

# KANSAS REGISTER

State of Kansas

**BILL GRAVES**  
Secretary of State

Vol. 7, No. 24

June 16, 1988

Pages 1111-1166

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Phone: (913) 296-3489

State of Kansas  
**DEPARTMENT OF ADMINISTRATION**  
**EMPLOYEE AWARD BOARD**

**NOTICE OF MEETING**

The Employee Award Board will meet at 1 p.m. Friday, June 17, in the Division of Personnel Services, Room 951-S, Landon State Office Building, 900 S.W. Jackson, Topeka.

BEN BARRETT  
 Chairperson

Doc. No. 006689

State of Kansas  
**KANSAS INSURANCE DEPARTMENT**

**NOTICE OF HEARING**  
**ON PROPOSED**  
**ADMINISTRATIVE REGULATIONS**

A public hearing will be held at 9 a.m. Monday, July 18, in the third floor conference room of the Kansas Insurance Department, 420 S.W. 9th, Topeka, to consider the adoption of a proposed permanent regulation of the Insurance Department.

Copies of the full text of the regulation and the economic impact statement may be obtained by writing to the Commissioner of Insurance, 420 S.W. 9th, Topeka 66612. The following is a summary of the economic impact statement and the regulation.

The regulation, K.A.R. 40-4-37, will not have a significant economic impact on the operations of the Kansas Insurance Department or any other state agency, and will not have a significant impact on the amount of state revenue collected from insurance companies writing long term care insurance. This regulation, along with the statute it implements, may have an economic impact on the purchasers of long term health insurance as the regulation assures the purchaser of better and more reliable long term care insurance policy coverage.

This is a new permanent regulation replacing a temporary regulation that implemented 1987 Senate Bill No. 132, relating to the establishment of specific standards for policy provisions of long term care insurance policies.

All interested parties may submit written comments prior to the hearing to the Commissioner of Insurance. The period of time between the date of publication of this notice and the public hearing scheduled for July 18 shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing.

FLETCHER BELL  
 Commissioner of Insurance

Doc. No. 006697

State of Kansas  
**DEPARTMENT OF HUMAN RESOURCES**

**NOTICE OF MAXIMUM AND MINIMUM**  
**WEEKLY UNEMPLOYMENT BENEFIT AMOUNTS**

The maximum and minimum weekly unemployment benefits payable with respect to claims filed on or after July 1, 1988, and before July 1, 1989, are respectively \$210 and \$52.

I certify that these maximum and minimum weekly benefit amounts have been computed in accordance with K.S.A. 44-704, pursuant to which section this announcement is published.

DENNIS R. TAYLOR  
 Secretary of Human Resources

Doc. No. 006717

State of Kansas  
**DEPARTMENT OF TRANSPORTATION**

**NOTICE TO CONSULTING ENGINEERS**

The Kansas Department of Transportation is seeking qualified consultant engineers for the following projects:

**Johnson—7-46 K-3382-01**—Reconstruct to 4-lane expressway from the north city limits of Olathe to the existing 4-lane divided. (3.6 miles)

**Wyandotte—69-105 K-2862-01**—Replacement of the Jersey Creek bridge #065, 0.5 mile north of U.S. 24.

**Jackson and Shawnee—75-43 K-2448-01 and 75-89 K-2866-01**—Reconstruct to 4-lane expressway from the existing end 4-lane in Shawnee County to the junction of K-16 in Holton. (21.1 miles)

**Butler—196-8 K-3321-01**—Reconstruct to 4-lane expressway from K-254 to KTA (0.8 miles) and replacement of bridge #063 over the KTA.

Firms expressing interest in these projects must respond in writing and complete the Consulting Engineers Qualification Questionnaire (if not already prequalified) by June 30.

It is the policy of K.D.O.T. to use the following criteria as the basis for selection of engineering consulting 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 record.

HORACE B. EDWARDS  
 Secretary of Transportation

Doc. No. 006675

## State of Kansas

**DEPARTMENT OF HUMAN RESOURCES  
ADVISORY COMMITTEE ON EMPLOYMENT  
OF THE HANDICAPPED**

**NOTICE OF MEETING**

The Kansas Advisory Committee on Employment of the Handicapped will meet Friday, June 17, and Saturday, June 18, from 9 a.m. to 4:30 p.m. at the Holidome, 530 Richards Drive, Manhattan.

DENNIS R. TAYLOR  
Secretary of Human Resources

Doc. No. 006698

## Opinion No. 88-76

**Taxation—Kansas Retailers' Sales Tax—Exempt Sales; Prescription Drugs. John C. Whitaker, Board Attorney, Kansas State Board of Pharmacy, Topeka, June 2, 1988.**

A prescription order for a medication which may be dispensed without such an order does not elevate the medication to the status of a prescription-only drug for purposes of the Kansas retailers' sales tax act. To be exempt from the tax imposed by that act, the drug must be one which is prohibited by law from being dispensed without a prescription. Cited herein: K.S.A. 1987 Supp. 65-1626, 79-3606. MWS

## Opinion No. 88-77

**State Boards, Commissions and Authorities—Parimutuel Racing; Kansas Parimutuel Racing Act—Nonrefundable License Application Fees. Chairman Alfred G. Schroeder, Kansas Racing Commission, Topeka, June 2, 1988.**

It is our opinion that: (1) The Fairgrounds Pari-Mutuel Racing Association (FPRA), an organization applicant proposing to conduct horse races at the state fairgrounds in Hutchinson, must pay the \$5,000 organization application fee pursuant to K.S.A. 1987 Supp. 74-8813(a)(1) and that the commission does not have the authority to establish a lesser fee; (2) the Kansas State Fair Board, a facility owner applicant associated with FPRA, must pay a facility owner application fee to the Kansas Racing Commission pursuant to K.S.A. 1987 Supp. 74-8815(a) and (c); and (3) the Kansas State Fair Board must pay a facility owner application fee of \$5,000 pursuant to K.S.A. 1987 Supp. 74-8815(c). Cited herein: K.S.A. 2-125; K.S.A. 1987 Supp. 74-8813; 74-8814; 74-8815; K.S.A. 75-5516. JAC

## Opinion No. 88-78

**Taxation—Kansas Retailers' Sales Tax—Tax Imposed. Senator Richard L. Bond, 8th District, Overland Park, June 8, 1988.**

K.S.A. 1987 Supp. 79-3603(p) imposes a 4 percent sales tax on the service of installing certain tangible personal property but exempts such service from the tax if the installation is in connection with the original construction of a building or a facility. The service of installing sewer and water mains in new subdivisions when the mains are part of the infrastructure of the new housing under construction comes within the tax exemption provided in K.S.A. 1987 Supp. 79-3603(p). Whether housing to be constructed in the future will be sufficiently connected with the original construction of a building or facility is a question of fact to be determined at the time of such construction. Cited herein: K.S.A. 1987 Supp. 79-3603(p); K.A.R. 1987 Supp. 92-19-25a(b). GE

ROBERT T. STEPHAN  
Attorney General

Doc. No. 006701

## State of Kansas

**ATTORNEY GENERAL**

## Opinion No. 88-74

**Crimes and Punishments—Animals and Nuisances—Unlawful Sales or Injections of Live Brucella Abortus Strain 19 Vaccine or Animal Rabies Vaccine; Constitutionality of Amendment by 1988 Substitute for House Bill No. 2219.**

**Livestock and Domestic Animals—Animal Dealers—License and Registration of Certain Persons Dealing in Animals; Constitutionality of 1988 Substitute for House Bill No. 2219. Senator Don Montgomery, 21st District, Sabetha, June 2, 1988.**

1988 Substitute for House Bill No. 2219 does not violate Art. 2, § 16 of the Kansas Constitution, which prohibits a bill from containing more than one subject. The Kansas courts have ruled that a statute should not be declared invalid under this provision unless invalidity is manifest. It is not clearly manifest that H.B. 2219 contains more than one subject, as both bills that were combined in the final version of H.B. 2219 concern animal welfare. None of the circumstances for which Art. 2, § 16 was designed to prevent are present in this case. Further, the title of H.B. 2219 clearly expresses the subject matter and gives fair notice of the content of the bill as constitutionally required. Cited herein: K.S.A. 1987 Supp. 21-1213; 1988 Substitute for House Bill No. 2219; Kan. Const. Art. 2, § 16. RLN

## Opinion No. 88-75

**Automobiles and Other Vehicles—General Provisions; Regulatory Provisions—Vehicle Identification Numbers; Check of Assembled Vehicles by Highway Patrol; Original Kansas Certificate of Title on Out-of-State Vehicle; Check by Designee, When. Representative James E. Lowther, 16th District, Emporia, June 2, 1988.**

A local government cannot be held liable for a violation of civil rights by its agents under 42 U.S.C. § 1983 on the basis of a respondeat superior theory. Local governments are liable only when execution of a government policy or custom inflicts the injury. Cited herein: K.S.A. 1987 Supp. 8-116a; 42 U.S.C. § 1983. TRH

## State of Kansas

**BOARD OF ACCOUNTANCY****NOTICE OF MEETING**

The Board of Accountancy will meet at 9 a.m. Tuesday, June 28, in Conference Room 108, Landon State Office Building, 900 S.W. Jackson, Topeka. Persons interested in agenda items or in attending should contact the board office in Suite 907 of the Landon Office Building.

GLENDIA SHERMAN  
Board Secretary

Doc. No. 006720

## State of Kansas

**DEPARTMENT OF ADMINISTRATION****NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS**

A public hearing will be conducted at 10 a.m. Monday, July 18, in Room 106 of the Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the adoption of proposed changes in existing rules and regulations of the Division of Accounts and Reports.

This 30-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Secretary of Administration, Room 263-E, State Capitol, Topeka 66612. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

Each of these regulations have been amended previously on a temporary basis. Those amendments are now proposed for adoption on a permanent basis. A summary of proposed regulations and their economic impact follows:

**K.A.R. 1-16-15. Reduced allowances.** Changes to this regulation are procedural in nature. Normally, agencies must seek approval of the Secretary of Administration in order to pay reduced meals allowances or to reimburse employees for lodging expenses at a rate less than the expenses actually incurred. The amendments identify four types of situations in which reduced rates are automatically approved by the Secretary of Administration. No identifiable economic impact on state agencies, state employees or the general public is expected.

**K.A.R. 1-16-18. Subsistence allowance; rates.** Changes to this regulation reflect amendments to K.S.A. 3207a made by the 1987 Legislature (L. 1987, Ch. 337, Sections 1 and 2). The statutory changes permit agency heads to approve reimbursement of travel expenses exceeding the limits established in this regulation by up to 50 percent. In addition, the regulation is being amended to provide reimbursement of actual meal and lodging expenses incurred in international travel.

These amendments may increase state agency expenditures for individual trips, but agencies retain control over total travel expenditures and are limited by their travel budgets. The amendments may reduce the number of instances in which state employees are not reimbursed for all of their actual travel expenses. Any local government units reimbursing their travelers for travel expenses based upon the state travel reimbursement rates could incur a similar economic impact. Certain direct or indirect state or local government travel costs could be passed on to private businesses and the federal government in the form of cost recoveries due to established fees or program reimbursement requirements.

**K.A.R. 1-16-18a. Designated high cost geographic areas.** This regulation is amended to reflect current information about the cost of travel to cities within the United States. Four cities are no longer classified as high cost areas and 20 areas have been added to the list. Therefore, individual employees traveling to those cities will be subject to increased or decreased limits on travel expense reimbursement. As travel patterns for the state vary from year to year, the overall economic impact of these changes on state agencies is undeterminable. Any local government units reimbursing their travelers for travel expenses based upon the state travel reimbursement rates would be similarly affected. However, no measurable economic impact on the state, local units of government or the general public is anticipated.

**K.A.R. 1-18-1a. Mileage rates.** This regulation establishes the mileage rates for reimbursing witnesses, jurors, employees and public officials of municipal subdivisions, as well as employees of the state, for use of privately-owned conveyances in official travel. The proposed amendment would increase the mileage rate for privately-owned automobiles from 20.5 to 21 cents per mile.

Based on the mileage reimbursements paid to state employees during fiscal year 1987, the proposed amendments could increase reimbursements by \$101,900 statewide during fiscal year 1989. Of that amount, \$37,900 is estimated to be chargeable to the state general revenue fund. The economic impact on local units of government cannot be determined. No economic impact on the general public is anticipated.

**K.A.R. 1-24-1. Written authorization.** This regulation establishes procedures related to United Way payroll deductions and is being amended to update those procedures. K.A.R. 1-24-2, which also relates to United Way deductions, is being revoked; its provisions will be incorporated in K.A.R. 1-24-1. These changes are not expected to create any economic impact on state agencies, the United Way or the general public.

Copies of the regulations and their economic impact statements may be obtained from the Division of Accounts and Reports, 3rd Floor, Landon State Office Building, 900 S.W. Jackson, Topeka 66612, (913) 296-2311, (KANSAS-N 561-2311).

H. EDWARD FLENTJE  
Secretary of Administration

Doc. No. 006708

State of Kansas  
DEPARTMENT OF ADMINISTRATION

NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 10 a.m. Monday, July 18, in Room 106 of the Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the adoption of proposed changes in existing rules and regulations of the Division of Personnel Services.

This 30-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Secretary of Administration, Room 263-E, State Capitol, Topeka 66612. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

All of these regulations, with the exception of K.A.R. 1-9-5, Sick Leave, have been amended previously on a temporary basis, effective May 1, 1988. Those amendments are now proposed for adoption on a permanent basis. A summary of proposed regulations and their economic impact follows:

**K.A.R. 1-9-5, Sick leave.** This amendment removes the cap on use of family sick leave for employees. Currently, employees have been permitted to use no more than 40 hours of accrued sick leave for family illnesses in a year. With this change, an employee will be able to use any needed portion of accrued sick leave to care for family members when an illness or disability reasonably requires the employee to be absent from work.

This change is submitted in response to House Concurrent Resolution 5044 from the 1988 Kansas Legislature, requesting that the Secretary of Administration remove this limitation on use of family sick leave. The persons subject to or affected by this proposed change will be state agencies, state employees and their families. No economic impact is anticipated on state agencies, state employees or the general public as sick leave will not be accrued at a different rate; the amendment merely modifies the manner in which accrued leave may be used.

**K.A.R. 1-2-25, Compensatory time credits.** Changes in this regulation amend the definition of compensatory time credits. The amendments clarify that, with respect to overtime, compensatory time is time off in lieu of monetary payment for overtime worked. This definition is consistent with the terms of the Fair Labor Standards Act, as amended. There is no anticipated economic impact on state agencies, state employees or the general public as a result of these changes.

**K.A.R. 1-5-13, Salary of employee appointed to a higher class.** Proposed amendments to this regulation extend to promotions and reclassifications the same options for appointment to a higher step on the range as those available to newly-hired employees under K.A.R. 1-5-8. Employees appointed to a class on a higher range by

promotion or reclassification could be placed on the step of the new range approved by the director as the starting salary for original appointments to that class. The amendments also would state that the director may approve a starting salary above step A for any individual with exceptional qualifications.

State agencies promoting or reclassifying employees under these provisions could experience some increase in salary expenditures, and affected employees could receive a higher salary than available without these changes. However, the economic impact cannot be quantified as it is not possible to determine how frequently these options would be used. There would not be an economic impact on the general public.

**K.A.R. 1-9-6, Leave without pay.** Amendments to this regulation expand the authorized bases for leave without pay to include the birth of the employee's child, adoption of a child by the employee, the initial placement of a foster child in the home of the employee or in order to care for a family member who has a serious health condition. As this regulation permits leave without pay at the request of the employee, there is no anticipated economic impact on state agencies, state employees or the general public.

**K.A.R. 1-9-8, Jury duty.** Changes to this regulation delete a section which provides that an employee is not entitled to paid leave when the employee voluntarily seeks to testify as a witness against a state agency. As use of paid leave for this purpose would be extremely rare, the change would not result in any measurable fiscal impact on state agencies, state employees or the general public.

**K.A.R. 1-14-11, Furlough leave without pay.** This regulation, which was originally adopted on a temporary basis, establishes procedures relating to furloughs without pay. State agencies may, with the approval of the Department of Administration, furlough employees within a defined group due to a shortage of funds for a preset number of hours in each affected payroll period. The regulation provides that affected employees' benefits, other than Social Security and retirement contributions, will remain unaffected during the furlough. Thus, there would be an economic impact on both state agencies and state employees when furloughs are utilized. State agencies would realize a cost savings in salaries and wages with a corresponding drop in work hours, while the earnings of affected employees would be temporarily reduced. However, the economic impact cannot be quantified as it is dependent upon the number of affected employees, their salary levels and the number of hours of leave without pay. There is no anticipated economic impact on the general public.

These regulations are proposed for adoption on a permanent basis. Copies of the regulations and their economic impact statements may be obtained from the Division of Personnel Services, 9th Floor, Landon State Office Building, 900 S.W. Jackson, Topeka 66612, (913) 296-4278, (KANS-A-N 561-4278).

H. EDWARD FLENTJE  
Secretary of Administration

Doc. No. 006709

## State of Kansas

**DEPARTMENT OF ADMINISTRATION  
DIVISION OF ARCHITECTURAL SERVICES**

**NOTICE OF COMMENCEMENT  
OF NEGOTIATIONS  
FOR ARCHITECTURAL SERVICES**

Notice is hereby given of the commencement of negotiations for "on-call" architectural services for Emporia State University, Fort Hays State University, and Pittsburg State University. Interested firms should be capable of assisting university personnel on minor architectural projects which may arise during the years 1988 and 1989.

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 July 1.

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

Doc. No. 006703

## State of Kansas

**DEPARTMENT OF ADMINISTRATION  
DIVISION OF ARCHITECTURAL SERVICES**

**NOTICE OF COMMENCEMENT OF  
NEGOTIATIONS FOR ARCHITECTURAL  
AND ENGINEERING SERVICES**

Notice is hereby given of the commencement of negotiations for contracts for architectural and engineering services for the following projects:

**Architectural**

Remodeling of Plumb Hall, Emporia State University. Contact Mark Runge, University Architect, for additional information at (316) 343-1200.

Center for Historical Research, Kansas Historical Society, Topeka. Contact Terry Marmet, Staff Architect, for additional information at (913) 296-3251.

Renovation of Memorial Building, Topeka, for the Department of Administration. For additional information, contact Bill Groth, Capitol Complex Architect at (913) 233-9367.

**Engineering**

Capitol Plaza area improvements, Topeka, Department of Administration. \$935,000 has been appropriated for land purchase, planning and expansion of state parking lots. Bill Groth, Capitol Complex architect, may be contacted in Topeka at (913) 233-9367 for more definitive information.

Electrical service for the maximum custody facility, Kansas State Penitentiary, Lansing. Funds totaling \$2,185,000 have been appropriated to plan and construct the electrical service. Gerry Woodell, facilities officer, may be contacted for additional information at (913) 727-3235, ext. 227.

The State Building Advisory Commission will nominate individuals or firms for the above projects at its July meeting. Nominated individuals or firms will be interviewed by negotiating committees at a later date.

To be considered, individuals or firms must be on file with the Division of Architectural Services. Any architect or architectural firm not on file but having a Kansas office staffed by one or more architects licensed by the State Board of Technical Professions may contact Jack Nelson, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, to achieve eligibility. The requirements of a Kansas office do not apply to engineers and engineering firms, but they must be permitted by law to practice and be on file with the division to be eligible. All expressions of interest must be received by July 1. Only eligible individuals or firms will be considered.

Negotiations for ancillary technical services will be conducted for the above projects as required. Such services shall include but shall not be limited to geotechnical and other soil or subsurface investigation and testing services, surveying, adjusting and balancing of HVAC and other mechanical building systems, infrared testing and other consultant services.

The above listed projects are line-item appropriations made by the 1988 Legislature. Other projects requiring professional services may appear from other fund sources. Any additional information or questions regarding the above or other projects should be directed to Jack Nelson at the Division of Architectural Services.

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

Doc. No. 006705

## 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 technical services for asbestos abatement for the Kansas State School for the Visually Handicapped, Kansas City, Kansas. Services may include the identification and location of asbestos, laboratory testing and confirmation, cost estimates of removal procedures, preparation of plans and specifications for competitive bidding of removal or encapsulation, and construction administration and observation during removal or encapsulation work.

Any questions or expressions of interest should be directed to John Sausser, Physical Plant Superintendent, Kansas State School for the Visually Handicapped, 1100 State Ave., Kansas City 66102-4486, (913) 281-3308, by July 1.

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

Doc. No. 006702

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 welding inspection services for the modification of the power plant smoke stack at the University of Kansas, Lawrence.

Any questions or expressions of interest should be directed to Marion Raper, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, prior to July 1.

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

Doc. No. 006704

State of Kansas  
**STATE CONSERVATION COMMISSION**

**NOTICE TO CONTRACTORS**

Sealed bids for the construction of a 26,600 cubic yard and a 21,500 cubic yard detention dam, Sites A-92 and D-70 in Jackson County, will be received by the Delaware Watershed Joint District No. 10 at the district office, 125 W. 4th, Holton 66436, until 6:45 p.m. on July 7. Bids will be opened at 7 p.m. on July 7 at the district office. A copy of the invitation for bids and plans and specifications can be obtained from the district office, (913) 364-4309.

KENNETH F. KERN  
 Executive Director

Doc. No. 006682

State of Kansas  
**STATE CONSERVATION COMMISSION**

**CORRECTED NOTICE TO CONTRACTORS**

The notice to contractors published June 2 should have read as follows:

Sealed bids for the construction of a 40,633 cubic yard and a 30,978 cubic yard detention dam, Sites 15 and 16, in Rice County, will be received by the Upper Little Arkansas River Watershed Joint District No. 95 at the district office, P.O. Box 95, Little River 67457, until 7:30 p.m. on June 20, at which time they will be opened and read publicly.

A copy of the invitation for bids and plans and specifications can be obtained at the office of Booker/Freund Associates, Inc., 111 W. Douglas, Suite 412, Wichita 67202, (316) 263-6121.

