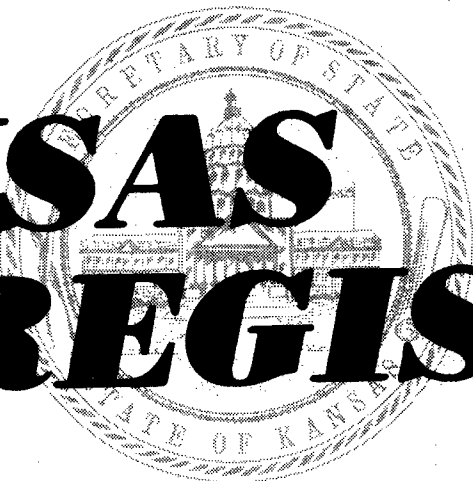


KANSAS REGISTER



BILL GRAVES
Secretary of State

State of Kansas

Vol. 7, No. 25

June 23, 1988

Pages 1167-1206

IN THIS ISSUE . . .

Page

State Conservation Commission	1168
Notices to Contractors	1168
Legislative Interim Committee Schedule	1169
Notice to Bidders for State Purchases	1169
State Board of Indigents' Defense Services	1170
Notice of Hearing on Proposed Administrative Regulations	1170
Department of Administration	1170
Notice of Commencement of Negotiations for Architectural and Engineering Services	1170
State Emergency Response Commission	1171
Notice of Meeting	1171
City of Wichita	1171
Notice to Bondholders	1171
Kansas Wheat Commission	1172
Notice of Hearing on Proposed Administrative Regulations	1172
Department of Transportation	1172
Notice to Contractors	1172
Animal Health Department	1173
Notice of Hearing on Proposed Administrative Regulations	1173
Shawnee County	1174
Notice to Contractors	1174
Attorney General	1174
Opinions No. 88-79 through 88-82	1174
Notice of Bond Redemption	1174
Johnson County Water District No. 1	1174
Kansas Real Estate Commission	1175
Notice of Hearing on Proposed Administrative Regulations	1175
State Grain Inspection Department	1175
Notice of Hearing on Proposed Administrative Regulations	1175
Department of Health and Environment	1175, 1177
Notices Concerning Kansas Water Pollution Control Permits	1177
Notice of Hearing on Proposed Administrative Regulations	1177
Notice of Bond Sale	1178
City of Hillsboro	1181
Pottawatomie County Community Hospital District No. 1	1184
City of Topeka	1186
City of DeSoto	1187
U.S.D. 378, Riley County	1187
Temporary Administrative Regulations	1190
The Kansas Lottery	1199
Kansas Wheat Commission	1199
Social and Rehabilitation Services	1199
Office of the Governor	1205
Request for Public Comment	1205

State of Kansas

STATE CONSERVATION COMMISSION**NOTICE TO CONTRACTORS**

Sealed bids for the construction of a 73,000 cubic yard detention dam, Site 3-26 in Hodgeman County, will be received by the Pawnee Watershed Joint District No. 81 at the district office, Route 2, Box 135, Jetmore 67854, until 8 p.m. on July 6, and then will be opened. A copy of the invitation for bids and the plans and specifications can be obtained from the district office, (913) 357-6420.

KENNETH F. KERN
Executive Director

Doc. No. 006729

State of Kansas

STATE CONSERVATION COMMISSION**NOTICE TO CONTRACTORS**

Sealed bids for the construction of a 70,205 cubic yard detention dam, Site 33 in Greenwood County, will be received by the Walnut-West Creeks Watershed District No. 72 at the Greenwood County Conservation District Office, Courthouse, 311 N. Main, Eureka 67045, until 8 p.m. on July 21, and then will be opened. A copy of the invitation for bids and the plans and specifications can be obtained from the conservation district office, (913) 583-6461.

KENNETH F. KERN
Executive Director

Doc. No. 006730

State of Kansas

LEGISLATURE**INTERIM COMMITTEE SCHEDULE**

The following committee meetings have been scheduled during the period of June 27 through July 10:

Date	Room	Time	Committee	Agenda
July 1	527-S	9:00 a.m.	Legislative Coordinating Council	Legislative matters.

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. 006741

The *Kansas Register* is an official publication of the State of Kansas, published by authority of K.S.A. 75-430. The *Kansas Register* is published weekly by the Kansas Secretary of State, State Capitol, Topeka, KS 66612-1594. One-year subscriptions are \$55. Single copies may be purchased, if available, for \$2 each. Second class postage paid at Topeka, KS. ISSN No. 0744-2254.

Postmaster. Send change of address form to *Kansas Register*, Secretary of State, State Capitol, Topeka, KS 66612-1594.

© Kansas Secretary of State 1988. Reproduction of this publication in its entirety or for commercial purposes is prohibited without prior permission. Official enactments of the Kansas Legislature and proposed and adopted administrative regulations of state agencies may be reproduced in any form without permission.

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



Phone: (913) 296-3489

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 S.W. 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.

Thursday, June 30, 1988

#A-5830 and #A-5841

Department of Transportation—TUCKPOINT, INSULATE AND WEATHERPROOF CONSTRUCTION OFFICE AND DRIVERS' LICENSE EXAMINER BUILDING, Salina

#A-5839

Department of Transportation—INSULATE AND WEATHERPROOF DISTRICT SHOP BUILDING, Chanute

#A-5840

Department of Transportation—INSULATE AND WEATHERPROOF KANSAS HIGHWAY PATROL BUILDING, Chanute

#A-5842

Department of Transportation—INSULATE AND WEATHERPROOF DISTRICT SHOP BUILDING, Salina

#A-5843

Department of Transportation—REMODELING OF AREA BUILDING, Dighton

#A-5844

Department of Transportation—REMODELING OF AREA BUILDING, Winfield

#A-5845

Department of Transportation—REMODELING OF AREA BUILDING, Phillipsburg

#A-5846

Department of Transportation—REMODELING OF AREA BUILDING, Clay Center

#A-5847

Department of Transportation—REMODELING OF AREA BUILDING, Horton

#A-5856

Department of Transportation—REROOF AREA BUILDING, Olathe

#A-5873

Department of Transportation—METAL BUILDING REPLACEMENT, Ottawa

#A-5947

Department of Transportation—REROOF (COMPLETE REPLACEMENT) DISTRICT SHOP BUILDING, Garden City

Tuesday, July 5, 1988

#27264

Department of Health and Environment—STD CULTURE SUPPLIES

#74950

University of Kansas—FURNITURE REUPHOLSTERY

#74960

Kansas Bureau of Investigation—COLLECTION KITS

Wednesday, July 6, 1988

#A-5802

Youth Center at Atchison—REPAINT WATER TOWER/INSIDE AND OUT

#A-5812

Osawatomie State Hospital—REPLACE OVERHEAD DOORS—FIRE STATION

#A-5866

Kansas Soldiers' Home—REPLACEMENT OF ELECTRICAL SWITCHBOARD AND TRANSFORMERS

#A-5952

Kansas State University—CONCRETE SIDEWALK ALONG SOUTH SIDE OF MID CAMPUS DRIVE BETWEEN DENISON AND SOUTH DRIVE TO PITTMAN BUILDING

#A-5957

Department of Administration—DRIVE AND PARKING LOT REPAIRS, Building 740, Forbes Field

#26144

Larned State Hospital—LABORATORY SERVICES

Thursday, July 7, 1988

#25234

Emporia State University—MAINTENANCE OF KEYBOARD INSTRUMENTS

#27440

Kansas Insurance Department—JANITORIAL SERVICES

#27557

Kansas State University—AUGUST (1988) MEAT PRODUCTS

Friday, July 8, 1988

#27124

Kansas State University and University of Kansas—PRINTING INK

#27499

University of Kansas Medical Center—MISCELLANEOUS GROCERIES

Friday, July 15, 1988

#27834

Statewide—MAINTENANCE OF AND INSTALLATION OF TELECOMMUNICATIONS EQUIPMENT

Thursday, July 21, 1988

#A-5909

University of Kansas—NEW UNIVERSITY OF KANSAS PARKING FACILITY NO. 1

Friday, July 29, 1988

#26622

Pittsburg State University—PROPERTY INSURANCE

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 006738

State of Kansas

**BOARD OF INDIGENTS'
DEFENSE SERVICES****NOTICE OF HEARING
ON PROPOSED****ADMINISTRATIVE REGULATIONS**

The State Board of Indigents' Defense Services will conduct a public hearing at 10 a.m. Friday, August 12, in the City Council Chambers in City Hall, 701 N. 7th, Kansas City, Kansas. This hearing will be held to obtain public comment on the agency's proposed permanent regulations. The following summarizes the proposed regulations:

K.A.R. 105-2-1 removes Geary County from the jurisdiction of the agency's conflicts attorney office.

K.A.R. 105-3-1 provides for voluntary service on indigent felony panels with a one-year minimum service requirement.

K.A.R. 105-3-2 sets forth qualification guidelines for panel attorneys, subject to waiver by the administrative judge.

K.A.R. 105-5-2 increases the hourly rate of compensation from \$30 to \$50 for panel attorneys.

K.A.R. 105-5-6 defines reasonable compensation for certain nontried cases.

K.A.R. 105-5-7 defines reasonable compensation for tried cases.

K.A.R. 105-5-8 defines exceptional cases.

Revocation of K.A.R. 105-9-4, which allows the board to prorate payment of claims if funding for any fiscal year, is insufficient.

K.A.R. 105-10-1 removes Geary County from the jurisdiction of the agency's conflicts attorney office.

The above rules, the balance made necessary as a result of recent Supreme Court rulings, will have a fiscal impact on the state general fund of \$2.1 million annually, primarily due to the increase in the hourly rate paid to appointed counsel (K.A.R. 105-5-2). Revocation of K.A.R. 105-9-4 and adoption of K.A.R. 105-2-1, 105-3-1, 105-3-2 and 105-10-1 have no perceived fiscal impact. Persons affected by changes in all of the regulations above are appointed attorneys and indigent felony defendants.

The State Board of Indigents' Defense Services proposed a regional public defender/assigned counsel mixed system to the 1988 Legislature. This program would have reduced the fiscal impact by approximately \$800,000 after the first year. The Legislature intends to study this plan for possible adoption during the next legislative session. For a more detailed description of this plan and a copy of the proposed rules and fiscal impact statement, contact the Director, State Board of Indigents' Defense Services, 900 S.W. Jackson, Topeka 66612.

This period of 30 days notice constitutes a public comment period for the purpose of receiving written comments on the proposed rules and regulations. Comments should be sent to the address given above. All interested parties will be given a reasonable opportunity at the hearing to orally express their views 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 presentations to five minutes.

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

RONALD E. MILES
Director

Doc. No. 006734

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 Department of Social and Rehabilitation Services. Several minor projects at different locations have been grouped together and negotiations will be held for a single firm to perform all of the work in each group.

The groups of projects are as follows:

- Group I— Engineering services at the Larned State Hospital, Winfield State Hospital and Training Center, and Parsons State Hospital and Training Center. Estimated total project cost \$249,900.
- Group II— Engineering services at the Osawatomie State Hospital, Topeka State Hospital, Kansas Neurological Institute, Youth Center at Atchison, and Youth Center at Topeka. Estimated total project cost \$236,000.
- Group III— Architectural Services at the Topeka State Hospital, Kansas Neurological Institute, Youth Center at Atchison, and Youth Center at Topeka. Estimated total project cost \$290,100. These services may require an engineering consultant.

Additional information regarding the specific work in each group of projects or expressions of interest may be obtained by contacting Norman Moody, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367. Information on the architectural projects in Group III can be obtained by contacting Jack Nelson at the same address and phone. All expressions of interest must be received by July 8.

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

Doc. No. 006732

State of Kansas

DEPARTMENT OF HEALTH
AND ENVIRONMENTSTATE EMERGENCY
RESPONSE COMMISSION

NOTICE OF MEETING

The State Emergency Response Commission will meet at 9 a.m. Tuesday, July 12, in the State Defense Building, 2800 S. Topeka Blvd., Topeka.

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

Doc. No. 006724

(Published in the *Kansas Register*, June 23, 1988.)

NOTICE TO BONDHOLDERS

City of Wichita, Kansas

\$1,500,000 Industrial Revenue Bonds

Series VII, 1980

(George C. Christopher Steel, Inc. Project)

Dated July 1, 1980

The Merchants Bank, Kansas City, Missouri (the fiscal agent), is the successor fiscal agent in connection with the above-referenced bond issue. As fiscal agent, we are providing the following information regarding the current status of the defaulted Series 1980 bonds:

1. George C. Christopher Steel, Inc. (the tenant) defaulted under the lease dated as of July 1, 1980, entered into in connection with the issuance of the Series 1980 bonds. Such default has not been cured as of the date hereof. Because of the insolvency of the tenant, such default will not be cured.
2. On June 1, 1988, the United States Bankruptcy Court in Wichita dismissed the involuntary bankruptcy proceeding which had been brought against the tenant. The proceeding was dismissed because the tenant is insolvent.
3. Substantially all of the tenant's assets (including the tenant's leasehold interest under the lease) have been foreclosed upon by Bank IV, National Association, in its capacity as commercial lender. The District Court of Sedgwick County has confirmed the sale of substantially all of the tenant's assets (including the tenant's leasehold interest under the lease) to Christopher Steel, Inc. (CSI), a wholly-owned operating subsidiary of Bank IV. Pursuant to the hereinafter referred to agreement and assignment, Bank IV has assigned the bond property to the fiscal agent.
4. American Appraisal Associates has prepared an appraisal which sets forth the estimated fair market value, as of March 18, 1988, of the tenant's machinery and equipment pledged as security for the Series 1980 bonds. Bondholders may obtain a copy of this appraisal at the meeting to be held as described in paragraph 7.
5. In addition, a copy will be available of a report prepared by David Craig & Company, which sets forth separately the value of assets (including machinery, equipment and real estate) pledged as se-

curity for the Series 1980 bonds and those assets which were pledged as security for the commercial loans from Bank IV.

6. The fiscal agent has received a proposal from Bank IV requesting the fiscal agent's cooperation with Bank IV in regard to the sale of the property, machinery and equipment pledged as security for the Series 1980 bonds. This proposal provides for offering for sale all of the property together rather than the separate liquidation of individual machines and equipment.
7. The fiscal agent will hold a meeting of bondholders at 3:30 p.m. June 27 at the Airport Hilton in Wichita in Salon 1. The following topics are among those to be discussed at the meeting: (a) the appraisals referred to in paragraphs 4 and 5; (b) the proposal to cooperate with Bank IV referred to in paragraph 6; (c) the possibility of turning the fiscal agent's files over to a securities litigation firm, which would prepare a special report on the merits of any claim the bondholders may have; (d) the appointment of a bondholders committee; and (e) an accounting by the fiscal agent for the Series 1980 bonds.
8. Bank IV and the fiscal agent have executed an agreement and assignment referred to in Paragraph 3 above. CSI, as owner of a portion of the property, and the fiscal agent have executed an agreement concerning custody and use of project. Copies of these agreements will be available at the bondholders meeting.
9. The fiscal agent has made demand upon CSI for monthly rental payments to compensate the bondholders for CSI's use of the equipment pledged as security for the Series 1980 bonds in connection with CSI's continued operation of the steel plant. CSI has not yet responded to this demand. Copies of the demand will be available at the bondholders meeting.
10. Section 22 of Bond Ordinance No. 36-671, passed by the city on July 1, 1980, provides that the holders of 25 percent in principal amount of the Series 1980 bonds may request the fiscal agent to declare the principal and interest on the bonds immediately due and payable. To date, fewer than 20 percent of such holders have made such a request.
11. Set forth below is an excerpt from the bond ordinance regarding the rights of bondholders.

"Section 21. Enforcement. The provisions of this Ordinance shall constitute a contract between the City of Wichita, Kansas, and the holders of the Bonds herein authorized, and the holder of any one or more of said Bonds may sue to recover interest or principal which has not been paid according to the terms of said Bond. Notwithstanding any provisions of this Ordinance to the contrary, nothing in this Ordinance shall be so construed as to authorize or permit the City to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely out of the rentals from the leased facilities. The holders of Twenty-Five percent (25%) of the principal amount

(continued)

of Bonds then outstanding may sue in any action, in mandamus, injunction or other proceedings, either at law or in equity, to enforce or compel performance of all duties and obligations required by this Ordinance to be done or performed by the City or by the Tenant. Nothing contained in this Ordinance shall, however, be construed to impose on said City any duty or obligation to levy any taxes either to meet any contractual obligation contained herein or to pay any judgement for damages or to pay the principal of or interest on the Bonds of the City herein authorized."

