for profit. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving constituent corporation or the new corporation may be organized for profit or not organized for profit and may be a stock corporation or a nonstock corporation.

(b) The board of directors of each stock corporation which desires to merge or consolidate and the governing body of each nonstock corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) such other provisions or facts required or permitted by this act to be stated in articles of incorporation as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require; (4) the manner of converting the shares of stock of a stock corporation and the interests of members of a nonstock corporation into shares or other securities of a stock corporation surviving or resulting from such merger or consolidation or of any other corporation or into cash or other consideration, or of converting the shares of stockholders in a stock corporation and the interests of members of a nonstock corporation into membership interests of a nonstock corporation surviving or resulting from such merger or consolidation, or into cash or other property, as the case may be; and (5) such other details or provisions as are deemed desirable. In such merger or consolidation, the interests of members of a constituent nonstock corporation may be treated in various ways so as to convert such interests into interests of value, other than shares of stock, in the surviving or resulting stock corporation or into shares of stock in the surviving or resulting stock corporation, voting or non-voting, or into creditor interests or any other interests of value equivalent to their membership interests in their nonstock corporation. The voting rights of members of a constituent nonstock corporation need not

be considered an element of value in measuring the reasonable equivalence of the value of the interests received in the surviving or resulting stock corporation by members of a constituent nonstock corporation, nor need the voting rights of shares of stock in a constituent stock corporation be considered as an element of value in measuring the reasonable equivalence of the value of the interests in the surviving or resulting nonstock corporation received by stockholders of a constituent stock corporation, and the voting or non-voting shares of a stock corporation may be converted into voting or non-voting regular, life, general, special or other type of membership, however designated, creditor interests or participating interests, in any nonstock corporation surviving or resulting from such merger or consolidation of a stock corporation and a nonstock corporation. *Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.*

(c) The agreement, in the case of each constituent stock corporation, shall be adopted, approved, executed and acknowledged by each constituent corporation in the same manner as is provided in K.S.A. 17-6701, and amendments thereto, and, in the case of each constituent nonstock corporation, shall be adopted, approved, executed and acknowledged by each of said constituent corporations in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and recorded and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger of stock corporations of this state. *Insofar as they may be applicable, the provisions set forth in the last sentence of subsection (c) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.*

(d) The provisions of subsection (e) of K.S.A. 17-6701, and amendments thereto, shall apply to a merger under this section, if the surviving corporation is a corporation of this state; the provisions of subsection (d) of K.S.A. 17-6701, and amendments thereto, shall apply to any constituent stock corporation participating in a merger or consolidation under this section; and the provisions of subsection (f) of K.S.A. 17-6701, and amendments thereto, shall apply to any constituent stock corporation participating in a merger under this section.

(e) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired; but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 46. K.S.A. 17-6709, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6709. (a) No merger or consolidation shall become effective under this act until all corporate fees and taxes due to or assessable by the state have been paid by the constituent corporations. Any fees or taxes which become due to or assessable by the state with respect to any such constituent corporation, subsequent to the merger or consolidation, shall become the debt of the resulting or surviving corporation. When any merger or consolidation shall have become effective under this act, for all purposes of the laws of this state the separate existence of all the constituent corporations, or of all such constituent corporations except the one into which the other or others of such constituent corporations have been merged, as the case may be, shall cease and the constituent corporations shall become a new corporation, or be merged into one of such corporations, as the case may be, possessing all the rights, privileges, powers and franchises as well of a public as of a private nature, and being subject to all the restrictions, disabilities and duties of each of such corporations so merged or consolidated; and all and singular, the rights, privileges, powers and franchises of each of said corporations, and all property, real, personal and mixed, and all debts due to any of said such constituent corporations on whatever account, as well for stock subscriptions as all other things in action or

belonging to each of such corporations shall be vested in the corporation surviving or resulting from such merger or consolidation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the surviving or resulting corporation as they were of the several and respective constituent corporations, and the title to any real estate vested by deed or otherwise, under the laws of this state, in any of such constituent corporations, shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of any of said such constituent corporations shall be preserved unimpaired, and all debts, liabilities and duties of the respective constituent corporations shall thenceforth attach to said such surviving or resulting corporation, and may be enforced against it to the same extent as if said such debts, liabilities and duties had been incurred or contracted by it.

(b) *In the case of a merger of banks or trust companies, without any order or action on the part of any court or otherwise, all appointments, designations and nominations, and all other rights and interests as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, shall be automatically vested in the corporation surviving such merger; provided, however, that any party in interest shall have the right to apply to an appropriate court or tribunal for a determination as to whether the surviving corporation shall continue to serve in the same fiduciary capacity as the merged corporation, or whether a new and different fiduciary should be appointed.*

Sec. 47. K.S.A. 17-6805, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6805. (a) Whenever it shall be desired to dissolve any corporation not for profit and having no capital stock, the governing body shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the board of directors of a corporation having capital stock. If the members of a corporation not for profit and having no capital stock are entitled to vote for the election of members of its governing body, they shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the stockholders of a corporation having capital stock. If there is no member entitled to vote thereon, the dissolution of the corporation shall be authorized at a meeting of the governing body, upon the adoption of a resolution to dissolve by the vote of a majority of members of its governing body then in office. In all other respects, the method and proceedings for the dissolution of a corporation not for profit or having no capital stock shall conform as nearly as may be possible to the proceedings prescribed by K.S.A. 17-6804, and amendments thereto, for the dissolution of corporations having capital stock.