KENNETH F. KERN  
 Executive Director

Doc. No. 006693

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, June 27, 1988**

#27516

Statewide—AUGUST (1988) MEAT PRODUCTS

#27832

Emporia State University—RIDING MOWER

#74911

Kansas Correctional Industries—TITANIUM  
 PIGMENT

**Tuesday, June 28, 1988**

#A-5771

Parsons State Hospital and Training Center—  
 ASBESTOS REMOVAL—LAUNDRY AND TUNNELS

#A-5771(a)

Parsons State Hospital and Training Center—  
 REPLACE STEAM AND CONDENSATE LINES—  
 LAUNDRY BUILDING #50700-00022

#74857

Kansas State University—REFRIGERATOR-  
 FREEZERS

#74858

Kansas State Penitentiary—PAD-MOUNTED  
 DISTRIBUTION TRANSFORMER

#74862

Kansas Lottery—TICKET DISPENSERS

**Wednesday, June 29, 1988**

#A-5791

Topeka State Hospital—INSTALL CARPET—EIGHT  
 PATIENT BUILDINGS AND SOUTHWARD  
 BUILDING

**Thursday, June 30, 1988**

#27268

University of Kansas and University of Kansas  
 Medical Center—IMMUNO ASSAY KITS

#74796

Kansas Department of Wildlife and Parks—  
 FURNISH ALL LABOR AND MATERIALS FOR  
 DAM AND SPILLWAY REPAIR, Meade Lake State  
 Park

#74865

Department of Transportation—CARPET

#74866

Kansas Correctional Industries—HIGH PRESSURE  
 LAMINATE

#74867

Department of Corrections—METAL DOORS AND  
 FRAMES, Ellsworth

#74876

Kansas State Fair—ASPHALT OVERLAY



#74882

Kansas State Treasurer—MAINFRAME COMPUTER UPGRADE

#74884

Department of Administration, Division of Budget, and Legislative Research—CARPET

#74885

Department of Social and Rehabilitation Services—REPLACE BASEFLASHING, GRAVEL AND FLASHING, Salina

#74886

Kansas Lottery—INFLATABLE TERMINAL REPLICA

#74898

Department of Revenue—TAPE DRIVE FOR SYSTEM 36

Wednesday, July 6, 1988

#A-5957

Department of Administration—DRIVE AND PARKING LOT REPAIRS, BUILDING 740, FORBES COMPLEX

Friday, July 22, 1988

#27825

Department of Corrections—BUILDERS' RISK, LIABILITY AND PROPERTY INSURANCE, Ellsworth  
NICHOLAS B. ROACH  
Director of Purchases

Doc. No. 006711

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 June 28, 1988

Application for Abandonment of Certificate of Convenience and Necessity:

Lee Roy Clark and ) Docket No. 60,129 M  
Derrell Clark )  
Zenda, KS 67159 ) MC ID No. 100616

Applicant's Attorney: None

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Application for Extension of Certificate of Convenience and Necessity:

J. D. Enterprises of Kansas, ) Docket No. 160,044 M  
Inc. )  
I-35 )  
Merritt Bldg. )  
Moundridge, KS 67107 ) MC ID No. 128144

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

*Dry commodities in bulk,*

Between points on and east of U.S. 283.

Also,

Between points on and east of U.S. 283, on the one hand, and on the other, all points in Kansas.

\*\*\*\*\*

Application for Extension of Certificate of Convenience and Necessity:

Koch Truck Line, Inc. ) Docket No. 107,917 M  
610 Iowa )  
P.O. Box 10 )  
Sabetha, KS 66534 ) MC ID No. 101348

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

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

Between all points and places in Kansas.

\*\*\*\*\*

Application for Transfer of Certificate of Convenience and Necessity:

James Francis Schierlman, ) Docket No. 60,720 M  
dba J. F. Schierlman )  
Route 1, Box 56 )  
Cherryvale, KS 67335 ) MC ID No. 100176

TO:  
William J. Schierlman, dba  
Schierlman Trucking  
Route 1, Box 51  
Mound Valley, KS 67354

Applicant's Attorney: None

*Livestock and unprocessed grain,*

Between all points and places in Greenwood, Woodson, Allen, Montgomery, Labette and Cherokee counties, Kansas.

Also,

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

\*\*\*\*\*

Application for Abandonment of Certificate of Convenience and Necessity:

Newton Ford, Lincoln- ) Docket No. 148,307 M  
Mercury, Inc. )  
200 N. Meridian )  
Newton, KS 67114 ) MC ID No. 124048

Applicant's Attorney: None

(continued)

## Applications set for July 12, 1988

Application for Certificate of Convenience  
and Necessity:

American Delivery Service ) Docket No. 160,664 M  
Co. )  
1990 N. California )  
Walnut Creek, CA 94596 ) MC ID No. 111287

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

*General commodities (except those of unusual value,  
classes A and B explosives, household goods as defined  
by the commission, commodities in bulk),*

Between points and places in the Kansas counties of  
Johnson, Wyandotte, Douglas and Leavenworth counties.  
Also,

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

Restricted, however, to providing no common carrier  
service to Montgomery Wards Company.

\*\*\*\*\*

Application for Certificate of Convenience  
and Necessity:

Mark W. Boyce, dba ) Docket No. 160,662 M  
Mark's Automotive )  
306 Broadway )  
Valley Falls, KS 66088 )

Applicant's Attorney: None

*Wrecked and disabled motor vehicles,*

Between points and places in Jefferson, Jackson, At-  
chison, Leavenworth, Shawnee, Douglas and Johnson  
counties, Kansas.

\*\*\*\*\*

Application for Certificate of Convenience  
and Necessity:

Don Coover and Bryan ) Docket No. 160,665 M  
Coover, dba Coover )  
Brothers Feed Co. )  
Center and East Streets )  
Galesburg, KS 66740 ) MC ID No. 126586

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

*Livestock, grain, hay, feed, feed ingredients, fertilizer  
(except anhydrous ammonia), seeds, construction and  
building materials, fencing materials, salt and iron and  
steel articles and machinery,*

Between points and places in Kansas on and east of  
U.S. 81 and Reno, Saline and Sedgwick counties.

Also,

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

\*\*\*\*\*

Application for Extension of Certificate of  
Convenience and Necessity:

Vincent J. Werth, dba ) Docket No. 135,892 M  
Werth Tank Service )  
H. C. 32, Box 240 )  
Hays, KS 67601 ) MC ID No. 119928

Applicant's Attorney: None

*Grain,*

Between points in Norton, Phillips, Thomas, Sheridan,  
Graham, Rooks, Osborne, Logan, Gove, Trego, Ellis,  
Russell, Lincoln, Lane, Ness, Rush, Barton, Ellsworth,  
Hodgeman, Rice and McPherson counties, Kansas.

Also,

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

\*\*\*\*\*

Application for Transfer of Certificate of  
Convenience and Necessity:

Jack F. McKenzie and ) Docket No. 128,775 M  
Virgil R. Baumfalk, dba )  
McB's Motor Co. )  
Route 2, Box 181A )  
Goodland, KS 67735 ) MC ID No. 127375

TO:

Virgil R. Baumfalk, dba  
McB's Motor Co.  
Route 2, Box 181A  
Goodland, KS 67735

Applicant's Attorney: Perry Warren, 912 Main, P.O. Box  
718, Goodland, KS 67735

*Wrecked and disabled vehicles,*

Between points in Wallace, Thomas, Sherman and Lo-  
gan counties, Kansas.

Also,

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

\*\*\*\*\*

Application for Transfer of Certificate of  
Convenience and Necessity:

Gabe Lawrence, Jr. and ) Docket No. 32,789 M  
George E. Lawrence, dba )  
George W. Ross Trucking )  
710 W. 9th )  
Scott City, KS 67871 ) MC ID No. 124053

TO:

George W. Ross Trucking, Inc.  
710 W. 9th  
Scott City, KS 67871

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

*Livestock, hay, grain, dry feed, dry feed ingredients, salt,  
building materials, fencing materials, fertilizer (except  
anhydrous ammonia), and machinery,*

Between all points and places in Kansas west of the  
east boundary line of Norton, Graham, Trego, Ness,  
Hodgeman, Ford and Clark counties, Kansas.

Also,

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

*Hay, grain, dry feed ingredients, salt, building materials, fencing materials, fertilizer (except anhydrous ammonia), and machinery,*

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

*Farm machinery,*

Between Dodge City, Wichita, Hutchinson and Salina, Kansas, on the one hand, and Dighton, Kansas, and farms and rural locations within a 35-mile radius of Dighton, Kansas, on the other.

*Building materials,*

Between Hutchinson, Dodge City, Great Bend and Garden City, Kansas, on the one hand, and Dighton, Kansas, and farms and rural locations within a 35-mile radius of Dighton, on the other.

*Stock salt,*

Between Kanopolis, Lyons and Hutchinson salt mines, on the one hand, and points and places within a 35-mile radius of Dighton, Kansas, on the other.

\*\*\*\*\*

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

George W. Ross Trucking, ) Docket No. 32,789 M  
Inc. )  
710 W. 9th )  
Scott City, KS 67871 )

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

*Liquid feed and liquid feed supplements and ingredients,*

Between points and places in the state of Kansas.

\*\*\*\*\*

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

Mary E. and Roy E. ) Docket No. 157,050 M  
Schooler, Jr., dba )  
Schooler Trucking )  
Route 1, Box 301 )  
Rose Hill, KS 67133 ) MC ID No. 127396

Applicant's Attorney: None

*General commodities including bulk flyash and coal, but excluding other bulk commodities except those listed on our present authority,*

Between all points and places in Kansas.

\*\*\*\*\*

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

Wendell Swinney, dba ) Docket No. 160,666 M  
Swinney Trucking )  
100 S. Monroe )  
Hugoton, KS 67951 ) MC ID No. 131190

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

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

Between all points and places on and west of K-14 and all points and places in Wyandotte, Saline, Reno, Sedgwick and Shawnee counties.

Also,

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

\*\*\*\*\*

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

L. E. Troutman, dba ) Docket No. 134,506 M  
L. E. Troutman Grain )  
& Elevator )  
Route 1 )  
Wellington, KS 67152 ) MC ID No. 100608

TO:  
Max E. Troutman, dba  
L. E. Troutman Grain  
Route 1  
Wellington, KS 67152

Applicant's Attorney: None

*Processed and unprocessed feeds,*

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

Also,

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

\*\*\*\*\*

**Application for Contract Carrier Permit:**

Inn-"X"-Press, Inc. ) Docket No. 160,663 M  
4815 L Street )  
Omaha, NE 68117 )

Applicant's Attorney: John Herdzina, 8712 W. Dodge Road, Suite 300, Omaha, NE 68114-3419

*Passengers and their baggage,*

Between points and places in Marshall, Shawnee and Wyandotte counties.

Also, between points and places in the above named counties, on the one hand, and points and places in Kansas, on the other. Under contract with Union Pacific Railroad Company, of Omaha, Nebraska.

\*\*\*\*\*

ALFONZO A. MAXWELL  
Administrator  
Transportation Division

Doc. No. 006712

State of Kansas  
**DEPARTMENT OF ADMINISTRATION  
 STATE EMPLOYEES HEALTH CARE  
 COMMISSION**

**NOTICE OF HEARING  
 ON PROPOSED  
 ADMINISTRATIVE REGULATIONS**

A public hearing will be held at 2 p.m. Monday, July 18, in Room 106, Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the adoption of an existing temporary regulation of the Health Care Commission. This regulation is currently a temporary regulation and is proposed for adoption on a temporary and a permanent basis.

The 30-day period between the publication of this notice and the holding of the public hearing constitutes a public comment period for the purpose of receiving written public comments on the proposed regulation. Written comments may be submitted to Robert Molloy, Benefits Manager, 908 Landon State Office Building, Topeka 66612. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

A summary of the proposed regulation follows:

**K.A.R. 108-1-1:** This regulation imposes a 60-day plus the first of the month waiting period for state employees, hired on or after January 1, 1988, before they may be eligible to participate in the Kansas state health care benefits program.

**Summary of Economic Impact:**

The waiting period will accrue savings to the state of \$810,720 for calendar year 1988, and \$932,320 for calendar year 1989. Some of the state's savings may transfer as cost to individuals who must serve the waiting period. There will be no economic effect on the general public by the proposed regulation.

Copies of the regulation and the economic impact statement may be obtained from the office of Health Benefits Administration, 908 Landon State Office Building.

**H. EDWARD FLENTJE**  
 Chairman

Doc. No. 006694

State of Kansas  
**KANSAS RACING COMMISSION**

**NOTICE OF HEARING  
 ON PROPOSED  
 ADMINISTRATIVE REGULATIONS**

A public hearing will be conducted at 11 a.m. Friday, July 22, in the training room, second floor, 128 N. Kansas Ave., Topeka, to consider the adoption of proposed temporary and permanent regulations of the Kansas Racing Commission. At the hearing all interested parties will be given a reasonable opportunity to present their views or arguments on adoption of the regulations, either orally or in writing.

A copy of the full text of the regulations and the economic impact statement may be reviewed or obtained at the commission office at the address above. The following is a summary of the regulations:

**K.A.R. 112-3-1 through K.A.R. 112-3-14:** The regulations define the form, procedure and content of applications to be filed by organization applicants, facility owner applicants and facility manager applicants to conduct horse races or greyhound races, or both, and pari-mutuel wagering, or to construct or own or manage a racetrack facility.

**K.A.R. 112-3-15** requires an annual certified financial audit of an organization licensee. **K.A.R. 112-3-16** states the commission may draft modified license application forms for fair associations, the state of Kansas or political subdivisions thereof. **K.A.R. 112-3-17** states the commission may require additional information of any license applicant.

**K.A.R. 112-3-18** requires approval of the commission if control of a facility owner or facility manager licensee is to be conveyed. **K.A.R. 112-3-19** states an individual or entity identified in the regulations or found to be material to the racing program shall submit to a background investigation.

**K.A.R. 112-3-20** identifies those individuals who may be required by the commission to submit to tests for controlled substances.

The following relates to economic impact: Application fees, deposits and license fees which apply to the applicants are set out in the enabling legislation. These regulations do not address those monies, except to identify time of payment.

**K.A.R. 112-3-19** states any individual or entity identified for investigation in the regulations or found to be material to the racing program shall submit to a background investigation. The Kansas bureau of investigation will be assisting with those investigations. The K.B.I. director has estimated the start-up cost for the Racing Commission investigations could exceed \$1 million, depending upon the number of applicants, their identities, locations and business structures.

The regulations will have no fiscal impact on other state agencies or upon the general public. However, the regulations do request exhaustive information to be filed by the applicants on an application form produced by the commission. The applicants, nonprofit groups and developers will bear the expense of preparing these applications for commission and K.B.I. review. The commission did

not consider a less intrusive method of accomplishing this investigative procedure; the racing industry is by necessity a highly-regulated industry because of its vulnerability to organized crime.

The period of 30 days notice provided by this publication constitutes a public comment period for the purpose of receiving written public comments on the proposed regulations. Written comments should be mailed to the Kansas Racing Commission, 128 N. Kansas Ave., Topeka 66603, before July 22.

JIMMY D. GRENZ  
Executive Director

Doc. No. 006721

## State of Kansas

### SECRETARY OF STATE

#### NOTICE OF FORFEITURE

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

#### Domestic Corporations

#1 Cycles of Wichita, Inc., Wichita, KS.  
A. B. May Security Systems, Inc., Leawood, KS.  
Air Capitol Contractors, Inc., Wichita, KS.  
Aircraft Facilities, Ltd., Ft. Lauderdale, FL.  
Albacore, Inc. (A Close Corporation), Lawrence, KS.  
All Alloy Metals, Inc., Wichita, KS.  
Apothemat, Inc., Kansas City, KS.  
Asphalt Constructors, Inc., Overland Park, KS.  
Associated Bindery, Inc., Kansas City, MO.  
Automated Information Management, Inc. (AIM), Wichita, KS.  
Bake 'N' Broyl Products, Inc., Topeka, KS.  
Barbron Heating & Cooling Co., Kansas City, KS.  
Barnes & Phillips Engineering, Inc.,  
N. Kansas City, MO.  
Barrett Incorporated, Olathe, KS.  
Bates, Gatz & Regier, Inc., McPherson, KS.  
Beam of Kansas City, Inc., Merriam, KS.  
Bill's Electric, Inc., El Dorado, KS.  
Broken Arrow Ranch, Inc., Ulysses, KS.  
Can-American Petroleum, Inc., Great Bend, KS.  
Century 21 Ambassador Realtors, Inc., Wichita, KS.  
Charles I.G.A., Inc., Caldwell, KS.  
Chartercorp Development, Inc., Overland Park, KS.  
Christie Co., Inc., Leawood, KS.  
Clover Cattle Company, Inc., Chanute, KS.  
Cobblestone Homes, Inc., Lenexa, KS.  
Computerized Maintenance Systems, Inc., Ottawa, KS.  
Concrete Structures, Inc., Shawnee Mission, KS.  
Consolidated Capital Institutional Properties,  
Emeryville, CA.  
D J, Inc., Wichita, KS.  
Dr. William G. Osoba, P.A., Wichita, KS.  
Dug Out, Incorporated, Shawnee, KS.

Easterly Welding, Inc., Hoisington, KS.  
El Mexico Cafe, Inc., Wichita, KS.  
Elk County Land, Inc., Wichita, KS.  
Environmental Industries, Inc., Leawood, KS.  
Environmental Management, Inc., Newton, KS.  
EPIC, Inc., Wichita, KS.  
Executive Fitness Center West, Inc., Lakewood, CO.  
F.L.K. Corp., Overland Park, KS.  
Family Foods, Inc., Topeka, KS.  
Floral Fantasies Plus, Inc., Lenexa, KS.  
Foor Pipeline Corporation, Wichita, KS.  
Forbes Investment Corp., Shawnee, KS.  
Francis and Associates, Inc., Wichita, KS.  
Fry Plastics International, Inc., Anaheim, CA.  
Fujiking Exploration, Inc., Wichita, KS.  
Gene Owen Construction Company, Inc.,  
Linwood, KS.  
Good Cousins, Inc., Wichita, KS.  
Grain Guardian, Inc., McPherson, KS.  
H L L, Inc., Overland Park, KS.  
Heimerman Masonry, Inc., Garden Plain, KS.  
Henry S. Dreher, M.D., Chartered, Salina, KS.  
Hugh Greer & Associates, Inc., Wichita, KS.  
Interstate Truck Service, Inc. (A Close Corporation),  
Topeka, KS.  
J.T.R. Construction Company, Inc., Olathe, KS.  
Jack Polen Beef Co., Inc., Kansas City, KS.  
Jayhawker Leasing, Inc., Gilroy, CA.  
Joe's Sewer and Excavating Service, Inc., Wichita, KS.  
Kansas Donuts, Inc., Topeka, KS.  
Kinsey Prop and Marine of Kansas, Inc., Topeka, KS.  
Kuhn's Plaza Jewelers, Inc., Hays, KS.  
Lee Equipment Company, Inc., Overland Park, KS.  
Lewis Baker Machinery Company, Inc., Wichita, KS.  
Lieurance Mfg. Co., Inc., Wichita, KS.  
Liquid Fantasies, Inc., Topeka, KS.  
Lodging Management Corporation, Wichita, KS.  
M & R Corporation, Hutchinson, KS.  
Mademoiselle Figure Salon Spa, Inc., Lakewood, CO.  
Mademoiselle Spa Wichita West, Inc., Lakewood, CO.  
Maitco, Inc., Kansas City, KS.  
Marian K. Hall, Ltd., McPherson, KS.  
Mark, Incorporated, Garden City, KS.  
Marlin Mason, Inc., South Haven, KS.  
Martin Heating & Air Conditioning, Inc., Salina, KS.  
Martins, Inc., Garden Plain, KS.  
Maze, Inc. (A Close Corporation), Wichita, KS.  
McBratney Optical Incorporated, Kansas City, KS.  
McPherson Orthopaedic Clinic, P.A., Redlands, CA.  
Meldon Aviation, Inc., Arkansas City, KS.  
Michael Welsch Engineering, P.A., Kansas City, KS.  
Mid Country Chemicals Corporation of America, Inc.,  
New York, NY.  
Mid-Continent Industrial Development, Inc.,  
Wichita, KS.  
Midwest Consultants, Inc., Topeka, KS.  
Mount Olympus, Inc., Topeka, KS.  
Netco Construction Co., Inc., Wichita, KS.  
Newton Tractor and Implement, Inc., Newton, KS.  
Nicewander Electric Motor Co., Inc., Chanute, KS.  
November Land, Inc., Buffalo, OK.  
Packraft, Inc., Chanute, KS.