12. Inquiries in connection with the Series 1980 bonds should be directed *in writing* to the Merchants Bank, 1125 Grand Ave., 2nd Floor, Kansas City, MO 64105, Attention: Corporate Trust Department, George C. Christopher Steel, Inc., Project (Series 1980).

THE MERCHANTS BANK
Kansas City, Missouri

Doc. No. 006723

State of Kansas
KANSAS WHEAT COMMISSION

NOTICE OF HEARING
ON PROPOSED
ADMINISTRATIVE REGULATION

A public hearing will be conducted at 9 a.m. Monday, July 25, at the office of the Kansas Wheat Commission, 2630 Claffin Road, Manhattan, on permanent regulation 24-1-1. The commission is accepting written public comments concerning the regulation from today until the hearing. All interested parties may present oral and written comments at the hearing.

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

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

The regulation to be adopted is as follows:

K.A.R. 24-1-1. Mill levy assessment. Wheat marketed through commercial channels in the state of Kansas shall be assessed at seven mills per bushel. The assessment shall be levied and assessed to the grower at the time of sale. (Authorized by and implementing K.S.A. 1987 Supp. 2-2608, as amended by Substitute for Senate Bill No. 448; effective, T-89-21, May 27, 1988; effective P _____.)

STEVEN M. GRAHAM
Administrator

Doc. No. 006736

State of Kansas
DEPARTMENT OF TRANSPORTATION

NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, until 10 a.m. C.D.T. July 21, 1988, and then publicly opened:

DISTRICT ONE—Northeast

Johnson—46 U-1145-01—55th and Nieman in Shawnee, traffic signal. (Federal Funds)

Lyon—56 C-1821-01—County road, 1.9 miles south and 1.0 mile west of Admire, then west, 0.2 mile, bridge replacement. (Federal Funds)

Lyon—56 C-1822-01—County road, 4.5 miles west and 1.2 miles north of Americus, then north, 0.1 mile, bridge replacement. (Federal Funds)

Marshall—36-58 K-3479-01—U.S. 36, from the junction of U.S. 36 and K-87 east to the Marshall-Nemaha county line, 5.0 miles, overlay. (State Funds)

Osage—70 C-1238-01—County road, 1.5 miles west and 1.3 miles south of Burlingame, then south, 0.2 mile, bridge replacement. (Federal Funds)

Pottawatomie—24-75 K-3478-01—U.S. 24, from the Riley-Pottawatomie county line east to the four lane divided to two lane, 3.9 miles, patching. (State Funds)

Riley—24-81 K-3477-01—U.S. 24, Roytone Street in Manhattan south to the Riley-Pottawatomie county line, 0.9 mile, patching. (State Funds)

Wyandotte—32-105 K-2927-01—K-32, Morse Avenue northeast to Mission Creek bridge, 2.2 miles, overlay. (State Funds)

DISTRICT TWO—Northcentral

Clay—82-14 M-1501-01—K-82, Milford Lake bridge 26, 6.9 miles east of K-15, 0.2 mile, bridge repair. (State Funds)

Cloud—28-15 M-1493-01—K-28, 0.2 mile northwest of the junction of K-9 and K-28 at Wolf Creek, slide repair. (State Funds)

Dickinson—77-21 M-1452-01—U.S. 77, 935 feet north of the junction of U.S. 77 and U.S. 56, slide repair. (State Funds)

Geary—31 C-2105-01—County road, 2.5 miles west and 9.2 miles south of the junction of I-70 and K-177, then south, 0.1 mile, bridge replacement. (Federal Funds)

Geary—57-31 M-1402-01—K-57, slide on southwest side of K-57, 11.2 miles southeast of I-70, 0.2 mile, slide repair. (State Funds)

Marion—256-57 K-3609-01—K-256, from new U.S. 56 south to old U.S. 56 at Marion, 0.9 mile, overlay. (State Funds)

Washington—101 C-1886-01—County road, 1.0 mile east and 3.4 miles north of Haddam, then north, 0.2 mile, bridge replacement. (Federal Funds)

DISTRICT THREE—Northwest

Norton—69 C-2382-01—County road, 5.7 miles south and 5.0 miles west of Norton, then west, 0.3 mile, bridge replacement. (Federal Funds)

Russell—84 C-2109-01—County road, 2.0 miles east and 5.0 miles south of Russell, then south, 0.1 mile, bridge replacement. (Federal Funds)

Sherman—91 C-1629-01—County road, 4.5 miles east and 11.1 miles south of Goodland, then south, 0.2 mile, bridge replacement. (Federal Funds)

Sherman—70-91 K-3472-01—I-70, from the end of the concrete pavement at Edson east to the Sherman-Thomas county line, 7.9 miles, recycling. (State Funds)

Thomas—70-97 K-3473-01—I-70, from the Sherman-Thomas county line east to the east end of the interchange at U.S. 24, 11.0 miles, recycling. (State Funds)

Thomas—70-97 K-3474-01—I-70, 0.3 mile west of K-25, east and southeast to the Thomas-Logan county line, 21.2 miles, recycling. (State Funds)

DISTRICT FOUR—Southeast

Miami—61 C-2035-01—County road, 2.0 miles west and 1.0 mile north of Louisburg, then north, 0.2 mile, bridge replacement. (Federal Funds)

DISTRICT FIVE—Southcentral

Reno—U-1133-01—Avenue A and Plum and 4th and Main in Hutchinson, traffic signals. (Federal Funds)

Reno—50-78 U-1156-01—U.S. 50 and K-61 in Hutchinson, traffic signal. (Federal Funds)

Reno—78 U-1157-01—Avenue A and Adams in Hutchinson, traffic signal. (Federal Funds)

Reno—50-78 M-1530-01—U.S. 50, Arkansas River bridge 17, 1.6 miles east of K-96, bridge overlay. (State Funds)

DISTRICT SIX—Southwest

Clark—13 C-2459-01—County road, 1.0 mile north of Ashland, then north, 0.2 mile, grading and bridge. (Federal Funds)

Finney—28 U-062-01—Campus Drive; U.S. 50 to Kansas Avenue in Garden City, 1.1 miles, grading and surfacing. (Federal Funds)

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

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

approval package will make the bid nonresponsive and not eligible for award consideration.

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

HORACE B. EDWARDS
Secretary of Transportation

Doc. No. 006735

State of Kansas

ANIMAL HEALTH DEPARTMENT

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

The Kansas Animal Health Board is scheduled to meet at 1:30 p.m. Monday, July 25, in conference room 452A, Landon State Office Building, 900 S.W. Jackson, Topeka. The board will conduct a public hearing at 2 p.m. the same day to consider adoption of proposed regulations relating to the disease in swine called pseudorabies.

The changes will take place August 9, 1988. The following summarizes the proposed changes:

K.A.R. 9-7-7 amends the regulation defining the requirements for movement of swine into and through Kansas. It will require all swine coming into Kansas to meet acceptable identification, testing and quarantine provisions for the disease pseudorabies.

K.A.R. 9-14-1 through K.A.R. 9-14-5 define and establish procedures for the identification, quarantine, testing and the eradication of pseudorabies from Kansas swine herds.

The eradication of this disease will have a positive economic impact on the swine industry in Kansas, but will have little or no fiscal impact on this agency.

All interested parties may obtain a more detailed economic impact statement by writing the Kansas Animal Health Department, Dr. A.T. Kimmell, Livestock Commissioner, Suite 451, Landon State Office Building, Topeka 66612. All interested parties may also submit written comments prior to the hearing to the same address.

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 changes to the regulations.

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

A.T. KIMMELL, D.V.M.
Livestock Commissioner

Doc. No. 006733

(Published in the *Kansas Register*, June 23, 1988.)

SHAWNEE COUNTY, KANSAS

NOTICE TO CONTRACTORS

Sealed bids for the demolition and removal of existing jail equipment on the second and third floors of the Shawnee County Courthouse, Topeka, will be received by the county commission in its chambers until 2 p.m. C.D.T. on Tuesday, July 19. Plans may be secured from OSS-MANN & Associates, 921 Topeka Blvd., Topeka 66612, upon deposit of \$50.

Board of Commissioners
Shawnee County, Kansas

Doc. No. 006737

State of Kansas

ATTORNEY GENERAL

Opinion No. 88-79

Forestry, Fish and Game—Fish and Game—Protected and Unprotected Birds; Mode of Hunting. Senator Alicia Salisbury, 20th District, Topeka, June 9, 1988.

Proposed regulations relating to falconry (numbered 23-21-1 through 23-21-14) are within the statutory authority conferred upon the Kansas Department of Wildlife and Parks. Cited herein: K.S.A. 32-156; 32-164; 32-215. TRH

Opinion No. 88-80

Public Health—Solid and Hazardous Waste; Solid Waste—Restrictions on Local Authorities. Craig Cox, Harvey County Attorney, Newton, June 9, 1988.

Pursuant to K.A.R. 28-29-1, Harvey County may not enact an ordinance that impedes the interstate or intrastate transportation or disposal of solid waste collected in Harvey County by requiring that all such solid waste remain in Harvey County. Because disposal of solid waste is affected with a public interest, Harvey County may, where not otherwise precluded, establish a reasonable and nondiscriminatory rate schedule for services connected with such disposal if the schedule bears a rational relation to that public interest. Cited herein: K.S.A. 19-101; K.S.A. 1987 Supp. 19-101a; 65-3401; 65-3405(c)(2); K.A.R. 28-29-1. TMN

Opinion No. 88-81

State Boards, Commissions and Authorities—Parimutuel Racing; Kansas Parimutuel Racing Act—Robotic Racing; Betting in Public Buildings. Senator James L. Francisco, 26th District, Mulvane, June 9, 1988.

Provisions of the Kansas parimutuel racing act clearly contemplate governmentally-owned racetrack facilities. Thus, a county, if properly licensed to do so, may permit parimutuel wagering conducted by an organization licensee in a county-owned racetrack facility. Though racing of hackney ponies appears to be permissible under the act, use of mechanical, remote-controlled jockeys to control the movements of a horse and affect its speed other than with an ordinary whip is precluded by K.S.A. 1987 Supp. 74-8810(h)(5). Cited herein: K.S.A. 1987 Supp. 74-

8801; 74-8810; 74-8813; 74-8814; 74-8815; Kan. Const., Art. 15, §§ 3, 3b. JLM

Opinion No. 88-82

Hotels, Lodging Houses and Restaurants—Liens of Hotels and Lodging House Keepers—Applicability of Defrauding an Innkeeper Statute to Tenants. Representative Jessie M. Branson, 44th District, Lawrence, June 16, 1988.

K.S.A. 1987 Supp. 36-206 and 36-207 add "dwelling unit" to penal statutes of defrauding an innkeeper or owner. K.S.A. 1987 Supp. 36-206 and 36-207, as applied to tenants, do not violate Section 16 of the Bill of Rights of the Constitution of the State of Kansas nor do they violate the due process provisions of the 14th Amendment of the United States Constitution. Cited herein: K.S.A. 1987 Supp., 36-206; 36-207; Kan. Const., Bill of Rights, § 16; U.S. Const., 14th Amendment. BLB

ROBERT T. STEPHAN
Attorney General

Doc. No. 006747

(Published in the *Kansas Register*, June 23, 1988.)

NOTICE OF REDEMPTION

Water District No. 1 of
Johnson County, Kansas
Water Revenue Refunding Bonds
Series December 1, 1971

Notice is hereby given pursuant to the provisions of Section 4 of Resolution of Water District No. 1 of Johnson County, Kansas, dated November 23, 1971, that the following numbered bonds of Water District No. 1 of Johnson County, Kansas, Water Revenue Bonds, Series 1971, dated December 1, 1971, due August 1, 1994, have been called for redemption on August 1, 1988: 1858 thru 1863.

Said bonds will be due and payable in lawful money of the United States at the office of the paying agent, the Kansas State Treasurer, P.O. Box 737, Topeka, KS 66601, at 102 percent of the principal amount thereof.

Interest due on August 1, 1988, will be paid on that date. From and after August 1, 1988, interest shall cease to accrue on the bonds selected for redemption.

BANK IV TOPEKA, N.A.
Topeka, Kansas
Joel K. Huet
Assistant Trust Officer

Doc. No. 006739

State of Kansas
REAL ESTATE COMMISSION

**NOTICE OF HEARING
 ON PROPOSED
 ADMINISTRATIVE REGULATIONS**

A public hearing will be held at 10 a.m. Thursday, July 28, in Room 203, Federal Building, 444 S.E. Quincy, Topeka, to consider the adoption of a new regulation and amendments to two regulations for filing as both temporary and permanent regulations by the Kansas Real Estate Commission. The following is a brief summary of the proposed amendments and regulation:

Amendment to 86-1-5, Fees: To implement fees authorized by Senate Bill 283, including a \$15 application fee; a \$10 fee for issuance of a duplicate license and for certification of licensure to another jurisdiction; a fee of \$7.50 for each license affected when a company changes name or address (deletion of \$100 maximum); and fees for registering courses and instructors—\$50 for approval of course, \$50 for approval of instructor, \$15 for course renewal, and \$15 for instructor renewal.

Amendment to 86-1-11, Minimum curricula and standards for course: To change minimum instruction time for continuing education courses from four hours to three hours. The estimated economic impact on the agency is \$4,162. The estimated economic impact on schools and licensees is that schools may receive more fees from licensees because more courses will be taken to meet the 12-hour requirement.

New 86-1-16, Instructor credit for hours taught: Instructors who hold real estate licenses will not be required to take other courses if the course or courses they instruct are of sufficient hours to meet the licensure requirements. No other economic impact is identified.

A complete copy of the proposed regulations and complete economic impact statements may be obtained from the Kansas Real Estate Commission, Room 501, Landon State Office Building, 900 S.W. Jackson, Topeka 66612.

The period of 30 days notice constitutes a public comment period for the purpose of receiving written public comments on the proposed regulations. All interested persons may submit written comments prior to the hearing to the Kansas Real Estate Commission at the address above.

Interested persons 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 will be considered by the Kansas Real Estate Commission.

JEAN DUNCAN
 Administrative Officer

Doc. No. 006725

State of Kansas
GRAIN INSPECTION DEPARTMENT

**NOTICE OF HEARING
 ON PROPOSED
 ADMINISTRATIVE REGULATIONS**

The Kansas State Grain Inspection Department will conduct a public hearing regarding adoption of amended K.A.R. 25-4-1, which was adopted as a temporary regulation effective June 13, 1988. The hearing will be at 10 a.m. Monday, July 25, in the conference room of the Kansas State Grain Inspection Department, 700 Jackson, Suite 800, Topeka, regarding adoption of K.A.R. 25-4-1 as a permanent regulation to become effective 45 days after publication in the *Kansas Register*.

The department proposes the following changes in the fees and charges for service provided to the grain industry as authorized by Senate Bill 666. The first change would encourage the grading of grain with submitted samples when only one or two factors are desired. The second change would allow the department the ability to have two different fees for the two official classes of weight certificates.

The department is proposing to delete the charge for checktesting large weights due to the fact that it is not able to perform this service.

This regulation will not have an economic impact on the general public, governmental agencies or units.

All interested parties may submit written comments during the 30-day notice period to the director of the Kansas State Grain Inspection Department, P.O. Box 1918, Topeka 66601. All interested parties will be given a reasonable opportunity to present their views orally on the proposed regulation during the hearing.

Copies of the full text of the regulation and economic impact statement may be obtained by contacting or writing the director at the address above.

T. D. WILSON
 Director

Doc. No. 006722

State of Kansas
**DEPARTMENT OF HEALTH
 AND ENVIRONMENT**

**NOTICE CONCERNING KANSAS
 WATER POLLUTION CONTROL PERMIT**

In accordance with state regulations 28-16-57 through 28-16-63 and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, tentative permits have been prepared for discharges to the waters of the United States and the state of Kansas for the applicants described below.

