

KANSAS REGISTER

State of Kansas

BILL GRAVES
Secretary of State

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Pages 1207-1242

IN THIS ISSUE . . .

	Page
Legislative Interim Committee Schedule	1208
State Employees Health Care Commission	
Notice of Commencement of Negotiations for a Health Care Benefits Program	1209
Social and Rehabilitation Services	
Notice of Basic Maximum Daily Charge for State Institutions	1209
Notice of Change in Medicaid Reimbursement Method	1209
Shawnee County	
Notice to Contractors	1210
Wichita State University	
Notice to Bidders	1210
Notice to Bidders for State Purchases	1210
State Board of Indigents' Defense Services	
Notice of Meeting	1211
Notice of Hearing	1211
Kansas Public Disclosure Commission	
Advisory Opinions No. 88-16 through 88-18	1211
Department of Health and Environment	
Notice Concerning Kansas Water Pollution Control Permit	1212
Notice Concerning Underground Injection Control Permit	1213
State Conservation Commission	
Notice to Contractors	1214
Kansas Citizens' Committee on Alcohol and Other Drug Abuse	
Notice of Meeting	1214
Kansas Insurance Department	
Notice of Hearing	1214
Department of Transportation	
Notice to Contractors	1214
Notice of Bond Redemption	
City of Liberal	1215
City of Fort Scott	1216
City of Wichita	1216
City of Kansas City	1241
Temporary Administrative Regulations	
Social and Rehabilitation Services	1217
State Board of Indigents' Defense Services	1219
Department of Wildlife and Parks	1220
The Kansas Lottery	1223
Legislative Administrative Services	
1988 Interim Study Proposals and Committee Assignments	1224
Notice of Bond Sale	
Riley County (amended notice)	1230
City of Osawatomie	1233
City of Hazelton	1235
City of Kansas City	1238

State of Kansas

LEGISLATURE

INTERIM COMMITTEE SCHEDULE

The following committee meetings have been scheduled during the period of July 4 through July 17:

Date	Room	Time	Committee	Agenda
July 5	K-State	10:00 a.m.	Special Committee on	Agenda unavailable.
July 6	Union	9:00 a.m.	Agriculture and Livestock	
July 8	514-S	10:00 a.m.	Special Committee on School Finance	Review of school finance law and statewide reappraisal progress.
July 11	514-S	10:00 a.m.	Joint Committee on	Agenda unavailable.
July 12	514-S	9:00 a.m.	Administrative Rules and Regulations	
July 11	519-S	10:00 a.m.	Special Committee on Ways and Means—Appropriations	11th: Staff background on Proposals No. 51—Distribution of Certain State Publications, and No. 46—Presidential Preference Primary.
July 12	519-S	9:00 a.m.		12th: Staff background on Proposal No. 50—KUMC Health Care Provider Insurance.
July 12	526-S	10:00 a.m.	Special Committee on	Agenda unavailable.
July 13	526-S	9:00 a.m.	Energy and Natural Resources	
July 13	531-N	10:00 a.m.	Special Committee on Local	Agenda unavailable.
July 14	531-N	9:00 a.m.	Government	
July 14	Garden City	10:00 a.m.	Commission on Access to Services for Medically Indigent and the Homeless	Hearings and visits to various providers of services for the homeless and medically indigent.
July 15	Wichita	9:00 a.m.	Joint Committee on	14th: Overview of tourism activities with a focus on alternative methods of financing.
July 14	519-S	10:00 a.m.	Economic Development	15th: Overview of S.B. 470 (which defines "Kansas basic enterprise and industry"), with a focus on enterprise zones.
July 15	519-S	9:00 a.m.		
July 14	529-S	10:00 a.m.	Joint Committee on Special	Agenda unavailable.
July 15	529-S	9:00 a.m.	Claims Against the State	

WILLIAM R. BACHMAN
Director of Legislative
Administrative Services

Doc. No. 006764

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Phone: (913) 296-3489

State of Kansas
DEPARTMENT OF ADMINISTRATION
STATE EMPLOYEES
HEALTH CARE COMMISSION

NOTICE OF COMMENCEMENT OF
NEGOTIATIONS FOR A STATE
HEALTH CARE BENEFITS PROGRAM

Notice is hereby given of the commencement of negotiations for contracts for the state health care benefits program to be effective January 1, 1989.

The Kansas State Employees Health Care Commission will receive proposals until 5 p.m. Monday, August 1, from those firms responding to the commission's request for proposal HCC-89A, dated July 1, 1988.

A special public meeting for all representatives interested in submission of a proposal will be held at 2 p.m. Thursday, July 14, in conference room 106, Landon State Office Building, 900 S.W. Jackson, Topeka.

Those interested in attending the conference can contact the commission's administrative office at (913) 296-7483 by July 8 to confirm attendance. Questions from potential responders concerning the project will be addressed only at this public meeting.

H. EDWARD FLENTJE
 Chairman

Doc. No. 006754

State of Kansas
SOCIAL AND REHABILITATION SERVICES

NOTICE OF BASIC MAXIMUM DAILY RATE OF
CHARGE FOR STATE INSTITUTIONS

In compliance with K.S.A. 59-2006b(a), the following per patient day costs for fiscal year 1989 will be the basic maximum daily rate of charge, effective July 1, 1988, for the following state institutions:

Parsons State Hospital and Training Center	\$127.50
Winfield State Hospital and Training Center	\$185.60
Kansas Neurological Institute	\$129.81
Norton State Hospital	\$225.44

In compliance with K.S.A. 59-2006(b), the following state institutions are hereby authorized to compute an individual patient charge on the basis of rates for services based on costs incurred by such state institutions as determined by application of generally acceptable hospital accounting principles: Topeka State Hospital; Osawatomie State Hospital; Larned State Hospital, including the State Security Hospital; and Rainbow Mental Health Facility.

WINSTON BARTON
 Secretary of Social and
 Rehabilitation Services

Doc. No. 006770

State of Kansas
SOCIAL AND REHABILITATION SERVICES

NOTICE OF CHANGE IN MEDICAID
REIMBURSEMENT METHOD

In accordance with 42 *Code of Federal Regulations* 447.205, public notice is given concerning a change in the method of Medicaid reimbursement for inpatient general hospitals determined to be disproportionate share hospitals and for those hospitals performing liver transplants for Kansas Medicaid recipients.

1. For hospitals determined in accordance with the criteria in Public Law 100-203, Section 4112, to be disproportionate share hospitals, a payment adjustment shall be made. This payment adjustment shall be the greater amount determined by either of the two options contained in Public Law 100-203, Section 4112, Subsections (b)(1)(A) and (b)(1)(B). Qualification for determination as a disproportionate share hospital shall be made on an annual basis for the duration of a one year period of time. An appeal procedure is available. This is estimated to cost an additional \$733,600 to \$1,433,115 annually. This change is being made to comply with Public Law 100-203, Section 4112 (Omnibus Budget Reconciliation Act).
2. For hospitals performing liver transplants for Kansas Medicaid recipients, reimbursement to the inpatient general hospital shall be based upon cost, not to exceed \$100,000 per transplant surgery, contingent upon transplant surgery and excluding procurement of the organ. An interim payment based upon 80 percent of allowable charges may be made prior to the final cost settlement. If transplant surgery is not performed, reimbursement shall be made according to the Kansas Medicaid prospective payment system methodology. This is estimated to cost an additional \$552,000 annually. This change is being made to expand the scope of medical assistance to better meet the needs of recipients.

These proposed changes are available for public review by writing to Sally Adams, Division of Medical Programs, Kansas Department of Social and Rehabilitation Services, Room 628-S, Docking State Office Building, 915 Harrison, Topeka 66612.

Written comments may be sent and reviewed by the public if directed to Sally Adams at the address above.

WINSTON BARTON
 Social and Rehabilitation Services

Doc. No. 006771

(Published in the *Kansas Register*, June 30, 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**WICHITA STATE UNIVERSITY****NOTICE TO BIDDERS**

Sealed bids for the following equipment will be received by the Wichita State University, Office of Purchasing, 1845 N. Fairmount, 201 Jardine Hall, Wichita 67208-1595, until 2 p.m. C.D.T. on the date indicated, and then will be publicly opened. Interested bidders may call (316) 689-3080 for additional information.

Friday, July 15, 1988

#BOT 1345-071588H

Bus Analyzer

#BOT 1271-071588H

Real-Time Emulator

GARY D. LINK
Director of Purchasing

Doc. No. 006757

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.

Monday, July 11, 1988

#26821

Kansas State University—AIR CHARTER SERVICE

#27232

Kansas Correctional Industries—METAL
CONTAINERS (QUARTS THROUGH FIVES)

#27284

Department of Transportation—GLASS BEADS

Tuesday, July 12, 1988

#A-5795

Topeka State Hospital—REPLACE CEILING TILE
AND CLOSETS, BRIGHAM BUILDING

#27223

Kansas Correctional Industries—VARIOUS MEDIUM
OIL AND ALKYD MODIFIED RESINS

#27231

Kansas Correctional Industries—RECONDITION
55-GALLON STEEL DRUMS

#27252

Department of Transportation—ROCK SALT FOR
SNOW AND ICE REMOVAL, various locations

#27650

University of Kansas Medical Center—BLOOD
PRODUCTS FOR HEMOPHILIA TREATMENT

#27836

Kansas State Fair—PLUMBING MAINTENANCE
SERVICE

#73472-A

University of Kansas—OFFSET PRESS

#74992

Kansas State University—GRAIN

Thursday, July 14, 1988

#A-5808

Winfield State Hospital and Training Center—
ASBESTOS REMOVAL—TUNNELS

#A-5958

Kansas State University—OAK DRIVE IRRIGATION

#27817-A

Department of Administration—STATEWIDE
INDIRECT COST ALLOCATION PLAN

#74982

University of Kansas Medical Center—DIAGNOSTIC
ULTRASOUND SYSTEM

Friday, July 15, 1988

#27077

Statewide—VIDEO TAPE

#27078

Statewide—AUDIBLE RANGE MAGNETIC TAB

#27102-A

Statewide—MODEMS FOR MICROCOMPUTERS

#27319

Statewide—COOKIES AND CRACKERS

#27476

Statewide—BAKERY PRODUCTS

#27838

University of Kansas—COPIER MAINTENANCE

#75002

Department of Administration—BLANKET
FINANCING PROGRAM

#75007

Kansas State University—CARPET INSTALLATION

#75008

Department of Social and Rehabilitation Services—
FABRIC

NICHOLAS B. ROACH
Director of Purchases

Doc. No. 006756

State of Kansas

**BOARD OF INDIGENTS'
DEFENSE SERVICES**

NOTICE OF MEETING

The State Board of Indigents' Defense Services will meet at 1:30 p.m. Friday, August 12, in the City Council Chambers, City Hall, 701 N. 7th, Kansas City, Kansas. Agenda items will include discussion and adoption of permanent regulations.

For additional information, contact Ron Miles, Director, Board of Indigents' Defense Services, 900 S.W. Jackson, Room 506, Topeka 66612.

RONALD E. MILES
Director

Doc. No. 006766

State of Kansas

**BOARD OF INDIGENTS'
DEFENSE SERVICES**

NOTICE OF HEARING

The State Board of Indigents' Defense Services will conduct a public hearing at 10:30 a.m. Friday, August 12, in the City Council Chambers, City Hall, 701 N. 7th, Kansas City, Kansas. The purpose of this hearing is to hear comments from interested persons regarding changing the system of delivery of indigents' defense services in Johnson and Wyandotte counties.

This public hearing will follow the board's public hearing on proposed permanent rules and regulations.

All interested parties may submit written comments prior to the hearing to the director of the State Board of Indigents' Defense Services, 900 S.W. Jackson, Room 506, Topeka 66612. All interested parties will be given a reasonable opportunity at the hearing to orally present their views in regard to the proposal. The board, in the interest of time, reserves the right to limit oral testimony.