(continued)

- Palmer Oil Co., Inc., Syracuse, KS.  
 Peoples Travel Agency, Inc., Liberal, KS.  
 PFC, Ltd., Overland Park, KS.  
 Poltera Implement, Inc., Hutchinson, KS.  
 R & D Publications, Inc., McPherson, KS.  
 R & R Enterprises Co., Inc., Topeka, KS.  
 R. L. Brown Construction, Inc., Olathe, KS.  
 Randy K. Schlotfeldt, Chartered, Dodge City, KS.  
 Real Estate Investment & Consulting, Inc.,  
 Scottsdale, AZ.  
 Reimer, Inc., McPherson, KS.  
 Resource/Energy Corp., Leawood, KS.  
 Results, Inc., N. Hollywood, CA.  
 Rhea Oil Company, Inc., Paola, KS.  
 Richard L. Brownrigg, M.D., P.A., Dodge City, KS.  
 Richard L. Daily, C.P.A., Chartered, Topeka, KS.  
 S and B Fertilizer, Inc., Washington, KS.  
 Safina Dry Ice, Inc., Salina, KS.  
 Select Dental Care, Inc., Wichita, KS.  
 Service Business Forms Company, Inc., Wichita, KS.  
 Smith Equipment Co., Inc., Manhattan, KS.  
 Son Enterprises, Inc., St. John, KS.  
 Stout Feedyard, Inc., Ulysses, KS.  
 Suderman Supply, Inc., Buhler, KS.  
 Sulco, Inc., Sabetha, KS.  
 T. J. Clark Construction Co., Inc., Olathe, KS.  
 Tann Electric Co., Topeka, KS.  
 Teichgraeber Painting, Inc., Emporia, KS.  
 Terrace Apartments, Inc., Kansas City, KS.  
 Tobias & Birchenough, Inc., Lyons, KS.  
 Topping, Inc., Topeka, KS.  
 Transworld Energy, Inc., Ottawa, KS.  
 Trend II Inc., Prairie Village, KS.  
 Tri-State Casing Service, Inc., Liberal, KS.  
 TTB Enterprises, Inc., Shawnee, KS.  
 Twin Arrow Services, Inc., Leawood, KS.  
 Two Interests, Inc., Topeka, KS.  
 VIA Express Delivery Systems, Incorporated,  
 Leawood, KS.  
 Village Realty, Inc., Wichita, KS.  
 Westech Incorporated, Overland Park, KS.  
 White Trucking, Inc., Great Bend, KS.  
 Yes, Inc. (A Close Corporation), Wichita, KS.
- Foreign Corporations**
- 1st United Group, Inc., Norman, OK.  
 AAA Maintenance Company, N. Kansas City, MO.  
 Arma Geophysical Company, Casper, WY.  
 Arrowhead Industrial Services, Inc., West Orange, NJ.  
 Avanti Associates Financial Services, Inc., Phoenix, AZ.  
 Basic American Foods, San Francisco, CA.  
 Brenner International, Inc., Dallas, TX.  
 Buckeye Energy, Inc., Midland, TX.  
 Casey Construction Management Corporation,  
 Baton Rouge, LA.  
 Cebal, Inc., Downers Grove, IL.  
 Con-sul Corporation, Baton Rouge, LA.  
 Country Appliques, Inc., Leawood, KS.  
 D. L. Rogers Corp., Emporia, KS.  
 D. W. Iossi, Inc., East Moline, IL.  
 Dillon Securities, Inc., Spokane, WA.  
 Donutland, Inc., Marion, IA.  
 Drcando, Inc., Emporia, KS.  
 Dunkin' Donuts of America, Inc., Randolph, MA.  
 East Side Auto Parts Company, Kansas City, MO.  
 Electronic Systems Distributor, Inc., Liberty, MO.  
 Energy Sources, Inc., Lubbock, TX.  
 Exact-Tax, Inc., Shawnee Mission, KS.  
 Exam Company, Wilmington, DE.  
 Exterior Energy Consultants, Inc., Kansas City, MO.  
 Great Western Roofing, Inc., Houston, TX.  
 Greats, Inc., Austin, TX.  
 Griff-Co., Inc., Lenexa, KS.  
 Heartland Chicken, Inc., Kansas City, MO.  
 Heritage Plumbing, Inc., Kansas City, MO.  
 Humboldt Realty, Inc., Wayne, PA.  
 Innovative Health Services, Inc., Kansas City, MO.  
 Island Electric Construction Company, Inc.,  
 Phillips, NE.  
 Johnson Sheet Metal Works, Inc., East Moline, IL.  
 Kenneth H. Wells & Associates, Inc., Aurora, CO.  
 L. E. Bell Construction Company, Inc., Heflin, AL.  
 Master Painting & Sheeting Company, Inc.,  
 Youngstown, OH.  
 McCrary Industrial Sales, Inc., Shawnee Mission, KS.  
 Medsource Corporation, Bartlesville, OK.  
 Meyer Cartage Company, Harrisonville, MO.  
 Mid-American Research Chemical Corp.,  
 Columbus, NE.  
 Mountain Mechanical Contractors, Inc.,  
 Fayetteville, AR.  
 Norrell Systems Corporation, Atlanta, GA.  
 Oil Drillers and Developers, Inc., Topeka, KS.  
 Oklahoma Petroleum Consultants, Inc., Tulsa, OK.  
 Poole Chemical Co., Inc., Texline, TX.  
 PRC Kentron, Inc., McLean, VA.  
 Pueringer Distributing, Inc., Rice, MN.  
 R. L. Klehr General Agency, Inc.,  
 Shawnee Mission, KS.  
 Red Man Pipe & Supply Co., Tulsa, OK.  
 Reed/Levy Associates, LTD., Prairie Village, KS.  
 Regent Energy Corporation, Denver, CO.  
 Restaurants West, Inc., Fort Collins, CO.  
 Riberglass, Inc., Garland, TX.  
 Rothschild Financial Corporation, St. Paul, MN.  
 Scandinavian Gallery, Inc., Natick, MA.  
 Southeastern Veterinary Products, Inc., St. Louis, MO.  
 Stauffer Chemical Company, San Francisco, CA.  
 T C O Resources Corporation, Denver, CO.  
 Technicon Instruments Corporation, Tarrytown, NY.  
 Temperature Engineering Corporation,  
 Kansas City, MO.  
 Texas Automatic Sprinklers, Inc., Dallas, TX.  
 The Ganzer Corporation, Wichita, KS.  
 Thermal Marketing Corporation, Lee's Summit, MO.  
 Third Dunkin' Donuts Realty, Inc., Randolph, MA.  
 Zipp Industries, Inc., Amarillo, TX.

BILL GRAVES  
 Secretary of State

Doc. No. 006683

## State of Kansas

## DEPARTMENT ON AGING

NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS

A public hearing will be held at 11 a.m. Monday, July 18, in Room D on the second floor of the KNEA Building, 715 W. 10th, Topeka, to consider the adoption of the proposed administrative regulations of the Kansas Department on Aging. This 30-day hearing notice constitutes the public comment period.

All interested parties may submit written comments prior to the hearing to the Secretary, Kansas Department on Aging, 915 S.W. Harrison, Docking State Office Building, Room 122-S, Topeka 66612-1500. All interested parties will be given a reasonable opportunity at the hearing to present their views, orally, in regard to the adoption of the proposed regulations. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit oral presentation to five minutes.

Following the hearing, all written and oral comments submitted by interested parties prior to and at the hearing will be considered by the Secretary of Aging as the basis for making changes to the proposed regulations.

A summary of the regulation changes follows. Copies of the regulations and the fiscal impact statement may be obtained by writing the Kansas Department on Aging.

**Economic Impact Statement**

The proposed administrative regulations are intended to regulate area agencies on aging and agencies which provide services and receive part or all of their funding from the Kansas Department on Aging. Any costs associated with implementing these regulations will be borne by these agencies. However, it is estimated that the regulations will not require any additional costs. The Department does not have any less costly or less intrusive method for achieving the stated purpose of these regulations.

**Summary**

K.A.R. 26-1-1 contains the elimination of unnecessary wording and wording changes for clarification purpose and:

- e. the substitution of the word contractee for the word contractor;
- j. the addition of the definition for cost sharing;
- p. the change of the term "financial report-final" for the term "final financial report";
- q. the addition of the definition for financial and compliance audit;
- u. the addition of the definition for "greatest economic need";
- w. the addition of the definition for "greatest social need";
- x. the elimination of the definition of "income-low";
- y. the use of the terms "in-home meal provider," instead of the term "service provider";
- cc. the clarification of the definition of "modification of a grant or contract";

- dd. the clarification of the definition of "monthly gross income";
- gg. the elimination of the definition of "poverty level";
- kk. the addition of the definition of "program income" or "project income";
- qq. the clarification of the term "self-employment";
- vv. the addition of the definition of "state program income" or "state project income";
- zz. the clarification of the definition of "unused supplies."

K.A.R. 26-1-5 contains additional wording to explain the abbreviation used and also to clarify the amount of expenses mentioned in the area plan.

K.A.R. 26-1-7 is a new regulation concerning confidentiality.

K.A.R. 26-2-1 contains additional wording for clarification purposes and mentions that the NGA shall contain the statement that the grant award or contract is subject to the regulations and policy issuances.

K.A.R. 26-2-3 contains the addition and elimination for clarification purposes of several words and of the sentence: "Revised final financial reports received after April 15th of the calendar year following the end of the grant period shall not be considered a final financial report."

K.A.R. 26-2-5 contains change of wording for clarification purposes.

K.A.R. 26-2-6 contains change of wording for clarification purposes.

K.A.R. 26-2-9 is the new regulation concerning audit requirements.

K.A.R. 26-3-1 contains major wording changes for clarification purposes and changes in references in the federal regulations from \$10,000 to \$2,500.

K.A.R. 26-3-4 contains a change in the deadline for submitting a copy of the subgrant or contract from 20 to 15 days following receipt of any approved subgrant or contract and other wording changes for clarification purposes.

K.A.R. 26-3-5 contains wording changes for clarification purposes and relocation of the definition of "modification of a sub-grant contract" to the definition section of the regulations.

K.A.R. 26-3-6 contains wording changes for clarification purposes.

K.A.R. 26-4-4 contains wording changes for clarification purposes and removes subjects contained in other areas.

K.A.R. 26-5-1 contains the deadline of June 1 for the agency to submit a proposal for the in-home nutrition program and other wording changes for clarification purposes.

K.A.R. 26-5-2 contains wording changes for clarification purposes.

K.A.R. 26-5-8 is a new regulation concerning state program income.

K.A.R. 26-6-1, 26-6-2, 26-6-3, 26-6-5, and 26-6-6 contain wording changes for clarification purposes and to include both employment programs.

ESTHER VALLADOLID WOLF  
Secretary of Aging

Doc. No. 006716

## State of Kansas

**DEPARTMENT OF REVENUE  
DIVISION OF  
ALCOHOLIC BEVERAGE CONTROL**

**NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS**

A public hearing will be conducted at 9 a.m. Tuesday, July 19, at the Alcoholic Beverage Control office, second floor hearing room, 512 W. 6th, Topeka, to consider the adoption of proposed changes in existing regulations and proposed regulations of the Alcoholic Beverage Control Division of the Department of Revenue.

All interested parties may submit written comments during the 30-day period of this notice to Tom Hanna, Director, Alcoholic Beverage Control Division, Kansas Department of Revenue, Topeka 66625-1284. All interested parties will be given a reasonable opportunity at the hearing to orally present their views in regard to the adoption of the proposed regulations.

Following the hearing, all written and oral comments submitted by interested parties will be considered by the director of the Alcoholic Beverage Control Division and the Secretary of Revenue as a basis for making changes to the proposed regulations.

Copies of the proposed regulations and economic impact statement may be obtained by contacting the Alcoholic Beverage Control Division, Kansas Department of Revenue, (913) 296-3946.

A summary of the regulations follows:

**Article 6.—Containers and Labels**

**14-6-1. Containers, nature and form; change of original containers or labels.** Requires all original packages of alcoholic liquor to conform to federal and state safety and sanitary standards with approval by the director as to nature and form. All inventories of the old package in the hands of distributors shall be depleted before the new package may be offered for sale.

**14-6-2a. Capacities of containers.** Describes the capacities of original containers in which alcoholic liquor may be sold or offered for retail sale in this state. Allows for consideration of new sizes and exceptions to specified capacities with approval by the director.

**14-6-3. Labels on containers of alcoholic liquor except beer, nature.** Requires labeling of alcoholic liquor, except beer, to include the quantity of liquor in original package, the alcoholic content, the name of the importer or manufacturer, and percentage of all ingredients contained in blended liquor.

**14-6-4. Labels on containers of beer and cereal malt beverage, nature.** Requires labeling of beer and cereal malt beverage with "beer" or "ale" or name listed in accordance with K.S.A. 1987 Supp. 41-102; the number of fluid ounces in each container; the name of the manufacturer or importer; and any additional information to conform to other laws and regulations.

**Article 7.—Tax, Tax Stamps; Crowns, Lids**

**14-7-2. Beer, crowns, lids, and labels; stamping of**

master carton, keg shipments. Requires each case of bottled or canned beer shipped into the state to be stamped with "Kansas strong" or other appropriate language as approved by the director. Requires all kegs of strong beer to be identified by a distinctive bung.

**14-7-3.** Revoked.

**14-7-4. Alcoholic liquor and cereal malt beverage; payment of tax.** Requires tax on alcoholic liquor and cereal malt beverage to be paid by the distributor on or before the 15th day of the calendar month. Requires each licensed distributor to furnish a bond payable to the director for the term of the license of the distributor.

**14-7-8.** Revoked.

**Article 8.—Advertising**

**14-8-1. "Advertisement" defined.** Defines advertisement to include the medium of radio and television.

**14-8-6. Advertising on vehicles prohibited.** Prohibits advertising on vehicles except for company names, brand names, and logos pertaining to licensed distributors, manufacturers, nonbeverage users, microbreweries and farm wineries.

**14-8-7. House-to-house, door-to-door solicitation prohibited.** Prohibits specific forms of solicitation by manufacturers, importers, distributors, clubs, drinking establishments, caterers, temporary permit holders, farm wineries, microbreweries and retailers.

**Article 10.—Trade Practices**

**14-10-5. Definitions.** Defines the following terms: caterer, club, director, distributor, drinking establishment, industry member, manufacturer, person, retailer, supplier and salesperson.

**14-10-6. General.** Industry members are prohibited from inducing the purchases of a retailer, club, drinking establishment or caterer, subject to exceptions provided in this article.

**14-10-7. Indirect inducement through third party arrangements.** Defines the indirect furnishing of an item of value within the meaning of this article.

**14-10-8. Sale of equipment, supplies or services.** Defines sale of equipment. Permits an industry member to sell glassware, carbon dioxide gas or ice, and coil cleaning services to a retailer, club, drinking establishment or caterer.

**14-10-9. Assistance in acquiring a license.** Prohibits an industry member to assist a retailer, club, drinking establishment or caterer in the acquisition of a license.

**14-10-10. Advertising signs, cooperative advertising, trade journals.** Describes restrictions pertaining to cooperative advertising between industry members and retailers, clubs, drinking establishments or caterers. Permits certain inside signs and specific forms of advertising by retailers, clubs, drinking establishments and caterers in conjunction with industry members.

**14-10-11. Item intended for consumers and promotions.** Permits the furnishing of coupons by an industry member to consumers which are redeemable to a retail



establishment. Permits contest prizes, premium offers, refunds, and like items to be offered by industry members directly to consumers.

**14-10-12. Record keeping requirements.** Requires industry members to maintain records on the permit premises for a three-year period. Provides information which shall be shown on the records.

**14-10-13. Product displays.** Permits an industry member to provide product displays to retailers, clubs, drinking establishments or caterers under certain conditions and limitations.

**14-10-14. Retail advertising specialties.** Permits an industry member to provide certain advertising specialties to retailers, clubs, drinking establishments or caterers subject to limitations.

**14-10-15. Participation in retailer association activities.** Permits an industry member to participate in retailer, club, drinking establishment or caterer association activities.

**14-10-16. Defective liquor containers; repurchase by distributor; when allowed.** Provides criteria for buy back of any item of alcoholic liquor or cereal malt beverage.

#### **Article 14.—Manufacturers; Distributors; Nonbeverage Users; Farm Wineries; Microbreweries**

**14-14-1. Definitions.** Defines the following terms: alcoholic liquor, beer, beer distributor, beneficial interest, bulk wine, caterer, cereal malt beverage, church, club, director, distributor, drinking establishment, licensed premises, manufacturer, morals charge, person, retailer, spirits, spirits distributor, supplier, wine and wine distributor.

**14-14-2. Application for manufacturer's, distributor's, nonbeverage user's, farm winery and microbrewery license; contents, conditions and restrictions on issuance of license.** Describes the procedure and appropriate documents deemed necessary by the director to apply for a license and describes restrictions that apply to the licensed premises.

**14-14-3. Application for renewal of license, short method.** Permits licensee to renew existing license by certified statement that acknowledges accuracy of information contained in the most recent complete application.

**14-14-4. Corporate licensees, change of ownership, updating application, certification that new owner qualified.** Requires a report to the director when any transfer of the stock of a corporation holding a manufacturer's license results in any person holding 25 percent of the outstanding stock of the corporation.

**14-14-5. Franchises.** Permits franchise agreements and prohibits franchise discrimination. Requires a summary of any franchise agreement to be filed with the director. Requires description of franchise territory.

**14-14-6. Industry seminars.** Permits manufacturers and distributors to hold seminars with authorization from the director.

**14-14-7. Sales and transfers of alcoholic liquor by distributors authorized, export permits.** Permits a distrib-

utor to sell any alcoholic liquor to a distributor, retailer, or military installation; and, to sell bulk wine to a club, drinking establishment or caterer. Provides for the issuing of export permits by the director for shipping of merchandise back to manufacturers.

**14-14-8. Distributor's records required, reports required, filing of affidavits.** Requires distributors to provide monthly reports of all alcoholic liquor bought and sold during the preceding calendar month and to maintain on the licensed premises records of all alcoholic liquor bought and sold, receipts, expenditures, invoices and sales tickets for a period of three years.

**14-14-9. Nonbeverage user licensee's records required.** Requires nonbeverage users to maintain records of all alcoholic liquor purchased for a period of three years.

**14-14-10. Manufacturer's records required, reports required, filing of affidavits.** Requires each supplier of alcoholic liquor to keep records of all alcoholic liquor or wine sold by the licensee for a period of three years.

**14-14-11. Prohibited conduct of licensees.** Describes specific forms of conduct that are prohibited by licensees.

#### **Article 17.—Miscellaneous**

**14-17-5. Acceptance of hospitality by director and employees.** Provides guidelines for acceptance of hospitality by director and employees of the alcoholic beverage control division.

#### **Article 23.—Temporary Permits**

**14-23-3. Requirements for temporary permit.** Requirements for temporary permit. Describes restrictions for the issue of a temporary permit pertaining to individuals and corporate officers, managers, directors, or stockholders.

#### **Article 6.—Containers; Labels**

The regulations with proposed amendments in Article 6, in general, provide procedures for the approval of labels and containers of alcoholic beverages to be offered for sale in Kansas. Guidelines are established as to size of containers permitted and information required and permitted in labeling of containers.

The proposed amendments are being made to eliminate certain outdated and unused procedures (14-6-1); reflect currently approved container sizes (14-6-2a); and generally provide updated, consistent language where necessary.

None of the affected regulations are mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The amended regulations have no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

#### **Article 7.—Tax; Tax Stamps**

Amendments are proposed for two regulations in Article 7. K.A.R. 14-7-2 provides methods for identifying cartons and kegs of beer containing more than 3.2 percent

(continued)

alcohol by weight. K.A.R. 14-7-4 provides for the reporting and payment of gallonage tax on all alcoholic beverages received by Kansas distributors and establishes minimum bond requirements for distributor licensees.

The amendment to K.A.R. 14-7-2 is made to eliminate language pertaining to an obsolete method of identifying kegs of strong beer. K.A.R. 14-7-4 is amended to reflect changes made by the 1987 Legislature concerning the payment of gallonage taxes on beer and cereal malt beverages. The amendments to this regulation also provide minimum bond requirements more consistent with actual tax liabilities for wine distributor licensees.

None of the affected regulations are mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The amended regulations have no identifiable economic impact on the Alcoholic Beverage Control Division, any other state agency or the consuming public. Distributor licensees affected by K.A.R. 14-7-4 may realize very slight savings due to the decrease in minimum bond requirements for a wine distributor. The amended regulations have no other identifiable economic impact on licensees or permittees regulated by the Alcoholic Beverage Control Division.

#### Article 8.—Advertising

Amendments are proposed to three regulations in Article 8, which, in general, regulates the advertising of alcoholic beverages in Kansas.

In K.A.R. 14-8-1, the definition of "advertisement" is amended to include the mediums of radio and television. K.A.R. 14-8-6 is amended to include the newly established microbrewery license category. K.A.R. 14-8-7 is amended to provide for consistency among all licensees concerning the prohibition on door-to-door solicitation of sales or purchases of alcoholic liquor.

None of the affected regulations are mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The amended regulations have no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

#### Article 10.—Trade Practices

The proposed permanent regulations contained in Article 10 are intended to regulate industry trade practices among suppliers, distributors, and all on-premise and off-premise licensees. General prohibitions are established concerning supplier and distributor inducements to retail liquor stores and on-premise licensees, with specific exceptions to these prohibitions outlined in detail. In keeping with the intent of the 1987 Legislature (K.S.A. 1987 Supp. 41-703), these regulations essentially mirror federal regulations where not in conflict with Kansas law.

None of the proposed regulations are mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The proposed regulations have no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

#### Article 14.—Manufacturers; Distributors; Nonbeverage Users; Farm Wineries; Microbreweries

The proposed permanent regulations contained in article 14 are intended to control the general business operations of the affected licensees and permittees. Requirements and procedures are outlined for licensing, record-keeping and reporting, franchise agreements and conduct of business with other licensees.

None of the proposed regulations are mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The proposed regulations have no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

#### Article 17.—Miscellaneous

The proposed permanent regulation, K.A.R. 14-17-5, is intended to provide for the acceptance of official hospitality by the director and the director's employees.

The proposed regulation is not mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The proposed regulation has no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

#### Article 23.—Temporary Permits

The regulation with proposed amendments in Article 23, 14-23-3, provides the minimum qualifications which must be met by applicants for a temporary permit. The purpose of the amendment is to remove the prohibition against the issuance of a temporary permit to a law enforcement official or one who supervises or appoints a law enforcement officer. Although these officials are forbidden by law from holding any license issued under the Liquor Control Act or the Club and Drinking Establishment Act, no such prohibition exists concerning temporary permits.

The amended regulation is not mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program.

The amended regulation has no identifiable economic impact on the Alcoholic Beverage Control Division, the licensees or permittees regulated by the same, any other state agency or the consuming public.

TOM HANNA  
Director, Division of  
Alcoholic Beverage Control

Doc. No. 006699

## State of Kansas

## LEGISLATURE

## INTERIM COMMITTEE SCHEDULE

The following committee meetings have been scheduled during the period of June 20 through July 3:

Date	Room	Time	Committee	Agenda
June 22	527-S	10:00 a.m.	Legislative Educational	Review of topics for interim study; other agenda items to be determined.
June 23	527-S	9:00 a.m.	Planning Committee	

The 1988 interim special committees have been designated. Proposals and committee membership have not yet been completed. That information will be published as it becomes available.

WILLIAM R. BACHMAN  
Director of Legislative  
Administrative Services

Doc. No. 006715

## State of Kansas

## OFFICE OF JUDICIAL ADMINISTRATION

## COURT OF APPEALS DOCKET

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

Kansas Court of Appeals  
Courtroom 2, Montgomery County Courthouse  
Coffeyville, Kansas

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

Tuesday, June 21, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,098	John Humboldt, a minor, Appellee, v. Weldon Buchanan, <i>et al.</i> , Appellant.	Patricia Meyer Jeffrey A. Chubb, Guardian A/L  W. J. Fitzpatrick	Montgomery
61,218	Martha Jean Sanderson, Appellant. v. Julia Ann Isom, Appellee.	W. J. Fitzpatrick  Robert K. Scovel	Montgomery
61,426	State of Kansas, Appellee, v. Kim Boorigie, Appellant.	Ann Smith, Assistant County Attorney Attorney General  W. J. Fitzpatrick	Montgomery
60,791	State of Kansas, Appellee, v. Robert Helms, Appellant.	Sara Wilson, Assistant County Attorney Attorney General  Brad Keil Benjamin C. Wood	Labette

(continued)

1:30 p.m.