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

(continued)

Name and Address of Applicant
 Erman Corporation, Inc.
 6600 Thorn Drive
 Kansas City, KS 66110
 Wyandotte County, Kansas
 Kansas Permit No. I-KS27-C008
Waterway
 Kansas River
Type of Discharge
 Cooling water
Description of Facility: This facility recycles metals obtained primarily from the railroad industry. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 Fina Oil and Chemical Company
 Pump and Pantry
 Attn: John Brewer
 P.O. Box 2159
 Dallas, TX 75221
 Dickinson County, Kansas
 Kansas Permit No. I-SH04-P004
Waterway
 Smoky Hill River via Chapman Creek
 Smoky Hill River Basin
Type of Discharge
 Wastewater generated from groundwater remediation activities
Description of Facility: Hydrocarbon-contaminated groundwater is treated with an air stripper prior to discharge. This is a new facility. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 Lubrication Engineers, Inc.
 Potwin Refinery and Tank Farm
 P.O. Box 7128
 Fort Worth, TX 76111
 Attn: Charles Brandt
 Butler County, Kansas
 Kansas Permit No. I-WA12-P001
Waterway
 Walnut River via Whitewater River via Brush Creek via Existing Lagoon
 Walnut River Basin
Type of Discharge
 Wastewater generated from groundwater remediation activities
Description of Facility: Hydrocarbon-contaminated groundwater is treated with an air stripper and directed to an on-site lagoon prior to discharge. This is a new facility. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 Fina Oil and Chemical Company
 P.O. Box 2159
 Dallas, TX 75221
 Attn: John Brewer
 Geary County, Kansas
 Kansas Permit No. I-LR15-P003
Waterway
 Republican River
 Lower Republican River Basin
Type of Discharge
 Wastewater generated from groundwater remediation activities
Description of Facility: Hydrocarbon-contaminated groundwater is treated with an air stripper prior to discharge. This is a new facility. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 Total Petroleum Inc.
 Vickers Service Station #2171
 1325 Wright Ave.
 Alma, MI 48802
 Attn: Pat Lincoln
 Reno County, Kansas
 Kansas Permit No. I-AR49-P005
Waterway
 Arkansas River via Unnamed Tributary, Lower Arkansas River Basin
Type of Discharge
 Wastewater generated from groundwater cleanup activities
Description of Facility: Hydrocarbon-contaminated groundwater is treated with an air stripper prior to discharge. This is a new facility. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 The Cessna Aircraft Company
 Wallace Division
 5800 E. Pawnee
 Wichita, KS 67218
 Sedgwick County, Kansas
Waterway
 Arkansas River via Wichita-Valley Center Flood Way
 Lower Arkansas River Basin
Type of Discharge
 Boiler blowdown, cooling water, stormwater runoff, and wastewater generated from groundwater remediation activities
 Kansas Permit No. I-AR94-P009
 Federal Permit No. KS-0000485

Description of Facility: Boiler blowdown, non-contact cooling water and stormwater runoff are commingled in a cooling impoundment prior to discharge. Contaminated groundwater is treated with an air stripping tower prior to discharge. This is an existing facility and the previous limitations have been modified. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant
 Kuhlman Diecasting Company
 164th and Mission
 P.O. Box 23218
 Stanley, KS 66223
 Johnson County, Kansas
 Kansas Permit No. I-MO26-P001
Waterway
 Missouri River via Big Blue River
Type of Discharge
 Process wastewater
Description of Facility: This facility is a diecasting job shop engaged in the production of zinc alloy diecasting, including captive electroplating operation. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 22 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-88-32/38) and name of applicant as listed when preparing comments.

If no objections are received, the Secretary of Health and Environment will issue the final determinations. 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. 006743

State of Kansas

DEPARTMENT OF HEALTH
AND ENVIRONMENTNOTICE CONCERNING KANSAS
WATER POLLUTION CONTROL PERMIT

In accordance with state regulations 28-16-57 through 63 and 28-18-1 through 4, and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, a tentative permit has been prepared for water pollution abatement facilities for the feedlot described below.

The tentative determinations for permit content are based on preliminary staff review, applying the appropriate standards and regulations of the state of Kansas and the EPA. The permit requires control of any existing or potential discharges to achieve the goal of "no discharge" whenever possible. The permit, upon issuance, will constitute a state water pollution control and national pollutant discharge elimination system permit.

Name and Address
of Applicant

Legal Description

Receiving Water

Decatur Feeders II Route 3, Box 9 Oberlin, KS 67749	NW/4 Section 12, Township 9S, Range 30W, Sheridan County, Kansas	Solomon River Basin
---	---	------------------------

Kansas Permit No. A-SOSD-C001 Federal Permit No. KS-0055549

The feedlot has capacity for approximately 5,000 cattle and a contributing drainage area of approximately 320 acres.

Runoff Control Facilities: Feedlot runoff is impounded for subsequent disposal upon agricultural land. Storage capabilities are provided in excess of 101 acre-feet.

Compliance Schedule: None, existing controls adequate.

Written comments on the proposed NPDES permit may be submitted to Bethel Spotts, Permit Clerk, Permits and Compliance Section, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 22 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-AG-88-13) and name of applicant as listed when preparing comments.

If no objections are received, the Secretary of Health and Environment will issue the final determinations within 30 days of this notice. 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, special conditions, fact sheets as appropriate, comments received, and other information are on file and may be inspected at the KDHE offices located at Building 740, Forbes Field, Topeka, 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. 006744

State of Kansas

DEPARTMENT OF HEALTH
AND ENVIRONMENTNOTICE OF HEARING
ON PROPOSED
ADMINISTRATIVE REGULATIONS

The Kansas Department of Health and Environment will conduct a public hearing at 10 a.m. Friday, July 29, in its executive conference room, Building 740, Forbes Field, Topeka, to consider the adoption of amended permanent Kansas Department of Health and Environment administrative rule and regulation K.A.R. 28-65-3, pertaining to the establishment of fees and reporting requirements. This rule and regulation is proposed to be adopted to replace temporary administrative regulation K.A.R. 28-65-3, which became effective on May 27, 1988, and amended permanent regulation K.A.R. 28-65-3 that had previously been adopted last December. The temporary regulation will expire on October 1, 1988.

The amendment is being proposed to permanently adopt a revised fee schedule that had been adopted in the temporary regulation on the recommendation of the State Emergency Response Commission with the concurrence of the Governor. The proposed permanent rule and regulation also deletes a present requirement that the hazardous chemical storage notification required by Section 302 of P.L. 99-499, Title III, of the Superfund Amendments and Reauthorization Act must be resubmitted to the Department of Health and Environment annually. The notice is required to be submitted only once under the federal law.

The fee reduction included in the proposal, and the temporary regulation it replaces, is estimated to reduce payments by affected industries and other entities by 50 percent from \$1 to \$190 each year, depending upon the types of reports required to be submitted. The original fee schedule was developed to provide 100 percent of the funds needed to support KDHE activities associated with the compilation and utilization of the information provided by the federally required reports. The reduction in fee funds must be offset by the use of equal amounts of general revenue funds. This general revenue fund expenditure is estimated at approximately \$200,000 annually.

The proposed elimination of the requirement for the annual resubmission of the notices required under Section 302 of the federal act will eliminate recurrent indirect costs to affected parties associated with the preparation of the notice and the direct department expenditures required to handle the forms and process the information provided by them. This latter cost is estimated at approximately \$19,000 annually.

Copies of the proposed amended rule and regulation, and a complete economic impact statement pertaining to it, may be obtained by contacting Karl F. Birns, Department of Health and Environment, Forbes Field, Topeka 66620-0001, (913) 296-1690.

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 com-

(continued)

ments on the proposed amended rule and regulation. All interested parties may submit such comments prior to the hearing by mailing them to the previously cited address. 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, Ph.D.
Secretary of Health
and Environment

Doc. No. 006745

(Published in the *Kansas Register*, June 23, 1988.)

NOTICE OF BOND SALE

\$229,149.10

**General Obligation Sewer System Bonds
Series A, 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 \$229,149.10 principal amount of general obligation sewer system bonds, Series A, 1988, of the city as hereinafter described. All bids will be publicly opened and read at said time in said 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 for the bonds will be considered.

Description of Bonds

The bonds shall consist of fully registered certificated bonds in denominations of \$5,000, or any integral multiple thereof not exceeding the principal amount of bonds maturing in each year, except one bond shall be in the denomination of \$9,149.10; will bear a dated date of July 1, 1988; and shall mature serially on December 1 in each of the years and in the amounts as follows:

Principal Amount	Maturity Date
\$34,149.10	December 1, 1988
10,000.00	December 1, 1989
10,000.00	December 1, 1990
10,000.00	December 1, 1991
10,000.00	December 1, 1992
10,000.00	December 1, 1993
10,000.00	December 1, 1994
15,000.00	December 1, 1995
15,000.00	December 1, 1996
15,000.00	December 1, 1997
15,000.00	December 1, 1998
15,000.00	December 1, 1999
20,000.00	December 1, 2000
20,000.00	December 1, 2001
20,000.00	December 1, 2002

The bonds will bear interest from the dated date at rates which shall be determined upon the public sale thereof as heretofore provided, and said interest will be

payable initially on December 1, 1988, and semiannually thereafter on June 1 and December 1 of each year until the bonds are paid in full.

Payment of Principal and Interest; Registration

The principal of the bonds shall 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 December 1, 1988, through December 1, 1997, inclusive, are not subject to call for redemption prior to their respective maturities.

Bonds maturing December 1, 1998, 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 December 1, 1997 (the date being so set for redemption and payment being referred to as the redemption date), at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

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 $\frac{1}{8}$ or $\frac{1}{20}$ 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 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 \$4,583 (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; and 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 the city of 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, with \$49,149.10 of the principal amount thereof being issued under the authority of K.S.A. 12-626 to 12-629, inclusive, for the cost of constructing a pumping station, and the remaining \$180,000 of said principal amount being issued under the authority of K.S.A. 12-631t for 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 \$140,000 principal amount of its sewer system utility revenue 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 ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city.

(continued)

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 this proposed issue, 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 bonds will be exempt from bonded debt limitations imposed by Kansas statutes under the provisions of K.S.A. 10-309.

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. 006746

(Published in the *Kansas Register*, June 23, 1988.)

NOTICE OF BOND SALE

\$2,150,000

General Obligation Hospital Bonds

Series A, 1988

of

Community Hospital District No. 1

Pottawatomie County, State of Kansas

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

Sealed Bids

Sealed bids will be received by the undersigned, secretary of the Board of Directors of Community Hospital District No. 1, Pottawatomie County, Kansas, on behalf of the Board of Directors of said hospital district at the hospital district's office, 120 W. 8th, Onaga, KS 66521, until 6 p.m. C.D.T. on Thursday, July 14, 1988, for the purchase of \$2,150,000 principal amount of general obligation hospital bonds, Series A, 1988, of the hospital district hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the board of directors immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. 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	\$150,000
1990	\$200,000
1991	\$200,000
1992	\$200,000
1993	\$200,000
1994	\$200,000
1995	\$250,000
1996	\$250,000
1997	\$250,000
1998	\$250,000

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

Redemption of Bonds Prior to Maturity

At the option of the hospital district, bonds maturing on October 1, 1994, and thereafter, may be called for redemption and payment prior to maturity on October 1, 1993, or on any interest payment date price of 100 percent of the principal amount redeemed, plus accrued interest to the date of redemption.

If the hospital district elects to call any bonds for redemption and payment prior to maturity, written notice, including the date of the call and the number, principal amount and maturity of the bonds to be called, will be given by the hospital district or the bond registrar acting for the hospital district. This notice will be mailed by United States registered or certified mail addressed to the Kansas State Treasurer, the original purchaser of said bonds, and the registered owners not less than 30 days prior to the date fixed for redemption. All interest on any bond called for redemption will cease to accrue from and after the date of such call, provided funds are available for its payment.

The bonds will be called for redemption in whole or in part in inverse order of maturity. Bonds will be redeemed in integral multiples of \$5,000. If less than all of the outstanding bonds of a maturity are to be redeemed, the bonds will be selected by lot in such manner as the registrar may determine. The registrar will, in the case of bonds issued in denominations greater than \$5,000, treat each \$5,000 of face value as though it were a separate bond.

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 80-2501 *et seq.* for the purpose of paying the cost of certain hospital building improvements. The bonds and the interest thereon will constitute general obligations of the hospital district, 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 hospital district.

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate may exceed a rate equal to the index of treasury bonds published by the weekly *Credit Markets* in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified 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 hospital district 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 hospital district on the basis of such bid, all certified by the bidder to be correct, and the hospital district will be entitled to rely on the certificate of correctness of the bidder. Each bid must

(continued)

also specify the average annual net interest rate to the hospital district 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 \$43,000 (2 percent of the principal amount of the bonds), payable to the order of the hospital district to secure the hospital district 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 hospital district until the bidder has complied with all of the terms and conditions of this notice. If a bid is accepted but the hospital district fails to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the hospital district 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 hospital district, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the hospital district. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the board of directors will determine which bid, if any, will be accepted, and its determination is final. The hospital district reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 6 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 secretary of the board of directors 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 secretary of the board of directors and marked "Proposal for General Obligation Hospital Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the hospital district's office and must be received by the undersigned prior to 6 p.m. C.D.T. on Thursday, July 14, 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 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 hospital district.

Delivery and Payment

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

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 hospital district and bond registrar at least two weeks prior to the closing date. In the absence of such information, the hospital district 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 hospital district 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 hospital district by the original purchaser at closing.

Official Statement

The hospital district has prepared an informational statement dated June 15, 1988, copies of which may be obtained from the secretary of the board of directors or from bond counsel. Upon the sale of the bonds, the hospital district 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 hospital district, for the year 1987, is as follows:

Equalized assessed valuation of taxable, tangible property, including state assessed property	\$212,873,195
Taxable valuation of personal property including motor vehicles	\$ 1,823,450
Equalized assessed tangible valuation for computation of bonded debt limitations	\$214,696,645

The total general obligation bonded indebtedness of the hospital district as of the date of the bonds, including the bonds being sold, is \$2,150,000.

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 hospital dis-

tract, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

Opinion of Bond Counsel

In the opinion of bond counsel, assuming continued compliance by the hospital district 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 hospital district comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the bonds in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the bonds to be included in federal gross income retroactive to the date of issuance of the bonds. The hospital district 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 hospital district hereby designates the bonds as qualified project bonds (qualified tax exemptions) for the purpose of Section 902(b)(3) of the Act. The hospital district 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 hospital district.

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.

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.

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, in-

cluding 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.

State of Kansas Tax Matters

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 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 such a statement shall be included in the opinion of bond counsel.

Additional Information

Additional information regarding the bonds may be obtained from the hospital district secretary, hospital district employees, bond counsel or any other source available to a prospective bidder.

Dated June 20, 1988.

COMMUNITY HOSPITAL DISTRICT NO. 1
POTTAWATOMIE COUNTY, KANSAS
By Dean Myers, Secretary of the
Board of Directors
120 W. 8th
Onaga, KS 66521
(913) 889-4274

Doc. No. 006728

(Published in the *Kansas Register*, June 23, 1988.)**NOTICE OF BOND SALE****\$7,500,000****City of Topeka, Kansas
General Obligation Bonds
Series 1988-A (Taxable)****Sealed Bids**

Sealed bids for the purchase of \$7,500,000 principal amount of general obligation bonds, Series 1988-A (Taxable), of the city hereinafter described, will be received by the undersigned, city clerk of the city of Topeka, Kansas, on behalf of the governing body of the city at City Hall, 215 E. 7th, Topeka, until 11 a.m. C.D.T. on Tuesday, June 28, 1988. All bids will be publicly opened and read at said time and place and will be acted upon by the city immediately thereafter. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The bonds will be dated July 1, 1988, and will become due serially or be payable from mandatory sinking fund installments on August 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1991	\$150,000	2000	400,000
1992	150,000	2001	425,000
1993	200,000	2002	500,000
1994	200,000	2003	525,000
1995	250,000	2004	575,000
1996	250,000	2005	625,000
1997	300,000	2006	700,000
1998	350,000	2007	750,000
1999	350,000	2008	800,000

Bidders may specify that certain consecutive annual amounts (the amounts becoming due serially) be accumulated into one or more term bond maturities to be redeemed or paid at maturity from mandatory sinking fund installments in the amounts and on the dates of such annual amounts, but: (i) any annual amounts not so accumulated will mature on the respective dates for the payment of such amounts; and (ii) the annual amount for any given year may not be divided between a maturity and a sinking fund installment.

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 February 1 and August 1 in each year, beginning on February 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 Bank IV Topeka, N.A., 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 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.

It is anticipated that the bonds will be eligible for the services of the Depository Trust Company at the option of the successful bidder.

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.