RONALD E. MILES
Director

Doc. No. 006765

State of Kansas

**KANSAS PUBLIC DISCLOSURE
COMMISSION**

Advisory Opinion No. 88-16

Written June 16, 1988, to Carl G. Ossmann, Architect, Ossmann & Associates, Architects, Topeka.

This opinion is in response to your letter of May 24, 1988, in which you request an opinion from the Kansas Public Disclosure Commission concerning the state level conflict of interest law set out in K.S.A. 46-215 *et. seq.*

We understand you request this opinion in your capacity as a member of the State Building Advisory Commission.

You advise us that you are the sole owner and operator of the architectural firm of Ossmann & Associates, Architects. Your firm is not doing any work for the state of

Kansas presently; however, your resume is on file with the Division of Architectural Services and may be considered for various state projects as they come up.

We understand that the firms recommended by the state architect's office and passed on by the State Building Advisory Commission are sent to a negotiating committee which then selects the firm they feel is best qualified for the architectural project, and it is this negotiating committee that reviews and negotiates the actual contract with the firm involved. It is your understanding the State Building Advisory Commission has nothing to do with the negotiating committee nor with the negotiation of contracts for architectural services.

Based on this factual situation, we understand you to ask whether you may serve on the commission, and if so with what, if any, restrictions.

K.S.A. 46-233 applies to your question and that section states:

"(a) No state officer or employee shall in the capacity as such officer or employee participate in the making of a contract with any person or business by which such officer or employee is employed or in whose business such officer or employee has a substantial interest and no such person or business shall enter into any contract where any state officer or employee, acting in such capacity, is a signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business.

(d) Subsections (a) and (b) shall not apply to the following: (1) Contracts let after competitive bidding has been advertised for by published notice; and (2) Contracts for property or services for which the price or rate is fixed by law."

It is our opinion, so long as you do not participate in any official actions for which your firm is a candidate for recommendation, that you may serve on the committee.

Advisory Opinion No. 88-17

Written June 16, 1988, to Raymond L. Burns, Ph.D., Valley Falls.

This opinion is in response to your letter of May 11, 1988, in which you request an opinion from the Kansas Public Disclosure Commission concerning the reporting of substantial interests.

We understand you request this opinion in your capacity as an employee of the Kansas State Board of Agriculture.

You advise us that from 1962 until spring of 1987 your livelihood was derived principally from self employment in management-consulting and farming interests. Since 1985, you have taken no income from the management-consulting business. Since it is your business, theoretically you could participate in revenues generated in excess of expenses. You inform us that your son is participating in the operations of the business.

We understand you ask whether you should list those clients who pay fees to your business in excess of \$2,000 in the preceding calendar year on "Item G" of your substantial interest statement.

As we understand the factual situation, you own the business as a sole proprietor. Thus, as a matter of law all

(continued)

funds received by the business are yours whether you withdraw them from the business or not. Therefore, it is our opinion that you should list the business clients on "Item G" who met the monetary test.

Advisory Opinion No. 88-18

Written June 16, 1988, to Charles E. Hoke II, Hoke and Clausing, Wichita.

This opinion is in response to your letter of May 18, 1988, in which you request an opinion from the Kansas Public Disclosure Commission concerning the local conflict of interest law set out in K.S.A. 75-4301 *et seq.*

We understand you request this opinion on behalf of the South Central Kansas Economic Development District.

You advise us that the South Central Kansas Economic Development District is a non-profit organization formed under the laws of the state of Kansas, but originally funded with federal money. The board of directors is composed of members from the 14-county area making up the organization. One of the members of the board of directors owns an interest in a lumber yard in Rice County. One of the projects sponsored by the South Central Kansas Economic Development District is a weatherization program for a five-county district. Pursuant to this weatherization program, bid packets are mailed to various contractors and sub-contractors and bids are requested for labor, services and materials to weatherize the various houses in the area. One of the members of the board of directors occasionally submits these bids and has been at times a successful bidder.

You ask whether members may submit bids for the project you have described. K.S.A. 75-4304 states:

"(a) No public officer or employee shall in his or her capacity as such officer or employee, make or participate in the making of a contract with any person or business by which he or she is employed or in whose business he or she has a substantial interest, and no such person or business shall enter into any contract where any public officer or employee, acting in such capacity, is a signatory to or a participant in the making of such contract and is employed by or has a substantial interest in such person or business. A public officer or employee does not make or participate in the making of a contract if he or she abstains from any action in regard to the contract. This section shall not apply to the following: (1) Contracts let after competitive bidding has been advertised for by published notice; and (2) Contracts for property or services for which the price or rate is fixed by law. (b) Any public officer or employee who is convicted of violating this section shall forfeit his or her office or employment."

Pursuant to K.S.A. 75-4304, it is permissible for a member of a public body to submit bids to that body. However, under K.S.A. 75-4305, if the member intends to act in his or her official capacity concerning the bid submitted to the board he must file the disclosure of substantial interest statement prior to acting thereon.

LOWELL K. ABELDT
Chairman

Doc. No. 006760

State of Kansas

DEPARTMENT OF HEALTH AND ENVIRONMENT

NOTICE CONCERNING KANSAS WATER POLLUTION CONTROL PERMIT

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

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

Name and Address of Applicant	Waterway	Type of Discharge
Reno Construction Company West Stanley Quarry Attention: Terry Weitman P.O. Box 23910 Overland Park, KS 66223 Johnson County, Kansas	Blue River via Coffee Creek via drainage ditch, Missouri River Basin	Stormwater runoff and overflow from settling pond.
Kansas Permit No. I-M026-P003		Federal Permit No. KS-0081558

Description of Facility: This facility is engaged in limestone crushing with washing. Wastewater from washing is clarified in a settling pond and storage pond and then recycled. 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	Waterway	Type of Discharge
Kansas Gas and Electric Ripley Station Attn: Michael Miller Supervisor, Environmental Services 201 N. Market P.O. Box 208 Wichita, KS 67201 Sedgwick County, Kansas	Arkansas River via Little Arkansas River Lower Arkansas River Basin	Once-through non-contact cooling water
Kansas Permit No. I-AR94-P014		Federal Permit No. KS-0000639

Description of Facility: This power plant was permanently retired in December 1985. It will be utilized as a central maintenance facility by Kansas Gas and Electric. 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	Waterway	Type of Discharge
Kansas Gas and Electric Wichita Station Attn: Michael Miller Supervisor, Environmental Services 201 N. Market P.O. Box 208 Wichita, KS 67201 Sedgwick County, Kansas	Arkansas River via Little Arkansas River Lower Arkansas River Basin	No discharge
Kansas Permit No. I-AR94-B004		Federal Permit No. KS-0000591

Description of Facility: This power plant is permanently retired from operation. It 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).

<p>Name and Address of Applicant Kansas Gas and Electric Neosho Station Attn: Michael Miller Supervisor, Environmental Services 201 N. Market P.O. Box 208 Wichita, KS 67201 Sedgwick County, Kansas Kansas Permit No. I-NE55-P003</p>	<p>Waterway Neosho River Neosho River Basin</p>	<p>Type of Discharge Once-through non-contact cooling water</p>
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Federal Permit No. KS-0000612
 Description of Facility: This power plant was taken out of service in September 1985. It is scheduled to be reactivated sometime in the next decade. 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).

<p>Name and Address of Applicant Kansas Gas and Electric Murray Gill Station Attn: Michael Miller Supervisor, Environmental Services 201 N. Market P.O. Box 208 Wichita, KS 67201 Sedgwick County, Kansas Kansas Permit No. I-AR94-P013</p>	<p>Waterway Arkansas River via Cowskin Creek Lower Arkansas River Basin</p>	<p>Type of Discharge Cooling tower, boiler, and evaporator blowdown, yard and floor drains, and oil storage area runoff</p>
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Federal Permit No. KS-0000621
 Description of Facility: This facility generates electric power with high pressure steam produced by fossil fuel combustion. This is an existing facility and the previous limitations are continued. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

<p>Name and Address of Applicant Kansas Gas and Electric Gordon Evans Station Attn: Michael Miller Supervisor, Environmental Services 201 N. Market P.O. Box 208 Wichita, KS 67201 Sedgwick County, Kansas Kansas Permit No. I-AR24-P001</p>	<p>Waterway Arkansas River via Cowskin Creek via Unnamed Tributary Lower Arkansas River Basin</p>	<p>Type of Discharge Cooling tower and boiler blowdown, boiler fire side washwater, floor drains, and water softening wastewater</p>
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Federal Permit No. KS-0000604
 Description of Facility: This facility generates electric power with high pressure steam produced by fossil fuel combustion. This is an existing facility and the previous limitations are continued. 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 29 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-88-39/44) 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. 006767

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

**NOTICE CONCERNING UNDERGROUND
 INJECTION CONTROL PERMIT**

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

<p>Name and Address of Applicant AIAC, Inc. Aquifer Cleanup Project at Terry Bethel residence in Belle Plaine, Kansas P.O. Box 25588 Shawnee Mission, KS 66225 Sumner County, Kansas Kansas Permit No. KS-05-191-001</p>	<p>Well Number Front Well</p>	<p>Well Location SE SE SE Section 16, Township 30, Range 1 East, Sumner County, Kansas</p>
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Description of Facility: This well is designed to accept fresh water resulting from a groundwater cleanup project of chlordane and heptachlor contaminated groundwater.

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 29 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate number (KS-EG-88-14) and name of applicant as listed when preparing comments. If no objections are received, the Secretary of Health and Environment will issue the final determinations.

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

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

STANLEY C. GRANT
 Secretary of Health and Environment

Doc. No. 006768

State of Kansas

STATE CONSERVATION COMMISSION**NOTICE TO CONTRACTORS**

Sealed bids for the construction of a 116,000 cubic yard detention dam, Site H-12 Franklin County, will be received by the Pottawatomie Creek Watershed Joint District No. 90 at the Soil Conservation Service Office, 6th and Elm, Garnett 66032, until noon on July 25. Bids will be opened at 2 p.m. at the Community Building, North City Park, Garnett.

A copy of the invitation for bids and the plans and specifications can be obtained from the Soil Conservation Service Office, (913) 448-6323.

KENNETH F. KERN
Executive Director

Doc. No. 006753

State of Kansas

SOCIAL AND REHABILITATION SERVICES**KANSAS CITIZENS' COMMITTEE ON ALCOHOL AND OTHER DRUG ABUSE****NOTICE OF MEETING**

The quarterly meeting of the Kansas Citizens' Committee on Alcohol and Other Drug Abuse will be held from 8:30 a.m. to 3:30 p.m. Friday, July 8, at the Red Coach Inn, 1301 E. 1st, Newton. Issues for consideration will be legislative action on alcohol and drug abuse and identification of local programming needs. Other agenda items concerning the alcohol and drug abuse field will be covered.

ANDREW O'DONOVAN
Commissioner of Alcohol and
Drug Abuse Services

Doc. No. 006773

State of Kansas

KANSAS INSURANCE DEPARTMENT**NOTICE OF HEARING**

A formal hearing will be conducted July 11-15, beginning at 9 a.m. each day, at the Holiday Inn West/Holiday dome, 605 Fairlawn, Topeka. The purpose of this proceeding is to determine whether the application for the proposed acquisition of control of Farmers Insurance Company, Inc. and Farmers Group, Inc., by B.A.T. Industries P.L.C., BATUS, Inc. and BATUS Financial Services, Inc., should be approved or disapproved by the Commissioner of Insurance in accordance with the provisions of K.S.A. 40-3301 *et seq.*

All interested parties may attend and will be given the opportunity to hear the details of the proposed acquisition, to present either oral or written testimony in favor of or in opposition to the transaction, and to ask any questions relative to the transaction.

FLETCHER BELL
Commissioner of Insurance

Doc. No. 006763

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

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF CALL FOR REDEMPTION
to the holders of

City of Liberal, Kansas
Industrial Development Revenue Bonds
(Doonan Truck and Equipment, Inc.