60,989 S.C.	James Pressley, Appellant, v. Radiant Electric Co-op, Inc., and National Farmers Union Insurance Company and Kansas Workers' Compensation Fund.	David K. Clark  Robert V. Talkington Edwin H. Bideau, III	Wilson
61,519	In the Matter of the Marriage of Lucinda Ann Arnold, formerly Lucinda Ann Hart, and Terry LeRoy Hart.	John J. Gillett  Patrick T. Forbes	Greenwood
61,514	F. W. Strait, Inc., and F. W. Strait, Appellees, v. The Atchison, Topeka and Santa Fe Railway Company, Appellant.	O. J. Connell, Jr.  Roth A. Gatewood Paul R. Hoferer Nola Wright Phillipson	Butler
61,780	Allen Financial Corporation and Alcom Leasing Systems, Inc., Appellants, v. Security State Bank, Appellee.	Charles Gentry  Robert L. Farmer	Bourbon
61,599	City of Burlington, Appellee, v. Coffey County Rural Water District No. 3, Appellant.	Stephen J. Smith  Neil Roach	Coffey

Wednesday, June 22, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,738 S.C.	In the Interest of R.W., Jr., and L.L., children under the age of 18 years.	Ann Smith, Assistant County Attorney Stanley Basler, Guardian A/L Philip J. Bernhart Thomas DeVore Robert Eastman Judd Dent	Montgomery
61,484	In the Matter of the Marriage of David Tate and Marilyn Tate.	Glenn E. Casebeer II  Robert Claus	Montgomery
60,662	Bank IV Coffeyville, N.A., formerly First National Bank of Coffeyville, Kansas, Appellee, v. Russell Wesley Ibbetson, David Ibbetson, and Richard Ibbetson, Appellants.	Thomas A. DeVore  Russell W. Davisson	Montgomery
60,997	City of Towanda, Appellee, v. Marcia E. Barker, Appellant.	Norman G. Manley Geary N. Gorup  Patrick L. Dougherty	Butler

## Summary Calendar—No Oral Argument

61,290	In the Interest of B.M., K.M., K.M., and K.M.	Kim Wetzel Amy Waters, Guardian A/L Nancy A. Roe	Wyandotte
61,082	In the Matter of the Marriage of Stuart Edwin Tyner and Sandra Faye Tyner.	John M. Lindner  J. Douglas Miller	Finney

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

Before Rulon, P.J.; Gernon, J.; and  
C. Fred Lorentz, District Judge, assigned.

Tuesday, June 21, 1988

9:30 a.m.

Case No.	Case Name	Attorneys	County
61,869	Household Finance Corporation III, aka Household Finance Corp. of Mission, Kansas, Appellant, v. Edgar W. Malone and Barbara L. Malone, Appellees.	James E. Phelan  Donald Taylor	Johnson
60,878	Olathe Pizza Shop, Inc., dba Olathe Pizza Shoppe East and Kenneth R. Ladner, Appellees, v. T. J. Clark Construction Inc., Appellant.	J. Roy Holliday  David W. Boal	Johnson
61,414	Helen Jean Pierce, Scott Pierce, and Tia M. Pierce, Appellees, v. Vicki Pierce, Appellant.	Laurence M. Jarvis  Richard L. Reid	Johnson
61,296	Shannon Nicole Gilworth, <i>et al.</i> , Appellees, v. Frank W. Cowing, Appellant.	Ina Kay Zimmerman  David K. Martin	Johnson
1:30 p.m.			
61,363 S.C.	In the Matter of the Marriage of Harlan L. Long and Helen Virginia Long, aka Virginia M. Long.	Edward L. Winthrop  Joe L. Norton	Johnson
60,804	Jerry Wayne Smith, <i>et al.</i> , Appellees, v. Herb Maschner, <i>et al.</i> , Appellants.	Jerry Wayne Smith Clarence Grissom Craig Bryant  Timothy G. Madden	Leavenworth

(continued)

61,054	Phillips & Meyers Enterprises, Inc., Appellee, v. Frank P. Moley, Appellant.	Ernest C. Ballweg  David R. Gilman Kevin C. Harris	Johnson
61,177	Nancy Lou Jarvis, Appellant, v. Laurence M. Jarvis, Appellee.	Robert H. Foerschler Thomas H. Bornholdt  Larry Benson	Johnson
61,165	In the Matter of the Marriage of Roberta J. Jacobs and Phil Jacobs.	John H. Johntz, Jr. Gregory M. Dennis Carolee Sauder Leek	Johnson

Wednesday, June 22, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,774	Marchita D. Hill, Appellant, v. R. W. Thompson, D.D.S., Appellee.	Charles S. Scott, Jr.  Richard T. Merker	Johnson
60,762	Thomas P. Klein, <i>et al.</i> , Appellees, v. Floyd L. Huggins, <i>et al.</i> , Appellants.	Gregory J. Pappas Cindy L. Reams  J. Bradley Short	Johnson
61,270	Heritage House Partnership, Appellee, v. Sarah Frazier and Frank Stewart, Appellants.	Mark C. Owens  David P. Simmons	Johnson
61,275	State of Kansas, Appellee, v. Carl Eugene Clayton, Appellant.	Thomas Kelley Ryan Paul J. Morrison, Assistant District Attorney Attorney General  William Grimshaw	Johnson

Summary Calendar—No Oral Argument

61,126	Samuel Turner and Sanford Thompson, Appellants, v. Herb Maschner, Appellee.	James L. Farmer  Charles Simmons Tim Freiden	Leavenworth
61,637	Charles C. Monroe, Appellant, v. General Motors Corporation, Appellee.	Mark E. Kolich  Stephen Murphy	Wyandotte

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

Before Davis, P.J., Briscoe, J.; and  
 David S. Knudson, District Judge, assigned.

Tuesday, June 21, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,461	State of Kansas, Appellee, v. Norman Wesley Quarles, Appellant.	Kenneth R. Smith Gene Olander, District Attorney Attorney General  Benjamin C. Wood Thomas Jacquinet	Shawnee
61,758	Mary Pitcher, Appellant, v. Dale Sandberg, City of Topeka, and Paul H. Crago, Appellees.	William Scott Morris  Craig Blumreich Edwin Smith	Shawnee
61,467	In the Matter of the Appeal of Ralph W. Stumbaugh, Jr., dba Allied Services, from a Notice of Assessment of Additional Sales Tax, dated October 26, 1984, and Notice of Assessment of Additional Consumers' Compensating (Use) Tax, dated November 2, 1984.	C. Bruce Works  Mark A. Burghart	Shawnee
60,138	Karen Johnston and Jeremy Robert Johnston, a minor child, by and through his natural mother and next friend, Karen Johnston, Appellant, v. Gary Wamsley, Appellee.	Robert H. Thornburgh  Jon G. Logan	Jackson
1:30 p.m.			
61,176	Interstate Insulation of America, Appellant, v. Ralph D. Walker, Secretary of Health and Environment, Appellee.	Dan E. Turner Phillip L. Turner  Yvonne C. Anderson L. Patricia Casey	Shawnee
60,863	Allied Cementing Co., Inc., Appellee, v. E. K. Thomas, Appellant.	Greg L. Bauer Robert W. Fairchild  John C. Chappell	Douglas
61,227	Teresa Marie Ames, now Teresa Marie Kirk, Appellant, v. Rodney Gordon Ames, Appellee.	Merlin G. Wheeler  Thomas A. Krueger Darrell D. Meyer, Guardian A/L	Lyon

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61,071	Lee A. Sherman, Appellee, v. Liberty Life Insurance Company, Appellant.	Ted Hollembeak Neil Roach	Lyon
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Wednesday, June 22, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,590	In the Matter of the Marriage of Carl R. Young and Carlene A. Young	Lawrence P. Ireland Bruce C. Harrington	Shawnee
60,936	State of Kansas, Appellee, v. Gordon Pewamo, Appellant.	James J. Welch Gene Olander, District Attorney Attorney General Benjamin C. Wood Steven R. Zinn Malcom L. Copeland	Shawnee
61,829	Salina Airport Authority, Appellant, v. Board of Tax Appeals, State of Kansas, Appellee.	L. O. Bengtson Constance M. Achterberg Thomas R. Powell, County Attorney Vincent L. Bogart	Shawnee

**Summary Calendar—No Oral Argument**

61,285	Georgia L. Fick, Appellant, v. H & H Parts and Iowa National Mutual Insurance Company, Appellees.	John C. Nodgaard Doug Johnson	Sedgwick
(61,714) (61,715)	State of Kansas, Appellee, v. Arthur L. Wright, Appellant.	C. William Ossman Gene Olander, District Attorney Attorney General Shannon S. Crone Benjamin C. Wood	Shawnee
61,196	William J. H. Graves, Appellant, v. State of Kansas, Appellee.	Benjamin C. Wood Charles D. Dedmon Rodney Symmonds Kyle G. Smith, Assistant District Attorney Attorney General	Lyon
61,132	State of Kansas, Appellee, v. Kelvin L. Newland, Appellant.	Eric S. Rosen, Assistant District Attorney James G. White	Shawnee



Kansas Court of Appeals  
Main Courtroom, McPherson County Courthouse  
McPherson, Kansas

Before Brazil, P.J.; Stephen Nyswonger, District Judge,  
assigned; and Page W. Benson, District Judge Retired, assigned.

Tuesday, June 21, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,116	Carrie and Gregory Madden, Appellees, v. Carl Burns, dba C & S Auto, Appellant.	Ellen Mitchell Richard M. Blackwell	Saline
61,276	State of Kansas, Appellant, v. Dennis E. Graham, Appellee.	Debra Barnett, Assistant District Attorney Attorney General Frank J. Kamas	Sedgwick
61,770	State of Kansas, Appellee, v. Gregory Fisher, Appellant.	Debra Barnett, Assistant District Attorney Attorney General Orval L. Fisher	Sedgwick
(61,360) (61,338)	State of Kansas, Appellee, v. Gary Ditges, Appellant.	Debra Barnett, Assistant District Attorney Mona Furst Attorney General Benjamin C. Wood Lucille Marino	Sedgwick

1:30 p.m.

Case No.	Case Name	Attorneys	County
61,382	Neill Oilfield Services Inc., Appellant, v. Chase Well Service, Inc., <i>et al.</i> , Appellees.	Daniel J. Shanelec Greg L. Bauer	Rice
61,317 S.C.	State of Kansas, Appellee, v. Jack Douglas Boster, Appellant.	Julie McKenna, Assistant County Attorney Attorney General Jack Sheahon	Saline
60,998	State of Kansas, Appellee, v. Reginald R. Hurd, Appellant.	John K. Bork Robert G. German	Saline
61,603	Greg Regier, Appellant, v. Harder Metal Products and Farm Bureau Mutual Insurance Company, Appellees.	William H. Seiler, Jr. Clarence L. King, Jr.	Marion

(continued)

Wednesday, June 22, 1988

9:00 a.m.

Case No.	Case Name	Attorneys	County
61,640	Duane Janne, Appellee, v. J. J. Weingardt, dba Colorado Hide & Fur Company, Appellant.	Ron Svaty Michael J. Day	Ellsworth
61,011	City of Halstead, Appellee, v. Charles F. Hale, Appellant.	Larry R. Baer Donald R. Snapp	Harvey
61,063	In the Matter of the Adoption of A. L. G., a minor female child.	Brian J. Moline Michael K. Johnston	Barber

## Summary Calendar—No Oral Argument

61,661	The Federal Land Bank of Wichita, Appellee, v. Dale Blair, <i>et al.</i> , Appellants.	Kenneth Boelte Dale Blair, <i>pro se</i> Leota Blair	Haskell
61,182	State of Kansas, Appellee, v. David E. Wiebe, Appellant.	Morgan Metcalf, County Attorney Attorney General Martha Coffman Benjamin C. Wood	Butler
61,446	Leonardo Q. Hernandez, Appellant, v. State of Kansas, Appellee.	Benjamin C. Wood Debra Barnett, Assistant District Attorney Attorney General	Sedgwick
61,138	Ninth District Production Credit Association of Central Kansas, Appellee, v. E. R. Holman and Rose M. Holman; husband and wife; Federal Land Bank of Wichita; the Board of County Commissioners for Lincoln County, Kansas; and Moore Lumber Company, Inc., Appellants.	Norma R. Kelly Robert C. Johnson	Lincoln

LEWIS C. CARTER  
Clerk of the Appellate Courts

State of Kansas  
**DEPARTMENT OF HUMAN RESOURCES**  
**ADVISORY COMMITTEE ON**  
**HISPANIC AFFAIRS**  
**NOTICE OF MEETING**

The Advisory Committee on Hispanic Affairs (KACHA) will meet at 1:30 p.m. Saturday, June 18, at the Holiday Inn Downtown, 424 Minnesota Ave., Kansas City, KS.

MARC MARCANO  
 Executive Director

Doc. No. 006695

State of Kansas  
**CONSUMER CREDIT COMMISSIONER**  
**NOTICE OF HEARING**  
**ON PROPOSED**  
**ADMINISTRATIVE REGULATIONS**

The office of the Consumer Credit Commissioner will conduct a public hearing at 11 a.m. Monday, July 18, in Room 352, Landon State Office Building, 900 S.W. Jackson, Topeka, on temporary and permanent regulation 75-6-26. All interested parties may present oral or written comments and shall be given reasonable opportunity to present their views or arguments on adoption of this regulation at the hearing.

The regulation proposed for adoption as a temporary and permanent regulation allows the commissioner to carry out the provisions of K.S.A. 16a-3-206, 16a-5-203 and 16a-5-302.

The purpose of the proposed regulation is to continue the inclusion in Kansas law the disclosure requirements which are no less restrictive than the Federal Truth-in-Lending Act.

The regulation will have no economic impact on a creditor as they would still be required to disclose under federal law. The examiners of the Consumer Credit Commissioner's office spend approximately 15 percent of their examination time on disclosure requirements at a cost of about \$17,500 per year. There will be no economic impact on the consumer.

Copies of the proposed regulation and the economic impact statement can be obtained from the office of the Consumer Credit Commissioner, Landon State Office Building, 900 S.W. Jackson, Room 352, Topeka 66612, (913) 296-3151.

This 30-day notice constitutes a public comment period for the purpose of receiving written public comments on the proposed temporary and permanent regulation. Written comments may be submitted to the Consumer Credit Commissioner at the address above.

JUDITH BRAVENCE-STRINGER  
 Consumer Credit Commissioner

Doc. No. 006706

State of Kansas  
**CONSUMER CREDIT COMMISSIONER**  
**NOTICE OF HEARING**  
**ON PROPOSED**  
**ADMINISTRATIVE REGULATIONS**

The office of the Consumer Credit Commissioner will conduct a public hearing at 10 a.m. Monday, July 18, in Room 352, Landon State Office Building, 900 S.W. Jackson, Topeka, on permanent regulation 75-6-24. All interested parties may present oral or written comments and shall be given reasonable opportunity to present their views or arguments on adoption of this regulation at the hearing.

The regulation proposed for adoption as a permanent regulation is required by K.S.A. 16a-2-401a. This statute requires the designated dollar amounts to be changed on July 1 of each even numbered year when the percentage of change, calculated to the nearest whole percentage point, between the index at the end of the preceding year and the reference base index is 10 percent or more. The percentage of change calculated to the nearest whole percentage point was 10 percent since the date of the last required change in 1986.

The purpose of the proposed permanent regulation is to adjust the dollar amounts of \$600 and \$2,000 to \$630 and \$2,100.

The economic impact on the individual consumer, based on the average size consumer loan of \$3,102 as taken from the 1986 annual report of licensed lenders, would result in an increase of \$21.60. There will be no economic impact on either the agency or the industry.

Copies of the proposed regulation and the economic impact statement can be obtained from the office of the Consumer Credit Commissioner, Landon State Office Building, 900 S.W. Jackson, Room 352, Topeka 66612, (913) 296-3151.

This 30-day notice constitutes a public comment period for the purpose of receiving written public comments on the proposed permanent regulation. Written comments may be submitted to the Consumer Credit Commissioner at the address above.

JUDITH BRAVENCE-STRINGER  
 Consumer Credit Commissioner

Doc. No. 006707

State of Kansas  
**SOCIAL AND REHABILITATION SERVICES**

**NOTICE OF HEARING**  
**ON PROPOSED**  
**ADMINISTRATIVE REGULATIONS**

The Department of Social and Rehabilitation Services will meet at 9:30 a.m. Friday, July 22, in the SRS Staff Development Training Center, 300 S.W. Oakley, Topeka. The scheduled agenda includes:

— Public hearing concerning proposed permanent administrative regulations to become effective October 1, 1988. The summary and economic impact statements are set forth below. The phrase "Federal

(continued)

Mandate" following an item indicates that the change is required by federal policy. Optional changes in regulations related to federal programs are subject to approval by the U.S. Department of Health and Human Services.

— Other items as necessary.

#### Article 2— General

1. **30-2-16. Permanency planning goals for title IV-E of the federal social security act.** This regulation is being amended to change the date of the federal fiscal year permanency planning goals from October 1, 1987 to October 1, 1988.

Economic Impact: This regulation precludes the federal government from withholding approximately \$5,233,107 which the agency would otherwise receive under Titles IV-B and IV-E of the Federal Social Security Act for federal fiscal year 1989.

#### Article 4— Public Assistance Programs

1. **30-4-50. Assistance eligibility, general.** This regulation is being amended to adopt the July, 1988, change which included the KanWork program outlined in K.A.R. 30-4-63 as a new general eligibility requirement. This is a technical change only and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

2. **30-4-57. Job search requirements.** This regulation is being amended to adopt the July, 1988, temporary change which modified the language of the exemptions to permit the adoption of the job search exemptions to the KanWork program. This is a technical change only and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

3. **30-4-58. Potential employment.** This regulation is being amended to adopt the January 1, 1988, temporary change which provides that the failure of a nonexempt principal wage earner in ADC-UP to meet the potential employment requirement without good cause shall render the individual and all persons in the mandatory filing unit ineligible for the penalty period. (Federal Mandate.)

Economic Impact: This change will result in the closure of approximately eight ADC-UP cases per year for a cost savings of \$4,635 in cash expenditures and \$245 in medical expenditures. The total cost savings is estimated at \$4,880 (\$2,186 state general funds).

This regulation is being further amended to clarify that any persons who are exempted from the job search requirement and the WIN registration requirement for any reason other than full-time employment shall be exempt from this regulation. This is a technical change only.

Economic Impact: None.

4. **30-4-62. Community work experience program requirements.** This regulation is being amended to adopt the July, 1988 temporary change which restricted the exemption for any parent or other relative personally providing care for a child under the age of six to non-KanWork counties and to add an exemption for KanWork

counties for any parent or other relative who is personally providing care for a child under the age of three. This change is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

This regulation is being further amended to adopt the July, 1988 temporary change which modifies the language of the CWEP exemptions to permit the adoption of these exemptions to the KanWork program. This is a technical change and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: None.

5. **30-4-63. KanWork program requirements.** The secretary is promulgating a new regulation. This regulation was adopted as a temporary regulation effective July, 1988. The text of the regulation is set forth below:

30-4-63. KanWork program requirements. Each assigned recipient, unless exempted, shall be required to participate in the KanWork program. Any exempt recipient may volunteer for participation in the KanWork program. The geographic areas in the state and the public assistance programs in which the KanWork requirements are to be enforced shall be designated by the secretary. The administration of the KanWork program shall be within the limits of appropriations. (a) Participation requirements. Each assigned recipient shall enter into a written contract with the agency for the purpose of participating in an agency-approved, work-related program directed toward a plan of self-sufficiency. The program requirements listed below shall be components of the KanWork program:

(1) Job search requirements. The provisions of K.A.R. 30-4-57 shall be applicable to KanWork participants who are required to engage in job search activities, except that the secretary shall modify the exemptions to achieve uniformity across all KanWork program components based on the approved federal waiver.

(2) Community work experience program (CWEP). The provisions of K.A.R. 30-4-62 shall be applicable to KanWork participants who are required to participate in CWEP, except that the secretary shall modify the exemptions to achieve uniformity across all KanWork program components based on the approved federal waiver.

(3) ADC work incentive (WIN). The provisions of K.A.R. 30-4-75 shall be applicable to KanWork participants who are required to register for and participate in the WIN program, except that the secretary shall modify the exemptions to achieve uniformity across all KanWork program components based on the approved federal waiver.

(4) Education and training. Each assigned recipient shall participate in an education plan or training plan that is aimed at facilitating the recipient's movement toward self-sufficiency and employment retention. Persons who would be exempt from the job search requirements as outlined in K.A.R. 30-4-57(b) shall be exempt from participating in the education and training requirements, except that the secretary shall modify the exemptions to achieve uniformity across all KanWork program components based on the approved federal waiver.

(5) Grant diversion. Each assigned recipient shall par-

ticipate in a grant diversion program in which an employer receives a wage subsidy from money diverted from public assistance grants. Persons who would be exempt from the job search requirements as outlined in K.A.R. 30-4-57(b) shall be exempt from participating in the grant diversion program, except that the secretary shall modify the exemptions to achieve uniformity across all KanWork program components based on the approved federal waiver.

(b) Support services. Support services shall be provided to participants. Support services shall include, but are not limited to:

(1) Education and training expenses as outlined in K.A.R. 30-4-120(b)(8);

(2) child care assistance as outlined in K.A.R. 30-4-120(b)(8); and

(3) transportation assistance as outlined in K.A.R. 30-4-120(b)(8); and

(4) family mentor assistance.

(c) Transitional services. Transitional services shall be provided to each participant who loses eligibility for public assistance due to becoming employed. Transitional services shall include, but are not limited to:

(1) Child care assistance as outlined in K.A.R. 30-4-120(b)(9);

(2) transportation assistance as outlined in K.A.R. 30-4-120(b)(9);

(3) special needs assistance as outlined in K.A.R. 30-4-120(b)(9); and

(4) medical assistance as outlined in K.A.R. 30-6-65(j) and (p).

(d) Penalty. A first-time failure of a nonexempt ADC or ADC-FC person to meet the KanWork requirements, without good cause, shall render the individual ineligible for assistance for three months and a subsequent failure shall result in ineligibility for six months. A first-time failure of a nonexempt GA individual to meet the KanWork requirements, without good cause, shall render the individual, and all persons for whom that individual is legally responsible, ineligible for three months and a subsequent failure shall result in ineligibility for six months. A first-time failure of a principal wage earner in ADC-UP to meet the KanWork requirements, without good cause, shall render the individual, and all persons in the mandatory filing unit, ineligible for three months and a subsequent failure shall result in ineligibility for six months. If the person becomes exempt during the penalty period, the penalty shall not be delayed or waived.

This regulation is being proposed to implement the provisions of H.B. 2644.

Economic Impact: S.B. 572 appropriated \$5,000,000 in state general funds for the KanWork program in FY 1989. It is anticipated that an additional \$5,002,789 can be secured in federal matching funds. The KanWork program will focus on assisting public assistance recipients in their attempt to gain self-sufficiency through employment. In so doing, the state's investment will be returned through lower public assistance caseloads as well as the tax revenue and productivity of the newly employed.

This regulation is being further amended to permit the secretary to establish uniform exemptions across all KanWork program components based on an approved federal waiver.

Economic Impact: The economic impact of modifying

the work-related exemptions is included in the above economic impact statement.