Redemption of Bonds Prior to Maturity

At the option of the city, bonds maturing on August 1, 1994, and thereafter, will be subject to redemption and payment prior to maturity on August 1, 1993, and thereafter in whole or in part on any interest payment date (bonds of less than a single maturity to be selected by lot in multiples of \$5,000 principal amount by the paying agent and bond registrar in such equitable manner as it shall designate), at the principal amount thereof, plus accrued interest to the redemption date at redemption prices calculated as a percentage of the principal amount of bonds called for redemption as set forth below on the date set for redemption:

Redemption Dates	Redemption Price
August 1, 1993	102.50%
February 1, 1994	102.25
August 1, 1994	102.00
February 1, 1995	101.75
August 1, 1995	101.50
February 1, 1996	101.25
August 1, 1996	101.00
February 1, 1997	100.75
August 1, 1997	100.50
February 1, 1998	100.25
August 1, 1998 and thereafter	100.00

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

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

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity, including those

certain consecutive annual amounts, if any, specified by the successful bidder as term bond maturities. 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 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 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.

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. For the purpose of calculating the net interest cost, sinking fund installments for any term bonds specified by the bidder will be treated as bonds maturing on the dates and in the amounts of such sinking fund installments. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the city shall determine which bid, if any, shall be accepted, and its determination shall be final.

Authorization, Purpose and Security for the Bonds

The bonds are being authorized and issued to permanently finance the costs of purchasing, constructing, installing and equipping a public park, recreation facility and motor sports track, including the costs of issuing the bonds. The bonds will be general obligations of the city payable as to both principal and interest from ad valorem taxes which may be levied without limitation upon all the taxable tangible property, real and personal, within the territorial limits of the city.

New Legislation

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 of 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 when the bonds are delivered. Said opinion will also state that in the opinion of bond counsel, under existing law, the interest on the bonds will *not* be exempt from federal income taxation. As indicated under the immediately preceding section hereof entitled "New Legislation," 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 city will pay for printing the bonds and will deliver the bonds, without cost to the successful bidder, properly prepared, executed and registered, on or prior to July 19, 1988, at such bank or trust company in the contiguous United States of America as may be specified by the successful bidder. Said bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate regarding the completeness and accuracy of the official statement. Payment for the bonds shall be made in Federal Reserve funds, immediately subject to use by the city. The denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar not later than 4 p.m. C.D.T. on July 8, 1988. In the absence of such information, the city will deliver bonds in the denomination of each maturity registered in the name of the successful bidder.

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 \$150,000, payable to the order of the city to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. No interest will be paid upon the deposit made by the successful bidder. Said check shall be returned to the bidder if the bid is not accepted. If a bid is accepted, said check shall be held by the city until the bidder shall have complied with all of the terms and conditions of this notice, at which time said check shall be returned to the successful bidder or deducted from the purchase price at the option of the city. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check shall be returned to the bidder. If a bid is accepted but the bidder shall default in the performance of any of the terms and conditions of this notice, the proceeds of such check shall be retained by the city as and for liquidated damages.

CUSIP Numbers

CUSIP identification numbers will be printed on the bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof

(continued)

to accept delivery of and pay for the bonds in accordance with the terms of this notice. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

Bond Ratings

The outstanding general obligation bonds of the city are rated "Aa1" 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 General Obligation 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 11 a.m. C.D.T. on Tuesday, June 28, 1988.

Official Statement

Upon the sale of the bonds, the city will adopt an official statement in substantially the form as the preliminary official statement, subject to minor amendments and supplementation. Copies of the city's preliminary official statement relating to the bonds may be obtained from the city clerk or the city's financial adviser, Shearson Lehman Hutton Inc., 2345 Grand Ave., Suite 1600, Kansas City, MO 64112, (816) 346-6101. Upon request, a reasonable number of copies of the official statement will be made available to the successful bidder without charge. Additional copies may be obtained at the expense of such bidder.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city for the year 1988 is \$459,602,560. The total general obligation bonded indebtedness of the city, following the issuance of the bonds, is \$81,410,000. In accordance with the financial adviser's agreement with the city, the financial adviser will not be submitting a bid or participating in a group submitting a bid for the purchase of the bonds.

Dated June 16, 1988.

CITY OF TOPEKA, KANSAS
Norma E. Robbins
City Clerk
City Hall
215 E. 7th
Topeka, KS 66603
(913) 295-3940

Doc. No. 006731

(Published in the *Kansas Register*, June 23, 1988.)

NOTICE OF BOND SALE \$177,500

Street Improvement Bonds of

the City of DeSoto Johnson County, State of Kansas General Obligation Bonds Series 1988

The city of DeSoto, Johnson County, Kansas, will receive sealed bids at the City Hall, DeSoto, KS 66018, until 7:30 p.m. local time on June 30, 1988, for \$177,500 par value general obligation bonds, Series 1988, of the city, at which time and place such bids shall be publicly opened.

The bonds initially issued will be dated July 1, 1988, and shall mature on July 1 in each of the years and in the amounts set forth below. The bonds shall consist of fully registered certificated bonds, the first bond in the face amount of \$7,500, and each other bond in the denomination of \$5,000 or integral multiples thereof not exceeding the principal amount of the bonds maturing in any year. Interest will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 1989.

The principal of the bonds shall 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) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America by check or draft of the paying agent to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the calendar month next preceding the interest payment date (the record dates). The fees of the bond registrar for registration and transfer of the bonds shall be paid by the city.

The bonds will mature serially in accordance with the following schedule:

Principal Amount	Maturity July 1
7,500	1989
15,000	1990
15,000	1991
15,000	1992
15,000	1993
20,000	1994
20,000	1995
20,000	1996
25,000	1997
25,000	1998

Proposals will be received on the bonds bearing such rate or rates of interest not exceeding eight different rates, as may be specified by the bidder. The repetition of a rate will not constitute a different rate. The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of $\frac{1}{8}$ or $\frac{1}{20}$ of 1 percent. The difference between the highest and lowest interest rate specified in any bid shall not exceed 2 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being 2 percent above the twenty bond index of tax-exempt municipal bonds published by *Credit Markets* in New York,

New York, on the Monday next preceding the day on which the bonds are sold, and no bid of less than par plus accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

Bids shall be submitted on the official bid form furnished by the city, and shall be addressed to the city at the above address, to the attention of JoAnn Dinger, City Clerk, and shall be marked "Bond Bid." All bids must state the total interest cost of the bid and the average annual interest rate, certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness. Bids must be accompanied by a certified or a cashier's check equal to 2 percent of the total amount of the bid and shall be payable to city of DeSoto, Kansas. In the event a bidder whose bid is accepted shall fail to carry out his contract of purchase, said deposit shall be retained by the city as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

The bonds, duly printed, executed and registered, will be furnished and paid for by the city, and the bonds will be sold subject to the unqualified approving opinion of Cosgrove, Webb & Oman of Topeka, Kansas, bond counsel, whose opinion will be paid for by the city.

The number, denomination of bonds and names of the initial registered owners shall be submitted in writing by the successful bidder to the bond registrar not later than July 9, 1989.

The purchaser will be furnished with a complete 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 funds that are immediately available for use by the city. Delivery of the bonds will be made to the successful bidder on or before August 1, 1989, at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the city; delivery elsewhere will be made at the expense of the purchaser.

The bonds 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 within the city. The bonds are being issued for the purpose of paying a portion of the costs of certain street improvements within the city pursuant to K.S.A. 12-6a01 *et seq.* and 10-101 *et seq.*, as amended.

Sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice. The city reserves the right to reject any and all of the bids and waive any irregularities. The city reserves the right to refuse to issue, sell and deliver the bonds in the event that H.B. 3838, as passed by the United States House of Representatives on December 17, 1985, or any amendment thereof or supplement thereto is enacted prior to the issuance of the bonds. That legislation, if enacted, may affect the tax treatment of the bonds in the hands of some insurance companies and financial institutions.

Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the city, and the net interest cost will be determined by deducting any amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities.

The equalized assessed valuation of taxable tangible property within the city for 1987 is \$2,263,310. The total general obligation bonded indebtedness of the city is \$260,000. The general obligation bonded indebtedness of the city as of the date of the proposed issuance of the bonds will be \$260,000.

Additional copies of this notice of bond sale or further information may be received from the city clerk.

Dated June 9, 1988.

JoAnn Dinger, City Clerk
City of DeSoto, Kansas
Johnson County
State of Kansas

Doc. No. 006740

(Published in the Kansas Register, June 23, 1988.)

NOTICE OF BOND SALE
\$500,000

General Obligation Improvement Bonds
Series 1988
Unified School District 378
Riley County, Kansas
(general obligation bonds payable
from unlimited ad valorem taxes)

The Bids

Sealed bids will be received by the Board of Education of Unified School District 378, Riley County, Kansas, at the district office, Route 1, Riley, KS 66531, until 12:30 p.m. C.D.T. on Wednesday, July 6, 1988, for the purchase of \$500,000 principal amount of general obligation improvement bonds, Series 1988, of the district. All bids will be publicly opened and read at said time and place and will be acted upon by the Board of Education of the district immediately thereafter. No other bids will be considered.

Bond Details

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

Maturity Date	Principal Amount
July 1:	
1989	\$20,000
1990	20,000
1991	25,000
1992	25,000
1993	25,000
1994	30,000
1995	30,000
1996	30,000
1997	35,000
1998	35,000
1999	40,000
2000	40,000
2001	45,000
2002	50,000
2003	50,000

Bonds maturing July 1, 1997, and thereafter, are subject to redemption prior to maturity at the option of the district on July 1, 1996, or any interest payment date thereafter, as a whole or in part in inverse order of maturity (and by lot in multiples of \$5,000 principal amount within a single maturity) at the principal amount thereof plus

(continued)

accrued interest to the date of redemption, plus a premium of 1 percent of the principal amount of bonds called. If the district elects to redeem and pay any bonds prior to maturity, the district shall give written notice of its intention to redeem and pay the bonds, such bonds being described by number, principal amount and maturity. The notice shall be given at least 30 days prior to the redemption date by United States certified mail addressed to the paying agent and to the registered owner of each bond called, and by publication of the notice once in the official newspaper of the state of Kansas. Whenever a bond is called for redemption and payment as aforesaid, interest on said bonds shall cease from and after the date for which call is made, providing funds are available for its payment at the price stated above.

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 January 1 and July 1, in each year, beginning on July 1, 1989. The principal of the bonds shall be payable in lawful money of the United States of America at the principal office of the Kansas State Treasurer, Topeka, Kansas (the paying agent and bond registrar), 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 check or draft of the paying agent 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 district and the Kansas Attorney General.

Costs

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

Authority

The bonds are being issued pursuant to K.S.A. 72-6761 and K.S.A. 10-101 *et seq.*, as amended, for the purpose of paying a portion of the costs of constructing, equipping and furnishing an addition to the existing elementary school facility in the district. The bonds and the interest thereon will constitute general obligations of the district, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the district.

Conditions of Bids

Bids for the bonds will specify such rate or rates of interest at which the bidder proposes to purchase the bonds, 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 and the lowest rate specified cannot exceed 2 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered. Each bid must specify the total interest cost to the district 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 district on the basis of such bid—all certified by the bidder to be correct—and the district will be entitled to rely on the certificate of correctness of the bidder. Each bid must also specify the average annual net interest rate to the district on the basis of such bid.

All bids must be made on forms which may be procured from the secretary of the board. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid. 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 \$10,000 (2 percent of the principal amount of the bonds) payable to the order of the district to secure the district from any loss resulting from the failure of the bidder to comply with the terms of the bid. If a bid is accepted, said check or the proceeds thereof will be held by the district until the bidder has complied with all of the terms and conditions of this notice. If a bid is accepted but the district fails to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check shall be forfeited to the district. No interest will be paid upon the successful bidder's good faith check.

Bids must be submitted in sealed envelopes, addressed to the undersigned secretary of the board, and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the district office.

The award of the bonds will be made on the basis of the lowest net interest cost to the district, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the district. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the board will determine which bid, if any, will be accepted, and its determination is final. The district reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 12:30 p.m. on the date of sale will be returned to the bidder unopened.

Delivery and Payment

The district will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before August 5, 1988, at a location in the state of Kansas or Kansas City, Missouri, to be specified by 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 liti-

gation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds must be made in funds immediately subject to use by the district.

As a condition of the bid, at least one week prior to the delivery of the bonds the successful bidder shall furnish to the district the reoffering prices to the public and a certificate stating that a substantial amount (as that term may be defined by the applicable portions of the Internal Revenue Code of 1986) of the bonds 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 and must be executed by the successful bidder and furnished to the district at the time of closing.

The number and denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the initial registered owners must be submitted in writing by the successful bidder to the bond registrar at least two weeks prior to the date of delivery. In the absence of such information, the district will deliver one bond per maturity registered in the name of the manager of the successful bidder.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable, tangible property within the district, for the year 1987, including motor vehicles, is \$11,106,935.

The district has a present general obligation indebtedness of \$750,000, not including this issue.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Cosgrove, Webb & Oman, Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the district, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

The opinion will state that, assuming continuing compliance by the district with the provisions contained in the bond resolution, the interest on the bonds is, under existing law: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided that for the purpose of computing alternative minimum tax imposed on corporations, bond interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989). The opinion set forth in clause (a) above is subject to the compliance by the district with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the bonds in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with those 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 district has covenanted to comply with all such requirements. The opinion will state that the bonds are exempt from intangible personal property taxes levied by Kansas counties, cities and townships, and interest on the bonds is excluded from computation of Kansas adjusted gross income.

No further opinion concerning the tax consequences, other than the above, is or will be given.

The district has declared the bonds to be "qualified tax exempt obligations" within the meaning of Section 265 of the code, which provides in effect that a deduction is allowed for 80 percent of that portion of interest expense allocable to interest on the bonds held by certain financial institutions designated in that section.

Related Federal Tax Matters

Prospective bond purchasers are advised that: (a) except as stated above, Section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or hold the bonds; (b) with respect to insurance companies subject to the tax imposed by Section 831 of the code, Section 832 of the code reduces the deduction for loss reserves by a percentage of the sum of certain items which include interest on the bonds; (c) for taxable years beginning before January 1, 1992, interest on the bonds earned by some corporations might be subject to the environmental tax imposed by Section 59A of the code; (d) interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to the tax imposed by Section 884 of the code; (e) 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 if greater than 25 percent of the gross receipts of the Subchapter S corporation is passive investment income; and (f) Section 86 of the code requires recipients of certain Social Security and railroad retirement benefits to take receipts or accruals of interest on the bonds into account in determining gross income. Bondholders should consult their tax advisers with respect to the above.

Additional copies of this notice and further information may be received from John C. McArthur, Becroft, Cole & Company, Inc., One Townsite Plaza, Topeka, KS 66603, (913) 234-5671, financial advisers for the district.

Dated June 23, 1988.

UNIFIED SCHOOL DISTRICT 378
Riley County, Kansas

Doc. No. 006742

State of Kansas

THE KANSAS LOTTERY**TEMPORARY ADMINISTRATIVE
REGULATIONS****Article 1.—GENERAL OPERATION**

111-1-2. Awarding of portions of major procurement contracts to minority business enterprises. (a) The following definitions shall apply to this regulation:

(1) "Minority person" means a citizen of the United States who is Negro, Hispanic, Oriental, American Indian, Eskimo or Aleut.

(2) "Minority business" means a business which more than 50% is owned by a minority person or persons.

(b) Minority businesses will be encouraged to submit bids for major procurement contracts and all prospective vendors submitting bids shall be encouraged to use minority businesses as subcontractors. Where bid proposals on major procurement products or services from prospective vendors are of equal merit, preference shall be given to the vendor who either is a minority business, or who makes the most significant use of qualified minority subcontractors.

(c) All Requests for Proposals prepared for major procurement contracts shall include the definitions of "minority" and "minority business" and require that each prospective vendor identify in its bid whether the vendor or any of the subcontractors which the vendor intends to use in the performance of the contract meets the definition of a minority business. For each such vendor or subcontractor so identified, the bid shall also include the following information:

(1) The name and address of the business.

(2) A list of all persons having an ownership interest in the business and the residence address and race/national origin of each.

(3) A list of all persons who are officers or have significant management positions within the business and the residence address and race national origin of each.

(4) The dollar amount included in the bid price which, if the bid is awarded to the vendor, will be paid to that business.

As part of the background investigation of each prospective vendor, verification of the information listed in subsection (c) which is provided by prospective vendors submitting bids shall be provided. This information shall be presented to the commission for its consideration in the awarding of major procurement contracts. (Authorized by K.S.A. 1987 Supp. 74-8710(1); implementing K.S.A. 1987 Supp. 74-8710(1) and 74-8705(a); effective T-88-25, Aug. 12, 1987; amended T-89-25, May 24, 1988.)

Article 3.—INSTANT GAME RULES

111-3-9. Televised Draw Show. The Kansas lottery may conduct a televised draw show to award prizes. Players for the draw show shall be selected at

the weekly drawing for the "Grand Prize Drawing" and "Televised Draw Show." (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a), effective T-88-39, Oct. 15, 1987; amended T-89-4, Jan. 22, 1988; amended T-89-25, May 24, 1988.)