(b) *If a corporation having no capital stock has not commenced the business for which the corporation was organized, a majority of the governing body or, if none, a majority of the incorporators may surrender all of the corporation's rights and franchises by filing in the office of the secretary of state a certificate, executed and acknowledged by a majority of the incorporators or governing body, conforming as nearly as may be possible to the certificate prescribed by K.S.A. 17-6803, and amendments thereto, for the dissolution of corporations having capital stock prior to commencing business.*

Sec. 48. K.S.A. 17-6807, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6807. All corporations, whether they expire by their own limitation or are otherwise dissolved, including revocation or forfeiture of articles of incorporation pursuant to K.S.A. 17-6812 or 17-7510, and amendments thereto, shall be continued, nevertheless, for the term of three (3) years from such expiration or dissolution or for such longer period as the district court in its discretion shall direct, bodies corporate for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities and to distribute to their

stockholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit or proceeding begun by or against the corporation either prior to or within three (3) years after the date of its expiration or dissolution, and for the purpose of such actions, suits or proceedings, the corporation shall be continued a body corporate beyond the three-year period and until any judgments, orders or decrees therein shall be fully executed, without the necessity for any special direction to that effect by the district court the action shall not abate by reason of the dissolution of the corporation; and the corporation shall, solely for the purpose of such action, suit or proceeding, be continued as a body corporate beyond the three-year period and until any judgments, orders or decrees thereon shall be executed, without the necessity for any special direction to that effect.

Sec. 49. K.S.A. 17-6808, as repealed by section 61 of 1988 House Bill No. 3018, is hereby revived and amended to read as follows: 17-6808. When any corporation organized under this act shall be dissolved in any manner whatever, the district court, on application of any creditor or stockholder of the corporation, or on application of any one, who, in the court's discretion, stockholder or director of the corporation, or any other person who shows good cause therefor, at any time, either may appoint one or more of the directors of the corporation to be trustees, or may appoint one or more persons to be receivers, of and for the corporation, to take charge of the corporation's property, and to collect the debts and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the corporation, if in being, that may be necessary for the final settlement of the unfinished business of the corporation. The powers of the trustees or receivers may be continued as long as the court shall think necessary for the purposes aforesaid.

New Sec. 50. The provisions of this act shall apply to all actions taken on or after April 21, 1988.

Sec. 51. K.S.A. 17-6009, 17-6102, 17-6204, 17-6302, 17-6402, 17-6404, 17-6410, 17-6417, 17-6418, 17-6420, 17-6422, 17-6423, 17-6426, 17-6501, 17-6503, 17-6504, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6511, 17-6512, 17-6513, 17-6515, 17-6520, 17-6601, 17-6602, 17-6604, 17-6605, 17-6704, 17-6705, 17-6706, 17-6707, 17-6709, 17-6805, 17-6807, 17-6808 and 17-7507 and K.S.A. 1987 Supp. 17-6002, 17-6301, 17-6401, 17-6406, 17-6408, 17-6409, 17-6603, 17-6701, 17-6702 and 17-6703, all as amended by 1988 House Bill No. 3018, are hereby repealed.

Sec. 52. K.S.A. 17-6009, 17-6102, 17-6204, 17-6302, 17-6402, 17-6404, 17-6410, 17-6417, 17-6418, 17-6420, 17-6422, 17-6423, 17-6426, 17-6501, 17-6503, 17-6504, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6511, 17-6512, 17-6513, 17-6515, 17-6520, 17-6601, 17-6602, 17-6604, 17-6605, 17-6704, 17-6705, 17-6706, 17-6707, 17-6709, 17-6805, 17-6807, 17-6808 and 17-7507 and K.S.A. 1987 Supp. 17-6002, 17-6301, 17-6401, 17-6406, 17-6408, 17-6409, 17-6603, 17-6701, 17-6702 and 17-6703, all as revived by this act, are hereby repealed.

Sec. 53. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body April 28, 1988.

HOUSE concurred in SENATE amendments April 30, 1988.

JAMES D. BRADEN

Speaker of the House.

GENEVA SEWARD

Chief Clerk of the House.

(continued)

Passed the SENATE as amended April 29, 1988.

ROBERT V. TALKINGTON

President of the Senate.

LU KENNEY

Secretary of the Senate.

APPROVED May 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 2nd day of May, 1988.

BILL GRAVES

Secretary of State.

(SEAL)

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