Assigned to
Diesel Equipment, Co., Inc.)
Series A, 1974

Dated August 1, 1974

Notice is hereby given that pursuant to Section 3 of Ordinance 2889 of the city of Liberal, Kansas, First National Bank and Trust of El Dorado, Kansas, as trustee, and the office of the Kansas State Treasurer, as paying agent, will redeem on August 1, 1988, for the city \$50,000 principal amounts of the Series A, 1974, industrial development revenue bonds of the city of Liberal (Doonan Truck and Equipment, Inc. assigned to Diesel Equipment, Co., Inc.) at a price equal to the principal amount thereof plus accrued interest thereon to August 1, 1988, plus a premium of 3 percent.

All bonds to be redeemed are listed as follows:

Bond No.	Amount
91	\$5,000
92	5,000
93	5,000
94	5,000
95	5,000
96	5,000
97	5,000
98	5,000
99	5,000
100	5,000

On August 1, 1988, the bonds described above will be due and payable at the office of the Kansas State Treasurer, 900 S.W. Jackson, Suite 201, Topeka, KS 66612, Attn: Fiscal Agent.

Bonds should be surrendered with all unmatured interest coupons attached. After August 1, 1988, interest on the aforesaid bonds will cease to accrue.

City of Liberal, Kansas
Tony Herrman, Mayor Pro Tem
First National Bank & Trust Co.
Rod Ziegler, President
Diesel Equipment, Co., Inc.
Howard Redburn, President

Doc. No. 006759

(Published in the *Kansas Register*, June 30, 1988.)

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF REDEMPTION
Industrial Revenue Bonds
(Hinkley Beverages, Inc.)
Series 1975
Dated August 1, 1975
of the
City of Fort Scott, Kansas

NOTICE OF PARTIAL REDEMPTION
City of Wichita, Kansas
Industrial Revenue Bonds
Series XV, 1981
(Sage Drilling Co., Inc.)
CUSIP No. 967256

Notice is hereby given that pursuant to Section 3 of Ordinance No. 2579 of the city of Fort Scott, Kansas, passed and approved on August 14, 1975, all of the city's outstanding industrial revenue bonds, series 1975, dated August 1, 1975, authorized and issued under the aforesaid ordinance, have been called for redemption and payment on August 1, 1988. Said outstanding bonds are numbered and bear interest as follows:

To the Bondholders of the 11% Bonds, Due August 1, 1989:

Notice is hereby given pursuant to the provisions of Ordinance No. 37-515 adopted by the governing body of the city of Wichita, Kansas, on September 29, 1981, that \$250,000 aggregate principal amount of the city of Wichita, Kansas, industrial revenue bonds, Series XV, 1981 (Sage Drilling Co., Inc.) have been called for redemption on August 1, 1988 (the redemption date), at a redemption price of 100 percent of the principal amount thereof plus interest accrued to the redemption date. All bonds are coupon bearer bonds in the denomination of \$5,000 each. In accordance with Ordinance No. 37-515, the following bonds have been called as of August 1, 1988:

Bond Numbers	Maturity Date	Interest Rate
39-44	August 1, 1988	8¼%
45-50	August 1, 1989	8¼%
51-57	August 1, 1990	8½%
58-64	August 1, 1991	8½%
65-72	August 1, 1992	8½%
73-81	August 1, 1993	8¾%
82-90	August 1, 1994	8¾%
91-100	August 1, 1995	8¾%

1	54	104	142	208
4	55	114	146	209
9	58	117	164	213
17	60	121	171	215
25	61	126	174	221
28	69	129	181	222
38	75	130	194	229
39	86	132	195	232
49	87	135	199	233
51	94	139	202	235

The principal amount of the Series 1975 bonds, numbered 39-44, shall become due and payable on August 1, 1988, at the redemption price plus accrued interest thereon to said redemption date without premium. The principal amount of the Series 1975 bonds, numbered 45-100, shall become due and payable on August 1, 1988, at a redemption price equal to 103 percent of the par value of the principal amount thereof, plus accrued interest thereon to said redemption date.

On August 1, 1988, all bonds will be due and payable at the principal office of The Peoples Bank, Corporate Trust Department, 222 S. Main, P.O. Drawer C, Pratt, KS 67124. All Series A-1975 coupons maturing subsequent to August 1, 1988, must be attached and surrendered with said bonds. No interest will accrue after August 1, 1988. Neither Series A-1975 nor Series B-1975 coupons dated after August 1, 1988, will have any value.

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

Dated June 24, 1988.

The Peoples Bank
 as Trustee and Paying Agent
 222 S. Main
 P.O. Drawer C
 Pratt, KS 67124

Doc. No. 006772

All such coupon bonds, together with the August 1, 1988, and all unmatured coupons thereunto appertaining, should be presented for payment on the redemption date to Union National Bank of Wichita, as fiscal agent for such bonds, located at 150 N. Main, Wichita. The method of presentation and delivery of such bonds to the fiscal agent is at the option and risk of the owners of each bond. If mail is used, insured registered mail, return receipt requested, is suggested.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, paying agents making payments of principal or interest on corporate securities or making payments of principal on municipal securities may be obligated to withhold a 20 percent tax from remittances to individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Owners of the above-described bonds who wish to avoid the imposition of this tax should submit certified taxpayer identification numbers when presenting their bonds for payment.

On and after August 1, 1988, interest on all such bonds called for redemption shall cease to accrue.

Dated June 30, 1988.

UNION NATIONAL BANK OF WICHITA
 as Fiscal Agent on behalf of the
 City of Wichita, Kansas

Doc. No. 006749

State of Kansas

SOCIAL AND REHABILITATION SERVICES**TEMPORARY ADMINISTRATIVE
REGULATIONS****Article 5.—PROVIDER PARTICIPATION, SCOPE
OF SERVICES, AND REIMBURSEMENTS FOR
THE MEDICAID (MEDICAL ASSISTANCE
PROGRAM)**

30-5-81. Scope of hospital services. (a) Each hospital shall be medicare-certified.

(b) Outpatient services shall be covered with the following limitations:

(1) Services shall be ordered by an attending physician who is not serving as an emergency room physician, except for those services related to emergency situations. Orders shall be related specifically to the present diagnosis of the recipient.

(2) Prosthetic devices shall replace all or part of an internal body organ, including the replacement of these devices.

(3) Rehabilitative therapies shall be restorative in nature, shall be provided following physical debilitation due to acute physical trauma or physical illness and shall be prescribed by the attending physician.

(4) Services provided in the emergency department shall be emergency services.

(5) Elective surgery shall not be covered, except for sterilization operations or for EPSDT program participants.

(6) Ambulance services shall not be covered.

(7) Non-emergency visits in place of physician office visits shall be considered as physician office visits and shall be counted against the physician office visit limitation pursuant to K.A.R. 30-5-88.

(c) Inpatient services shall be covered, subject to the following limitations:

(1) Services shall be ordered by a physician and shall be related specifically to the present diagnosis of the recipient.

(2) Transplant surgery shall be limited to liver transplants and related services for only EPSDT program participants, and corneal, kidney and bone marrow transplants and related services for all medicaid recipients.

(3) Procurement of the organ related to transplant surgery shall not be covered with the exception of autologous bone marrow transplants.

(4) A physician hospital admittance profile, taking into consideration physician specialty and application, shall be kept on all physicians. The agency shall require prior authorization for hospital admission by any physician who, in the judgment of medical consultants, continues to admit patients to the hospital unnecessarily.

(5) Inpatient services shall be limited to those provided on days of stay that are determined to be medically necessary.

(6) Reimbursement shall not be made for services provided on days of discharge.

(7) Long term care services in swing beds shall be

provided pursuant to 42 CFR 405 subpart K and 442 subpart F, revised October 1, 1985, which are adopted by reference.

(8) Therapeutic and diagnostic surgical services, and related services that can be performed on an outpatient basis, shall not be reimbursed on an inpatient basis unless medical necessity is documented.

(9) Inpatient services shall be subject to a utilization review to determine medical necessity at the time of admission and on a continued stay basis. Utilization review of all inpatient services shall be conducted by the hospital unless exempted by the division of medical programs. Utilization reviews conducted by a hospital or qualified contractor may be subject to further review by the division of medical programs.

(10) Certain non-Kansas hospitals may be required to submit documentation of medical necessity if the stay exceeds the 75th percentile of number of days of stay, as indicated in the 1981 edition of the "professional activity study hospitals" (PAS), north central region edition. The percentile of number of days of stay shall be based on the primary diagnosis and, as appropriate, on any secondary or multiple diagnosis.

(11) Psychiatric services in an acute general hospital shall be limited to a specific number of days per admission, as specified by the division of medical programs, unless an extended length of stay has been authorized by the division of medical programs prior to the last day of the specified limit, or has been certified through a utilization review process approved by the agency.

(12) Psychotherapy, directed by a psychiatrist or approved hospital staff under the direction of a psychiatrist, shall be provided to each psychiatric patient on a daily basis.

(13) Acute detoxification services shall not exceed eight days.

(14) Substance abuse treatment services shall be limited to three treatment admissions per lifetime, not to exceed 25 days per treatment period, except that EPSDT program participants shall be limited to 45 days per treatment period.

(15) Inpatient acute care related to substance abuse treatment services shall be limited to those patients who are in need of acute detoxification or a drug and alcohol treatment program approved by the division of medical programs.

(16) Elective surgery shall not be covered, except for sterilization operations or for EPSDT program participants.

(17) Therapeutic home visits shall not be covered unless the absence occurs during the last three days of the stay, and the absence extends overnight.

(18) Uncomplicated vaginal deliveries shall be limited to no more than 48 hours of care. (Authorized by and implementing K.S.A. 39-708c; effective May 1, 1981; modified, L. 1982, ch. 469, May 1, 1982; amended May 1, 1983; amended, T-84-7, March 29, 1983; amended, T-84-11, July 1, 1983; amended May 1, 1984; amended, T-85-9, April 11, 1984; amended, T-85-24, Sept. 18, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987;

(continued)

amended May 1, 1988; amended, T-89-24, May 27, 1988.)

30-5-88. Scope of physician services. (a) Except as set forth in subsection (b), the program shall cover medically necessary services recognized under Kansas law provided to program recipients by physicians who are licensed to practice medicine and surgery in the jurisdiction in which the service is provided.

(b) The following services shall be excluded from coverage under the program, except as noted:

(1) Visits. The following types of visits shall be excluded:

(A) Office visits when the only service provided is an injection or some other service for which a charge is not usually made;

(B) non-psychiatric office visits which exceed 12 per calendar year;

(C) psychotherapy services which are not prior authorized when provided concurrently by the same provider with both targeted case management services and partial hospitalization services;

(D) psychotherapy services which exceed an average of 32 hours of individual therapy or 32 hours of group therapy or any combination of these per calendar year per recipient, unless the recipient is an EPSDT program participant and:

(i) Psychotherapy services do not exceed 40 hours per calendar year per EPSDT program participant; or

(ii) psychotherapy services are being rendered pursuant to a plan approved by the agency. Prior authorization for the plan shall be required. The plan shall not exceed a two-year period and shall be subject to a reimbursement limit established by the secretary. Quarterly progress reports shall be submitted to the division of medical programs;

(E) inpatient hospital visits in excess of those allowable days for which the hospital is paid or would be paid if there were no spenddown requirements; and

(F) nursing home visits in excess of one per month unless medical necessity is documented.

(2) Consultations. Consultations shall be excluded as follows:

(A) Consultations which are absent a written report;

(B) inpatient hospital consultations in excess of one per condition per 10 day period unless written documentation confirming medical necessity is attached to the claim; and

(C) other consultations in excess of one per condition per 60 day period unless written documentation confirming medical necessity is attached to the claim.

(3) Surgical procedures. Surgical procedures shall be excluded as follows:

(A) Procedures that are experimental, pioneering, cosmetic, or designated as non-covered;

(B) transplants, other than liver transplants and related services for only EPSDT program participants, and corneal, kidney and bone marrow transplants and related services for all medicaid recipients;

(C) procurement of an organ related to transplant surgery with the exception of autologous bone marrow transplants;

(D) services of a surgical assistant when surgery is determined not to require an assistant; and

(E) elective surgery, except for sterilization operations, or for EPSDT program participants.