111-3-17. Governing Laws, Regulations, and Rules. In purchasing a ticket, the player agrees to comply with and abide by the Kansas lottery act; and all rules and regulations of the Kansas lottery. (Authorized by and implementing K.S.A. 1976 Supp. 74-8710; effective T-89-4, Jan. 22, 1988; amended T-89-25, May 24, 1988.)

Article 4.—INDIVIDUAL GAME RULES

111-4-12. Certification of Drawing. (a) All "Gala Drawings" shall be personally observed by the sponsor(s) of the event, the law enforcement officer selected by the Kansas lottery, division of security, and an employee of the Kansas lottery.

(b) Should any of these individuals be unable to attend, the executive director shall designate a replacement.

(c) Upon completion of the drawing, the designated Kansas lottery security persons and the auditor observing the drawing shall issue a signed report to the executive director certifying that to the best of their knowledge, the procedures required by these rules were followed in selecting the winner at the "Gala Drawing." The winning ticket, all other tickets placed in the receptacle, the audio and video tape of the drawing, the prize claim form completed by the winner, and the signed affidavit shall be delivered to the Topeka lottery headquarters by the lottery security person attending the event. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-88-38, Sept. 28, 1987; amended T-89-25, May 24, 1988.)

111-4-71. Bonus Round Audience Player. In addition to other prizes awarded during the televised draw show "Kansas Lottery Live," a prize will be awarded to the winner of the "Bonus Round Audience Player Drawing." During the televised draw show, the winner of the drawing will spin the wheel one final time. The bonus round audience player shall win the prize reflected on the space on which the wheel stops. The prize will be \$1,000 or a non-monetary prize of similar or greater value. (Authorized by K.S.A. 1987 Supp. 74-8710; implementing K.S.A. 1987 Supp. 74-8710 and 8720; effective T-89-4, Jan. 21, 1988; amended T-89-25, May 24, 1988.)

111-4-71a. Entry into Drawing. Entry into the "Bonus Round Audience Player Drawing" is accomplished by the process detailed in the following subparagraphs:

(a) Obtain a valid Kansas instant lottery ticket;

(b) Determine if the ticket is a winning ticket in accordance with any unexpired instant game rules. If the ticket is a winning ticket, it is not eligible for the drawing and shall be redeemed in accordance with the instant game rules;

(c) If the ticket is a non-winning ticket in any unexpired instant game, the ticket is eligible for winning

the drawing and the holder of the ticket may enter the drawing.

(d) The holder of the non-winning ticket must complete the information form on the back of the ticket in a legible manner and sign it;

(e) The holder of the non-winning ticket must take the non-winning ticket with the completed information form on the back to the location of the weekly draw show and place it in the receptacle or drum provided;

(f) The receptacle or drum shall be available and entries may be made between 4:30 p.m. and 6:00 p.m. Central Standard Time on the day of the draw show;

(g) The holder of the ticket entered in the drawing must personally attend the drawing and be present at the time of the drawing to be determined a winner;

(h) The drawing will be conducted between 6:00 p.m. Central Standard Time and the start of the draw show;

(i) There is no limit to the number of entries a participant may make. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-4-72. Equipment Inspection. The following equipment inspections shall be conducted by the designated Kansas lottery security person and the auditor:

(a) A physical examination of the wheel and the drum to ensure that neither is damaged nor has been tampered with; and the drum is empty.

(b) The wheel shall be spun at least ten times to ensure that it travels freely, that it is in good working order, that it revolves no more than 17 seconds per spin, and that the light signifying a completed turn is operating.

(c) The drum shall be rotated at least two revolutions to ensure that it moves freely.

(d) Upon completion of the testing, the designated Kansas lottery security person and the auditor shall issue a signed report to the executive director certifying that the equipment is in good working order.

(e) The inspection required by subsections (a), (b) and (c) shall be conducted not more than four (4) hours prior to the draw show and it shall be video taped. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-4, Jan. 22, 1988; amended T-89-25, May 24, 1988.)

111-4-82a. Doubled Prize. From May 26, 1988, until 5:00 p.m. on June 15, 1988, any holder of a valid "Kansas Cash" ticket entitled to win a \$5,000 prize shall be entitled to win an additional \$5,000 prize. To be entitled to the "doubler," amounting to \$10,000, winning tickets must be validated by the Kansas lottery or Kansas lottery retailer on or before 5:00 p.m. on June 15, 1988, or be postmarked on or before midnight June 15, 1988. (Authorized by K.S.A. 1987 Supp. 74-8710(c), implementing K.S.A. 1987 Supp. 74-8710(c) and 74-8720; effective T-89-25, May 24, 1988.)

111-4-87. Doubled Prize. From May 26, 1988, until 5:00 p.m. on June 15, 1988, any holder of a valid "Kansas Treasures" ticket entitled to win a \$1,000

prize shall be entitled to win an additional \$1,000 prize. To be entitled to the "doubler," amounting to \$2,000, winning tickets must be validated by the Kansas lottery or Kansas lottery retailer on or before 5:00 p.m. on June 15, 1988, or be postmarked on or before midnight June 15, 1988. (Authorized by K.S.A. 1987 Supp. 74-8710(c), implementing K.S.A. 1987 Supp. 74-8710(c) and 74-8720; effective T-89-25, May 24, 1988.)

Article 6.—ON-LINE GAMES

111-6-16. Governing Laws; Rules and Regulations. In purchasing a ticket, each player agrees to comply with and abide by the Kansas lottery act and all rules and regulations of the Kansas lottery. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-25, May 24, 1988.)

KANSAS ON-LINE DRAWINGS

111-6-17. On-Line Drawings. (a) Kansas drawings or other random selection events used in an on-line game shall be open to the public and shall be witnessed by an independent certified public accountant. Equipment used to select winning combinations shall be examined and tested by lottery division security personnel and an independent certified public accountant prior to and after each public drawing or other random selection event, to assure proper operation and prevent tampering or fraud.

(b) Drawings shall be conducted in locations and at days and times designated by the executive director and announced to the public.

(c) The executive director shall designate a time prior to drawing for the end of sales for that drawing.

(d) The executive director shall designate a draw manager who shall be responsible for conducting the drawing in compliance with the lottery's drawing procedures. The drawing manager shall attest to whether the drawing was conducted in accordance with proper drawing procedures at the end of each drawing.

(e) The executive director shall designate the type of equipment to be used and shall establish procedures to randomly select the winning combination for each type of on-line game. Drawing procedures shall include provisions for substitution on backup drawing equipment in the event the primary drawing equipment malfunctions or fails for any reason.

(f) The executive director shall establish procedures governing the conduct of drawings for each type of on-line game. The procedures shall include provisions for deviations which include but are not limited to:

(1) malfunctions of drawing equipment before determination of winning combination

(2) video and/or audio malfunctions of lottery equipment during the drawing

(3) fouled drawing

(4) delayed drawing

(5) other equipment, facility and/or personnel difficulties (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-25, May 24, 1988.)

(continued)

Article 7.—CASH LOTTO GAME RULES

111-7-1. Name of the Game; Rules and Regulations. The Kansas lottery shall conduct a lotto game "Cash Lotto," beginning at 6:00 a.m., June 2, 1988. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-2. Definitions. The following definitions shall apply to Cash Lotto.

(a) "Retailer" means a person or entity authorized by the Kansas lottery to sell lottery tickets.

(b) "Drawing" means the formal process of selecting winning numbers which determines the number of winners for each prize level of the game.

(c) "Quick pick" means the random selection by the computer system of six (6) different two-digit numbers from one (01) through thirty-three (33) which appear on a ticket and are played by a player in the game.

(d) "Game board" or "boards" means that area of the play slip which contains thirty-three (33) squares, numbered one (01) through thirty-three (33).

(e) "Game ticket" or "ticket" means a computer generated ticket issued by an on-line terminal to a person as a receipt for the combination a person has selected.

(f) "Cash Lotto" means a lottery game wherein a player selects a group of numbers out of a set of numbers one (01) through thirty-three (33). A player wins a prize if four (4), five (5), or six (6) of the numbers selected by the player match the randomly drawn numbers in the drawings conducted by the Kansas lottery on the day of the drawing.

(g) "Lottery" means the Kansas Lottery.

(h) "Play" means the six (6) different numbers from one (01) through thirty-three (33) which appear on a ticket as a single lettered selection and are to be played by a player in the game. In Cash Lotto, a player may play two (2) boards for one dollar (\$1.00).

(i) "Play slip" means a card used in marking a player's game plays and contains one or more boards.

(j) "Price" means the cost of playing the Cash Lotto game which shall be one dollar (\$1.00) for playing two (2) boards.

(k) "Terminal" means a device which is authorized by the lottery to function in on-line, interactive mode with the lottery's computer system, for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets and transmitting reports.

(l) "Winning numbers" means the six (6) numbers between one (1) and thirty-three (33), randomly selected at each drawing, which shall be used to determine winning plays contained on a game ticket.

(m) "Validation" or "validate" means the process of determining whether a ticket presented for a prize is a winning ticket. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-3. Game Description; Retail Sale of Tickets.

(a) Cash Lotto is a twice weekly six (6) of thirty-three (33) Lotto game which pays prizes for correctly picking six (6) of six (6) numbers on a pari-mutuel basis

with a minimum guaranteed prize of Twenty-Five Thousand Dollars (\$25,000.00) and set prizes of Five Hundred Dollars (\$500.00) for picking five (5) of six (6) numbers, and Ten Dollars (\$10.00) for picking four (4) of six (6) numbers correctly.

(b) To play Cash Lotto, a player shall select a set of six (6) different numbers between one (01) and thirty-three (33), for input into a terminal. Tickets may be purchased from a terminal operated by a retailer (i.e., a clerk-activated terminal). When purchased from a retailer, the player may select each two (2) sets of numbers by: (1) communicating the numbers to the retailer; (2) by marking two, or four, six, eight or ten, boards with six (6) numbers on each play slip and submitting the play slip to the retailer; or (3) requesting a quick pick from the retailer.

The retailer will then issue a ticket from the terminal containing the selected sets of numbers, each of which constitutes a game play. Should a player submit a play slip on which one or more boards are marked to indicate number selections and one or more other boards indicate quick pick, the system shall follow the player's intentions as marked on the play slip.

(c) A validated ticket shall be the only proof of a game play or plays, and the submission of a winning ticket to the Lottery or its authorized retailer shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

(d) A ticket may not be voided or cancelled by returning the ticket to the selling retailers, including tickets that are printed in error.

(e) Drawings will be conducted twice weekly, on Wednesdays and Saturdays between 8:16 p.m. and 8:30 p.m. central standard time (CST) pursuant to K.A.R. 111-7-28 through 111-7-43, and under conditions and procedures promulgated by the executive director of the lottery.

(f) It shall be the sole responsibility of the player to verify the accuracy of the game plays and other data printed on the ticket. The placing of plays is done at the player's own risk through the on-line retailer who is acting on behalf of the player in entering the plays. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-4. Prize Pool; Reserve Account. (a) The prize pool in the lottery prize payment fund for all prize categories shall consist of forty-five per cent (45%) of sales for each draw until the jackpot prize is funded to the amount guaranteed by the Kansas lottery which, for Cash Lotto, shall be Twenty-Five Thousand Dollars (\$25,000.00).

(b) Two percent (2%) of sales shall be placed in a prize reserve account. The lottery may transfer funds from the prize reserve account to the lottery prize payment fund. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988; amended T-111-6-1-88.)

111-7-5. Prizes. (a) Prizes shall be awarded for matching four, five or six numbers. Prize categories are as follows:

TICKETS CONTAINING FOLLOWING NUMBER OF MATCHES IN ONE GAME PLAY	PRIZE CATEGORY	PERCENT OF PRIZE POOL ALLOCATED TO PRIZE CATEGORY
All six (6) winning numbers	1	Approx. 46.328% (\$25,000 minimum)
any five (5) winning numbers	2	Approx. 32.508% (\$500 fixed)
Any four (4) winning numbers	3	Approx. 21.164% (\$10 fixed)

(b) The jackpot prize for matching all six (6) winning numbers shall be calculated on a pari-mutuel basis and be not less than Twenty-Five Thousand Dollars (\$25,000.00) for each draw. On any draw, if the jackpot is hit and the jackpot pool is insufficient to match the \$25,000.00 guarantee, the Lottery will utilize prize reserve funds to fund the guaranteed \$25,000.00 jackpot.

(c) All prizes shall be paid in a lump sum.

(d) The prize money allocated to the jackpot prize category for matching six (6) of six (6) shall be divided equally by the number of game boards winning a jackpot prize.

(e) The calculation of a prize shall be rounded down so that prizes can be paid in multiples of whole dollars. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-6. Probability of Winning. (a) The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations of six (6) drawn numbers from a field of thirty-three (33) numbers when playing the required two (2) board for One Dollar (\$1.00).

PRIZE CATEGORIES AND ODDS OF WINNING ON EACH \$1.00 TICKET

PRIZE CATEGORY	MATCH	PROBABILITY OF WINNING	PROBABILITY DISTRIBUTION OF WINNERS	PRIZE AMOUNT
1	6	1:533,784	1	\$25,000.00
2	5	1:3,418	162	500.00
3	4	1:105	5,274	10.00

(Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-7. Prize Payment. (a) Jackpot prizes and all prizes for five (5) of six (6) and four (4) of six (6) shall be paid in one lump sum.

(b) The lottery may begin processing payment of cash prizes on Sundays and Thursdays following the Cash Lotto drawings as authorized by the Kansas lottery.

(c) If the jackpot grand prize is not won in any drawing, the prize money allocated for the jackpot prize shall be rolled over and be added to the jackpot grand prize pool for the following drawing.

(d) The holder of a winning ticket may win in only one prize category per board in connection with the winning numbers drawn, and shall be entitled only to the highest prize won by those numbers.

(e) Prizes shall be claimed within one year from the date of the drawing for which the ticket was purchased.

At the conclusion of the prize claim period, all unclaimed prizes shall remain in the lottery's prize

payment fund to be used for the payment of other prizes. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-8. Ticket Validation. To be a valid ticket and eligible to receive a prize, a Cash Lotto ticket shall satisfy all the requirements established by the Kansas Lottery for validation of winning tickets. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710, effective T-89-25, May 24, 1988.)

111-7-9. Claiming Prizes; Procedure and Time Period. (a) Prior to the payment of any prize, each ticket shall be validated by the retailer or lottery office pursuant to this article.

(b) The procedure for payment of a "Cash Lotto" prize on any single game ticket, except for a jackpot prize, is as follows:

(1) The claimant of a ticket purchased in Kansas may present the ticket to any Cash Lotto retailer. Upon validation of the ticket, the retailer shall immediately make payment for the prize to the claimant. If the retailer cannot validate the claim, the claimant shall fill out a claim form provided by the retailer and personally present or mail the completed form together with the ticket to any office of the Kansas Lottery. If the claim is validated, then payment shall be made to the claimant by mail.

(2) The claimant may bring the signed ticket to any regional office of the Kansas lottery during the hours that the office is open to the public for business. Upon validation of the claim, and completion of a claim form, payment shall be processed for the claimant.

(3) The claimant may mail the ticket with a completed claim form in any envelope, except an official grand prize envelope, to any office of the Kansas lottery. Claim forms may be obtained from any lottery retailer or any office of the Kansas lottery. Upon validation of the claim, payment shall be processed for the claimant.

If any evidence of alteration, mutilation, tear, or other ambiguity appear on the ticket, the retailer shall not make direct payment of a prize. The claimant shall submit a claim form with the ticket to the lottery.

(c) The procedure for the payment of a jackpot prize or for prizes won on the same ticket as a jackpot prize are as follows:

The claimant shall personally submit the signed ticket and a completed claim form to a Kansas regional or state lottery office. Jackpot prizes and prizes won on the same ticket as jackpot prizes shall not be claimed by mail.

(d) All prizes shall be claimed within one year of the drawing in which the prize was won. Any prize or prizes not claimed within the time specified shall be forfeited. If a prize is claimed by mail, the ticket and claim form must actually be received by the lottery within the claim period. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710 and 74-8720; effective T-89-25, May 24, 1988.)

111-7-10. Ticket Responsibility. (a) If there is no signature on the back of a ticket in the area designated

(continued)

for a signature, a ticket shall be owned by the physical possessor of the ticket. When a signature appears on the back of the ticket in the designated place, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled, subject to all validation requirements to any prize attributable to the ticket.