6. 30-4-74. Persons whose needs shall be considered with the needs of the ADC child. This regulation is being amended to adopt the July, 1988 temporary change which provides that all children whose needs are met through an ADC foster care payment will be excluded from the mandatory filing unit. This change is being made to accommodate the change to K.A.R. 30-4-80. (Federal Mandate.)

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

7. 30-4-80. Eligibility factors specific to the ADC-FC program. This regulation is being expanded to adopt the July, 1988 temporary change which provides that a child of an ADC-FC recipient shall be deemed to meet the eligibility requirements of the ADC-FC program if the child and the recipient are living together in the same foster care living arrangement. (Federal Mandate.)

Economic Impact: It is estimated that 10 children will be affected by this change annually for a decrease in AFDC expenditures of \$20,880 and an increase in AFDC-FC expenditures of \$23,076 for a net increase of \$2,196 (\$988 state general funds). No increase in medical expenditures is expected.

8. 30-4-90. Eligibility factors specific to the GA-unrestricted (GAU) program. This regulation is being amended to restrict the eligibility criteria for full-time high school students to those students who are under 21 years of age.

Economic Impact: None. There are no persons age 21 or older receiving GAU under this criteria. This change is being made as a result of a suggestion made by the Joint Committee on Rules and Regulations.

9. 30-4-95. Eligibility factors specific to the GA-FC program. This regulation is being amended to extend GA-FC eligibility to youth up to age 21 based on an approved independent living plan.

Economic Impact: It is estimated that GA-FC will be extended for an average of 47.5 youths per month for an annual increase in cash expenditures of \$370,500 state general funds and an increase in medical expenditures of \$80,370 (\$36,005 state general funds) for a total increase in expenditures of \$450,870 (\$406,505 state general funds).

10. 30-4-101. Standards for persons in own home, other family home, specialized living, commercial board and room, or commercial room-only living arrangements. This regulation is being amended to adopt the July, 1988 temporary change which increased the energy supplement contained in the basic standards from \$12 to \$18 per person. This \$6 per person increase represents a 5 percent increase in the public assistance expenditures that were appropriated by the Kansas Legislature.

Economic Impact: S.B. 572 appropriated a 5 percent COLA increase and a 1 percent caseload growth factor in the AFDC and GA programs. It is estimated that these changes will result in increased expenditures of \$7,112,408 (\$2,657,686 state general funds).

11. 30-4-102. Standards for children in foster care. This regulation is being amended to adopt the July, 1988 temporary change which increased the foster family care rates by 3.2 percent. This results in an increase in the

(continued)

daily rates of: \$.19 for infants through four years of age; \$.27 for ages 5 through 11; and \$.44 for children age 12 and older. The increase in foster family care rates was appropriated by the Kansas Legislature.

**Economic Impact:** S.B. 572 appropriated a 1.8 percent caseload growth factor and a 3.2 percent increase in foster family care rates and in the residential standards. It is estimated that the increase in expenditures will be \$275,985 (\$120,750 state general funds) in foster family care and an increase of \$864,767 (\$538,387 state general funds) in residential standards. These changes result in a total increase in expenditures of \$1,140,752 (\$659,137 state general funds).

This regulation is being further amended to adopt the July, 1988 temporary change which provides that the foster care standards are to be used to meet the maintenance needs of a child of an ADC-FC recipient if the recipient and child are living together in the same foster care living arrangement. (Federal Mandate.)

**Economic Impact:** See the economic impact statement for K.A.R. 30-4-80.

**12. 30-4-106. General rules for consideration of resources, including real property, personal property, and income.** This regulation is being amended to adopt the May 1, 1988, temporary change which excludes the income of an alien who is a sibling of an ADC child and who is excluded from the assistance plan due to the provisions of P.L. 99-603, the Immigration Reform and Control Act of 1986. (Federal Mandate.)

**Economic Impact:** IRCA will primarily legalize adults. It was assumed that two alien siblings who have income and are not full-time students will be legalized per year. About \$50 of income will be exempt. This results in increased expenditures of \$600 (\$270 state general funds).

This regulation is being further amended to adopt the July, 1988 temporary change which provides that the income and resources of children who have been excluded from the assistance plan because their needs are met through foster care payments shall not be considered in determining eligibility for the remaining members of the assistance plan. (Federal Mandate.)

**Economic Impact:** See the economic impact statement for K.A.R. 30-4-80.

This regulation is being further amended to no longer exempt contributions made by an SSI recipient toward household expenses when the SSI recipient does not have the legal responsibility to support a person in the plan. (Federal Mandate.)

**Economic Impact:** It is not expected that this change will have any appreciable economic impact as any contributions currently being made will terminate once the agency begins to count the contribution as income.

**13. 30-4-108. Real property.** This regulation is being amended to delete the exemption of real property, other than the home, that is essential for employment or self-employment or that is producing income that is consistent with its fair market value. (Federal Mandate.)

**Economic Impact:** This change reverses the previously proposed permanent regulation that went into effect May 1, 1988, that had an estimated cost increase of \$190,982 (\$183,828 state general funds).

**14. 30-4-110. Income.** This regulation is being amended for a technical change.

**Economic Impact:** None.

**15. 30-4-113. Income exempt as applicable income.** This regulation is being amended to eliminate the exemption of interest income. (Federal Mandate.)

**Economic Impact:** It is estimated that 2,100 cases have interest income of about \$10 per year for an estimated cost savings of \$21,000 (\$9,408 state general funds).

**16. 30-4-120. Special allowances and requirements for applicants and recipients of ADC, ADC-FC, APW, GAU, and GA-FC.** This regulation is being amended to adopt the July, 1988 temporary change which added a special allowance provision for KanWork transition services. Based on an agency-approved plan, transition expenses shall be allowed for the KanWork recipient who loses eligibility for public assistance due to becoming employed. Such expenses include but are not limited to child care, transportation, and special one-time needs. This change is being made to accommodate the provisions of H.B. 2644.

**Economic Impact:** See the economic impact statement for K.A.R. 30-4-63.

This regulation is being further amended to adopt the July, 1988 temporary change which clarifies that education and training costs can include but are not limited to tuition, books, fees, transportation, and child care. This is a technical change only.

**Economic Impact:** None.

#### Article 5—

#### Provider Participation, Scope of Services, and Reimbursements for the Medicaid (Medical Assistance) Program

**1. 30-5-58. Definitions.** This regulation is being amended to delete the definition of "disproportionate number of low income patients with special needs" and to replace it with the definition of "disproportionate share hospital" as follows:

(s) "Disproportionate share hospital" means a hospital that has:

(1) A medicaid/medikan inpatient utilization rate of at least one standard deviation above the mean medicaid/medikan inpatient utilization rate for hospitals within the state borders of Kansas which are receiving medicaid/medikan payments or a hospital with a low-income utilization rate exceeding 25%; and

(2) at least two obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to medicaid/medikan eligible individuals with the exception of:

(A) A hospital with inpatients who are predominantly under 18 years of age; or

(B) a hospital which did not offer non-emergency obstetric services as of December 21, 1987. In a hospital located in a rural area, the obstetrician may be any physician with staff privileges at the hospital to perform non-emergency obstetric procedures.

Add the following new definitions:

(gg) "Hospital located in a rural area" means a facility located in an area outside of a metropolitan statistical area as defined by the executive office of management and budget under the health care financing administration.

(11) "Low-income utilization rate for hospitals" means

the rate which is defined in accordance with the Omnibus Budget Reconciliation Act, Public Law, 100-203, Section 4112, effective July 1, 1988. (Federal Mandate.)

(nn) "Medicaid/medikan hospital inpatient utilization rate" means the total number of medicaid/medikan paid inpatient days in a cost reporting period, divided by the total number of the hospital's inpatient days in the same period.

Economic Impact: See economic impact statement for K.A.R. 30-5-81b.

2. **30-5-81. Scope of hospital services.** This regulation is being amended to adopt the May 27, 1988, temporary change which adds the coverage of liver transplants for EPSDT program participants.

Economic Impact:

\$552,000 increased expenditure

\$248,786 state general funds

\$303,214 federal funds

3. **30-5-81b. The basis of reimbursement for hospital services.** This regulation is being amended to be consistent with the definitional changes and additions to K.A.R. 30-5-58 and to change the reimbursement methodology for hospitals determined to be disproportionate share hospitals to be in accordance with the Omnibus Budget Reconciliation Act of 1988, Public Law 100-203, Section 4112, effective July 1, 1988. (Federal Mandate.)

Economic Impact: Estimated increased expenditure of \$2,200,800.

4. **30-5-88. Scope of physician services.** This regulation is being amended to adopt the May 27, 1988, temporary change which adds the coverage of liver transplants for EPSDT program participants.

Economic Impact: See the economic impact statement for K.A.R. 30-5-81.

5. **30-5-100. Scope of dental services.** This regulation is being amended to delete emergency dental services for adult medicaid recipients.

Economic Impact: None.

#### Article 6—

##### Medical Assistance Program—

##### Client's Eligibility for Participation

1. **30-6-41. Assistance planning.** This regulation is being amended to adopt the July, 1988 temporary change which provides a cross-reference to K.A.R. 30-6-77 for purposes of establishing the mandatory filing unit for the new program for poverty level pregnant women and young children. This change is as a result of specific appropriations made by the Kansas Legislature for pregnant women and for children under two years of age.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

2. **30-6-53. Financial eligibility.** This regulation is being amended to adopt the July, 1988 temporary change which makes sections (c) and (d) of this regulation not applicable in determining eligibility for poverty level pregnant women and young children. Persons with a spenddown are not eligible for the new program and thus, no medical expenses can be deducted to lower the spenddown. This is a technical change to accommodate the new provisions of K.A.R. 30-6-77.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

3. **30-6-56. Transfer of property.** This regulation is being amended for SSI to adopt the May 1, 1988, temporary change which requires the agency to initially waive or subsequently suspend an established period of ineligibility resulting from a transfer of property without adequate consideration when it is determined that such action is necessary to avoid undue hardship. (Federal Mandate.)

Economic Impact: It is estimated that about two clients per month will not become ineligible for transferring property without consideration. This change will result in a cost increase of \$13,968 (\$6,286 state general funds).

This regulation is being further amended to adopt the May 1, 1988, temporary change which provides that a division of resources between a husband and wife pursuant to 1988 SB No. 264 shall not affect eligibility under the transfer of property provisions.

Economic Impact: See economic impact statement for K.A.R. 30-6-106.

4. **30-6-58. Potential employment.** This regulation is being amended to adopt the January 21, 1988, temporary change which provides that the failure of a nonexempt principal wage earner in ADC-UP to meet the potential employment requirement without good cause shall render the individual and all persons in the mandatory filing unit ineligible for the penalty period. (Federal Mandate.)

Economic Impact: This change will result in approximately two MAcrADC case closures per year for a cost savings of \$65 (\$29 state general funds).

This regulation is being further amended to clarify that any persons who are exempted from the job search requirement for any reason other than full-time employment shall be exempt from this regulation. This is a technical change only.

Economic Impact: None. This is a clarification of existing policy.

5. **30-6-65. Automatic eligibles.** This regulation is being amended to adopt the July, 1988 temporary regulation which expands the automatic eligible provisions to include a KanWork participant and the participant's family who have lost eligibility for public assistance due to employment. Automatic eligibility for the medical assistance program shall not exceed 12 months immediately subsequent to the last month in which the family was eligible and legally entitled to receive public assistance. Eligibility shall be contingent upon an agency-approved plan in which the recipient has the responsibility to contribute to the payment of the costs for medical coverage for a portion of the 12-month period. This change is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

This regulation is being further amended to extend the provision allowing for automatic eligibility when a person becomes ineligible for ADC, ADC-FC or APW solely because of the termination of the earned income disregards from nine months to 12 months for KanWork participants and their immediate families.

Economic Impact: It is estimated that 25 families will receive the extended medical assistance per year for an additional three months. This will result in increased ex-

(continued)



penditures of approximately \$15,300 (\$6,854 state general funds).

**6. 30-6-74. Persons whose needs are to be considered with the needs of the ADC child.** This regulation is being amended to adopt the July, 1988 temporary change which provides that all children whose needs are met through an ADC foster care payment will be excluded from the mandatory filing unit. This change is being made to accommodate the change to K.A.R. 30-4-80. (Federal Mandate.)

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

**7. 30-6-77. Poverty level pregnant women and young children; determined eligibles.** The secretary is promulgating a new regulation. This regulation was adopted as a temporary regulation effective July, 1988. The text of the regulation is set forth below:

**30-6-77. Poverty level pregnant women and young children; determined eligibles.** Each applicant or recipient shall meet the general eligibility requirements of K.A.R. 30-6-50 and the specific eligibility requirements set forth below. (a) Pregnant woman. Each eligible woman shall be medically determined to be pregnant. Assistance under this provision shall continue for two calendar months following the month in which the pregnancy terminates.

(b) Young child. Each eligible child shall be under two years of age. Assistance under this provision shall continue through the month in which the child turns age two, or if receiving inpatient services in the month in which the child turns age two, eligibility shall continue through the calendar month in which that inpatient care ends.

(c) Persons whose needs are to be considered in determining eligibility.

(1) For pregnant women, the needs of the pregnant woman, the unborn child and the father of the unborn child shall be considered if living together. If the pregnant woman is a minor, the needs of her parents shall be included if living together.

(2) For young children, the needs of the child and the child's parents shall be considered if living together.

(3) Other pregnant women and young children in the family group for whom assistance is requested shall be included in the assistance plan if otherwise eligible.

(d) Financial eligibility. One hundred percent of the official federal nonfarm poverty level shall be used as the protected income level for the number of persons in the plan and any other persons in the family whose income is being considered. Total applicable income to be considered in the eligibility base period shall be compared against the poverty level for the base period. To be eligible under this provision, the total applicable income shall not exceed the poverty level established for the base period. Ownership of excess nonexempt real or personal property shall not result in ineligibility.

Economic Impact: S.B. 572 appropriated \$4,035,200 (\$1,815,840 state general funds) for expanding medical coverage for pregnant women and for children under two years of age.

**8. 30-6-78. Medicaid (title XIX) determined eligibles—eligibility factors specific to aid to pregnant women (APW).** This regulation is being amended to adopt the July, 1988 temporary change which restricts eligibility under the APW program to women who do not qualify

for medical assistance under the provisions of K.A.R. 30-6-77. This is a technical change to accommodate the new provisions of K.A.R. 30-6-77.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

**9. 30-6-103. Determined eligibles; protected income levels.** This regulation is being amended to adopt the July, 1988 temporary change which increased the protected income levels for persons in independent living arrangements from \$460 to \$466 for two persons and from \$460 to \$480 for three persons. The protected income levels for four or more persons shall be the sum of the basic standard for a like public assistance family plus the maximum state shelter standard. (Federal Mandate.)

Economic Impact: As a result of the increases in the public assistance standards, it is necessary to increase the protected income levels for families of two or more persons. It is estimated that 3,285 cases per month will be affected by this change with an estimated decrease in spenddown of \$14 per person. Annualized, this results in increased expenditures of \$551,880 (\$248,346 state general funds).

This regulation is being further amended to adopt the July, 1988 temporary change which increases the protected income level for persons in institutional living arrangements from \$25 to \$30. This change is being made to parallel the increase the SSI benefits for institutionalized persons as provided in Section 9119 of the Omnibus Budget Reconciliation Act of 1987.

Economic Impact: It is estimated that 12,473 persons per month who reside in institutional living arrangements will be affected by this change. The increase in the protected needs allowance will result in a decreased patient liability of \$5 per person per month. Annualized, it is estimated that this change will result in increased expenditures of \$748,380 (\$374,190 state general funds).

This regulation is being further amended to adopt the July, 1988 temporary change which provides that the protected income level for pregnant women and for children under age two who qualify under the provisions of K.A.R. 30-6-77 be equal to 100 percent of the official federal nonfarm poverty level. This change is a result of appropriations specifically designated by the Kansas Legislature for pregnant women and children under two years of age.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

**10. 30-6-106. General rules for consideration of resources, including real property, personal property, and income.** This regulation is being amended to adopt the May 1, 1988, temporary change which modifies the income provision in which income is considered for a six-month period following the month in which the care situation begins with a husband and wife are both applicants or recipients and when one or both enter a care situation to include spouses who reside in the same care situation. Previously, the six-month income provision was limited to spouses who shared the same room in a care situation. (Federal Mandate.)

Economic Impact: This change will eliminate spenddown for about five clients per month. It was assumed the cost of care will increase about \$200 per month. This will result in an increase in expenditures of \$72,000 (\$32,400 state general funds).



This regulation is being further amended for SSI to adopt the May 1, 1988 temporary change which provides that real property shall be considered unavailable for so long as it cannot be sold because the property is jointly owned and its sale would cause undue hardship due to the loss of housing for the other owner, or the owners' reasonable efforts to sell the property have been unsuccessful. (Federal Mandate.)

**Economic Impact:** It is estimated that two clients will become eligible per month for an increase in expenditures of \$6,987 (\$3,144 state general funds).

This regulation is being further amended for SSI to adopt the May 1, 1988 temporary change which provides that the separate share of resources of the applicant's or recipient's spouse resulting from a division of resources between a husband and wife pursuant to 1988 SB No. 264 shall not be considered available to the applicant or recipient except as provided by the rules regarding the consideration of combined income and resources where both spouses are applicants or recipients and one or both enter a care situation.

**Economic Impact:** S.B. 572 appropriated \$6,100,000 (\$2,745,000 state general funds).

This regulation is being amended to adopt the July, 1988 temporary change which provides that the income and resources of children who have been excluded from the assistance plan because their needs are met through foster care payments shall not be considered in determining eligibility for the remaining members of the assistance plan. (Federal Mandate.)

**Economic Impact:** See the economic impact statement for K.A.R. 30-4-80.

This regulation is being further amended to no longer exempt contributions made by an SSI recipient toward household expenses when the SSI recipient does not have the legal responsibility to support a person in the plan. (Federal Mandate.)

**Economic Impact:** It is not expected that this change will have any appreciable economic impact as any contributions currently being made will terminate once the agency begins to count the contribution as income.

**11. 30-6-107. Property exemption.** This regulation is being amended to adopt the July, 1988 temporary change which provides that the ownership of excess nonexempt real and personal property will not result in ineligibility for pregnant women and children under two years of age who qualify for medical assistance under K.A.R. 30-6-77. This change is a result of appropriations specifically designated by the Kansas Legislature for pregnant women and children under two years of age.

**Economic Impact:** See the economic impact statement for K.A.R. 30-6-77.

**12. 30-6-108. Real property.** This regulation is being amended for non-SSI cases to delete the exemption of real property, other than the home, that is essential for employment or self-employment or that is producing income that is consistent with its fair market value. (Federal Mandate.)

**Economic Impact:** This change reverses the previously proposed temporary regulation that went into effect May 1, 1988, that had an estimated cost increase of \$5,770 (\$2,584 state general funds).

**13. 30-6-109. Personal property.** This regulation is

being amended for SSI to adopt the May 1, 1988, temporary change which modifies the exemption of a retroactive Social Security benefit from six months to nine months following the month of receipt. (Federal Mandate.)

**Economic Impact:** This change will result in approximately three clients per month receiving an additional three months of benefits. This will result in a total cost increase of \$5,240 (\$2,358 state general funds).

**14. 30-6-112. Income exempt from consideration as income and as a cash asset.** This regulation is being amended for SSI to adopt the May 1, 1988, temporary change which excludes payments occasioned by the death of another person to the extent that payments have been expended or committed to be expended for purposes of the deceased person's last illness and burial. Such payments include, but are not limited to, proceeds from a life insurance or burial insurance policy, gifts, and inheritances. (Federal Mandate.)

**Economic Impact:** This change will result in approximately three more clients per month becoming eligible for a total increase in expenditures of \$10,480 (\$4,716 state general funds).

**15. 30-6-113. Income exempt as applicable income.** This regulation is being amended for SSI to adopt the May 1, 1988, temporary change which extends the time limit for making application for medical assistance under the disabled widow or widower provisions to July 1, 1988. (Federal Mandate.)

**Economic Impact:** This change will result in one additional person becoming eligible per year under this expansion. It is estimated that this will result in an increase in expenditures of \$582 (\$262 state general funds).

This regulation is being further amended for SSI to adopt the May 1, 1988, temporary change which exempts income that is allocated and expended by a person in an institutional living arrangement or a home and community based services care arrangement for the support of the person's spouse pursuant to 1988 SB No. 264.

**Economic Impact:** See the economic impact statement for K.A.R. 30-6-106.

This regulation is being further amended for SSI to adopt the July, 1988 temporary change which exempts the amount of Social Security early widow or widower benefits under section 202(e) or (f) of the Social Security Act provided that the person: became ineligible for SSI because of the receipt of such benefits; would be currently eligible for SSI in the absence of such benefit; and is not entitled to hospital insurance benefits under Part A of Title XVIII of the Social Security Act. (Federal Mandate.)

**Economic Impact:** It is estimated that five persons per month will be affected by this change. These persons will now have a decrease in spenddown of about \$40 per month. It is estimated that this change will result in increased expenditures of \$2,400 (\$1,080 state general funds).

This regulation is being further amended to eliminate the exemption of interest income. (Federal Mandate.)

**Economic Impact:** It is estimated that 2,800 cases have interest income of about \$15 per year for an estimated cost savings of \$42,000 (\$18,816 state general funds).

(continued)

## Article 10—

## Medicaid/Medikan Program—Adult Care Homes

1. 30-10-18. Rates of reimbursement. This regulation is being amended to adopt the January 21, 1988, temporary changes which were as follows:

(a) Change the term "change of ownership" to "change of provider" for purposes of clarity;

(b) provide that a retroactive settlement will be made based on the variances between the interim payment rates and the historic rates from the first cost report filed by the new provider subject to K.A.R. 30-10-18(a)(2);

(c) change subsection (h) of this regulation to read as follows:

(h) Projected survey correction budget to meet survey requirements.

(1) Intermediate care facilities for the mentally retarded (ICF-MR) required by a state or federal certification survey to incur additional operating costs in excess of \$125,000.00 for facilities with more than 15 beds, and \$40,000.00 for facilities with 15 beds or less, to meet certification requirements, shall be allowed to file a projected survey correction budget.

The projected survey correction budget shall be based on a proposed budget for the survey corrections for the provider's most immediate future 12-month period. The projection period shall end on the last day of a calendar month. Copies of the survey deficiencies shall be attached to the projected survey correction budget.

(2) The projected survey correction budget shall be reviewed for reasonableness and appropriateness by the agency before the rate or rates are established for the projection period. The projected budget items which are determined to be unreasonable or not appropriate to the survey corrections shall be excluded.