(4) Miscellaneous procedures. Miscellaneous procedures shall be excluded as follows:

(A) Diagnostic radiological and laboratory services unless the services are medically necessary to diagnose or treat injury, illness or disease;

(B) physical therapy unless:

(i) Performed by a physician or registered physical therapist under the direction of a physician; and

(ii) prescribed by the attending physician.

(C) medical services of medical technicians unless the technicians are under the direct supervision of a physician; and

(D) inpatient services which were provided on days of hospital stay which are determined to not be medically necessary.

(5) Family planning services and materials.

(A) Family planning services and materials shall be excluded unless:

(i) The services are provided by a physician, family planning clinic, or county health department;

(ii) written informed consent is obtained as necessary; and

(iii) the scope of services provided are in compliance with applicable federal and state statutes and regulations.

(B) Reverse sterilizations shall be excluded.

(6) Concurrent care. Concurrent care shall be excluded unless the patient:

(A) Has two or more diagnoses involving two or more systems; and

(B) the special skills of two or more physicians are essential in rendering quality medical care. The occasional participation of two or more physicians in the performance of one procedure shall be recognized. Each physician involved shall submit that physician's usual charge only for that portion of the procedure for which the physician is actually responsible.

(7) Psychological services for an individual entitled to receive these services as a part of care or treatment from a facility already being reimbursed by the program or by a third party payor shall be excluded.

(8) Services provided by physician extenders shall be excluded, except as listed below:

(A) Adult care home visits;

(B) routine, annual medical history and physical;

(C) subsequent day hospital visits;

(D) routine, standard home visit; and

(E) standard office visit. (Authorized by and implementing K.S.A. 39-708c; effective May 1, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended, T-85-9, April 11, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1988; amended, T-89-24, May 27, 1988.)

WINSTON BARTON
Secretary of Social
and Rehabilitation Services

State of Kansas

BOARD OF INDIGENTS' DEFENSE SERVICES**TEMPORARY ADMINISTRATIVE REGULATIONS****Article 3.—APPOINTED ATTORNEYS**

105-3-1. Panel of attorneys. (a) Each regional public defender of each region shall compile a list of volunteer attorneys eligible for assignment to represent indigent defendants for each county in the region. The list shall be known as the panel for indigent defense services.

(b) Each regional public defender shall revise the panel annually, and as incoming attorneys register with the clerk of the district court, and when removal or withdrawal of attorneys from the panel or any other cause makes revision appropriate.

(c) This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4501 and 22-4522; implementing K.S.A. 1987 Supp. 22-4501; effective May 1, 1984; amended, T-7-105—6-13-88.)

105-3-2. Eligibility to serve. (a) Each licensed attorney engaged in private practice of law shall be eligible to serve on the panel pursuant to the following conditions:

(1) Effective January 1, 1992, each attorney on the voluntary panel shall have completed 12 hours of continuing legal education in the area of criminal law during the preceding three years of practice.

(2) Each attorney assigned to the defense of class B or C felonies shall have tried to verdict five or more prior felony jury trials, either as defense counsel or prosecutor.

(3) Each attorney assigned to the defense of any class A felony shall have tried to verdict five or more jury trials of class A, B or C felonies, either as defense counsel or prosecutor.

(b) Any of the above conditions may be waived by the regional public defender if it is determined that no attorney meeting the conditions is found to be available and that the attorney selected by the regional public defender has sufficient training and experience to undertake the case in question.

(c) This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4501 and 22-4522; implementing K.S.A. 1987 Supp. 22-4501 and 22-4522; effective May 1, 1984; amended, T-105—6-13-88.)

Article 5.—ATTORNEY COMPENSATION

105-5-2. Rates of compensation. Each appointed and assigned counsel shall be compensated at the rate of \$50 per hour for time spent in preparing cases for trial or appeal and for in-court presentation. This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4507 and 22-4522; implementing K.S.A. 1987 Supp. 22-4507; effective May 1, 1988; amended, T-105—6-13-88.)

105-5-6. Reasonable compensation; non-tried cases. (a) Each appointed and assigned attorney shall be compensated for time expended in representing indigent defendants and other indigent persons at the hourly rate prescribed in K.A.R. 105-5-2. Except as provided in K.A.R. 105-5-8, reasonable compensation shall be less than \$1,000 in the following cases:

(1) Class A, B and C felony cases in the trial court that are not submitted to a judge or jury, including services at a preliminary hearing and sentencing, if applicable; and

(2) class D and E felony cases in the trial court that have not been submitted to a judge or jury and in which there have been six hours or more spent in court in defense of the indigent defendant, including services at a preliminary hearing and sentencing, if applicable.

(b) Except as provided in K.A.R. 105-5-8 and K.A.R. 105-5-6(a), reasonable compensation shall be less than \$750 in class D and E felony cases in the trial court that are not submitted to a judge or jury. This includes services at a preliminary hearing and sentencing, if applicable.

(c) Except as provided in K.A.R. 105-5-8 and K.A.R. 105-5-6(a), reasonable compensation shall be less than \$400 in the following types of cases:

(1) Habeas corpus cases as authorized by K.S.A. 1987 Supp. 22-4506;

(2) cases filed pursuant to K.S.A. 60-1507 and K.S.A. 1987 Supp. 22-4506;

(3) habeas corpus cases as authorized by K.S.A. 22-2710;

(4) habeas corpus cases as authorized by K.S.A. 1987 Supp. 22-3428; and

(5) habeas corpus cases as authorized by K.S.A. 1987 Supp. 59-2917.

(d) Except as provided in K.A.R. 105-5-8, reasonable compensation shall be less than \$200 in the following types of cases:

(1) Representation of grand jury witnesses determined to be indigent and called to testify pursuant to K.S.A. 22-3009;

(2) representation of indigent persons committed to custody as material witnesses pursuant to K.S.A. 1987 Supp. 22-2805;

(3) probation revocation hearings; and

(4) motions to modify sentence pursuant to K.S.A. 1987 Supp. 21-4603.

(e) This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4507 and 22-4522; implementing K.S.A. 1987 Supp. 21-4603, K.S.A. 22-2710, K.S.A. 1987 Supp. 22-2805, K.S.A. 22-3009, K.S.A. 1987 Supp. 22-3428, 22-3716, 22-4506, 22-4507, 59-2917 and K.S.A. 60-1507; effective May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1988; amended, T-105—6-13-88.)

105-5-7. Reasonable compensation; tried cases. Each appointed and assigned attorney shall be compensated for time expended in representing indigent defendants at the hourly rate prescribed in K.A.R. 105-5-2. Except as provided in K.A.R. 105-5-8, reason-

(continued)

able compensation for felony cases tried on pleas of not guilty and submitted to a judge or jury for adjudication, including compensation for services at the preliminary hearing, sentencing and motions to modify sentence shall be less than \$1,500 for D and E felonies and \$2,000 for C felonies. This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4507 and 22-4522; implementing K.S.A. 1987 Supp. 22-4507; effective May 1, 1984; amended, T-105-6-13-88.)

105-5-8. Compensation; exceptional cases. (a) Any compensation for attorneys' services in excess of the amounts set out in K.A.R. 105-5-6 and K.A.R. 105-5-7 may be approved only in exceptional cases. An exceptional case is:

(1) Any case involving a Class A or Class B felony charge in the trial court; or

(2) any felony case tried on a not guilty plea in which there have been 25 or more hours spent in court in defense of the indigent defendant; or

(3) any felony case not submitted to a judge or jury in which there have been ten hours or more of in-court time spent in defense of the indigent defendant; or

(4) any case that has been declared an exceptional case by the court due to its complexity or other significant characteristics. A finding by the court that a case is exceptional is subject to final approval by the board.

(b) Each claim for compensation in an exceptional case shall be accompanied by a specific finding in a court order setting forth the basis for the declaration that the case is exceptional.

(c) Reasonable compensation for attorneys' services in exceptional cases shall be less than \$5,000 per case. However, the board may approve additional compensation if warranted by the extreme complexity of the case.

(d) This regulation shall take effect on and after July 1, 1988. (Authorized by K.S.A. 1987 Supp. 22-4507 and 22-4522; implementing K.S.A. 1987 Supp. 22-4507; effective May 1, 1984; amended, T-105-6-13-88.)

Article 9.—CLAIMS GENERALLY

105-9-4. (Authorized by K.S.A. 1987 Supp. 22-4507 and 22-4522; implementing K.S.A. 1987 Supp. 22-4507 and 22-4522; effective May 1, 1984; revoked, T-105-6-13-88.)

RONALD E. MILES
Director

Doc. No. 006762

State of Kansas

DEPARTMENT OF WILDLIFE AND PARKS

TEMPORARY ADMINISTRATIVE REGULATIONS

Article 2.—GAME ANIMALS

23-2-14. Antelope and deer; season restrictions. (a) Legal hunting equipment.

(1) Archery equipment permitted for the archery and firearm seasons shall be long bows, recurve bows or compound bows of at least 45 pounds pull up to or at full draw. Each arrow shall be equipped with a broadhead point. A cross bow shall not be considered a long bow, recurve bow or compound bow.

(2) Firearm equipment permitted for firearm seasons shall be:

(A) Centerfire rifles that fire a bullet which is greater than .23 inch in diameter;

(B) Muzzleloading rifles that fire a bullet of .390 inch in diameter or larger and that can only be loaded through the front of the firing chamber with separate components;

(C) Shotguns, 20 gauge or larger, using only rifled slugs; and

(D) Centerfire handguns, using a cartridge case 1.280 inches or greater in length and a bullet greater than .23 inches in diameter.

(3) Fully automatic rifles and handguns shall be prohibited for taking of deer and antelope. Only soft point, hollow point or other expanding bullets shall be used in handguns or rifles.

(4) Decoys, except live decoys, non-electronic calls and lures, shall be legal.

(b) Carcass tag. Each permittee shall possess an appropriate carcass tag while hunting antelope or deer. Removal of the carcass tag from the permit shall invalidate the permit for hunting. Each permittee shall sign and date the tag and attach the tag to the carcass immediately following the kill and before moving the carcass from the site of the kill. Any legally acquired antelope or deer meat may be given to and processed by another, if a written notice that includes the donor's name, address and permit number accompanies the meat.

(c) Informational cards. Each permittee receiving an informational card shall report the results of the hunt within 48 hours after the close of the season.

(d) Each archery deer permittee shall not have a firearm in possession while hunting deer. Each archery antelope permittee shall not have a firearm in possession while hunting antelope.

(e) Each muzzleloader deer permittee shall not have a rimfire or center fire firearm in possession while hunting deer. Each muzzleloader antelope permittee shall not have a rimfire or centerfire firearm in possession while hunting antelope.

(f) Each permit, once issued, shall not be transferable and a refund shall not be granted. A refund may be granted if the permittee dies prior to the opening date of the season.

(g) In addition to other penalties prescribed by law, any permit application may be rejected by the department of wildlife and parks when the application contains a false representation or misrepresentation. Any permits obtained through false representation or misrepresentation shall be invalid from the date of issuance.

(h) (1) Each applicant shall not submit more than one application for an antelope permit or apply for an archery antelope and a firearm antelope permit in the same calendar year. In addition to other penalties prescribed by law, each person applying for more than one antelope permit in a calendar year shall not be eligible to receive any antelope permit for that year. Each permit issued to a person who applied for more than one permit shall not be valid from the date of issuance.

(2) Any applicant unsuccessful in obtaining a permit in a drawing for limited permits may apply for any permits remaining after the drawing or any permits available on an unlimited basis.

(i) The following restrictions shall apply unless otherwise authorized in sections (j) and (k).