(b) If the signature of more than one person appears on the back of the ticket in the designated place, the lotter shall make payment to the person identified on the winner claim form. If all persons whose signatures appear in the appropriate space cannot identify one person to whom payment should be made, the lottery shall keep the prize until a determination of entitlement is made by the parties. In no event shall more than one person be entitled to a particular prize.

(c) The Kansas lottery shall not be responsible for lost or stolen tickets. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710 and 74-8720; effective T-89-25, May 24, 1988.)

111-7-11. (This Number Reserved.)

CASH LOTTO KICKOFF INSTANT TICKET DRAWINGS

111-7-12. Name of Drawing. The Kansas lottery shall conduct special drawings entitled "Cash Lotto Kickoff Instant Ticket Drawings." The date of "Drawings" will coincide with the beginning of the on-line Cash Lotto game of the Kansas lottery. The time and date of the "Drawings" shall be 7:00 p.m. on June 2, 1988. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a); effective T-89-25, May 24, 1988.)

111-7-13. Definitions. (a) All definitions contained in the Kansas lottery act (K.S.A. 1987 Supp. 74-8701 *et seq.*) and lottery regulations are hereby incorporated by reference and govern unless otherwise indicated.

(b) "Kickoff event" means an event held to promote lottery ticket sales for the new Kansas on line game.

(c) "Cash Lotto Kickoff Instant Ticket Drawing" or "Drawing" means the act of drawing a door prize at kickoff events where one person per location is selected to win a one thousand dollar (\$1,000) prize.

(d) "Co-sponsor drawings" means an act of drawing a door prize which may be held at the kickoff event subsequent to the "Kickoff Drawing."

(e) "Co-sponsor(s)" means the person, retailer or organization designated by the executive director to assist in organizing a kickoff event.

(f) "Non-winning ticket" means any valid Kansas instant game lottery ticket not eligible to win a prize under any instant game rules.

(g) "Receptacle" or "Drum" means a container in which non-winning Kansas instant game lottery tickets are placed and from which the "Drawing" is made. Receptacles or Drums shall be sealable and capable of being rotated for the purpose of mixing.

(h) "Bare arm technique" means a type of drawing where the person drawing the winning ticket from the receptacle or drum wears a short-sleeved (sleeve not

extending past the elbow) or a no-sleeve shirt which exposes the drawer's bare arm. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a) and 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-14. Location of Drawing. "Drawings" shall be held in Kansas City, Topeka, Wichita, Great Bend, Ft. Scott, Atchison, Leavenworth and Pittsburg. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-15. Prerequisites for a Drawing. Before a "Drawing" may be validly conducted, a location and a receptacle or drum must be approved in writing by the executive director or his designee and the drawing must be open to the public. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-16. Prizes. The winner selected at each approved "Drawing" location shall receive a one thousand dollar (\$1,000) prize. All prize awards are subject to lottery validation, set offs, and deductions as provided for by law. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(c); effective T-89-25, May 24, 1988.)

111-7-17. Entry into Drawing. Entry into the "Drawing" is accomplished by the process detailed in the following subparagraphs:

(a) Obtain a valid Kansas instant lottery ticket;

(b) Determine if the ticket is a winning ticket in accordance with any instant game rules. If the ticket is a winning ticket, it is not eligible for the "Drawing" and shall be redeemed in accordance with the instant game rules;

(c) If the ticket is a valid non-winning ticket, the ticket is eligible for winning the drawing and the holder of the ticket may enter the "Kickoff Instant Ticket Drawing";

(d) The holder of the non-winning ticket must complete the information form on the back of the ticket in a legible manner and sign it;

(e) The holder of the non-winning ticket must take the non-winning ticket with the completed information form to the location of the "Drawing" and place it in the receptacle provided;

(f) The receptacle or drum shall be available and entries may be made between 4:00 and 7:00 p.m. Entries shall be allowed until the actual winner selection process begins;

(g) The holder of the ticket must personally attend the "Drawing" and be present at the time of the drawing to be determined a winner;

(h) The drawing will be conducted at approximately 7:00 p.m.;

(i) There is no limit to the number of entries a participant may make. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-18. Determination of "Drawing" Winners.

(a) At least ten minutes before the drawing, the co-sponsor or person designated by the executive director, shall announce to the audience the time that the

winner selection process will begin. Any persons wishing to enter the drawing who have not yet done so, shall immediately place their tickets into the receptacle or drum at this time.

(b) Prior to sealing the receptacle or drum, the co-sponsor shall announce that entries into the "Gala Drawing" are closed. No further entries will be accepted.

(c) The receptacle or drum shall be sealed and mixed to ensure random selection.

(d) The executive director shall designate one individual of his choice to participate in the selection process.

(e) The selection of the "Drawing" winner shall be accomplished by the individual designated by the executive director, using a bare arm technique, removing only one ticket from the receptacle in which all entries were placed. A person representing the executive director as well as a law enforcement officer approved by the Kansas lottery, division of security, and a Kansas lottery employee, shall review the selected ticket to determine if the name stated on the information form located on the back of the selected ticket is legible and if the ticket is signed. If the name is determined to be legible and the ticket is signed, the name shall be announced to the audience.

(f) The named person must be present in order to win the "Drawing" prize.

(g) The person whose ticket has been drawn from the receptacle or drum shall be determined the "Drawing" winner.

(h) The winner shall be given a prize claim form to be completed and returned to the lottery;

(i) If the name on the ticket is not legible or the ticket is not signed, or the person is not present, the ticket drawn will be void and the selection process shall be repeated until a winner is selected. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-19. Security of Drawing. (a) The receptacle or drum located at the drawing site into which drawing participants place their ticket entries shall be monitored from the commencement of ticket entries until completion of the event by a law enforcement officer approved by the Kansas lottery, division of security, and approved by the executive director.

(b) The actual drawing event shall be recorded on both audio and video tape by the designated law enforcement officer. The audio and video tape shall contain no other material than the actual drawing beginning with the sealing of the receptacle or drum and continuing through the announcement and verification of the winner. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(d); effective T-89-25, May 24, 1988.)

111-7-20. Ticket Disqualification. Any non-winning Kansas instant game lottery ticket entered into a "Drawing" is disqualified from any other Kansas lottery prize or drawing. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(d); effective T-89-25, May 24, 1988.)

111-7-21. Co-sponsor Drawings. Co-sponsors of Kickoff Drawing events may hold co-sponsor drawings in conjunction with local retailers, businesses and organizations at the drawing event. In no instance shall these drawings take place prior to the lottery "Drawing." Such drawings, if conducted, shall be a part of the lottery "Drawing" and prizes, in addition to those presented by the Lottery, may be donated by the co-sponsor(s). The person drawing tickets for the lottery may draw additional tickets for the co-sponsor(s). At the end of the drawing event(s) all tickets except tickets drawn for use by the lottery shall be returned to the receptacle or drum. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-22. Disposal of Tickets. Upon completion of the kickoff event, the co-sponsor(s) of the event, the law enforcement officer selected by the Kansas lottery division of security, their substitutes, or the Kansas lottery employee shall return to the Topeka lottery headquarters all tickets remaining in the receptacle or drum at the completion of the event. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-23. Certification of Drawing. (a) All "Drawings" shall be personally observed by the co-sponsor(s) of the event, the law enforcement officer selected by the Kansas lottery, division of security, and an employee of the Kansas lottery.

(b) Should any of these individuals be unable to attend, the executive director shall designate a replacement.

(c) Upon completion of the drawing, the persons designated to officially observe the drawing shall issue a signed report in affidavit form to the executive director. This report shall certify that to the best of their knowledge, the procedures required by these rules were followed in selecting the winner at the "Drawing." The winning ticket, all other tickets placed in the receptacle or drum, the audio and video tape of the drawing, the prize claim form completed by the winner, and the signed affidavit shall be delivered to the Topeka lottery headquarters by the lottery employee attending the event. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-25, May 24, 1988.)

111-7-24. Validation of Winner. The following validation requirements shall apply to all tickets for the "Drawings": (a) The ticket must have been issued by the Kansas lottery in an authorized manner and must not be counterfeit in whole or in part;

(b) The ticket must be complete and intact and not mutilated, altered, unreadable, reconstructed, or tampered with in any way;

(c) The ticket must not be blank or partially blank, misregistered, defective, or printed or produced in error;

(d) The display printing on the ticket must be regular in every respect and correspond precisely with the artwork on file at the Kansas lottery;

(continued)

(e) The ticket must not be stolen nor appear on any list of omitted tickets on file at the Kansas lottery;

(f) The ticket must have exactly one ticket validation number, one book-ticket number, and two retailer validation codes, each of which must be present in its entirety, be fully legible, be exactly as described in paragraph (b) above, and correspond precisely to the artwork on file at the Kansas lottery. The ticket validation number shall correspond to the play symbols on the ticket; and

(g) The ticket validation number of an apparent "Drawing" winning ticket shall not appear on the Kansas lottery's official list of ticket validation numbers of winning tickets. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-25. Payment of Prizes. The executive director or his designee shall award the designated prize to the person whose ticket was drawn from the receptacle or drum as soon as it has been determined that all laws, regulations, and rules have been adhered to. (Authorized by K.S.A. 1987 Supp. 74-8710(c) and implementing K.S.A. 1987 Supp. 74-8710(c) and K.S.A. 1987 Supp. 74-8720(b); effective T-89-25, May 24, 1988.)

111-7-26. Disputes. In the event of a dispute concerning the "Drawing," the executive director shall determine the facts underlying the dispute. The executive director has the authority to settle any dispute by determining the holder of the ticket drawn at a "Drawing." The executive director has the authority to pay a prize to the person the executive director determines to be the holder of a valid ticket drawn at a "Drawing." If the executive director is unable to determine the holder of a ticket drawn at a "Drawing," the executive director may, solely at his or her discretion, reimburse the ticket holder for the price of the disputed ticket. (Authorized by K.S.A. 1987 Supp. 74-8710(b) and K.S.A. 1987 Supp. 74-8710(c), and implementing K.S.A. 1987 Supp. 74-8710(c) and K.S.A. 1987 Supp. 74-8720(b); effective T-89-25, May 24, 1988.)

111-7-27. Governing Laws, Regulations, and Rules. (a) In purchasing a ticket and entering a "Drawing," the player agrees to comply with and abide by the Kansas lottery act and all rules and regulations of the Kansas lottery, whether permanent or temporary.

(b) Cash Lotto Kickoff Instant Ticket drawings shall be subject to the provisions of K.A.R. 111-3-1 *et seq.* (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-25, May 24, 1988.)

CASH LOTTO TWICE-WEEKLY INSTANT TICKET DRAW

111-7-28. Name of Drawing. The Kansas lottery shall conduct twice weekly drawings entitled "Cash Lotto Instant Ticket Drawings." The date of "Drawings" will coincide with the beginning of the on-line Cash Lotto game of the Kansas lottery. The "draw-

ings" shall take place on Wednesdays and Saturdays between 8:16 p.m. and 8:45 p.m., Central Standard Time (CST). (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a); effective T-89-25, May 24, 1988.)

111-7-29. Definitions. (a) All definitions contained in the Kansas lottery act (K.S.A. 1987 Supp. 74-8701 *et seq.*) and lottery regulations are hereby incorporated by reference and govern unless otherwise indicated.

(b) "Cash Lotto Instant Ticket Drawing" or "Drawing" means the act of conducting a drawing of valid non-winning instant tickets where one person is selected to win a one-hundred dollar (\$100) prize.

(c) "Sponsor drawings" means an act of drawing a door prize which may be held at the Cash Lotto drawing subsequent to the "Cash Lotto Instant Ticket Drawing."

(d) "Co-sponsor(s)" means the person, retailer or organization designated by the executive director to assist in organizing a Cash Lotto "Drawing."

(e) "Non-winning ticket" means any valid Kansas instant game lottery ticket not eligible to win a prize under any instant game rules.

(f) "Receptacle" or "Drum" means a container in which non-winning Kansas instant game lottery tickets are placed and from which the "Drawing" is made. Receptacles or Drums shall be sealable and capable of being rotated for the purpose of mixing.

(g) "Bare arm technique" means a type of drawing where the person drawing the winning ticket from the receptacle or drum wears a short-sleeved (sleeve not extending past the elbow) or a no-sleeve shirt which exposes the drawer's bare arm. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a) and K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-30. Location of Drawing. "Cash Lotto Instant Ticket Drawings" shall be held at any location in Kansas deemed appropriate by the executive director. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-31. Prerequisites for a Drawing. Before a "Drawing" may be validly conducted, a location and a receptacle or drum must be approved in writing by the executive director or his designee and the drawing must be open to the public. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-32. Prizes. The winner selected at the approved "Cash Lotto Instant Ticket Drawing" location shall receive a one hundred dollar (\$100) prize. All prize awards are subject to lottery validation, set offs, and deductions as provided for by law. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(c); effective T-89-25, May 24, 1988.)

111-7-32a. Special Prizes. In addition to the prizes described in K.A.R. 111-7-32, the executive director may conduct a special prize drawing involving the \$100 winners from each location to award

prizes of other tangible items in addition to, or in lieu of, cash awards. Special drawings for promotional awards may be held independently of the lottery's regular prize drawings or may be incorporated therein. The promotional drawings may be co-sponsored and conducted in conjunction with lottery retailers or other independent businesses.

(b) At the discretion of the executive director, equivalent cash prizes may be awarded to winners of tangible items in those instances where deemed appropriate. The value of non-cash items shall be estimated by using either the cost of the item or its fair market value. (Authorized by K.S.A. 1987 Supp. 74-8710(c), implementing K.S.A. 1987 Supp. 74-8710(c), K.S.A. 1987 Supp. 74-8720(b) and K.S.A. 1987 Supp. 74-8720(c); effective T-89-25, May 24, 1988.)

111-7-33. Entry into Drawing. Entry into the "Drawing" is accomplished by the process detailed in the following subparagraphs:

- (a) Obtain a valid Kansas instant lottery ticket;
- (b) Determine if the ticket is a winning ticket in accordance with any instant game rules. If the ticket is a winning ticket, it is not eligible for the "Drawing" and shall be redeemed in accordance with the instant game rules;
- (c) If the ticket is a valid non-winning ticket, the ticket is eligible for winning the drawing and the holder of the ticket may enter the "Drawing";
- (d) The holder of the non-winning ticket must complete the information form on the back of the ticket in a legible manner and sign it;
- (e) The holder of the non-winning ticket must take the non-winning ticket with the completed information form to the location of the "Drawing" and place it in the receptacle or drum provided;
- (f) The receptacle or drum shall be available and entries may be made commencing at least one hour prior to the beginning of the event. Entries shall be allowed until the actual winner selection process begins;
- (g) The holder of the ticket must personally attend the "Drawing" and be present at the time of the drawing to be determined a winner;
- (h) The drawing will be conducted no sooner than 8:16 p.m. on the day of the event, after the Cash Lotto Draw;
- (i) There is no limit to the number of entries a participant may make. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-34. Determination of "Drawing" Winners.

(a) The co-sponsor, or person designated by the executive director, shall announce to the audience at least ten minutes before the drawing of the time that the winner selection process will begin. Any persons wishing to enter the drawing who have not yet done so, shall immediately place their tickets into the receptacle or drum at this time.

(b) Prior to sealing the receptacle or drum, the co-sponsor shall announce that entries into the "Drawing" are closed. No further entries will be accepted.

(c) The receptacle or drum shall be sealed and mixed to ensure random selection.

(d) The executive director shall designate one individual to participate in the selection process.

(e) The selection of the "Drawing" winner shall be accomplished by the individual designated by the executive director, using a bare arm technique, removing only one ticket from the receptacle or drum in which all entries were placed. A person representing the executive director as well as a law enforcement officer approved by the Kansas lottery, division of security, and a Kansas lottery employee, shall review the selected ticket to determine if the name stated on the information form located in the back of the selected ticket is legible and if the ticket is signed. If the name is determined to be legible and the ticket is signed, the name shall be announced to the audience.

(f) The named person must be present in order to win the "Drawing" prize.

(g) The person whose ticket has been drawn from the receptacle or drum shall be determined the "Drawing" winner.

(h) The winner shall be given a prize claim form to be completed and returned to the lottery;

(i) If the name on the ticket is not legible, the ticket is not signed, or the person is not present, the ticket drawn will be void and the selection process shall be repeated until a winner is selected. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-35. Security of Drawing. (a) The receptacle or drum located at the drawing site into which drawing participants place their ticket entries shall be monitored from the commencement of ticket entries until completion of the event by a law enforcement officer approved by the Kansas lottery, division of security, and approved by the executive director.