(3) A reasonable add-on to the per diem rate already in effect shall be determined from the reviewed correction budget. The increases to the per diem rate shall not be limited by K.A.R. 30-10-18(a)(2).

(4) Within three months after the end of the projection period, the provider shall submit sufficient documentation for audit of its actual expenditures for the survey corrections. The add-on adjustments shall be reduced for any amounts of the survey correction budget not spent for purposes reasonable and appropriate to the survey corrections. (Federal Mandate); and

(d) add new subsection (i) which reads as follows:

(i) Determination of rates for adult care home providers re-entering the medicaid program.

(1) The per diem rate for each provider re-entering the medicaid program shall be determined from:

(A) A projected cost report where the provider has not actively participated in the program by the submission of any current patient service billings to the program for 24 months or more or has not participated in the medicaid program for less than 24 months, and the per diem rate to be paid is not sufficient reimbursement for providing the economic and efficient care and services required by program laws and regulations; or

(B) the last historic cost report filed with the agency if the provider has not actively participated in the program during the most recent 24 months, and if the per diem rate to be paid is sufficient reimbursement for providing

the economic and efficient care and services required by program laws and regulations, the agency shall apply the appropriate historic and estimated inflation factors to the per diem rate determined in accordance with this paragraph.

(2) Where the per diem rate for a provider re-entering the program is determined in accordance with paragraph (1)(A) of this section, the agency will make a settlement in accordance with K.A.R. 30-10-18(f).

(3) Where the per diem rate for a provider re-entering the program is determined in accordance with paragraph (1)(B) of this section, the agency will make settlements only on those historic cost reports with fiscal years beginning after the date on which the provider re-entered the program.

Economic Impact: The re-draft of K.A.R. 30-10-18(h) had an original fiscal note of \$1.6 million. This was due to the fact that Winfield State Hospital is the only facility that will have a second projection. This regulation will allow the state to recover \$883,200 in federal financial participation (FFP) from the \$1.6 million expenditure made by the state. This expenditure has been budgeted in the Division of Mental Health and Retardation Services. It is not anticipated that any other ICF-MR will need to file a second projected cost report for deficiencies.

A copy of the proposed regulations and the complete economic impact statements may be obtained prior to July 22 by contacting Mary Slaybaugh, Legal Division, 6th Floor, Docking State Office Building, Topeka 66612, (913) 296-3969. This 30-day notice of hearing is for the purpose of receiving comments concerning the proposed regulations. Written comments may be submitted prior to July 22 to Winston Barton, Secretary of Social and Rehabilitation Services, at the address above.

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

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

WINSTON BARTON  
Secretary of Social and  
Rehabilitation Services

Doc. No. 006691

**State of Kansas**  
**SOCIAL AND REHABILITATION SERVICES**

**NOTICE OF HEARING  
 ON PROPOSED  
 ADMINISTRATIVE REGULATIONS**

The Department of Social and Rehabilitation Services will meet at 9:30 a.m. Friday, July 22, in the SRS Staff Development Training Center, 300 S.W. Oakley, Topeka.

The scheduled agenda includes:

- Public hearing concerning proposed temporary administrative regulations. The summary and economic impact statements are set forth below. The phrase "Federal Mandate" following an item indicates that the change is required by federal policy. Optional changes in regulations related to federal programs are subject to approval by the U.S. Department of Health and Human Services.
- Adoption of proposed temporary administrative regulations.
- Other items as necessary.

**Article 4—**

**Public Assistance Programs**

**1. 30-4-50. Assistance eligibility, general.** This regulation is being amended to include the KanWork program outlined in K.A.R. 30-4-63 as a new general eligibility requirement. This is a technical change only and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

**2. 30-4-57. Job search requirements.** This regulation is being amended to modify the language of the exemptions to permit the adoption of the job search exemptions to the KanWork program. This is a technical change only and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

**3. 30-4-62. Community work experience program requirements.** This regulation is being amended to restrict the exemption for any parent or other relative personally providing care for a child under the age of six to non-KanWork counties and to add an exemption for KanWork counties for any parent or other relative who is personally providing care for a child under the age of three. This change is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

This regulation is being further amended to modify the language of the CWEP exemptions to permit the adoption of these exemptions to the KanWork program. This is a technical change and is being made to accommodate the provisions of H.B. 2644.

Economic Impact: None.

**4. 30-4-63. KanWork program requirements.** The secretary is promulgating a new regulation to establish the KanWork program in those counties in the state that are designated by the secretary as KanWork counties. The KanWork program incorporates the job search provisions of K.A.R. 30-4-57, the Community Work Experience pro-

gram provisions of K.A.R. 30-4-62, and the Work Incentive program provisions of K.A.R. 30-4-75. In addition, the Kan-Work program will incorporate education and training provisions aimed at facilitating a recipient's movement toward self-sufficiency and employment retention and a grant diversion program in which an employer receives a wage subsidy from money diverted in accordance with law from public assistance grants.

Support services shall be provided to KanWork participants including education and training expenses, child care assistance, transportation assistance, and family mentor assistance. For KanWork participants who lose eligibility for public assistance due to becoming employed, transitional services will be provided including child care, transportation, special needs, and medical assistance.

A first-time failure of a nonexempt person to meet the KanWork requirements, without good cause, shall render the individual ineligible for assistance for three months and a subsequent failure shall result in ineligibility for six months. For GA, the penalty shall also affect the eligibility of all persons for whom the individual is legally responsible. For ADC-UP, if the principal wage earner fails to meet the KanWork requirements, the penalty shall also affect the eligibility of all persons in the mandatory filing unit. If the person becomes exempt during the penalty period, the penalty shall not be delayed or waived.

This regulation is being proposed to implement the provisions of H.B. 2644.

Economic Impact: S.B. 572 appropriated \$5,000,000 in state general funds for the KanWork Program in FY 1989. It is anticipated that an additional \$5,002,789 can be secured in federal matching funds. The KanWork program will focus on assisting public assistance recipients in their attempt to gain self-sufficiency through employment. In so doing, the state's investment will be returned through lower public assistance caseloads as well as the tax revenue and productivity of the newly employed.

**5. 30-4-74. Persons whose needs shall be considered with the needs of the ADC child.** This regulation is being amended to provide that all children whose needs are met through an ADC foster care payment will be excluded from the mandatory filing unit. This change is being made to accommodate the change to K.A.R. 30-4-80.

Federal Mandate: The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987 which amended Section 402(a)(24) of Title IV-A of the Social Security Act.

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

**6. 30-4-80. Eligibility factors specific to the ADC-FC program.** This regulation is being expanded to provide that a child of an ADC-FC recipient shall be deemed to meet the eligibility requirements of the ADC-FC program if the child and the recipient are living together in the same foster care living arrangement.

Federal Mandate: The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987 which amended Section 402(a)(24) of Title IV-A of the Social Security Act.

Economic Impact: It is estimated that 10 children will be affected by this change annually for a decrease in AFDC expenditures of \$20,880 and an increase in AFDC-

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FC expenditures of \$23,076 for a net increase of \$2,196 (\$988 state general funds). No increase in medical expenditures is expected.

**7. 30-4-101. Standards for persons in own home, other family home, specialized living, commercial board and room, or commercial room-only living arrangements.** This regulation is being amended to increase the energy supplement contained in the basic standards from \$12 to \$18 per person. This \$6 per person increase represents a 5 percent increase in the public assistance expenditures that were appropriated by the Kansas Legislature.

Economic Impact: S.B. 572 appropriated a 5 percent COLA increase and a 1 percent caseload growth factor in the AFDC and GA programs. It is estimated that these changes will result in increased expenditures of \$7,112,408 (\$2,657,686 state general funds).

**8. 30-4-102. Standards for children in foster care.** This regulation is being amended to increase the foster family care rates by 3.2 percent. This results in an increase in the daily rates of: \$.19 for infants through four years of age; \$.27 for ages 5 through 11; and \$.44 for children age 12 and older. The increase in foster family care rates was appropriated by the Kansas Legislature.

Economic Impact: S.B. 572 appropriated a 1.8 percent caseload growth factor and a 3.2 percent increase in foster family care rates and in the residential standards. It is estimated that the increase in expenditures will be \$275,985 (\$120,750 state general funds) in foster family care and an increase of \$864,767 (\$538,387 state general funds) in residential standards. These changes result in a total increase in expenditures of \$1,140,752 (\$659,137 state general funds).

This regulation is being further amended to provide that the foster care standards are to be used to meet the maintenance needs of a child of an ADC-FC recipient if the recipient and child are living together in the same foster care living arrangement.

Federal Mandate: The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987 which amended Section 475(4) of Title IV-E of the Social Security Act.

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

**9. 30-4-106. General rules for consideration of resources, including real property, personal property, and income.** This regulation is being amended to provide that the income and resources of children who have been excluded from the assistance plan because their needs are met through foster care payments shall not be considered in determining eligibility for the remaining members of the assistance plan.

Federal Mandate: The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987 which amended Section 402(a)(24) of Title IV-A of the Social Security Act.

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

**10. 30-4-120. Special allowances and requirements for applicants and recipients of ADC, ADC-FC, APW, GAU, and GA-FC.** This regulation is being amended to add a special allowance provision for KanWork transition services. Based on an agency-approved plan, transition expenses shall be allowed for the KanWork recipient who

loses eligibility for public assistance due to becoming employed. Such expenses include but are not limited to child care, transportation, and special one-time needs. This change is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

This regulation is being further amended to clarify that education and training costs can include but are not limited to tuition, books, fees, transportation, and child care. This is a technical change only.

Economic Impact: None.

#### Article 5—

#### Provider Participation, Scope of Services, and Reimbursements for the Medicaid (Medical Assistance) Program

**1. 30-5-58. Definitions.** This regulation is being amended to delete the definition of "disproportionate number of low income patients with special needs" and to replace it with the definition of "disproportionate share hospital" as follows:

(s) "Disproportionate share hospital" means a hospital that has:

(1) A medicaid/medikan inpatient utilization rate of at least one standard deviation above the mean medicaid/medikan inpatient utilization rate for hospitals within the state borders of Kansas which are receiving medicaid/medikan payments or a hospital with a low-income utilization rate exceeding 25%; and

(2) at least two obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to medicaid/medikan eligible individuals with the exception of:

(A) A hospital with inpatients who are predominantly under 18 years of age; or

(B) a hospital which did not offer non-emergency obstetric services as of December 21, 1987. In a hospital located in a rural area, the obstetrician may be any physician with staff privileges at the hospital to perform non-emergency obstetric procedures.

Add the following new definitions:

(gg) "Hospital located in a rural area" means a facility located in an area outside of a metropolitan statistical area as defined by the executive office of management and budget under the health care financing administration.

(11) "Low-income utilization rate for hospitals" means the rate which is defined in accordance with the Omnibus Budget Reconciliation Act, Public Law 100-203, Section 4112, effective July 1, 1988.

(nn) "Medicaid/medikan hospital inpatient utilization rate" means the total number of medicaid/medikan paid inpatient days in a cost reporting period, divided by the total number of the hospital's inpatient days in the same period.

Federal Mandate: These changes are required based on federal mandate (Public Law 100-203, Section 4112 Omnibus Budget Reconciliation Act).

Economic Impact: See economic impact statement for K.A.R. 30-5-81b.

**2. 30-5-81b. The basis of reimbursement for hospital services.** This regulation is being amended to be consistent with the definitional changes and additions to

K.A.R. 30-5-58 and to change the reimbursement methodology for hospitals determined to be disproportionate share hospitals to be in accordance with the Omnibus Budget Reconciliation Act of 1988, Public Law 100-203, Section 4112, effective July 1, 1988.

Federal Mandate: These changes are required based on federal mandate (Public Law 100-203, Section 4112 Omnibus Budget Reconciliation Act).

Economic Impact: Estimated annual increased expenditure of \$2,200,800.

**3. 30-5-100. Scope of dental services.** This regulation is being amended to delete emergency dental services for adult medicaid recipients.

Economic Impact: None.

#### Article 6—

#### Medical Assistance Program— Client's Eligibility for Participation

**1. 30-6-41. Assistance planning.** This regulation is being amended to provide a cross-reference to K.A.R. 30-6-77 for purposes of establishing the mandatory filing unit for the new program for poverty level pregnant women and young children. This change is as a result of specific appropriations made by the Kansas Legislature for pregnant women and for children under two years of age.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

**2. 30-6-53. Financial eligibility.** This regulation is being amended to make sections (c) and (d) of this regulation not applicable in determining eligibility for poverty level pregnant women and young children. Persons with a spenddown are not eligible for the new program and thus, no medical expenses can be deducted to lower the spenddown. This is a technical change to accommodate the new provisions of K.A.R. 30-6-77.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

**3. 30-6-65. Automatic eligibles.** This regulation is being amended to expand the automatic eligible provisions to include a KanWork participant and the participant's family who have lost eligibility for public assistance due to employment. Automatic eligibility for the medical assistance program shall not exceed 12 months immediately subsequent to the last month in which the family was eligible and legally entitled to receive public assistance. Eligibility shall be contingent upon an agency-approved plan in which the recipient has the responsibility to contribute to the payment of the costs for medical coverage for a portion of the 12-month period. This change is being made to accommodate the provisions of H.B. 2644.

Economic Impact: See the economic impact statement for K.A.R. 30-4-63.

**4. 30-6-74. Persons whose needs are to be considered with the needs of the ADC child.** This regulation is being amended to provide that all children whose needs are met through an ADC foster care payment will be excluded from the mandatory filing unit. This change is being made to accommodate the change to K.A.R. 30-4-80.

Federal mandate: The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987 which amended Section 402(a)(24) of Title IV-A of the Social Security Act.

Economic Impact: See the economic impact statement for K.A.R. 30-4-80.

**5. 30-6-77. Poverty level pregnant women and young children determined eligibles.** The secretary is promulgating a new regulation to establish medical eligibility for pregnant women and for children under two years of age. One hundred percent of the official federal nonfarm poverty level will be used as the protected income level for the number of persons in the plan and any other persons in the family whose income is being considered. To be eligible under this provision, the total applicable income can not exceed the poverty level established for the base period. Ownership of excess nonexempt real or personal property will not result in ineligibility. A woman must be medically determined to be pregnant. Assistance under this provision will continue for two calendar months following the month in which the pregnancy terminates. A child must be under two years of age. Assistance under this provision will continue through the month in which the child turns age two or, if receiving inpatient services in the month in which the child turns age two, eligibility will continue through the calendar month in which that inpatient care ends. For cases involving a pregnant woman, the needs of the pregnant woman, the unborn child, and the father of the unborn child will be considered if living together. If the pregnant woman is a minor, the needs of her parents shall also be included if living together. For young children, the needs of the child and the child's parents will be considered if living together. Other children under the age of two may be included in the assistance plan if living in the home and if assistance is requested. This new regulation is a result of appropriations specifically designated by the Kansas Legislature for pregnant women and children under two years of age.

Economic Impact: S.B. 572 appropriated \$4,035,200 (\$1,815,840 state general funds) for expanding medical coverage for pregnant women and for children under two years of age.

**6. 30-6-78. Medicaid (title XIX) determined eligibles—eligibility factors specific to aid to pregnant women (APW).** This regulation is being amended to restrict eligibility under the APW program to women who do not qualify for medical assistance under the provisions of K.A.R. 30-6-77. This is a technical change to accommodate the new provisions of K.A.R. 30-6-77.

Economic Impact: See the economic impact statement for K.A.R. 30-6-77.

**7. 30-6-103. Determined eligibles; protected income levels.** This regulation is being amended by increasing the protected income levels for persons in independent living arrangements from \$460 to \$466 for two persons and from \$460 to \$480 for three persons. The protected income levels for four or more persons shall be the sum of the basic standard for a like public assistance family plus the maximum state shelter standard.

Federal Mandate: The above change is required by 42 CFR 435.811, 435.812, and 435.1007.

Economic Impact: As a result of the increases in the public assistance standards, it is necessary to increase the protected income levels for families of two or more persons. It is estimated that 3,285 cases per month will be affected by this change with an estimated decrease in

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spenddown of \$14 per person. Annualized, this results in increased expenditures of \$551,880 (\$248,346 state general funds).

This regulation is being further amended so that the protected income level for persons in institutional living arrangements be increased from \$25 to \$30. This change is being made to parallel the increase in SSI benefits for institutionalized persons as provided in Section 9119 of the Omnibus Budget Reconciliation Act of 1987.

**Economic Impact:** It is estimated that 12,473 persons per month who reside in institutional living arrangements will be affected by this change. The increase in the protected needs allowance will result in a decreased patient liability of \$5 per person per month. Annualized, it is estimated that this change will result in increased expenditures of \$748,380 (\$374,190 state general funds).

This regulation is being further amended to provide that the protected income level for pregnant women and for children under age two who qualify under the provisions of K.A.R. 30-6-77 equal 100 percent of the official federal nonfarm poverty level. This change is a result of appropriations specifically designated by the Kansas Legislature for pregnant women and children under two years of age.

**Economic Impact:** See the economic impact statement for K.A.R. 30-6-77.

**8. 30-6-106. General rules for consideration of resources, including real property, personal property, and income.** This regulation is being amended to provide that the income and resources of children who have been excluded from the assistance plan because their needs are met through foster care payments shall not be considered in determining eligibility for the remaining members of the assistance plan.

**Federal Mandate:** The above change is required by Section 9133 of the Omnibus Budget Reconciliation Act of 1987, which amended Section 402(a)(24) of Title IV-A of the Social Security Act.

**Economic Impact:** See the economic impact statement for K.A.R. 30-4-80.

**9. 30-6-107. Property exemption.** This regulation is being amended to provide that the ownership of excess nonexempt real and personal property will not result in ineligibility for pregnant women and children under two years of age who qualify for medical assistance under K.A.R. 30-6-77. This change is a result of appropriations specifically designated by the Kansas Legislature for pregnant women and children under two years of age.

**Economic Impact:** See the economic impact statement for K.A.R. 30-6-77.

**10. 30-6-113. Income exempt as applicable income.** This regulation is being amended for SSI to exempt the amount of Social Security early widow or widower benefits under section 202(e) or (f) of the Social Security Act provided that the person became ineligible for SSI because of the receipt of such benefits, would be currently eligible for SSI in the absence of such benefit, and is not entitled to hospital insurance benefits under Part A of Title XVIII of the Social Security Act.

**Federal Mandate:** The above change is required by Section 9116 of the Omnibus Budget Reconciliation Act of 1987.

**Economic Impact:** It is estimated that five persons per

month will be affected by this change. These persons will now have a decrease in spenddown of about \$40 per month. Annualized, it is estimated that this change will result in increased expenditures of \$2,400 (\$1,080 state general funds).

A copy of the proposed regulations and the complete economic impact statements may be obtained prior to July 22 by contacting Mary Slaybaugh, Legal Division, 6th Floor, Docking State Office Building, Topeka 66612, (913) 296-3969. This 30-day notice of hearing is for the purpose of receiving comments concerning the proposed regulations. Written comments may be submitted prior to such date to Winston Barton, Secretary of Social and Rehabilitation Services, at the address above.

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

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

WINSTON BARTON  
Secretary of Social and  
Rehabilitation Services

Doc. No. 006692

## State of Kansas

### DEPARTMENT OF HEALTH AND ENVIRONMENT

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

The Kansas Department of Health and Environment will conduct a public hearing at 9 a.m. Monday, July 18, in the auditorium of the Topeka-Shawnee County Health Department, 1615 W. 8th, Topeka, to consider the adoption of amended permanent Kansas Department of Health and Environment administrative rule and regulation K.A.R. 28-50-9, pertaining to the control of asbestos abatement activities. This rule and regulation is proposed to be adopted to replace temporary administrative regulation K.A.R. 28-50-9, which became effective on May 1, 1988, and will expire on October 1, 1988.

The amendment is being proposed to correct an improper reference to subsection (a)(9) of the regulation that is contained in subsection (a)(4) and (a)(12) of permanent administrative regulation K.A.R. 28-50-9, as adopted on November 30, 1987. The amendment would change these references to subsection "(a)(11)" of the rule and regulation, and extend the amount of time required to expire before certain actions authorized by the subsections can be taken. The amended time periods would be identical to those that were required prior to the November 30,



1987, amendment of the regulation and continue to be required under the temporary regulation that has replaced the permanent regulation adopted at that time.

The proposed amended rule and regulation also contains additional language changes that the office of the Kansas Secretary of Administration considers necessary in order to approve the organization, style, orthography and grammar of the rule and regulation, as required by K.S.A. 77-420.

Because the proposed amended requirements are identical to work practice requirements that have previously been enforced, no change in the economic impact of the regulation in relation to the regulated parties, the public or the Department of Health and Environment is expected to occur as a result of their implementation.

Copies of the proposed amended rule and regulation, and a complete economic impact statement pertaining to it, may be obtained by contacting Howard Saiger, Department of Health and Environment, Forbes Field, Topeka 66620-0001, (913) 296-1544.

The time period between the publication of this notice and the scheduled hearing constitutes a public comment period for the purpose of receiving written public comments on the proposed amended rule and regulation. All interested parties may submit such comments prior to the hearing by mailing them to the address above. All interested parties will also be given a reasonable opportunity at the hearing to present their views, orally or in writing, concerning the adoption of the proposed amended rule and regulation. In order to give all persons an opportunity to present their views, it may be necessary to limit oral presentations to five minutes.

Following the hearing, all written and oral comments submitted by interested parties will be considered as the basis for making changes in these proposals.

STANLEY C. GRANT  
Secretary of Health  
and Environment

Doc. No. 006696

**State of Kansas**

**DEPARTMENT OF HEALTH  
AND ENVIRONMENT**

**NOTICE CONCERNING KANSAS  
WATER POLLUTION CONTROL PERMIT**

In accordance with state regulation 28-16-57 through 28-16-63, 28-16-83 through 28-16-98, 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 publicly owned treatment works for the applicants described below.

The tentative determinations for permit content are based on preliminary staff review, applying the appropriate standards, regulations and limitations of the state of Kansas and the EPA, and when issued will result in a state water pollution control permit to discharge subject to certain limitations and special conditions.

Name and Address of Applicant	POTW	Type of Discharge
Columbia Industries, Inc. 4429 E. McPherson St. Lindsborg, KS 67456 McPherson County, KS	Lindsborg MWWTP	Process wastewater
Kansas Permit No. P-SH21-0001		
Description of Facility: This facility manufactures aluminum storm doors and windows. The facility cleans aluminum using a conversion coating process to prepare the aluminum for painting. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).		