(1) Each applicant shall not submit more than one application for a deer permit or apply for an archery deer and a firearm deer permit in the same calendar year. In addition to other penalties prescribed by law, each applicant who applies for more than one deer permit in a calendar year shall not be eligible to receive any deer permit for that year. Each permit issued to an applicant who applied for more than one permit shall not be valid from the date of issuance.

(2) Any applicant unsuccessful in obtaining a permit in a drawing for limited permits may apply for any permits remaining after the drawing or any permits available on an unlimited basis. Each applicant shall not obtain more than one regular season deer permit in any calendar year.

(j) Each applicant having a current year regular deer season permit may apply for an additional firearms deer permit if permits are left over after the firearms deer season drawing under procedures and conditions authorized by the commission.

(k) A person having a current year archery deer season permit may apply for a unit archery deer season permit under procedures and conditions authorized by the commission.

(l) Each person who is not a landowner, tenant or a member of an immediate family who resides with a landowner or tenant as described in K.S.A. 32-179 shall not be eligible to apply for a landowner-tenant permit.

(m) Any landowner-tenant unsuccessful in a regular season drawing for a firearms deer hunting permit may apply during that year for a special permit to hunt deer on the landowner-tenant's own property in those units where such permits are authorized.

(n) The priorities for receiving firearms deer permits shall be:

(1) those persons who applied for and were unsuccessful in obtaining a firearms deer permit for each of the four previous years;

(2) those applicants who did not receive a firearms deer permit the previous year. Landowner-tenants receiving a special firearms permit to hunt their own property or permittees receiving a firearms "antlerless only" permit during the previous regular firearms season shall be considered as not having a firearms deer permit during the previous year; and

(3) all other applicants.

(o) The priorities for receiving antelope permits shall be:

(1) those persons who have not obtained an antelope permit in any of the three previous years; and

(2) all other applicants. (Authorized by K.S.A. 32-215; implementing K.S.A. 32-178 and 32-179; effective May 1, 1981; amended May 1, 1983; amended May 1, 1985; amended May 1, 1986; amended May 1, 1988; amended, T-89-20, May 27, 1988.)

Article 5.—SURETY BOND PROGRAM

23-5-1. Special surety bond program; definitions.

(a) "Applicant" shall mean any person, partnership or corporation who has presented the secretary of the Kansas department of wildlife & parks (department) or the county clerk of any county in Kansas with a completed application for appointment as a vendor agent for selling hunting and fishing permits.

(b) "Secretary" shall mean the secretary of the Kansas department of wildlife and parks.

(c) "Fishing and/or hunting license or permit" shall mean any license, stamp or special permit issued by the department for sale to the general public.

(d) "Special surety bond" shall mean a bond agreement issued by a vendor agent and accepted by the secretary as having satisfied the bond requirements established in K.S.A. 1987 Supp. 19-328.

(e) "Premium period" shall mean the period of time in which the vendor agent has paid the prescribed fee and in which the special surety bond shall be in effect.

(f) "Vendor agent" shall mean any person, partnership or corporation authorized by the secretary or county clerk pursuant to K.S.A. 1987 Supp. 19-328 to sell Kansas hunting and fishing licenses and permits issued by the department. (Authorized by and implemented K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-2. Special surety bond authorized. Any vendor agent may elect to satisfy the special surety bond requirements provided in K.S.A. 1987 Supp. 19-328 by executing a special surety in favor of the state of Kansas as provided in K.A.R. 23-5-3. Each special surety bond shall be in a form approved by the secretary. (Authorized by and implemented K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-3. Special surety bond procedure. (a) Each special surety bond authorized by the secretary shall be issued for the period specified in the special surety bond and meet the following requirements:

(1) Each applicant shall complete an application form and provide all information prescribed by the

(continued)

secretary and certify the facts represented in the application. Any applicant may be required by the secretary to provide the department, at applicant's expense, with a current audited financial statement.

(2) Each applicant shall agree to be firmly bound to the state of Kansas and to fully indemnify the department for all loss to the state of Kansas of whatever nature arising out of the applicant's actions as a vendor agent.

(3) Each applicant shall authorize the applicant's officer or agent executing the prescribed application form and special surety bond to fully bind and represent the applicant in all activities to be undertaken as an authorized vendor agent, and shall provide evidence of this authority as may be required by the secretary.

(b) Each application shall be accompanied by a fee that shall be applied to the one-year bond premium period. The minimum fee shall be \$35 for a special surety bond in any amount less than \$5,000. For bonds in amounts of \$5,000 and above, the fee shall be \$35 plus \$4 per additional \$1,000 of coverage or any fraction thereof. The fee shall be returned to the applicant if the applicant is not authorized to act as a vendor agent. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-4. Special surety bond term of effect and renewal. (a) Each special surety bond shall expire one year from the date of its issuance. The special surety bond period of coverage shall coincide exactly with the period for which a vendor agent is authorized to act as a vendor agent. Any vendor agent may renew a special surety bond upon its expiration by providing the department with a completed renewal form prescribed by the secretary and paying the fee prescribed in K.A.R. 23-5-3. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-5. Effect of loss of special surety bond on vendor agent authority. The expiration of a special surety bond shall automatically terminate the authority of the vendor agent, except a vendor agent who pays cash for the fishing and/or hunting licenses or permits. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-6. Authorized amount of special surety bond. The amount for which an applicant shall be authorized to execute a special surety bond shall be determined by the secretary. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-7. Reduction or increase in special surety bond. Each special surety bond once authorized and in effect shall not be reduced within the premium period. Any special surety bond may be increased upon: (a) Supplying the secretary with information the secretary determines necessary to process the amendment application:

(b) paying the required premium for the increased amount, prorated to the bond premium period; and

(c) justifying the increase to the secretary. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

23-5-8. Grounds for termination of a special surety bond. A special surety bond shall be terminated when a vendor agent commits any of the following acts: (a) Fails to pay, within 30 days of the secretary's or county clerk's demand, the cash value of all lost, missing, or destroyed Kansas hunting or fishing licenses and permits;

(b) fails to pay, within 30 days of the secretary's or county clerk's demand, the cash value of all monies collected for the Kansas hunting or fishing licenses and permits sold by the vendor agent;

(c) fails to return all Kansas hunting or fishing licenses and permits in the vendor agent's possession when required by the terms of the vendor agent agreement or when demand is made by the secretary of county clerk;

(d) fails to properly perform any of the duties required by the vendor agent agreement executed by the vendor agent and the secretary of county clerk; or

(e) violates the terms of the license-permit vendor indemnification agreement. (Authorized by and implementing K.S.A. 1987 Supp. 19-328; effective, T-88-19, July 1, 1987; effective, T-89-20, May 27, 1988.)

Article 7.—FUR DEALERS

23-7-7. Fur Dealers; license; application; authority; possession of furs; records; revocation. (a) License. Any person may buy, purchase, or trade in furs, pelts, skins or carcasses of fur-bearing animals after purchasing a fur dealer's license.

(b) Application. A fur dealer's license may be obtained from the Kansas department of wildlife and parks office at Pratt, after making application. Each application shall include the business location and an inventory of furs, pelts, skins and carcasses of fur-bearing animals on hand at the time of application and shall be submitted on forms provided by the department. The prescribed fee shall be remitted with the application.

(c) Authority. Licensed fur dealers shall deal with only properly licensed persons and only at a licensed fur dealer location.

(d) Possession of furs. Any licensed fur dealer may possess legally acquired furs, pelts, skins or carcasses of fur-bearing animals up to 30 days after the expiration date of their license.

(e) Records. Each fur dealer shall supply information required in fur dealer record books provided by the department. Entries shall be made in the appropriate record book whenever furs, pelts, skins or carcasses of fur-bearing animals are received at, shipped from or otherwise disposed of, from the licensed fur dealer's location. Each fur dealer's record book, all receipts and all furs, pelts, skins and carcasses in possession of the licensed fur dealer shall be subject to inspection upon demand by any state wildlife con-

servation officer. The record book and receipts shall be subject to copying upon demand by any state wildlife conservation officer. Each fur dealer shall forward all record books annually to the department office at Pratt on or before April first. The following information shall be included in fur dealer record books:

- (1) The furharvester record book shall include:
 - (A) the date of each receipt of fur;
 - (B) the name, address and license number of the person selling furs, pelts, skins or carcasses to the fur dealer;
 - (C) the name of the state where harvested; and
 - (D) the number of each species of furs, pelts, skins or carcasses acquired.
- (2) The fur dealer record book shall include:
 - (A) the date of each receipt or disposal of fur;
 - (B) the name, address and fur dealer license number of the fur dealer that furs, pelts, skins or carcasses are acquired from or sold to; and
 - (C) the number and species of furs, pelts, skins or carcasses acquired or sold.
- (f) Revocations. Any fur dealer license may be refused or revoked by the secretary if the fur dealer fails to supply the required information, has violated terms of the license, or has operated in a manner detrimental to the management of the furbearer resource. (Authorized by K.S.A. 32-164; implementing K.S.A. 32-163; effective May 1, 1984; amended, T-88-23, July 15, 1987; amended, T-89-20, May 27, 1988.)

ROBERT L. MEINEN
Secretary of Wildlife
and Parks

Doc. No. 006690

State of Kansas

THE KANSAS LOTTERY

**TEMPORARY ADMINISTRATIVE
REGULATIONS**

Article 4.—INDIVIDUAL GAME RULES

111-4-73a. Kansas Lottery Live "Doubler" Show.

- (a) On June 18, 1988, the Lottery will conduct a special version of the televised draw show called The Kansas Lottery Live "Doubler" Show.
- (b) Prizes awarded on this date shall be as follows:
 - (1) The player entitled to win the Grand Prize will receive \$25,000 and a car, or cash equivalent.
 - (2) A player who selects a Bonus Prize shall have his or her winnings doubled.
 - (3) The Lottery will double the winnings of the five non-winning studio players.
 - (4) The Lottery will double the winnings of the Home Partners.
 - (5) The Lottery will double the winnings of the Watch 'n Win Players.
 - (6) The Bonus Round Audience Player will receive \$1,000 in addition to his or her Bonus Round winnings.
- (c) The player who wins the car or cash equivalent

in normal game play will not have his or her prize doubled, but will receive \$2,000 in addition to his or her prize. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(c); effective T-111—6-17-88.)

**RULES FOR INSTANT GAME NO. 5
"TIC-TAC-TOE"**

111-4-88. Name of Game. The Kansas Lottery shall conduct an instant winner lottery game entitled "Tic-Tac-Toe" commencing on June 23, 1988. The specific rules for the "Tic-Tac-Toe" game are contained in K.A.R. 111-3-1 *et seq.* and 111-4-88 through 111-4-91. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-111—6-23-88.)

111-4-89. Definitions. The following definitions shall apply to the "Tic-Tac-Toe" instant lottery game:

- (a) "Play Symbols" are the numbers, letters, symbols or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the play symbols are printed in gray-black ink in Kansas font in positive. A play symbol appears in each of the nine play spots within the play area. Each play symbol in the play area for this instant game is either an "X" or an "O." A play symbol also appears in the prize box. The prize box is the area next to the play area. A play symbol in this instant game appearing in the prize box is one of the following: "Free," "\$2.00," "\$5.00," "\$20.00," "\$50.00," "\$1,000.00," or "\$10,000.00."
- (b) "Play symbol captions" are the words, portions of words, letters or numbers printed beneath each play symbol in the play area or the prize box and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is as follows:

Play Symbol	Play Symbol Caption
X	X
O	O
FREE	TICKET
\$2.00	TWO
\$5.00	FIVE
\$20.00	TWENTY
\$50	FIFTY
\$1,000	ONE THOU
\$10,000	TEN THOUSAND

(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is a 10-digit number which appears under the "Void If Removed" spot on the bottom right center portion of the front of each instant ticket.

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 299. The ticket number is printed in gray-black ink on the bottom right portion of the front of each instant game ticket.

(e) "Retailer validation code" means the small let-

(continued)

ters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a two letter code printed and appearing in two of nine varying locations among the play symbols. The codes and their meanings are as follows: DD = Free Ticket; JJ = \$2.00; AA = \$5.00; BB = \$20.00. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-111-6-23-88.)