(b) The actual drawing event shall be recorded on both audio and video tape by the designated law enforcement officer. The audio and video tape shall contain no other material than the actual drawing beginning with the sealing of the receptacle or drum and continuing through the announcement and verification of the winner. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(d); effective T-89-25, May 24, 1988.)

111-7-36. Ticket Disqualification. Any non-winning Kansas instant game lottery ticket entered into a "Drawing" is disqualified from any other Kansas lottery prize or drawing. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(d); effective T-89-25, May 24, 1988.)

111-7-37. Co-sponsor Drawings. Co-sponsors of events may hold co-sponsor drawings in conjunction with local retailers, businesses, and organizations at the drawing event. In no instance shall these drawings take place prior to the lottery "Drawing." Such drawings, if conducted, shall be a part of the lottery "Drawing" and prizes, in addition to those presented by the lottery, may be donated by the co-sponsor(s).

(continued)

The person drawing tickets for the lottery may draw additional tickets for the co-sponsor(s). At the end of the event(s) all tickets except tickets drawn for use by the lottery shall be returned to the receptacle or drum. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-38. Disposal of Tickets. Upon completion of the event, the co-sponsor(s) of the event, the law enforcement officer selected by the Kansas lottery division of security, their substitutes, or the Kansas lottery employee shall return to the Topeka lottery headquarters all tickets remaining in the receptacle or drum at the completion of the event. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-39. Certification of Drawing. (a) All "Drawings" shall be personally observed by the co-sponsor(s) of the event, the law enforcement officer selected by the Kansas lottery, division of security, and an employee of the Kansas lottery.

(b) Should any of these individuals be unable to attend, the executive director shall designate a replacement.

(c) Upon completion of the drawing, the persons designated to officially observe the drawing shall issue a signed report in affidavit form to the executive director. This report shall certify that to the best of their knowledge, the procedures required by these rules were followed in selecting the winner at the "Drawing." The winning ticket, all other tickets placed in the receptacle or drum, the audio and video tape of the drawing, the prize claim form completed by the winner, and the signed affidavit shall be delivered to the Topeka lottery headquarters by the lottery employee attending the event. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-40. Validation of Winner. The following validation requirements shall apply to all tickets for the "Drawings."

(a) The ticket must have been issued by the Kansas lottery in an authorized manner and must not be counterfeit in whole or in part;

(b) The ticket must be complete and intact and not mutilated, altered, unreadable, reconstructed, or tampered with in any way;

(c) The ticket must not be blank or partially blank, misregistered, defective, or printed or produced in error;

(d) The display printing on the ticket must be regular in every respect and correspond precisely with the artwork on file at the Kansas lottery;

(e) The ticket must not be stolen nor appear on any list of omitted tickets on file at the Kansas lottery;

(f) The ticket must have exactly one ticket validation number, one book-ticket number, and two retailer validation codes, each of which must be present in its entirety, be fully legible, be exactly as described in paragraph (b) above, and correspond precisely to the artwork on file at the Kansas lottery. The ticket vali-

ation number shall correspond to the play symbols on the ticket; and

(g) The ticket validation number of an apparent "Drawing" winning ticket shall not appear on the Kansas lottery's official list of ticket validation numbers of winning tickets. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-25, May 24, 1988.)

111-7-41. Payment of Prizes. The executive director or his designee shall award the designated prize to the person whose ticket was drawn from the receptacle or drum as soon as it has been determined that all laws, regulations, and rules have been adhered to. (Authorized by K.S.A. 1987 Supp. 74-8710(c) and implementing K.S.A. 1987 Supp. 74-8710(c) and K.S.A. 1987 Supp. 74-8720(b); effective T-89-25, May 24, 1988.)

111-7-42. Disputes. In the event of a dispute concerning the "Drawing," the executive director shall determine the facts underlying the dispute. The executive director has the authority to settle any dispute by determining the holder of the ticket drawn at a "Drawing." The executive director has the authority to pay a prize to the person the executive director determines to be the holder of a valid ticket drawn at a "Drawing." If the executive director is unable to determine the holder of a ticket drawn at a "Drawing," the executive director may, solely at his or her discretion, reimburse the ticket holder for the price of the disputed ticket. (Authorized by K.S.A. 1987 Supp. 74-8710(b) and K.S.A. 1987 Supp. 74-8710(c), and implementing K.S.A. 1987 Supp. 74-8710(b) and 74-8710(c) and K.S.A. 1987 Supp. 74-8720(b); effective T-89-25, May 24, 1988.)

111-7-43. Governing Laws, Regulations, and Rules. (a) In purchasing a ticket and entering a "Drawing," the player agrees to comply with and abide by the Kansas lottery act and all rules and regulations of the Kansas lottery, whether permanent or temporary.

(b) Cash Lotto twice weekly instant ticket drawings shall be subject to the provisions of K.A.R. 111-3-1 *et seq.* (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-25, May 24, 1988.)

LARRY MONTGOMERY
Executive Director

Doc. No.006727

State of Kansas

KANSAS WHEAT COMMISSION**TEMPORARY ADMINISTRATIVE
REGULATIONS****Article 1.—MILL LEVY ASSESSMENT**

24-1-1. Mill levy assessment. Wheat marketed through commercial channels in the state of Kansas shall be assessed at seven mills per bushel. The assessment shall be levied and assessed to the grower at the time of sale. (Authorized by and implementing K.S.A. 1987 Supp. 2-2608, as amended by Substitute for Senate Bill No. 448; effective, T-89-21, May 27, 1988.)

STEVEN M. GRAHAM
Administrator

Doc. No. 006726

State of Kansas

SOCIAL AND REHABILITATION SERVICES**TEMPORARY ADMINISTRATIVE
REGULATIONS****Article 4.—PUBLIC ASSISTANCE
PROGRAM**

30-4-106. General rules for consideration of resources, including real property, personal property, and income. (a) Ownership for assistance purposes shall be determined by legal title. In the absence of a legal title, ownership shall be determined by possession.

(b) Resources, to be real, shall be of a nature that the value can be defined and measured. Value of resources shall be established by the objective measurements set forth in paragraphs (1) and (2) below.

(1) Real property. The value of real property shall be initially determined by the latest uniform statewide appraisal value of the property, which shall be adjusted to reflect current market value. If the property has not been appraised or if the market value as determined above is not satisfactory to the applicant or recipient or the agency, an estimate or appraisal of its value shall be obtained from a disinterested real estate broker. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(2) Personal property. The market value of personal property shall be initially determined by a reputable trade publication. If a publication is not available, or if there is a difference of opinion regarding the value of the property between the applicant or recipient and the agency, an estimate from a reputable dealer shall be used. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(c) Resources shall be considered available both when actually available and when the applicant or recipient has the legal ability to make them available. A resource shall be considered unavailable when there is a legal impediment that precludes the disposal of the resource. The applicant or recipient shall pursue reasonable steps to overcome the legal impediment unless it is determined that the cost of pursuing

legal action would be more than the applicant or recipient would gain or the likelihood of succeeding in the legal action would be unfavorable to the applicant or recipient.

(d) The resource value of property shall be that of the applicant's or recipient's equity in the property. Unless otherwise established, the proportionate share of jointly-owned real property and the full value of jointly-owned personal property shall be considered available to the applicant or recipient. Resources held jointly with a non-legally responsible person may be excluded from consideration if the applicant or recipient can demonstrate that the applicant or recipient has no ownership interest in the resource, has not contributed to the resource, and that any access to the resource by the applicant or recipient is limited to acting as an agent for the other person.

(e) Nonexempt resources of all persons in the assistance plan and the nonexempt resources of persons who have been excluded from the assistance plan pursuant to K.A.R. 30-4-74(b) and 30-4-90(a)(5) shall be considered.

(f) The combined resources of husband and wife, if they are living together, shall be considered in determining eligibility of either or both for assistance, unless otherwise prohibited by law. A husband and wife shall be considered to be living together if they are regularly residing in the same household. Temporary absences of one of the couple for education or training, working, securing medical treatment, or visiting shall not be considered to interrupt the couple's living together.

(g) The resources of an ineligible parent, the income of a stepparent, or the income of a parent of a minor parent shall be considered in determining the eligibility of a minor child for assistance if the individual and child are living together.

(h) When any individual in the household, other than a stepparent or a parent of a minor parent, who does not have the legal responsibility to support a person in the plan voluntarily and regularly contributes cash to the recipient toward household expenses, including maintenance costs, the amount of the contribution to be counted shall be the net income realized by the household.

(i) Despite subsections (e), (f), (g), and (h) above, the resources of an SSI beneficiary shall not be considered in the determination of eligibility for assistance of any other person, except for burial assistance.

(j) The resources of an alien sponsor shall be considered in determining eligibility for the alien as prescribed by the secretary of health and human services pursuant to 45 CFR 233.51, October 1, 1985 edition, which is adopted by reference. "Sponsor" shall include a public or private agency or organization.

(k) A conversion of real or personal property from one form to another shall not be considered as income to the applicant or recipient except for the proceeds from a contract for the sale of property.

(l) Income shall not be considered both as income and as property in the same month.

(m) Despite subsection (e) above, the income of an

(continued)

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, shall not be considered. The effective date of this regulation shall be May 1, 1988. (Authorized by K.S.A. 1985 Supp. 39-708c; implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-20, Sept. 1, 1986; amended May 1, 1987; amended, T-88-14, July 1, 1987; amended, T-88-59, Jan. 1, 1988; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

Article 6.—MEDICAL ASSISTANCE PROGRAM—CLIENTS' ELIGIBILITY FOR PARTICIPATION

30-6-56. Transfer of property. (a) Definition. "Transfer of property" means any act, contract, lease, or share whereby the use, control, or ownership of property of an applicant or recipient passes to another person or corporation.

(b) Eligibility requirement. Any applicant or recipient, and the members of the assistance family group for whom the applicant or recipient is legally responsible, shall be ineligible for medical assistance if the applicant or recipient has transferred any property without adequate consideration for the purpose of establishing eligibility. Multiple transfers that occur within a calendar month shall be treated as a single transfer. The following transfers shall not affect eligibility under this provision:

(1) Transfers of property with an uncompensated value of \$12,000.00 or less that occurred two or more years prior to the filing of the application for assistance;

(2) transfers of property with an uncompensated value of more than \$12,000.00 that occurred five or more years prior to the filing of the application for assistance;

(3) a transfer of property which was exempt at the time of the transfer;

(4) transfers of property at or near fair market value. For purposes of this provision, adequate consideration shall be granted if the compensation received for a non-cash asset is equal to or greater than 75% of the market value;

(5) transfers of property with an uncompensated value which, when added to the value of other nonexempt resources, does not exceed the allowable resource limits;

(6) transfers of property that have been approved by the agency. The agency shall grant approval if the transfer is for adequate consideration and is a bona fide transaction; and

(7) a transfer of property executed pursuant to 1988 SB 264.

(c) Procedures. The procedures set forth below shall be used in determining an applicant's or recipient's eligibility for medical assistance under the above provisions.

(1) A record shall be assembled in chronological order for each transfer of property.

(2) After securing the information listed above, the agency shall examine the reason for the transfer. In examining the reason for the transfer, the agency shall determine first if adequate consideration was received. If the agency determines that adequate consideration was not received, it shall be presumed that the transfer was for the purpose of establishing eligibility unless the person furnishes convincing evidence that the transfer was exclusively for some other purpose.

(3) The decision of the agency with respect to convincing evidence shall be governed by the following criteria:

(A) Any transfer of property shall be considered in the light of the circumstances at the time the transfer was made.

(B) The weight given to an applicant's statement that the transfer was not connected with that person's application for medical assistance shall be in proportion to the length of the interval between the transfer and the application.

(C) The difference in the equity transferred and the consideration received shall be such that it would be evident to the ordinary individual that full value had not been received.

(D) An applicant or recipient shall not be penalized for name removal from the title or restricting access to the property if the applicant or recipient can substantiate that the applicant or recipient has no ownership interest in the property. Factors to be documented and considered shall include the source and use of the property. This provision shall not be applicable to jointly owned resources between legally responsible persons.

(d) Period of ineligibility.

(1) If the agency determines that any applicant or recipient has transferred real or personal property without the approval of the agency and without adequate consideration, or for the purpose of establishing medical assistance eligibility, the agency shall determine the period of ineligibility.

(A) For non-SSI and for SSI, for persons in independent living arrangements and in the home- and community-based program, the uncompensated value of the property transferred in excess of the property's resource limit, less the difference between the value of the nonexempt resources of the applicant or recipient and the allowable nonexempt resource limit, shall be divided by \$500.00 to determine the number of months of ineligibility. The period of ineligibility shall commence with the month in which the property was transferred for applicants and no later than the second month following the month of transfer for recipients giving timely and adequate notice.

(B) For SSI, for persons in institutional living arrangements, the uncompensated value of the property transferred in excess of the property's resource limit, less the difference between the value of the nonexempt resources of the applicant or recipient and the allowable nonexempt resource limit, shall be divided by \$1,300.00 to determine the number of months of

ineligibility. The period of ineligibility shall commence with the month in which the property was transferred for applicants and no later than the second month following the month of transfer for recipients giving timely and adequate notice.

(2) The period of ineligibility due to the transfer of property for the purpose of making an applicant eligible for medical assistance shall not in any event exceed two years from the month of the transfer of the property in question when the uncompensated value of the disposed resource is \$12,000.00 or less, or five years when the uncompensated value of the resource exceeds \$12,000.00. The period of ineligibility shall be subject to re-evaluation on the basis of additional evidence or other justification for authorization of assistance.

(3) If there is evidence that a transfer was made for the purpose of making the individual eligible for assistance or without adequate consideration and later the property is reconveyed to the individual, or if there is an adjustment in the transfer through which the individual receives adequate consideration, the loss of the resource no longer exists. The individual shall, if otherwise qualified, be eligible for medical assistance.

(4) For SSI, the period of ineligibility shall be initially waived or subsequently suspended if it is determined that the action to waive or suspend is necessary to avoid undue hardship. The effective date of this regulation shall be May 1, 1988. (Authorized by K.S.A. 39-708c; implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-11, June 17, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

30-6-106. General rules for consideration of resources, including real property, personal property, and income. (a) Ownership for assistance purposes shall be determined by legal title. In the absence of legal title, ownership shall be determined by possession.

(b) Resources, to be real, shall be of a nature that the value can be defined and measured. Value of resources shall be established by the objective measurements set forth in paragraphs (1) and (2) below.

(1) Real property. The value of real property shall be initially determined by the latest uniform state-wide appraisal value of the property which shall be adjusted to reflect current market value. If the property has not been appraised or if the market value as determined above is not satisfactory to the applicant or recipient or the agency, an estimate or appraisal of its value shall be obtained from a disinterested real estate broker. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(2) Personal property. The market value of personal property shall be initially determined by a reputable trade publication. If a publication is not available, or if there is a difference of opinion regarding the value of the property between the agency and the individual,

an estimate from a reputable dealer shall be used. The cost of obtaining an estimate or appraisal shall be borne by the agency.

(c) (1) Resources shall be considered available both when actually available and when the applicant or recipient has the legal ability to make them available. A resource shall be considered unavailable when there is a legal impediment that precludes the disposal of the resource. The applicant or recipient shall pursue reasonable steps to overcome the legal impediment unless it is determined that the cost of pursuing legal action would be more than the applicant or recipient would gain or the likelihood of succeeding in the legal action would be unfavorable to the applicant or recipient.

(2) For the purpose of this subsection, a revocable or irrevocable trust, established by an applicant, recipient or the applicant or recipient's spouse, shall be considered available to the applicant or recipient up to the maximum value of the funds which may be made available under the terms of the trust in behalf of the applicant or recipient if:

(A) That applicant or recipient is a beneficiary; and
(B) the trustees are permitted to exercise any discretion with respect to distribution to the applicant or recipient.

(3) For SSI, real property shall be considered unavailable for so long as it cannot be sold because:

(A) The property is jointly owned and its sale would cause undue hardship due to the loss of housing for the other owner or owners; or

(B) the owner's reasonable efforts to sell the property have been unsuccessful.

(4) For SSI, 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 264 shall not be considered available to the applicant or recipient except as provided in paragraph (f)(3) of this regulation.

(d) The resource value of property shall be that of the applicant's or recipient's equity in the property. Unless otherwise established, the proportionate share of jointly-owned real property and the full value of jointly-owned personal property shall be considered available to the applicant or recipient. Resources held jointly with a non-legally responsible person may be excluded from consideration if the applicant or recipient can demonstrate that the applicant or recipient has no ownership interest in the resource, has not contributed to the resource, and that any access to the resource by the applicant or recipient is limited to acting as an agent for the other person.