Name and Address of Applicant	POTW	Type of Discharge
Plating, Inc. Westport Addition Industrial Park Great Bend, KS 67530 Barton County, Kansas	Great Bend West- port MWWTP	Process wastewater
Kansas Permit No. P-UA16-0001		
Description of Facility: This facility is a job shop which performs hard chrome and zinc electroplating and performs conversion coating operations. This facility discharges less than 10,000 gallons per day of process wastewater. This is a new permit. Proposed limitations are pursuant to agency regulations and/or 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, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 15 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-PT-88-11/12) 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 limitations and special conditions, 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  
Secretary of Health  
and Environment

Doc. No. 006718

## State of Kansas

DEPARTMENT OF HEALTH  
AND ENVIRONMENTNOTICE CONCERNING KANSAS  
WATER POLLUTION CONTROL PERMIT

In accordance with state regulation 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 limitations and special conditions.

Name and Address  
of Applicant

## Waterway Type of Discharge

Cedar Creek Wastewater Treatment Plant c/o City of Olathe 100 W. Santa Fe P.O. Box 768 Olathe, KS 66061 Johnson County, Kansas	Cedar Creek	Secondary Wastewater Treatment Facility
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Kansas Permit No. M-KS52-1006 Federal Permit No. KS-0081299

Description of Facility: This facility is designed for the treatment of domestic sewage. This is an existing facility. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28b-f, and are technology based.

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 15 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-88-32) 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. 006719

## State of Kansas

## BOARD OF NURSING

TEMPORARY ADMINISTRATIVE  
REGULATIONSArticle 15.—PERFORMANCE OF SELECTED  
NURSING PROCEDURES IN SCHOOL  
SETTINGS

**60-15-101.** (a) Each licensed registered professional nurse in the school setting shall be responsible for the nature and quality of all nursing care that a pupil is given under the direction of the nurse in the school setting. Assessment of the nursing needs of a pupil, the plan of nursing action, implementation of the plan, and evaluation are essential components of professional nursing practice and are the responsibility of the licensed registered professional nurse.

(b) When used in this article, the following definitions shall apply:

- (1) Unlicensed person—includes, but is not limited to the following school personnel: teachers, secretaries, administrators, and paraprofessionals.
- (2) Delegation—means authorizing an unlicensed person to perform selected nursing tasks in the school setting under the direction of a licensed registered professional nurse.
- (3) Activities of daily living—means basic caretaking or specialized caretaking.
- (4) Basic caretaking—means bathing, dressing, grooming, routine dental, hair and skin care, preparation of food for oral feeding, exercise (excluding occupational therapy and physical therapy procedures), toileting (diapering, toilet training), handwashing, transfer and ambulation.
- (5) Specialized caretaking—means catheterization, ostomy care, preparation of food and tube feedings, care of damaged skin integrity, prescribed medications and procedures requiring nursing judgment.
- (6) Handicapped student—means a person who is enrolled in any accredited public or non-public school education program who requires nursing procedures during regular school attendance hours. Handicapped student also includes exceptional children as defined by K.S.A. 1987 Supp. 72-962.
- (7) Nursing judgment—means the exercise of knowledge and discretion derived from the biological, physical and behavioral sciences.
- (8) School setting—means any accredited public or non-public school environment during regular school attendance hours.
- (9) Supervision—means that the licensed registered professional nurse shall oversee the delegated task.
- (10) Immediate supervision—means that the delegating licensed registered professional nurse or another equivalently qualified nurse is physi-



cally present while the task is being administered.

- (11) Direct supervision—means that the delegating licensed registered professional nurse or another equivalently qualified licensed registered professional nurse is present in the same building as the person being supervised and is readily available for consultation and other assistance.
- (12) Indirect supervision—means the delegating licensed registered professional nurse shall be readily available either in person or by telecommunications.
- (c) In fulfilling the responsibilities for nursing care each school nurse shall:
- (1) serve as a health advocate for pupils;
  - (2) counsel and teach individuals, families and groups about health, illness and promote health maintenance;
  - (3) serve as a health consultant and as a resource to teachers and administrators serving pupils having health services needs during school attendance hours;
  - (4) utilize theories, skills of communication and the teaching-learning process to increase the health knowledge and functioning of the multidisciplinary education evaluation team as the strengths and weakness of pupils are assessed. The recommendations for appropriate educational placement shall be made from the team evaluation.
- (d) The full utilization of the services of a licensed registered professional nurse may be supplemented by the delegation and supervision of selected nursing tasks to unlicensed personnel. (Authorized by K.S.A. 65-1129; implementing K.S.A. 65-1113 and K.S.A. 1987 Supp. 65-1124; effective, T-89-23, May 27, 1988.)

**60-15-102. Delegation procedures.** Delegation of nursing tasks to a designated unlicensed person in the school setting shall comply with the following requirements:

(a) Each licensed registered professional nurse shall assess the pupil's nursing care needs and formulate a written nursing plan of care before delegating any nursing task to an unlicensed person.

(b) The selected nursing task to be delegated must be one that a reasonable and prudent licensed registered professional nurse determines to be within the scope of sound nursing judgment and which can be performed properly and safely by an unlicensed person.

(c) Activities of daily living, defined in K.A.R. 60-15-101(b) as basic caretaking, need not be delegated. Activities of daily living, defined as specialized caretaking, as defined in K.A.R. 60-15-101(b) shall be assessed and delegated as appropriate.

(d) The selected nursing task shall not require the designated unlicensed person to exercise nursing judgment or intervention except in emergency situations.

(e) The designated unlicensed person to whom the

nursing task is delegated shall be adequately identified by name in writing for each delegated task.

(f) The licensed registered professional nurse shall orient, instruct and document in writing that the designated unlicensed person has demonstrated the competency necessary to perform the delegated task. The designated unlicensed person shall co-sign the documentation indicating the person's concurrence with this competency evaluation.

(g) The licensed registered professional nurse shall be accountable and responsible for the delegated nursing task. The licensed registered professional nurse shall:

- (1) Participate in periodic and joint evaluations of the services rendered; and
- (2) record and monitor recorded services.

(h) The licensed registered professional nurse shall adequately supervise the performance of the delegated nursing task in accordance with the requirements of K.A.R. 60-15-103 of this regulation. (Authorized by K.S.A. 65-1129; implementing K.S.A. 1987 Supp. 65-1124; effective T-89-23, May 27, 1988.)

**60-15-103. Supervision of Delegated Tasks.** Each licensed registered professional nurse shall supervise all nursing tasks delegated to a designated unlicensed person in the school setting in accordance with the following conditions:

(a) The degree of supervision required shall be determined by the licensed registered professional nurse after an assessment of appropriate factors including:

- (1) the health status and stability of the pupil;
- (2) the complexity of the task to be delegated;
- (3) the training and competency of the designated unlicensed person to whom the task is to be delegated;
- (4) the proximity and availability of the licensed registered professional nurse to the designated unlicensed person when the selected nursing task will be performed.

(b) Each delegating licensed registered professional nurse or another equivalently qualified licensed professional nurse shall be readily available either in person or by telecommunication. (Authorized by K.S.A. 65-1129; implementing K.S.A. 1987 Supp. 65-1124; effective, T-89-23, May 27, 1988.)

**60-15-104. Administration of Medications in the School Setting.** (a) The administration of medications may be delegated only in accordance with this regulation.

- (1) Each licensed registered professional nurse shall not delegate the administration of medications to unlicensed persons if:
  - (A) the administration of the initial dose of a medication has not been previously administered to the pupil;
  - (B) the administration requires calculation of any medication doses with the exception that measuring a prescribed amount of liquid medication or breaking a tablet for administration may be performed by the designated unlicensed person

(continued)

provided the licensed registered professional nurse or pharmacy label has previously calculated the dose;

- (C) the administration of medications is by intravenous injection route;
- (D) the administration of medications is through intermittent positive pressure breathing machines; or
- (E) the administration of medications is through a tube inserted into a cavity of the body with the exception of medications administered through feeding tubes such as a gastrostomy tube.

(b) This regulation shall not authorize the administration of medications by a special education paraprofessional unless the individual is licensed to do so. (Authorized by K.S.A. 65-1129; implementing K.S.A. 1987 Supp. 65-1124; effective, T-89-23, May 27, 1988.)

DR. LOIS RICH SCIBETTA  
Executive Administrator

Doc. No. 006688

## State of Kansas

### DEPARTMENT OF HEALTH AND ENVIRONMENT

#### TEMPORARY ADMINISTRATIVE REGULATIONS

#### Article 65.—EMERGENCY PLANNING AND RIGHT-TO-KNOW

**28-65-3. Submitting Reports; Fees.** (a) Each report, list of chemicals, the MSDS, and annual report required under these regulations, pursuant to sections 311, 312 and 313 of the federal act shall be submitted to the right-to-know program, bureau of air quality and radiation control, Kansas department of health and environment. Each emergency release notification, pursuant to section 304 of the federal act, shall be submitted to the division of emergency preparedness, department of the adjutant general.

(b) An annual general service fee of \$2.00 shall be paid by all facilities required to comply with section 311, 312 and 313 of the state or federal submitting or reporting requirements of subsection (a). The fee shall be paid prior to March 1 of each year.

(c) Annual registration fee. An annual fee shall be charged to all facilities complying or filing pursuant to sections 311, 312 and 313 of the federal act. The annual fee shall be the sum of the appropriate individual fees as required by this regulation.

(d) Each notification required under section 302 of the federal act shall be submitted to the right-to-know program, bureau of air quality and radiation control, Kansas department of health and environment. Each notifying facility under section 302 of the federal act shall provide an annual renewal of notice. Each renewal of notice shall be submitted prior to March 1 of each year. Each renewal of notice shall be due for each year in which the facility has present at any time a substance designated as extremely hazardous in an amount exceeding the threshold planning quantity as defined in 40 CFR Parts 300 and 355 inclusive as in

effect on July 1, 1987, amended 52 Fed. Reg. 13395 (1987). There shall be no fee for submission of an initial notification or renewal of notice required under this section.

(e) Each facility submitting a list of hazardous chemicals pursuant to section 311 of the federal act shall pay a filing fee of \$23.00. If MSDSs are submitted in lieu of a list, a fee of \$6.00 shall be paid for each MSDS submitted. These fees shall be paid prior to March 1 of each year for any information filed in the preceding year.

(f) Facilities required to submit a tier I and II.

(1) Facilities submitting a hazardous substances inventory report pursuant to section 312 of the federal act shall pay an annual fee of \$6.00 for each tier I filing. A fee of \$9.00 shall be charged for each tier II report filed if this option is elected. Each page of the tier II inventory report form shall be considered a separate report for purposes of this paragraph.

(2) A request for tier II information shall be made by the right-to-know program of the bureau of air quality and radiation control of the department of health and environment when necessary to make this information available to comply with section 312(e).

(3) The tier I or tier II fee, or both, shall be paid at the time of submission or prior to March 1 of each year thereafter.

(g) Each facility required to submit toxic waste emissions inventories pursuant to section 313 of the act shall pay an annual fee of \$187.00. This fee shall be paid at the time of submission of the inventory and prior to March 1 for each year thereafter.

(h) Any facility may elect to submit information on a voluntary basis beyond that required for compliance with these regulations. No fee shall be charged for these voluntary submissions.

(i) Registration fees and other payments shall be paid by check, draft or money order to the department of health and environment. In the event an individual or company maintains more than one facility, an aggregate payment may be made for all facilities by a single check, draft or money order. A statement shall accompany each aggregate payment indicating the individual facility names and addresses and a summary of the specific fees for each facility.

(j) Fees submitted under this regulation prior to July 1, 1988 shall be adjusted in accordance with the requirements of this regulation. Overpayment shall be returned to the submitting individual or facility.

These regulations shall apply to all notifications, submissions, registrations, reports, or amendments filed with the department after May 14, 1987, the effective date of the state act. (Authorized by and implementing K.S.A. 1987 Supp. 65-5704; effective, T-88-62, December 30, 1987; effective May 1, 1988; amended, T-89-19, May 27, 1988.)

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

Doc. No. 006687

## State of Kansas

**CONSUMER CREDIT COMMISSIONER****TEMPORARY ADMINISTRATIVE  
REGULATIONS****Article 6.—CONSUMER CREDIT CODE**

**75-6-24. Adjustment in dollar amounts.** (a) The dollar amounts of \$300 and \$1,000 in K.S.A. 16a-2-401(2) shall be changed to \$630 and \$2,100.

(b) This regulation shall be effective on and after July 1, 1988. (Authorized by and implementing K.S.A. 16a-2-401a; effective, E-79-9, April 20, 1978; effective May 1, 1979; amended, E-81-15, June 25, 1980; amended May 1, 1981; amended, T-83-16, July 1, 1982; amended May 1, 1983; amended, T-85-18, July 1, 1984; amended May 1, 1985; amended, T-87-14, June 6, 1986; amended May 1, 1987; amended, T-89-22, July 1, 1988.)

JUDITH BRAVENCE-STRINGER  
Consumer Credit Commissioner

Doc. No. 006685

## State of Kansas

**THE KANSAS LOTTERY****TEMPORARY ADMINISTRATIVE  
REGULATIONS****Article 3.—INSTANT GAME RULES**

**111-3-22. Weekly Selection of Participants.** The following process shall be used for weekly "Grand Prize Drawing" and "Televised Draw Show" participant selection:

(a) Kansas Lottery mail room personnel shall pick up all mail trays containing "Kansas Lottery Entry Envelopes" at the Topeka United States Post Office on a daily basis.

(b) The mail room and security personnel shall transport the mail trays to a secure area where they will be held until the time designated by the executive director for preliminary "Grand Prize Drawing" and "Televised Draw Show" participant selection.

(c) The selection process shall be held weekly. All drawings shall be held in a place accessible to the public and be open for public attendance and with lottery security personnel present. All drawings shall be video taped.

(d) An individual designated by the executive director shall pick at random two (2) sealed envelopes from each tray using the bare-arm technique. Should the designated individual draw an envelope with tickets belonging to that designated individual, the envelope shall be disqualified.

(e) The designated individual shall place the envelopes in a drum.

(f) Once the individual has selected two (2) envelopes from each tray, the drum shall be sealed and the contents mixed by shaking or rotating.

(g) The designated individual shall then unseal the

drum, and using the bare-arm technique, remove one (1) "Kansas Lottery Entry Envelope" from the drum.

(h) The designated Kansas lottery security official shall unseal the "Kansas Lottery Entry Envelope" removed from the drum and review the tickets inside to determine if they are eligible for the "Grand Prize Drawing" and "Televised Draw Show" in accordance with K.A.R. 111-3-22.

(i) If the tickets contained in the envelope are determined to be ineligible, the envelope removed shall be discarded, the drum resealed, and another envelope removed. This procedure will be repeated until thirteen (13) valid entries are obtained from the drum.

(j) Each valid entry, as it is obtained, shall be clearly marked in a permanent manner with a number. The number one (1) shall be placed on the first valid entry, the number two on the second valid entry, and so on until all valid entries are marked.

(k) Entry number one (1) shall be entered into the "Grand Prize Drawing." Entries two through seven (2-7) shall be entered into the televised draw show. Entries eight through thirteen (8-13) shall be home partners for televised draw show participants. The identities of the seven (7) participants numbered eight through thirteen (8-13) will be disclosed on the appropriate draw show.

(l) All "Kansas Lottery Entry Envelopes" remaining in the drum and the mail trays after thirteen (13) valid entries have been selected shall be destroyed.

(m) The thirteen (13) valid entry envelopes shall be certified and secured in accordance with K.A.R. 111-3-21. (Authorized by and implementing K.S.A. 1987, Supp. 74-8710(b); effective T-89-4, Jan. 21, 1988; amended T-89-18, May 24, 1988.)

LARRY MONTGOMERY  
Executive Director

Doc. No. 006686

(Published in the Kansas Register, June 16, 1988.)

**NOTICE OF BOND SALE  
\$597,669****General Obligation Street Improvement Bonds  
Series A, 1988**

of

the City of Smith Center  
Smith County, State of Kansas

(general obligation bonds payable  
from unlimited ad valorem taxes)

**Sealed Bids**

Sealed bids will be received by the undersigned city clerk of the city of Smith Center, Smith County, Kansas, on behalf of the city council of said city at the City Hall, 119 W. Court St., Smith Center, KS 66967, until 7:30 p.m. C.D.T. on Monday, June 27, 1988, for the purchase of \$597,669 principal amount of general obligation street improvement bonds, Series A, 1988, of the city herein-after described. All bids will be publicly opened and read at said time and place and will be acted upon by the city council immediately thereafter. No oral or auction bids will be considered.

(continued)

### Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof, with the exception of one bond in the amount of \$7,669. The bonds will be dated July 1, 1988, and will become due serially on October 1 in the years as follows:

Year	Principal Amount
1989	\$57,669
1990	\$60,000
1991	\$60,000
1992	\$60,000
1993	\$60,000
1994	\$60,000
1995	\$60,000
1996	\$60,000
1997	\$60,000
1998	\$60,000

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

### Redemption of Bonds Prior to Maturity

None of said bonds shall be called prior to its stated maturity.

### Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-614 *et seq.* for the purpose of paying the cost of certain street improvements. The bonds and the interest thereon will constitute general obligations of the city, 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 low-

est rate specified shall not exceed 2 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be considered. Each bid must specify the total interest cost to the city during the term of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid—all certified by the bidder to be correct—and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid must also specify the average annual net interest rate to the city on the basis of such bid.

### Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$11,953.38 (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 be bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

### Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the city council will determine which bid, if any, will be accepted, and its determination is final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 7:30 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 city clerk or bond counsel. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid.

### Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Proposal for General Obligation Street Improvement Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the city clerk's office and must be received by the undersigned prior to 7:30 p.m. C.D.T. on Monday, June 27, 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 August 26, 1988, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. Delivery elsewhere will be made at the expense of the successful bidder. The successful bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds must be made in Federal Reserve funds, immediately subject to use by the city.

The number and denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the registered owners must be submitted in writing by the successful bidder to the city and bond registrar at least 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 prior to the closing date. A certificate stating that at least 10 percent of the bonds of each maturity has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at such reoffering prices must be furnished to the city by the original purchaser at closing.

**Official Statement**

The city has prepared an informational statement dated June 1, 1988, copies of which may be obtained from the city clerk or from bond counsel. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered at the successful bidder's expense.

**Assessed Valuation and Indebtedness**

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

Equalized assessed valuation of taxable tangible real property .....	\$5,121,390
Tangible valuation of personal property including motor vehicles .....	\$1,402,040
Equalized assessed tangible valuation for computation of bonded debt limitation .....	\$6,523,430

The total general obligation bonded indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$1,007,669.

**Approval of Bonds**

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

**Opinion of Bond Counsel**

In the opinion of the bond counsel, assuming continued compliance by the city with the terms of the bond resolution, 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 included 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 included in federal gross income retroactive to the date of issuance of the bonds. The city has covenanted to comply with all such requirements.

In regard to said Series A, 1988 bonds, and with respect to the Tax Reform Act of 1986 (H.R. 3838), which became effective on October 22, 1986, and with respect to Section 902 of said Act relating to interest incurred by financial institutions that carry tax-exempt bonds, the city hereby designates the bonds as qualified project bonds (qualified tax exemptions) for the purpose of Section 902(b)(3) of the Act. The city further covenants to comply with all of the provisions of the Act and all other applicable federal laws, regulations, published rulings and court decisions in order to preserve the tax-exempt status of the bonds, to the extent such actions can be taken by the governing body of the city.

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

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

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

On May 3, 1988, the Kansas Legislature adopted Senate Substitute for House Bill No. 2543. The bill has been signed by the Governor of the State of Kansas and will become effective July 1, 1988, upon publication in the statute book. Section 4 of the bill provides that interest

*(continued)*

(Published in the *Kansas Register*, June 16, 1988.)

**NOTICE OF BOND SALE**  
**\$167,271.37**  
**Riley County, Kansas**  
**General Obligation Bonds**  
**Series 1988-1**  
**(Streets and Water)**

on obligations of the state of Kansas or its political subdivisions issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income. Assuming the bill becomes law, interest on the bonds will be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987. If the Senate Substitute for House Bill No. 2543 becomes law, interest on the bonds will be excluded from computation of Kansas adjusted income, and a supplemental opinion of bond counsel to such effect will be rendered to all bondholders.

**Other Federal Tax Matters**

Prospective purchasers of the bonds should be aware that: (i) Section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the code, for taxable years beginning after December 31, 1986, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (iii) for taxable years beginning after December 31, 1986, and before January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under Section 1375 of the code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year 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 city clerk, other city employees, bond counsel or any other source available to a prospective bidder.

Dated June 6, 1988.

**THE CITY OF SMITH CENTER**  
Smith County, Kansas  
By Rhonda Hyman, City Clerk  
119 W. Court  
Smith Center, KS 66967  
(316) 282-3812

Doc. No. 006676

**Sealed Bids**

Sealed bids for the purchase of \$167,271.37 principal amount of general obligation bonds, Series 1988-1 (streets and water), of the county hereinafter described, will be received by the undersigned, county clerk of Riley County, Kansas, on behalf of the governing body of the county at the office of the Riley County Clerk, 110 Courthouse Plaza, Manhattan, Riley County, Kansas, until 10:30 a.m. C.D.T. on Thursday, July 7, 1988. All bids will be publicly opened and read at said time and place and will be acted upon by the county immediately thereafter. No oral or auction bids will be considered.

**Bond Details**

The bonds will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof (except one bond in the denomination of \$7,271.37). The bonds will be dated August 1, 1988, and will become due serially on August 1 in the years as follows:

Year	Principal Amount
1989	\$17,271.37
1990	15,000.00
1991	15,000.00
1992	15,000.00
1993	15,000.00
1994	15,000.00
1995	15,000.00
1996	20,000.00
1997	20,000.00
1998	20,000.00

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 February 1 and August 1 in each year, beginning on February 1, 1989.

**Place of Payment and Bond Registration**

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

The county will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks.



Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the bondholders.

#### Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of  $\frac{1}{8}$  or  $\frac{1}{20}$  of 1 percent. No interest rate shall exceed the index of treasury bonds published by the weekly *Credit Markets* in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified shall not exceed 2 percent. No supplemental interest payments will be authorized. No bid of less than the principal amount of the bonds and accrued interest will be considered. Each bid shall specify the total interest cost to the county during the life of the bond issue on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the county on the basis of such bid. Each bid shall also specify the average annual net interest rate to the county on the basis of such bid. Bidders shall specify in the bid form the prices (exclusive of accrued interest), expressed as a dollar price, at which the bidder intends that each maturity amount of the bonds shall be initially offered to the public (the initial reoffering prices).