111-4-90. Determination of Instant Prize Winners. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the play area to reveal the 9 play symbols, either X's or O's, and captions. If the player gets three X's or three O's diagonally, vertically or horizontally, the player wins the prize shown in the prize box, which will be one of the following: "Free Ticket," "\$2," "\$5," "\$20," "\$50," "\$1,000" or "\$10,000." (Authorized by K.S.A. 1987 Supp. 74-8710(b), (c) & (i); implementing K.S.A. 1987 Supp. 74-8710(b), (c) & (i) and 74-8720; effective T-111-6-23-88.)

111-4-91. Number and Value of Instant Prizes. (a) There will be approximately 9,000,000 tickets initially ordered for this instant game. The expected numbers and value of the instant prizes are as follows:

Prizes	Expected Number of Prizes in Game	Expected Value in Game
FREE TICKET	930,000	
\$ 2.00	720,000	\$1,440,000
\$ 5.00	120,000	600,000
\$ 20.00	30,000	600,000
\$ 50.00	4,500	225,000
\$ 1,000.00	250	250,000
\$10,000.00	5	50,000
	<u>1,804,755</u>	<u>\$3,165,000</u>
Additional Prizes		
Events	Expected No.	Expected Payments
Draw Show Prizes	Approx. 110	\$ 400,500
Other Prizes	various	<u>72,630</u>
		\$ 473,130
TOTAL PRIZES		<u>\$3,638,130</u>

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold.

(c) All prizes are subject to deductions provided by law. (Authorized by K.S.A. 1987 Supp. 74-8710(b), (c) & (f); implementing 74-8710(b), (c) & (f) and 74-8720; effective T-111-6-23-88.)

Article 7.—CASH LOTTO GAME RULES

111-7-11. Multi-Draw. (a) In addition to a single play involving two boards for each \$1.00, a player may also have his or her selections entered in multiple drawings. Multi-draw tickets must be purchased for consecutive drawings beginning with the next drawing. This is done by marking one of the multi-draw boxes designated by 2, 3 or 4 on the play slip. The

additional draw period(s) for which the ticket is valid will then appear on the computer generated ticket given to the player by the retailer.

(b) A player must pay an additional \$1.00 per two (2) boards for each additional drawing in which he or she wishes to play.

(c) Unless one of the multi-draw boxes is marked and the additional amount paid, the play will only be eligible for the current drawing up to 8:00 p.m. the day of the drawing.

(d) A player may purchase only the same numbers on the same boards for multiple drawings. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-111-6-17-88.)

LARRY MONTGOMERY
Executive Director

Doc. No. 006761

**State of Kansas
LEGISLATIVE ADMINISTRATIVE SERVICES**

**1988 INTERIM STUDY PROPOSALS
AND COMMITTEE ASSIGNMENTS**

Special Committee on Agriculture and Livestock

Proposal No. 1—Kansas Chemigation Safety Law Study

Study the current chemigation safety law to determine the need for modification in order to make the law more effective in protecting the state's groundwater supply from pollution and consider the policy changes to the law that were proposed by the 1988 Legislature but not enacted.

Proposal No. 2—Pesticide Use Law Review

Review the current pesticide use law and administration thereof to determine whether the program should be modified to make it more effective in regulating the application of pesticides.

Proposal No. 3—Agricultural Extension Personnel

Review the current training program for agricultural extension personnel and the role such personnel should have in carrying out their duties; determine the impact that fewer extension personnel will have in disseminating technology from the university for practical application; and make recommendations that will aid in lessening the impact of fewer agricultural extension personnel.

Proposal No. 4—Agricultural Value Added Processing Center

Monitor the implementation of 1988 S.B. 599, which established the Agricultural Value Added Processing Center, and make recommendations as needed.

Committee Members

Chairman: Representative Susan Roenbaugh
Vice Chairman: Senator Jim Allen

Senators

Richard Gannon
Francis Gordon
Don Montgomery
** Joe Norvell
Dan Thiessen

Representatives

Jack Beauchamp
William Bryant
Clifford Campbell
Richard Eckert
Harold Guldner
Lee Hamm
Bruce Larkin

Robert H. Miller
Don Rezac
Elaine Wells

Don Hayward, Revisor of Statutes 296-2321
Bill Edds, Revisor of Statutes 296-2321

** Ranking minority member.

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Special Committee on Assessment and Taxation

Proposal No. 5—Monitor Reappraisal

Monitor the progress of statewide reappraisal, including the data-collection phase within each county and the extent to which the state will pay its share of the cost of reappraisal to the counties; examine the discretion granted to the Director of Property Valuation in setting the capitalization rate and recommend whether some guidance in the use of this discretion is needed; and consider whether irrigated land in the Conservation Reserve Program should be use-valued as dryland.

Proposal No. 6—Partial Property Tax Exemptions

Study the feasibility of allowing partial property tax exemptions, including the extent to which they are used by other states and whether a constitutional amendment would be necessary in Kansas.

Proposal No. 7—Corporation Income Tax

Examine data related to the amount of the corporate windfall and, if the amount is deemed to be unexpectedly high, consider whether the alternative minimum tax (AMT) should be repealed or whether corporate rates should be reduced; study the types of businesses impacted by the AMT and make any recommendations necessary to implement the tax in 1989.

Proposal No. 8—Appraiser Certification

Study whether appraisers should be certified and regulated by the state or by the federal government and, if so, whether legislation similar to a model act proposed by national appraisal organizations should be recommended, or whether the pending federal legislation should be endorsed.

Committee Members

Chairman: Senator Dan Thiessen
Vice Chairman: Representative Keith Roe

Senators
Neil Arasmith
Paul Burke
Leroy Hayden
Fred Kerr
Bill Mulich

Representatives
Jayne Aylward
Arthur Douville
LeRoy Fry
Fred Gatlin
Jim Lowther
William Roy
Michael Tom Sawyer
Debara Schauf
** Joan Wagon
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Special Committee on

Commercial and Financial Institutions

Proposal No. 9—Trust Departments

Review the Kansas statutes relating to trust companies and trust departments as set out in the general banking statutes (Article 16 of Chapter 9), and in the general corporation code (Article 20 of Chapter 17), and propose revisions as necessary.

Proposal No. 10—Interstate Banking

Review recent federal proposals and other state legislation related to interstate banking and study the desirability of amending Kansas statutes to permit interstate banking on a regional or national basis.

Proposal No. 11—Funding an Accident and Health Assigned Risk Plan

Study the implications of implementing the plan proposed by the Insurance Commissioner for the apportionment among accident and sickness insurers of applicants who are unable to procure insurance through ordinary methods and review alternative funding mechanisms for such a plan.

Proposal No. 12—Abolishing the Health Care Stabilization Fund

Study the desirability of abolishing the Health Care Stabilization Fund and the implications such an abolition would have on health care and on health care providers who have been covered under the fund.

Committee Members

Chairman: Representative Dale Sprague
Vice Chairman: Senator Neil Arasmith

Senators

Representatives

Eugene Anderson
Roy Ehrlich
Phil Martin
** John Strick
Merrill Werts

Ken Francisco
Clyde Graeber
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Special Committee on Energy and Natural Resources

Proposal No. 13—Collection of Small Quantities of Hazardous Waste

Consider options for programs relating to the collection of small quantities of hazardous wastes accumulated by Kansas households, farms, certain small businesses, and

(continued)

other parties; recommend an economically feasible methodology for collection of such wastes; and propose legislation, if needed, to implement that recommendation.

Proposal No. 14—Managing Solid Wastes

Review alternatives for managing solid wastes, such as recycling, reduction, and separation; examine solid waste management programs implemented by other states; and recommend legislation, if appropriate, for effective methods of solid waste management.

Proposal No. 15—Monitor the Consolidation of the Kansas Fish and Game Commission and the Kansas Park Authority

Monitor the implementation of 1987 ERO 22 (which merged the former Kansas Fish and Game Commission and the State Park and Resources Authority into the Kansas Department of Wildlife and Parks), with emphasis on the organization of the law enforcement functions; examine and make recommendations concerning statutes that should be recodified pursuant to the establishment of the Kansas Department of Wildlife and Parks; and issues related to administrative consolidation.

Proposal No. 16—Financing of the State Water Plan and Other Water Programs

Consider alternatives for financing the state water plan and other related water programs and recommend a method or methods for long-term financing of the plan and related water programs.

Committee Members

Chairman: Representative Dennis Spaniol

Vice Chairman: Senator Ben Vidricksen

Senators

Norma Daniels
Roy Ehrlich
** Paul Feleciano
Audrey Langworthy
Merrill Werts

Representatives

Clint Acheson
Ginger Barr
Betty Jo Charlton
Ken Grotewiel
Carl Holmes
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Special Committee on Judiciary

Proposal No. 17—State Prosecution Rights

Review the authority of the Attorney General to prosecute criminal offenses when a county or district attorney fails to prosecute and recommend any needed changes.

Proposal No. 18—Statute of Limitations

Review the statute of limitations applicable to tort claims against health care providers and determine whether changes should be made.

Proposal No. 19—Structured Settlements

Review the need for enacting legislation requiring structured settlements or periodic payment of judgments.

Proposal No. 20—Durable Power of Attorney

Evaluate the enactment of a durable Power of Attorney for Health Care Act.

Proposal No. 21—Insanity Defense

Examine the insanity defense including the issue of future likelihood to cause harm to self or others.

Proposal No. 22—Professional Negligence

Study the requirement of filing certificates of consultation in civil negligence actions involving technical professions such as architects and engineers.

Proposal No. 23—Statewide Public Defender and District Attorney

Explore the need for statewide public defender and district attorney systems.

Proposal No. 24—Native American Sovereignty

Determine state jurisdiction over Indian people in Kansas, including issues relating to incidents that occur on tribal land.

Committee Members

Chairman: Senator Robert Frey

Vice Chairman: Representative Robert Wunsch

Senators

Richard Bond
Paul Feleciano, Jr.
Jeanne Hoferer
Audrey Langworthy
Bill Mulich

Representatives

Joan Adam
Barbara Allen
Ed Bideau
Ben Foster
Jeff Freeman
Michael Peterson
Kathleen Sebelius
** John Solbach
Vincent Snowbarger
Representative to be appointed

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Legislative Budget Committee

Proposal No. 25—State General Fund

Monitor State General Fund receipts, expenditures, and balances, and related data and developments that have a bearing on the financial condition of the General Fund.

Proposal No. 26—Kansas Lottery

Monitor the finances of the Kansas Lottery, with particular emphasis on revenue projections and comparison of estimated and actual receipts.

Proposal No. 27—Oil Overcharge Funds

Review the status of the state's share of oil overcharge funds and the restrictions on the use of such funds, and consider plans or suggestions for future allocations including promoting energy efficiency in agriculture.

Proposal No. 28—Organ Transplants

Study state policies with respect to organ transplants, including options relating to eligibility therefor and financing thereof, and consider whether such policies should be established by law.

Committee Members

Chairman: Senator August Bogina

Vice Chairman: Representative William Buhten

Senators	Representatives
Paul Burke	Wanda Fuller
Michael Johnston	Duane Goossen
	** Don Mainey

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Legislative Educational Planning Committee

Proposal No. 29—Postsecondary Education Planning

Conduct studies and projects related to public and private post-secondary education, including consideration of current legislative issues; coordination of postsecondary education planning; and oversight of on-going data collection projects.

Proposal No. 30—Community College Out-District Tuition

Review present community college out-district tuition charges and payments and consider allowing exemptions for counties in which a state institution is located (reference: 1988 H.B. 3072).

Proposal No. 31—State Minimum Competency Assessment Program

Review the state's minimum competency assessment program, including performance trends and program-related research; determine whether pupils satisfactorily are attaining minimum competency objectives in the basic skills; evaluate the effectiveness of the program; and consider the question of utilizing the results of the examination as a determinant for grade-to-grade promotion and for graduation from high school.