(e) Nonexempt resources of all persons in the assistance plan and the nonexempt resources of persons who have been excluded from the assistance plan pursuant to K.A.R. 30-6-74(b) and 30-6-79(c) shall be considered.

(f)(1) The combined resources of husband and wife, if they are living together, shall be considered in determining eligibility of either or both for the medical assistance program, unless otherwise prohibited by law.

(continued)

(2) A husband and wife shall be considered to be living together if they are regularly residing in the same household. Temporary absences of either the husband or the wife for education or training, working, securing medical treatment or visiting shall not be considered to interrupt the couple's living together.

(3) A husband and wife shall not be considered as living together when they are physically separated and not maintaining a common life, or when one or both enter into a care situation, including either a medicaid-approved or non-approved care facility or a home- and community-based services care arrangement. If only one spouse is an applicant for or recipient of SSI and one or both enter a care situation, their resources shall be considered available to each other in the month in which the care arrangement begins. Thereafter, only the resources that are actually made available to the applicant or recipient shall be considered. If both spouses are applicants for or recipients of SSI and one or both enter a care situation, the following provisions apply:

(A) Income shall be considered available to each other for the month in which the care situation begins. Their income shall continue to be considered available to each other for the following six months if they reside in the same care situation; and

(B) real and personal property shall be considered available to each other for the month in which the care situation begins and the six following months.

(g) The resources of an ineligible parent, the income of a stepparent, or the income of a parent of a minor parent shall be considered in determining the eligibility of a minor child for the medical assistance program if the individual and child are living together.

(h) When any individual in the household, other than a stepparent or a parent of a minor parent, who does not have the responsibility to support a person in the plan voluntarily and regularly contributes cash to the recipient toward household expenses, including maintenance costs, the amount of the contribution to be counted shall be the net income realized by the household.

(i) Despite subsections (e), (f), (g), and (h) above, the resources of an SSI beneficiary shall not be considered in the determination of eligibility for medical assistance of any other person.

(j) The resources of an alien sponsor shall be considered in determining eligibility for the alien as prescribed by the secretary of health and human services and as approved by the secretary of social and rehabilitation services. "Sponsor" shall include a public or private agency or organization.

(k) The conversion of real and personal property from one form to another shall not be considered as income to the applicant or recipient except for the proceeds from a contract for the sale of property.

(l) Income shall not be considered both as income and as property in the same month. The effective date of this regulation shall be May 1, 1988. (Authorized by and implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15,

1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-15, July 1, 1986; amended, T-87-20, Sept. 1, 1986; amended May 1, 1987; amended, T-88-14, July 1, 1987; amended, T-88-59, Jan. 1, 1988; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

30-6-109. Personal property. (a) Definitions.

(1) "Personal property" means all property excluding real property.

(2) "Cash assets" mean money, investments, cash surrender or loan values of life insurance policies, trust funds, and similar items on which a determinate amount of money can be realized.

(3) "Other personal property" means personal effects, household equipment and furnishings, home produce, livestock, equipment, vehicles, inventory, contracts from the sale of property, and similar items on which a determinate amount of money can be realized.

(b) Treatment of personal property. Personal property, unless exempted, shall be considered a resource.

(c) Exempted personal property. The resource value of the following classifications of personal property shall be exempt:

(1) Personal effects;

(2) household equipment and furnishings in use or only temporarily not in use;

(3) tools in use and necessary for the maintenance of house or garden;

(4) stock and inventory of self-employed persons that are reasonable and necessary in the production of goods and services;

(5) items for home consumption. These items shall consist of produce from a small garden consumed from day to day and any excess which may be canned or stored, and a small flock of fowl or livestock which are used to meet the food requirements of the family;

(6) cash assets which are traceable to income exempted as income and as a cash asset;

(7) any contract from the sale of property, if the proceeds from the contract are considered as income;

(8) for non-SSI, proceeds from the sale of a home if the proceeds are conserved for the purchase of a new home and the funds so conserved are expended or committed to be expended in the month received or in the following month;

(9) for non-SSI, income-producing property, other than cash assets, if essential for employment or self-employment. This includes such items as tools, equipment, machinery and livestock;

(10) for non-SSI, one vehicle for each assistance family with a value in an amount not to exceed \$1,500.00;

(11) for non-SSI, burial plots and funeral agreements as established by the secretary of health and human services and as approved by the secretary of social and rehabilitation services;

(12) for SSI, insurance not exceeding \$1,500.00 face value, owned by any applicant or recipient family member. Face value shall not include and shall not be increased by accumulated dividends, but shall be decreased by an outstanding policy loan. If the total face

value of insurance policies owned by any one individual exceeds \$1,500.00, the total cash surrender value of those policies shall be a nonexempt resource;

(13) for SSI, one vehicle for each assistance family. Additional vehicles shall be exempt if shown to be essential for employment, for self-support, for medical treatment of a specific medical problem, or if specially equipped for use by a handicapped person;

(14) for SSI, any personal property of a blind or disabled person which is covered by an approved plan of self-support;

(15) for SSI, the equity value of income-producing personal property, other than cash assets, if:

(A) The equity value of income-producing personal property plus the equity value of income-producing real property does not exceed \$6,000; and

(B) a net annual return of at least 6% of the total equity is produced;

(16) for SSI, burial plots as established by the secretary of health and human services for the SSI program;

(17) for SSI, any burial contract as established by the secretary of health and human services for the SSI program and as approved by the secretary of social and rehabilitation services;

(18) for SSI, proceeds from the sale of a home if the proceeds are conserved for the purchase of a new home and the funds so conserved are expended or committed to be expended within three months of the sale; and

(19) for SSI, a retroactive social security payment received by the applicant or recipient or an ineligible legally responsible person for the nine months following the month of receipt. The effective date of this regulation shall be May 1, 1988. (Authorized by and implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-11, June 17, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended, T-83-17, July 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended, T-85-34, Dec. 19, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-15, July 1, 1986; amended May 1, 1987; amended, T-88-14, July 1, 1987; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

30-6-112. Income exempt from consideration as income and as a cash asset. Exempted income shall be: (a) Grants or loans to any undergraduate student for educational purposes that are made or insured under any programs administered by the commissioner of education;

(b) loans and grants obtained and used for purposes of meeting needs not related to current living costs;

(c) the value of the coupon allotment under the food stamp program;

(d) the value of the U.S. department of agriculture-donated foods;

(e) the value of supplemental food assistance received under the child nutrition act of 1966, as amended, and the special food service program for children under the national school lunch act, as amended;

(f) benefits received under title VII, nutrition program for the elderly, of the older Americans act of 1965, as amended;

(g) Indian judgment funds distributed or held in trust, including interest and investment income accrued on such funds while held in trust and purchases made with such funds;

(h) payments to natives under the Alaska native claims settlement act, to the extent the payments are exempt from taxation under section 21(a) of that act;

(i) payments provided to individual volunteers serving as foster grandparents, senior health aides and senior companions, and to persons serving in the service corps of retired executives and active corps of executives under titles II and III of domestic service act of 1973;

(j) payments to individual volunteers under title I, sec. 404(g) of Public Law 93-113 when the director of ACTION determines that the value of such payments, adjusted to reflect the number of hours such volunteers are serving, is less than the federal minimum wage;

(k) payments received under the uniform relocation assistance and real property acquisition policies act of 1970;

(l) death benefits from SSA, VA, railroad retirement, or other burial insurance policy when the benefit is used toward the cost of burial;

(m) money held in trust by VA for a child which VA determines may not be used for subsistence needs;

(n) retroactive corrective assistance payments in the month received or in the following month;

(o) income directly provided by vocational rehabilitation;

(p) benefits from special government programs at the discretion of the secretary, including energy assistance programs and VA aid and attendance and housebound allowances;

(q) reimbursements for out-of-pocket expenses in the month received and the following month;

(r) for non-SSI, a one-time payment or a portion of a one-time payment from a cash settlement for the repair or replacement of property or for legal services, medical costs or other required obligations to a third party, if the payment is expended or committed to be expended for the intended purpose within six months of its receipt;

(s) for non-SSI, assistance provided by another agency or organization that complements but does not duplicate assistance provided by the agency;

(t) for SSI, a one-time payment or a portion of a one-time payment from a cash settlement for the repair or replacement of property or for legal services, medical costs or other required obligations to a third party, if the payment is expended or committed to be expended for the intended purpose within nine months of its receipt. This time period may be extended for good cause;

(u) for SSI, in kind support, vouchers, or cash assistance for food, clothing, or shelter provided by public or private organizations or agencies, if the assistance is based on need;

(continued)

(v) for SSI, income necessary for fulfillment of an approved plan to achieve self-support established for a blind or disabled person;

(w) for SSI, assistance furnished in connection with a presidentially declared disaster and any interest earned on the assistance for the first nine months;

(x) for SSI, interest which is paid on excluded burial funds and left to accumulate;

(y) for SSI, proceeds from any bona fide and legal loan requiring repayment;

(z) for SSI, housing assistance from federal housing programs operated by state and local subdivisions;

(aa) for SSI, any portion of any financial assistance funded under Title IV of the Higher Education Act of 1965, as amended, or under Bureau of Indian Affairs Student Assistance Programs which is made available for tuition, fees, books, supplies, transportation and miscellaneous personal supplies; and

(bb) for SSI, payments occasioned by the death of another person to the extent that the payments have been expended or committed to be expended for purposes of the deceased person's last illness and burial. The effective date of this regulation shall be May 1, 1988. (Authorized by and implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended May 1, 1986; amended May 1, 1987; amended, T-88-14, July 1, 1987; amended, T-88-59, Jan. 1, 1988; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

30-6-113. Income exempt as applicable income.

The following income shall be exempt as applicable income in the determination of eligibility: (a) Unearned income in kind;

(b) foster care standard payments;

(c) shelter cost participation payments. In shared living arrangements in which two families contribute toward the shelter obligations, any cash paid toward the shared shelter obligation by one family to the second family in the shared arrangement shall not be considered as income to the second family. This exemption shall not be applicable in a bona fide, commercial landlord-tenant arrangement;

(d) assistance payments in the month received;

(e) home energy assistance furnished by a federal or state regulated entity whose revenues are primarily derived on a rate-of-return basis, by a private, non-profit organization, by a supplier of home heating oil or gas, or by a municipal utility company which provides home energy, if the assistance provided is based on need;

(f) income of a child received from a youth program funded by the job training partnership act of 1982, except that earned income received under the program shall only be exempt for a period of six months;

(g) incentive payments received by renal dialysis patients;

(h) interest credited to a checking and saving account;

(i) irregular, occasional, or unpredictable monetary gifts not to exceed \$30.00 per person in any calendar

quarter, except this subsection is not applicable to gifts in excess of \$30.00;

(j) tax refunds and rebates other than earned income tax credits;

(k) for non-SSI, earned income of a recipient child if the child is under the age of 18 years and a full-time student or if the child is a part-time student and is not a full-time employee;

(l) for non-SSI, earned income of a recipient child who is 18 years of age and a full-time student;

(m) for non-SSI, work incentive payments in WIN;

(n) for non-SSI, support payments covered by an assignment of support rights related to ADC and ADC-FC and forwarded to the agency. However, a support refund, disbursed by the agency to the client, shall not be exempt;

(o) for non-SSI, housing assistance from federal housing programs;

(p) for non-SSI, the first \$50.00 of child support or child support in combination with spousal support received in a month;

(q) for SSI, refund of taxes paid on real property or on food purchases;

(r) for SSI, 1/3 of child support payments received by an eligible child from an absent parent;

(s) for SSI, earnings of an unmarried child who is a student under 22 years of age up to \$400.00 a month. This exemption shall not exceed \$1,620.00 a year;

(t) for SSI, work expenses of a blind recipient;

(u) for SSI, impairment-related work expenses of a disabled recipient;

(v) for SSI, incentive allowances and reimbursements for individuals in training to provide support services under the jobs training partnership act (JTPA) program administered by state and local subdivisions;

(w) for SSI, the difference between the social security benefit entitlement in August, 1972, and the entitlement in September, 1972, for persons who were receiving cash assistance through the programs of AABD or ADC in September, 1972 and who were entitled to a social security benefit in September, 1972. This exemption shall apply only if the exemption establishes eligibility without a spenddown;

(x) for SSI, the amount of all social security cost of living adjustments for a person who was concurrently receiving SSI and social security after April, 1977 and who would be eligible for SSI if the cost of living adjustments received since that person was last eligible for SSI were not considered as income;

(y) for SSI, income allocated and expended by an adult in an institutional living arrangement for the support of the adult's spouse or minor children. The income allocation shall not exceed the amount necessary to bring their income up to the protected income level appropriate to their living arrangement;

(z) for SSI, SSI payments to which the person is not legally entitled that are subject to SSI recovery;

(aa) for SSI, child support collected by the agency and paid as a \$50.00 or less pass-through of child support;

(bb) for SSI, the amount of the December, 1983 increase in social security disabled widow or widower

benefits resulting from the changes in the actuarial reduction formula and all subsequent cost of living adjustments for a person who was concurrently receiving SSI and social security disabled widow and widower benefits under section 202(e) or 202(f) of the social security act provided that:

(1) The person became ineligible for SSI due solely to the 1983 actuarial increase;

(2) the person has continuously received social security disabled widow or widower benefits since the 1983 actuarial increase was first received;

(3) the person would be currently eligible for SSI if it were not for the 1983 actuarial increase and all subsequent cost of living adjustments; and

(4) the person makes application for medical assistance under this provision prior to July 1, 1988;

(cc) for SSI, reparation payments made under the Republic of Germany's federal law for compensation of nationalist socialist persecution;

(dd) for SSI, the amount of the social security adult disabled child benefit for an otherwise eligible SSI person age 18 or older who:

(1) Was receiving SSI benefits that began prior to age 22; and

(2) loses SSI eligibility due solely to the person becoming eligible for the adult disabled child benefits or an increase in the adult disabled child benefits; and

(ee) for SSI, income 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 264. The effective date of this regulation shall be May 1, 1988. (Authorized by and implementing K.S.A. 39-708c, 39-709; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended May 1, 1983; amended, T-84-11, July 1, 1983; amended, T-84-25, Sept. 19, 1983; amended May 1, 1984; amended, T-85-26, Oct. 15, 1984; amended May 1, 1985; amended May 1, 1986; amended, T-87-15, July 1, 1986; amended May 1, 1987; amended, T-88-14, July 1, 1987; amended, T-88-59, Jan. 1, 1988; amended May 1, 1988; amended, T-89-13, May 1, 1988.)

WINSTON BARTON
Secretary of Social and
Rehabilitation Services

Doc. No. 006659

State of Kansas

OFFICE OF THE GOVERNOR

REQUEST FOR PUBLIC COMMENT

Governor Mike Hayden is accepting public comment on the designated status of the Kansas Planning Council on Developmental Disabilities Services (also known as the D.D. Council). Currently, the Division of Mental Health and Retardation Services is the designated state agency administering the federally assisted Developmental Disabilities State Program.

The 1987 amendments to the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 100-146) allows the Governor to choose as the designated agency one of several options:

- The D.D. Council as a free standing agency;
- A state agency that does not provide or pay for services for persons with developmental disabilities;
- A state office, including the immediate Office of the Governor; or
- Redesignate the Division of Mental Health and Retardation Services to continue to function as the administering state agency.

Written comments will be accepted through June 28 by John Kelly, Executive Director, Kansas Planning Council on Developmental Disabilities Services, 5th Floor North, Docking State Office Building, 915 Harrison, Topeka 66612-1505.

MIKE HAYDEN
Governor

Doc. No. 006748

KANSAS REGISTER
Secretary of State
2nd Floor, State Capitol
Topeka, KS 66612-1594

Second Class
postage paid
at
Topeka, Kansas

**Use this form (or a copy of it) to enter a
SUBSCRIPTION**

_____ One-year subscriptions @ \$55 ea.

Total Enclosed _____
(Make checks payable to Kansas Register)

SEND TO: _____
(Please, no
more than
4 address
lines.) _____

_____ Zip code must be included

This space for Register office
use only, please

Code _____	Rec. No. _____
Expires _____	Entered By _____

Mail order, with payment, to: Kansas Register, Secretary of State, State Capitol, Topeka, KS 66612-1594

**Use this form (or a copy of it) for
CHANGE OF ADDRESS**

Remove your mailing label (above) and affix it here:

Indicate change or correction of name or address
here:

Mail to: Kansas Register, Secretary of State, State Capitol, Topeka, KS 66612-1594