#### Basis of Award

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

#### Authorization, Purpose and Security for the Bonds

The bonds are being authorized and issued to permanently finance various internal improvements to the county. The bonds will be general obligations of the county, payable as to both principal and interest in part from special assessments levied upon specially benefited property and, if not so paid, from ad valorem taxes which may be levied without limitation upon all the taxable tangible property, real and personal, within the territorial limits of the county. The balance of the principal of and interest on the bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount on all the taxable tangible property, real and personal, within the territorial limits of the county.

#### Tax Exemption

The Internal Revenue Code of 1986 imposes requirements on the county which must be met subsequent to the issuance of the bonds by the county and, as a result, the county will and does hereby covenant that it will diligently undertake those steps necessary to maintain the

tax-exempt status of the bonds. The county's failure to comply with such requirements could adversely affect the tax-exempt status of the bonds. Purchasers of the bonds should be aware that should the bonds lose their status as tax-exempt obligations as a result of the county's failure to comply with such requirements, the bonds are neither callable nor will the rate of interest on the bonds be adjusted to reflect such circumstances.

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

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

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

On May 3, 1988, the Kansas Legislature adopted Senate Substitute for House Bill No. 2543. The bill, as signed into law by the Governor of the State of Kansas, will become effective July 1, 1988, upon publication in the statute book. Section 4 of the bill provides that interest on obligations of the state of Kansas or its political subdivisions issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income. When the bill becomes law, interest on the bonds will be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987.

#### Legal Opinion

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond

(continued)

counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the county, printed on the bonds and delivered to the successful bidder when the bonds are delivered. Said opinion will also state that in the opinion of bond counsel, assuming continued compliance by the county with the provisions of the ordinance authorizing the issuance of the bonds and the code, under existing law, the interest on the bonds is exempt from federal income taxation. As indicated under the immediately preceding section hereof entitled "Tax Exemption," when the Senate Substitute for House Bill No. 2543 becomes law, interest on the bonds will be excluded from the computation of Kansas adjusted income.

#### **Delivery and Payment**

The county will pay for printing the bonds and will deliver the bonds, without cost to the successful bidder, properly prepared, executed and registered, on or prior to August 3, 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 at the expense of the successful bidder. Said bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate regarding the completeness and accuracy of the official statement. Payment for the bonds shall be made in Federal Reserve funds, immediately subject to use by the county. The denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the county and bond registrar not later than 4 p.m. C.D.T. on July 25, 1988. In the absence of such information, the county will deliver bonds in the denomination of each maturity registered in the name of the successful bidder.

The successful bidder shall furnish the county by 4 p.m. C.D.T. on July 25, 1988, a certificate acceptable to the county's bond counsel to the effect that: (i) the successful bidder has made a bona fide public offering of the bonds at the initial reoffering prices, and (ii) a substantial amount of the bonds was sold to the public (excluding brokers and other intermediaries) at such initial reoffering prices. Such certificate shall state that: (1) it is made on the best knowledge, information and belief of the successful bidder, and (2) 10 percent or more in par amount of the bonds of each maturity was sold to the public at or below the initial reoffering prices (such amount being sufficient to establish the sale of a "substantial amount" of the bonds).

#### **Good Faith Deposit**

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$3,345.43, payable to the order of the county to secure the county from any loss resulting from the failure of the bidder to comply with the terms of the bid. No interest will be paid upon the deposit made by the successful bidder. Said check shall be returned to the bidder if the bid is not accepted. If a bid is accepted, said check shall be held by the county until

the bidder shall have complied with all of the terms and conditions of this notice, at which time said check shall be returned to the successful bidder or deducted from the purchase price at the option of the county. If a bid is accepted but the county shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check shall be returned to the bidder. If a bid is accepted but the bidder shall default in the performance of any of the terms and conditions of this notice, the proceeds of such check shall be retained by the county as and for liquidated damages.

#### **CUSIP Numbers**

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

#### **Bid Forms**

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

#### **Submission of Bids**

Bids must be submitted in sealed envelopes addressed to the undersigned county clerk and marked "Proposal for the Purchase of General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at 110 Courthouse Plaza, Riley County Courthouse, and must be received by the undersigned prior to 10:30 a.m. on Thursday, July 7, 1988.

#### **Assessed Valuation and Indebtedness**

The total assessed valuation of the taxable tangible property within the county, for the year 1987, is \$152,678,970. The total general obligation bonded indebtedness of the county as of the date of the bonds, including the bonds, is \$2,224,964.20, including, as of the date of the bonds, temporary notes outstanding in the principal amount of \$315,400, which will be retired out of the proceeds of the bonds herein offered for sale and from other unencumbered and lawful funds available to the county. Additional copies of this notice may be obtained from the county clerk of Riley County, Kansas.

Dated June 16, 1988.

RILEY COUNTY, KANSAS

Wanda Coder  
County Clerk

Riley County Courthouse  
110 Courthouse Plaza  
Manhattan, KS 66502  
(913) 537-6300

Doc. No. 006710



(Published in the *Kansas Register*, June 16, 1988.)

**NOTICE OF BOND SALE**

**\$140,000**

**Sewer System Utility Revenue Bonds**

**Series B, 1988**

**of the**

**City of Hillsboro, Kansas**

**Date, Time and Place of Receiving Bids**

The undersigned, city clerk of the city of Hillsboro, Kansas, will receive sealed bids on behalf of the City Council, as the governing body of the city, at her office in the Hillsboro City Hall, 118 E. Grand, Hillsboro, until 12:15 p.m. C.D.T. on Tuesday, June 28, 1988, for the purchase of \$140,000 principal amount of sewer system utility revenue bonds, Series B, 1988, of the city hereinafter described. All bids will be publicly opened and read at said time governing body's meeting room in the Hillsboro City Hall and will be immediately thereafter acted upon by the governing body. No oral or auction bids will be considered.

**Description of Bonds**

The bonds shall consist of fully registered certificated bonds in the denominations of \$5,000, or any integral multiple thereof not exceeding the principal amount of bonds maturing in each year; will bear a dated date of July 1, 1988; and shall mature serially on July 1 in each of the years and in the amounts as follows:

Principal Amount	Maturity Date
\$ 5,000	July 1, 1989
5,000	July 1, 1990
5,000	July 1, 1991
5,000	July 1, 1992
5,000	July 1, 1993
10,000	July 1, 1994
10,000	July 1, 1995
10,000	July 1, 1996
10,000	July 1, 1997
10,000	July 1, 1998
10,000	July 1, 1999
10,000	July 1, 2000
15,000	July 1, 2001
15,000	July 1, 2002
15,000	July 1, 2003

The bonds will bear interest from the dated date at rates which shall be determined upon the public sale thereof as heretofore provided. Said interest will be payable initially on January 1, 1989, and semiannually thereafter on July 1 and January 1 of each year until the bonds are paid in full.

**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 at the principal office of the Kansas State Treasurer (the paying agent and bond registrar) in Topeka, Kansas, to the registered owners thereof upon presentation of bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America by mailing of check or draft of the paying agent to the registered owners as their names appear on the registration books maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates.

The fees of the paying agent and bond registrar for registration and transfer of the bonds shall be paid by the city, and it shall also pay for printing of a reasonable supply of blank registered bond certificates for that purpose. Any additional costs or fees that might be incurred in the secondary market, except the paying agent and bond registrar's fees, shall be the responsibility of the registered owners of the bonds.

**Initial Registration**

The number and denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the initial registered owners of the bonds shall be submitted in writing to the bond registrar by the successful bidder not later than Monday, July 18, 1988. In the event such information is not furnished by such date, the bonds will be delivered one bond per maturity registered in the name of the successful bidder.

An original purchaser's certificate, which sets forth the initial reoffering price to the public on the bonds, will be furnished to the successful bidder by bond counsel, and such certificate must be completed and returned no later than the date of delivery of the bonds.

**Redemption of Bonds**

Bonds maturing July 1, 1989, through July 1, 1998, inclusive, are not subject to call for redemption prior to their respective maturities.

Bonds maturing July 1, 1999, 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 July 1, 1998 (the date being so set for redemption and payment being referred to as the redemption date), at a price equal to 102 percent of the principal amount thereof, plus accrued interest to the redemption date.

The paying agent shall give written notice of any call for redemption to the registered owners of the bonds 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.

**Conditions of Bidding**

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidder, subject to the conditions of this paragraph. The same rate of interest shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being equal to the index of treasury bonds published by *Credit Markets* in New York, New York, on the Monday next preceding the date on which the bonds are sold, plus 2 percent. No bid of less than the entire par value of the bonds and accrued interest thereon from the dated date to the date of delivery will be considered, and no supplemental interest payments will be authorized. Each bid must state the total interest cost to the city during

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

#### **Bid Form; Good Faith Deposit**

Bids shall be submitted on an official bid form which may be obtained from the city, and shall be submitted in sealed envelopes, plainly marked "Bond Bid," addressed to the Mayor and City Council, City Hall, 118 E. Grand, P.O. Box N, Hillsboro, KS 67063, Attention: Janice K. Meisinger, City Clerk. Bids may be submitted by mail or delivered in person, and must be received by the city clerk no later than the date and time hereinbefore specified.

Each bid shall be accompanied by a good faith deposit in the form of a certified or cashier's check payable to the order of the city for an amount equal to \$2,800 (being 2 percent of the total amount of the bonds). If a bid is accepted, said deposit will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice and of the bid. In the event a bidder whose bid is accepted shall default in the performance of any of the terms and conditions of this notice or of the bid, said deposit shall be retained by the city as and for liquidated damages. If a bid is accepted, but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions hereof, said deposit shall be returned to the bidder. No interest will be paid upon the successful bidder's deposit. The good faith deposit checks of the unsuccessful bidders will be promptly returned.

#### **Award of Bonds**

The bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the city, which will be determined by deducting 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 identical bids for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted; such determination shall be final. The governing body reserves the right to reject any and all bids and to waive any irregularities in a submitted bid.

#### **Delivery of Bonds**

The bonds, duly printed, executed and registered, will be furnished and paid for by the city and will be delivered to the successful bidder on or about Thursday, July 28, 1988, at any bank in the state of Kansas or in Kansas City, Missouri, at the expense of the city. Delivery elsewhere will be made at the expense of the successful bidder. The successful bidder will also be furnished with a transcript of proceedings evidencing authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting

their validity. Payment for the bonds shall be made in Federal Reserve funds, immediately available for use by the city.

#### **CUSIP Identification Numbers**

It is not expected that CUSIP identification numbers will be printed on the bonds since the issue does not meet the CUSIP Service Bureau's minimum size guidelines for the assignment of CUSIP numbers.

#### **Official Statement**

The city will prepare a preliminary official statement relating to the bonds, copies of which may be obtained from the city clerk or from the city's financial adviser. Upon the sale of the bonds, the city will furnish the successful bidder with a reasonable number of copies of a final official statement, without cost, upon request. Copies in excess of a reasonable number may be ordered at the successful bidder's expense.

#### **Authority, Purpose and Security for Bonds**

The bonds are being issued under the authority of K.S.A. 10-101 *et seq.*, as amended and supplemented, and K.S.A. 10-1201 *et seq.*, as amended and supplemented, for the purpose of paying a portion of the cost of constructing a main interceptor sewer line and other related improvements to the city's sewer system. Concurrently with the sale, authorization and issuance of the bonds, the city is selling, authorizing and issuing \$229,149.10 principal amount of its general obligation sewer system bonds, and the proceeds therefrom will be used to pay the remaining cost of the sewer system improvements. The bonds will be authorized by a bond ordinance which will be adopted by the governing body immediately after awarding of the bonds. The city has previously issued \$340,000 principal amount of temporary notes for the improvements, and will pay and retire said notes upon the issuance and from proceeds of the bonds.

The bonds and the interest thereon will constitute special obligations of the city, payable as to both principal and interest from revenues derived by the city from rates, fees or charges collected by it from operation of the system, and not from any other money or sources, and shall be and constitute a first and prior lien on said revenues, subject only to payment of reasonable operation and maintenance expenses. The bonds shall not be nor constitute general obligations of the city nor shall they constitute an indebtedness of the city within the meaning of any constitutional or statutory provision, and the city shall be under no obligation to levy any taxes to pay any of the principal of or interest on the bonds.

#### **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 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 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 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 in the next section), 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 5 corporations 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 necessary 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.

**Assessed Valuation and Bonded Indebtedness**

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

Assessed valuation of taxable tangible property .....	\$5,007,229
Taxable value of motor vehicles .....	<u>1,342,459</u>
Equalized assessed tangible valuation for computation of bonded debt limitations .....	\$6,349,688

The total outstanding general obligation bonded indebtedness of the city, upon issuance of and including the proposed general obligation sewer system bonds to be sold, authorized and issued concurrently with the bonds, will be \$1,489,149.10. This amount does not include \$340,000 outstanding principal amount of the city's temporary notes, which will be redeemed and paid upon the issuance and from the proceeds of the bonds. The city has no other indebtedness currently outstanding for the payment of which revenues of the city's sewer system have been pledged.

**Additional Information**

Additional information regarding the bonds may be obtained from the city clerk or from the city's financial adviser, Mid-Continent Investments, Inc., 333 Century Plaza Building, Wichita, KS 67202, Attention: Jerry D. Rayl, Senior Vice President, (316) 262-5161.

Dated June 7, 1988.

CITY OF HILLSBORO, KANSAS

By Janice K. Meisinger

City Clerk

City Hall

118 E. Grant

P.O. Box N

Hillsboro, KS 67063

(316) 947-3162

Doc. No. 006713

(Published in the *Kansas Register*, June 16, 1988.)

**NOTICE OF BOND SALE**

**\$1,480,000**

**Internal Improvement Bonds**

**Series 1988-A1, 1988-A2, 1988-A3**

**of the**

**City of Hutchinson, Kansas**

**(general obligation bonds payable from unlimited ad valorem taxes)**

**Sealed Bids**

Sealed bids will be received by the undersigned, city clerk of the city of Hutchinson, Kansas, on behalf of the commission at City Hall, 125 E. Avenue B, P.O. Box 1567, Hutchinson, KS 67504-1567, until 10 a.m. C.D.T. on Tuesday, June 21, 1988, for the purchase of \$1,480,000 principal amount of internal improvement bonds consisting of Series 1988-A1, 1988-A2 and 1988-A3, of the city hereinafter described. All bids will be publicly opened

(continued)

and read at said time and place and will be acted upon by the governing body immediately thereafter. The bidder must bid on all series. No separate bids on individual series will be accepted.

**Bond Details**

**Bond Series 1988-A1**

The Series 1988-A1 bonds will consist of fully registered bonds in the aggregate principal amount of \$1,200,000, Series 1988-A1 in the denomination of \$5,000 or any integral multiple thereof, dated July 1, 1988, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1989	\$20,000	1999	\$65,000
1990	35,000	2000	60,000
1991	40,000	2001	65,000
1992	45,000	2002	65,000
1993	45,000	2003	70,000
1994	50,000	2004	75,000
1995	55,000	2005	80,000
1996	55,000	2006	80,000
1997	60,000	2007	85,000
1998	60,000	2008	90,000

**Bond Series 1988-A2**

The Series 1988-A2 bonds will consist of fully registered bonds in the aggregate principal amount of \$115,000, Series 1988-A2 in the denomination of \$5,000 or any integral multiple thereof, dated July 1, 1988, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1989	\$ 5,000	1994	\$10,000
1990	5,000	1995	15,000
1991	10,000	1996	15,000
1992	10,000	1997	15,000
1993	10,000	1998	20,000

**Bond Series 1988-A3**

The Series 1988-A3 bonds will consist of fully registered bonds in the aggregate principal amount of \$165,000, Series 1988-A3 in the denomination of \$5,000 or any integral multiple thereof, dated July 1, 1988, and becoming due serially on October 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1989	\$ 5,000	1994	\$20,000
1990	10,000	1995	20,000
1991	15,000	1996	20,000
1992	15,000	1997	20,000
1993	15,000	1998	25,000

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 April 1 and October 1 in each year, beginning on April 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 of the month preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Kansas Attorney General. The bonds may be registered as fully registered certificated

bonds or uncertificated (book entry) bonds at the option of each registered owner.

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.

The type and denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar at least two weeks prior to the closing date.

The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date. A certificate setting forth such initial reoffering price to the public shall be furnished to the city by the original purchaser at closing.

**Redemption of Bonds Prior to Maturity**

**Bond Series 1988-A1**

Bond Series 1988-A1, maturing in the years 1989 to 1999, inclusive, shall become due without option of prior payment. At the option of the city, bonds 1988-A1 maturing in the years 2000 to 2008, inclusive, may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on October 1, 1999, or any interest payment date thereafter at the redemption prices (expressed as percentages of the principal amount) plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
October 1, 1999, and thereafter	100%

**Bond Series 1988-A2 and 1988-A3**

Bond Series 1988-A2 and 1988-A3, maturing in the years 1989 to 1994, inclusive, shall become due without option of prior payment. At the option of the city, bond Series 1988-A2 and bond Series 1988-A3, maturing in the years 1995 to 1998, inclusive, may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on October 1, 1994, or on any interest payment date thereafter at the redemption prices (expressed as percentages of the principal amount) plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
October 1, 1994, and thereafter	100%

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

If the city shall elect to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, the same being described by number and maturity, said notice to be mailed by United States registered or certified mail addressed to the reg-

istered owners of said bonds, to the Kansas State Treasurer, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. If any bond be called for redemption and payment as aforesaid, all interest on such bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

#### Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: Bids must be for all three series. The same rate shall apply to all bonds of the same maturity within each series. Each interest rate specified shall be a multiple of  $\frac{1}{8}$  or  $\frac{1}{20}$  of 1 percent. No interest rate shall exceed a rate equal to the treasury bonds published by *Credit Markets* in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified for each series shall not exceed 2 percent. No bid of less than the par value of each series of bonds and accrued interest thereon to the date of delivery will be considered, and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the 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 for each series and the average net annual interest rate for the total issue.

#### Basis of Award

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

#### Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-6a01 *et seq.* and amendments thereto for the purpose of paying the cost of certain street improvements, water and sewer improvements pursuant to Charter Ordinance No. 24 of the city of Hutchinson, Kansas, which exempts the city from K.S.A. 13-1024(a) for the purpose of paying for bridge, lands for public parks and developing the same and for repair or extension of the Municipal Airport and K.S.A. 12-1736 for the purpose of acquiring land and to alter, repair, reconstruct, remodel, replace or equip a public building. The bonds and the interest thereon will constitute general obligations of the city, payable as to both principal and interest in part from special assessments levied upon the property benefitted by the im-

provements 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 located within the city, 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.

Series 1988-A1, all of the above applies .....	\$1,200,000
Series 1988-A2, park improvements per Charter Ordinance No. 24 .....	\$ 115,000
Series 1988-A3, park, bridge, airport improvements per Charter Ordinance No. 24 .....	\$ 165,000

#### Opinion of Bond Counsel

In the opinion of Gilmore & Bell, Overland Park, Kansas, bond counsel, 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 beginning after 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 (or continue to be) excludable 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 includable in gross income retroactive to the date of issuance of the bonds. The city has covenanted to comply with all such requirements.

The bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the code), a deduction is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest on the bonds.

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

#### Supplemental Opinion of Bond Counsel

On May 3, 1988, the Kansas Legislature adopted Senate Substitute for House Bill No. 2543. The bill was signed by the Governor on May 10, 1988, and will become effective upon publication in the statute book (July 1, 1988). Section 4 of the bill provides that interest on obligations of the state of Kansas or political subdivisions thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987. When the bill becomes law, interest on the bonds will be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987.

#### Collateral Tax Consequences

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 pur-

(continued)

chase 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.

#### Delivery and Payment

The city will pay for printing and registering the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder by July 15, 1988, at such bank or trust company in the contiguous United States as may be specified by the successful bidder without cost to the successful bidder. Delivery elsewhere will be made at the expense of the purchaser. 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 proofs which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in Federal Reserve funds, immediately subject to use by the city.

#### Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of 2 percent of the principal amount of the total bond issue, 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 will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice, at which time the check will be returned to the successful bidder or paid to its order at the option of the city. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check will be returned to the bidder. If a bid is accepted but the bidder shall default

in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages.

#### CUSIP Numbers

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

#### Bond Rating

The outstanding general obligation bonds of the city are rated "A1" by Moody's Investors Service, Inc., and the city has applied for rating on the bonds herein offered for sale.

#### 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 Internal Improvement Bonds." Bids may be submitted by mail or delivered in person to the undersigned at City Hall and must be received by the undersigned prior to 10 a.m. C.D.T. on June 21, 1988.

#### Official Statement

The city has prepared a preliminary official statement dated June 7, 1988, copies of which may be obtained from the city clerk. Upon the sale of the bonds, the city will adopt the final official statement dated July 1, 1988, and, at the request of the successful bidder, will furnish the successful bidder with a reasonable number of copies thereof without additional cost. 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 \$134,925,302. The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$25,774,580.

#### Additional Information

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

Dated June 7, 1988.

CITY OF HUTCHINSON, KANSAS  
By Vernon Stallman, CMC/AAE  
Director of Finance/City Clerk  
City Hall  
125 E. Avenue B  
P.O. Box 1567  
Hutchinson, KS 67504-1567  
(316) 665-2614

Doc. No. 006714



(Published in the *Kansas Register*, June 16, 1988.)

**NOTICE OF REDEMPTION****Industrial Revenue Bonds****(Becker Corporation)****Series 1981B****Dated August 1, 1981****of****the City of Coffeyville, Kansas**

Notice is hereby given that pursuant to Section 3 of Ordinance No. S 81-15 of the city of Coffeyville, Kansas, passed and approved on July 29, 1981, all of the city's outstanding industrial revenue bonds, Series 1981B, dated August 1, 1981, authorized and issued under the aforesaid ordinance, have been called for redemption and payment on August 1, 1988 (the redemption date). Said outstanding bonds are numbered and bear interest as follows:

Bond Numbers	Maturity Date	Interest Rate
19-23	August 1, 1988	11%
24-28	August 1, 1989	11%
29-34	August 1, 1990	11%
35-40	August 1, 1991	11%

The principal amount of the bonds shall become due and payable on August 1, 1988, at the principal amount thereof, plus accrued interest thereon to the redemption date, together with a redemption premium equal to 2 percent of the principal amount thereof.

The bonds called for redemption will be redeemed and must be presented for payment at the principal offices of the fiscal and paying agent, Bank IV Coffeyville, N.A., P.O. Box 567, 8th and Walnut, Coffeyville, KS 67337. All coupons maturing subsequent to August 1, 1988, must be attached and surrendered with said bonds.

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

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

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

**BANK IV COFFEYVILLE N.A.**  
P.O. Box 567  
8th and Walnut  
Coffeyville, KS 67337  
as Fiscal Agent and Paying Agent

Doc. No. 006694

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