Proposal No. 32—State Educational Excellence Grants for School Districts

Consider the merits of enacting a state program which provides grants to applicant school districts seeking assistance in implementing educational system enhancement plans and performance-based pay plans.

Committee Members

Chairman: Senator Joseph Harder

Vice Chairman: Representative Denise Apt

Senators	Representatives
Jim Allen	Don Crumbaker
Gene Anderson	Ken Francisco
Gerald Karr	Jess Harder
Alicia Salisbury	** Anthony Hensley
	David Miller

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 Avis Swartzman, Revisor of Statutes 296-2321

Special Committee on Local Government

Proposal No. 33—Lease-Purchase Agreements

Review the law regarding lease-purchase agreements by local units of government to see if there is a need for limitations or safeguards such as requiring public notice, a public hearing, or some type of debt limit.

Proposal No. 34—Privatization

Review the need for the enactment of a comprehensive law to permit local units of government to contract with private business for the provision of public facilities and services.

Proposal No. 35—City Franchise Fees—Natural Gas Purchases

Review the issue of placing limits on a city's ability to impose a franchise fee on utilities and the right of cities to purchase natural gas for municipal use.

Proposal No. 36—Statewide 911

Review the issues involved in establishing a statewide 911 emergency telephone system.

Committee Members

Chairman: Senator Don Montgomery

Vice Chairman: Representative Ivan Sand

Senators	Representatives
Eugene Anderson	Elizabeth Baker
Norma Daniels	Nancy Brown
Audrey Langworthy	Kent Campbell
Jack Steineger	Elaine Hassler
Ben Vidricksen	** Mary Jane Johnson
	Connie Kennard
	Robert D. Miller
	Alfred Ramirez
	Debara Schauf
	John Sutter

** Ranking minority member.

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Special Committee on Public Health and Welfare

Proposal No. 37—In-Home Care and Services for Handicapped and Functionally Disabled Persons

Conduct a comprehensive study of the in-home delivery of personal attendant and health care services for the functionally disabled and handicapped including: a review of current licensing and registration laws that impact on the delivery of in-home services; evaluation of requirements for the training of individuals who provide in-home care and services, including the feasibility of creating new categories of providers; review of federal requirements and the most efficient means of meeting such requirements; and review of reimbursement for providers of in-home care and services for the functionally disabled and handicapped.

(continued)

Proposal No. 38—Small, Rural Medical Care Facilities

Review the long-term problems confronting small, rural medical care facilities, including: the licensing and regulation of such facilities; third-party reimbursement; the role of such facilities in the delivery of rural health care; staffing; and other appropriate issues, but not including malpractice issues.

Proposal No. 39—Division of Income and Resources

Study the feasibility of providing for the inclusion of dependent children and adults residing in the home in the division of income and resources when a spouse enters an institutional health care setting, including a review of the statutory authority contained in S.B. 264 and proposed federal legislation.

Proposal No. 40—Limitations on Delivery of In-Home Service

Consider the need for exemptions from the laws regulating providers of health-related services that would allow the delivery of in-home personal attendant and health care services by noncredentialed persons to functionally disabled adults, including any appropriate limitations on such exemptions.

Committee Members

Chairman: Representative Marvin Littlejohn

Vice Chairman: Senator Roy Ehrlich

Senators

Richard Bond
Paul Feleciano, Jr.
Francis Gordon
Jeanne Hoferer
** Nancy Parrish

Representatives

Eugene Amos
Isabel Borum
Jessie Branson
Frank Buehler
Theo Cribbs
Dorothy Flottman
Kenneth Green
Melvin Neufeld
Tim Shallenburger
Kathryn Sughrue

** Ranking minority member.

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Norman Furse, Revisor of Statutes 296-2321

Special Committee on School Finance**Proposal No. 41—School District Finance**

Conduct a comprehensive study of the School District Equalization Act and other mechanisms for providing state support to school districts; also, consider any changes that may be needed in connection with implementing the classification amendment and reappraisal of property.

Committee Members

Chairman: Senator Fred Kerr

Vice Chairman: Representative Don Crumbaker

Senators

Jim Allen
August Bogina
Joseph Harder
Phil Martin
Nancy Parrish

Representatives

Denise Apt
Gary Blumenthal
Rick Bowden
William Bunten
Anthony Hensley

Alicia Salisbury
Joe Warren

Rex Hoy
Robin Leach
Jim Lowther
Max Moomaw
Jo Ann Pottorff
** Bill Reardon
Marvin Smith

** Ranking minority member.

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Special Committee on Transportation**Proposal No. 42—Highway Program**

Study and make recommendations concerning the need for a comprehensive highway program, including safety and economic development factors, maintenance and reconstruction of present highways, new construction initiatives, and justification for such initiatives.

Proposal No. 43—General and Commercial Aviation

Review the present status of general and commercial aviation in Kansas and make recommendations pertaining thereto.

Proposal No. 44—Automobile After Market Parts

Review current practices concerning the use of after market parts (crash parts) for repairing motor vehicles and determine if legislation is needed to protect consumer interests with respect to the use of such parts.

Proposal No. 45—Transportation of Hazardous Materials

Review and evaluate local, state, and federal involvement in the transportation of hazardous materials.

Committee Members

Chairman: Representative Rex Crowell

Vice Chairman: Senator Bill Morris

Senators

** Jim Francisco
Robert Frey
Jeanne Hoferer
Joe Norvell
Dan Thiessen

Representatives

Nancy Brown
George Dean
Herman Dillon
Cindy Empson
Wanda Fuller
Delbert Gross
Bob Mead
Michael O'Neal
Jim Russell
Larry Wilbert

** Ranking minority member.

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Special Committee on Ways and Means/Appropriations

Proposal No. 46—Presidential Preference Primary

Review options, including costs associated therewith, and desirability of reestablishing a presidential preference primary in Kansas.

Proposal No. 47—Mental Health Services

Review and make recommendations concerning a comprehensive plan for the delivery of mental health services, including consideration of the findings and recommendations contained in the document "Towards an Agenda for Mental Health in Kansas" by Charles Rapp and James Hanson.

Proposal No. 48—Prison Construction

Review and monitor the new prison construction projects authorized by the Legislature and assess the need for additional new prison facilities.

Proposal No. 49—State-Mandated Firefighter Training Program

Review and study the policy and fiscal implications of establishing a state-mandated firefighter training program, including a permanent site and facilities therefore.

Proposal No. 50—KUMC Health Care Provider Insurance

Review and study the policy and fiscal implications of the Health Care Provider Insurance Availability Act as it relates to full-time physician faculty employed by the University of Kansas Medical Center (KUMC).

Proposal No. 51—Distribution of Certain State Publications

Review and make recommendations concerning the distribution of published volumes and supplements to the Kansas Statutes Annotated, the Kansas Administrative Regulations, the Session Laws, and the Permanent Journals of the Senate and House of Representatives, without charge, to officers and agencies of the executive and judicial branches of the state and to officers and agencies of political subdivisions of the state.

Committee Members

Chairman: Representative Rochelle Chronister
Vice Chairman: Senator Gus Bogina

Senators

Ross Doyen
** Frank Gaines
Mike Johnston
Dave Kerr
Merrill Werts

Representatives

William Brady
Harold Dyck
Duane Goossen
Henry Helgerson
Martha Jenkins
Kenneth King
Jack Shriver
Samuel Sifers
George Teagarden
Thomas Walker

** Ranking minority member.

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Other Committees

Joint Committee on Administrative Rules and Regulations

Committee Members

Chairman: Senator Alicia Salisbury
Vice Chairman: Representative Bob Vancrum

Senators

Jim Allen
Jerry Karr
Don Montgomery
Joe Norvell

Representatives

Kent Campbell
Marvin Littlejohn
Robert D. Miller
Melvin Neufeld
Larry Turnquist
Donna Whiteman

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Joint Committee on State Building Construction

Committee Members

Chairman: Representative Phil Kline
Vice Chairman: Senator Joe Harder
(Chair will reposition effective July, 1988)

Senators

James Francisco
Wint Winter

Representatives

Bob Ott
Darrel Webb

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Legislative Post Audit Committee

Committee Members

Chairman: Senator August Bogina
Vice chairman: Representative Robert H. Miller

Senators

Neil Arasmith
Norma Daniels
Ben Vidricksen
Joe Warren

Representatives

Duane Goossen
David Miller
George Teagarden
Bill Wisdom

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Norman Furse, Revisor of Statutes 296-2321

Joint Committee on Special Claims Against the State

Committee Members

Chairman: Representative Ben Foster
Vice Chairman: Senator Wint Winter

Senators

Robert Frey
Leroy Hayden
Nancy Parrish
Eric Yost

Representatives

Clifford Campbell
Dick Eckert
David Heinemann
Norman Justice
George Dean
Fred Rosenau
Burr Sifers

(continued)

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**Joint Committee on
Economic Development****Committee Members**

Chairman: Representative Rochelle Chronister
Vice Chairman: Senator Wint Winter
(Chair will reposition June 30, 1988)

Senators

Paul Feleciano
Jerry Karr
Dave Kerr
Alicia Salisbury

Representatives

Jayne Aylward
Elizabeth Baker
Diane Gjerstad
Phil Kline
Don Mainey
Max Moomaw
Carol Sader

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Legislative Coordinating Council**Committee Members**

Chairman: Representative James Braden
Vice Chairman: Senator Robert Talkington

Senators

Paul Burke
Michael Johnston

Representatives

Marvin Barkis
David Heinemann
Joe Knopp

**Commission on Access to Services for the
Medically Indigent and Homeless**

Chairman: Senator Roy Ehrlich
Vice Chairman: Representative Jessie Branson

Senators

Eugene Anderson

Representatives

Isabel Borum

Lay Members

Jeffrey Ellis,
Shawnee Mission
Barbara Jean Gibson,
Valley Center
William Pitsenberger,
Topeka
Leroy Tombs,
Bonner Springs
Ralph Turner,
Lawrence

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WILLIAM R. BACHMAN
Director

Doc. No. 006755

(Published in the Kansas Register, June 30, 1988.)

**AMENDED NOTICE OF BOND SALE
\$167,271.37**

Riley County, Kansas
General Obligation Bonds
Series 1988-1
(Streets and Water)

Sealed Bids

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

Bond Details

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

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

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

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

Conditions of Bids

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

Basis of Award

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

Authorization, Purpose and Security for the Bonds

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

Tax Exemption

The Internal Revenue Code of 1986 imposes requirements on the county which must be met subsequent to the issuance of the bonds by the county and, as a result, the county will and does hereby covenant that it will diligently undertake those steps necessary to maintain the tax-exempt status of the bonds. The county's failure to comply with such requirements could adversely affect the tax-exempt status of the bonds. Purchasers of the bonds should be aware that should the bonds lose their status

as tax-exempt obligations as a result of the county's failure to comply with such requirements, the bonds are neither callable nor will the rate of interest on the bonds be adjusted to reflect such circumstances.

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

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

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

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

Legal Opinion

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the county, printed on the bonds and delivered to the successful bidder when the bonds are delivered. Said opinion will also state that in the opinion of bond counsel, assuming con-

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tinued compliance by the county with the provisions of the ordinance authorizing the issuance of the bonds and the code, under existing law, the interest on the bonds is exempt from federal income taxation. As indicated under the immediately preceding section hereof entitled "Tax Exemption," when the Senate Substitute for House Bill No. 2543 becomes law, interest on the bonds will be excluded from the computation of Kansas adjusted income.

Delivery and Payment

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

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

Good Faith Deposit

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

is accepted but the county shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check shall be returned to the bidder. If a bid is accepted but the bidder shall default in the performance of any of the terms and conditions of this notice, the proceeds of such check shall be retained by the county as and for liquidated damages.

CUSIP Numbers

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

Bid Forms

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

Submission of Bids

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

Assessed Valuation and Indebtedness

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

Dated June 6, 1988.

RILEY COUNTY, KANSAS
Wanda Coder
County Clerk
Riley County Courthouse
110 Courthouse Plaza
Manhattan, KS 66502
(913) 537-6300

Doc. No. 006750

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF BOND SALE
\$420,000

General Obligation Street Improvement Bonds
(Parker Avenue, from 12th Street to
the West City Limits)
Series A 1988
of the City of Osawatomie, Kansas

Sealed Bids

Sealed bids will be received by the undersigned city clerk of the city of Osawatomie, Kansas, on behalf of the governing body at the City Auditorium, 5th and Main, Osawatomie, KS 66064, until 7 p.m. C.D.T. on July 14, 1988, for the purchase of \$420,000 principal amount of general obligation street improvement bonds (Parker Avenue, from 12th Street to the west city limits), Series A, 1988, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body on the date of sale. 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 multiples thereof. The bonds will be dated July 15, 1988, and interest will become due semiannually on April 1 and October 1 in the years as follows:

Maturity Date	Amount
October 1, 1989	\$10,000
October 1, 1990	\$15,000
October 1, 1991	\$15,000
October 1, 1992	\$25,000
October 1, 1993	\$45,000
October 1, 1994	\$50,000
October 1, 1995	\$55,000
October 1, 1996	\$65,000
October 1, 1997	\$65,000
October 1, 1998	\$75,000

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 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 city and the Kansas Attorney General.

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

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. Sections

12-6a02 *et seq.*, specifically 12-6a14, all as may be amended, for the purpose of paying the cost of certain street improvements, payable partly from special assessments. The bonds and the interest thereon will constitute general obligations of the city, if not paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable, tangible property, real and personal, within the territorial limits of the city.

Conditions of Bids**(Limited to three rates)**

Proposals will be received on the bonds bearing such rate or rates of interest, and *not more than three rates*, as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of $\frac{1}{8}$ or $\frac{1}{20}$ of 1 percent. No interest rate may exceed a rate equal to the index of treasury bonds published by the weekly *Credit Markets* in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. No rate specified may be lower than any rate specified for an earlier maturity of the bonds. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be considered. Each bid must specify the total interest cost to the city during the term of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid—all certified by the bidder to be correct—and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid must also specify the average annual net interest rate to the city on the basis of such bid.

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$8,400 (2 percent of the principal amount of the bonds), payable to the order of the city to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. Good faith checks submitted by unsuccessful bidders will be returned. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder has complied with all of the terms and conditions of this notice. If a bid is accepted but the city fails to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest

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rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, will be accepted, and its determination is final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 7 p.m. on the date of sale will be returned to the bidder unopened.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Proposal for General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the City Building and must be received by the undersigned prior to 7 p.m. C.D.T. on July 14, 1988.

Delivery and Payments

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered, without cost to the successful bidder within 45 days after the date of sale at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. Delivery elsewhere will be made at the expense of the successful bidder. The successful bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds must be made in Federal Reserve funds, immediately subject to use by the city.

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

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

Assessed Valuation and Indebtedness

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

Equalized assessed valuation of taxable tangible property	\$6,730,911
Tangible valuation of motor vehicles	\$2,134,773
Equalized assessed tangible valuation for computation on bonded debt limitations	\$8,865,684

The total general obligation bonded indebtedness of the

city as of the date of the bonds, including the bonds being sold, is \$1,283,000. All outstanding notes will be paid off by this bond issue.

Approval of Bonds

The bonds will be sold subject to the legal opinion of William P. Timmerman, Wichita, Kansas (Phone: 316/685-7212), bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

Opinion of Bond Counsel

In the opinion of the bond counsel, assuming continued compliance by the city with the terms of the bond ordinance, under existing law, the interest on the bonds: (a) is excludable from gross income for federal income tax purposes; and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the city will comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the bonds in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the bonds to be so included in federal gross income retroactive to the date of issuance of the bonds. The city has covenanted to comply with all such requirements.

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

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

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

On May 10, 1988, the Kansas Governor signed Senate Substitute House Bill No. 2543, which becomes effective July 1, 1988, which exempts interest on all municipal bonds from gross income for taxable years after December 31, 1987.

Related Federal Tax Matters

Prospective purchasers of the bonds should be aware that: (i) Section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the bonds, 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)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (iii) for taxable years beginning after December

31, 1986, and before January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under Section 1375 of the code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income; and (vi) Section 86 of the code requires recipients of certain Social Security and certain railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. These categories of bondowners should consult their own tax advisers as to the applicability of these consequences.

Additional Information

Additional information regarding the bonds may be obtained from the City Clerk, City Building, 5th and Main, Osawatomie, KS 66064 (913/755-2146); or William P. Timmerman, Bond Counsel, Suite 208, 400 N. Woodlawn, Wichita, KS 67208 (316/685-7212).

Dated June 16, 1988.

CITY OF OSAWATOMIE
 Darla D. Potter
 City Clerk

Doc. No. 006751

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF BOND SALE
\$163,350
General Obligation Sewer Bonds
Series A, 1988
of the City of Hazelton, Kansas

Date, Time and Place of Receiving Bids

The undersigned, city clerk of the city of Hazelton, Kansas, will receive sealed bids on behalf of the city council, as the governing body of the city, at her office in City Hall, until 7:30 p.m. C.D.T. on Monday, July 11, 1988, for the purchase of \$163,350 principal amount of general obligation sewer 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 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 that one bond shall be in the denomination of \$3,350, will bear a dated date of August 1, 1988, and shall mature serially on October 1 in each of the years and in the amounts as follows:

Principal Amount	Maturity Date
\$ 3,350	October 1, 1989
5,000	October 1, 1990
5,000	October 1, 1991
5,000	October 1, 1992
5,000	October 1, 1993
5,000	October 1, 1994
5,000	October 1, 1995
5,000	October 1, 1996
5,000	October 1, 1997
5,000	October 1, 1998
10,000	October 1, 1999
10,000	October 1, 2000
10,000	October 1, 2001
10,000	October 1, 2002
10,000	October 1, 2003
10,000	October 1, 2004
10,000	October 1, 2005
15,000	October 1, 2006
15,000	October 1, 2007
15,000	October 1, 2008

The bonds will bear interest from the dated date at rates which shall be determined upon the public sale thereof as heretofore provided. Said interest will be payable semiannually on April 1 and October 1 of each year, commencing April 1, 1989.

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 as of the 15th day of the month next preceding the interest payment dates.

The fees of the 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 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 Thursday, August 4, 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 prices 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 October 1, 1989, through October 1, 2003, inclusive, are not subject to call for redemption prior to their respective maturities.

(continued)

Bonds maturing October 1, 2004, 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 October 1, 2003 (the date being so set for redemption and payment being referred to as the redemption date), at the principal amount thereof, plus accrued interest to the redemption date and 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 City Council, City Hall, P.O. Box 97, Hazelton, KS 67061, Attention: Ellen Ruiz, 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 in the amount of \$3,267 (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, August 11, 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 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.

Authority, Purpose and Security for Bonds

The bonds are being issued under the authority of K.S.A. 10-101 *et seq.*, as amended and supplemented, and K.S.A. 12-617 *et seq.*, including specifically K.S.A. 12-618, and will be authorized by a bond ordinance which will be adopted by the governing body immediately after awarding of the bonds.

The proceeds of the bonds will be used together with other funds available from grant proceeds to pay the final cost of the construction and installation of sanitary sewer lines and related improvements throughout the entire city.

The bonds and the interest thereon will constitute general obligations of the city, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city.

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 covenants 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. (See the following paragraph.)

Recent Kansas Tax Legislation

The Kansas Legislature enacted, and on May 10, 1988, the Governor approved and signed, Senate Substitute for House Bill No. 2543 (the tax act). The tax act becomes effective upon publication in the statute book July 1, 1988. Section 4 of the tax act provides that interest on obligations of the state of Kansas or political subdivisions thereof issued after December 31, 1988, shall be excluded from the computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987. In the opinion of bond counsel, on and after the effective date of the tax act, the interest on the bonds shall be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987.

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 paragraph), or, in the case of a financial institution within the meaning of Section 265(b)(5) of the code, that portion of a bondholder's interest expense allocable to interest on such obligations; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the code, for taxable years beginning after December 31, 1986, Section

832(b)(5)(B)(i) of the code reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (iii) for taxable years beginning after December 31, 1986, and prior to January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under Section 1375 of the code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if more than 25 percent of the gross receipts of such Subchapter S 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 covenants 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	\$287,837
Taxable value of motor vehicles and dealers' inventory	143,667
Equalized assessed tangible valuation for computation of bonded debt limitations	\$431,504

The total outstanding general obligation bonded indebtedness of the city, upon issuance of and including this proposed issue, will consist only of the bonds described herein. The city does currently have outstanding \$145,000 of temporary notes previously issued for the project, and said notes will be redeemed and paid from the proceeds and upon issuance of the bonds described herein.

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, Municipal Finance, (316) 262-5161.

Dated June 20, 1988.

CITY OF HAZELTON, KANSAS

By Ellen Ruiz, City Clerk
City Hall, P.O. Box 97
Hazelton, KS 67061

Doc. No. 006769

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF BOND SALE
\$10,045,000

Internal Improvement Bonds

Series "K" No. 1

Series "L" No. 1

Series "M" No. 1

City of Kansas City, Kansas

(general obligation bonds payable from unlimited
ad valorem taxes)

Sealed Bids

Sealed bids will be received by the city clerk of Kansas City, Kansas, on behalf of the governing body of the city in the office of the city clerk, Municipal Office Building, One Civic Center Plaza, Kansas City, KS 66101, until 10 a.m. C.D.T. on Tuesday, July 12, 1988, for the purchase of \$10,045,000 aggregate principal amount of internal improvement bonds, Series "K" No. 1, "L" No. 1, and "M" No. 1, of the city hereinafter described. All bids will be publicly opened and read at said time and will be acted upon by the city at a council meeting to be held in the council chambers at 10 a.m. on such date.

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 become due serially on July 1 of each year in the years as follows:

Year	Series "K"	Series "L"	Series "M"	Total
	No. 1	No. 1	No. 1	
1989	45,000	600,000	225,000	870,000
1990	45,000	560,000	225,000	830,000
1991	45,000	560,000	225,000	830,000
1992	40,000	560,000	225,000	825,000
1993	40,000	550,000	220,000	810,000
1994	40,000	550,000		590,000
1995	40,000	550,000		590,000
1996	40,000	550,000		590,000
1997	40,000	550,000		590,000
1998	40,000	550,000		590,000
1999	40,000	550,000		590,000
2000	40,000	550,000		590,000
2001	40,000	550,000		590,000
2002	40,000	540,000		580,000
2003	40,000	540,000		580,000
	615,000	8,310,000	1,120,000	10,045,000

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 of each year, beginning on January 1, 1989.

Place of Payment and Bond Registration

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Kansas State Treasurer, Topeka, Kansas (the paying agent and bond registrar). The principal of the bonds will be payable at maturity or upon earlier redemption to the registered owners upon presentation and surrender of the bonds at the office of the paying agent. Interest on the bonds will be paid by check or draft mailed by the paying agent to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day of the month

preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Kansas Attorney General. The bonds will be registered as either fully registered certificated bonds or uncertificated (book entry) bonds.

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

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1989 to 1995, inclusive, will become due without option of prior payment. At the option of the city, bonds maturing in the years 1996 to 2003, inclusive, may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on July 1, 1995, or on any interest payment date thereafter at par, plus accrued interest thereon to the date of redemption.

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

If the city elects to call any bonds for redemption and payment prior to the maturity thereof, the city will give written notice of its intention to call and pay said bonds on a specified date, the same being described by number and maturity, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds, to the Kansas State Treasurer, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. If any bond be called for redemption and payment as aforesaid, all interest on such bond will cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No specified interest rate may exceed the index of treasury bonds published by the weekly *Credit Markets* in New York, New York, on the Monday preceding the day on which the bonds are sold, plus 2 percent. No rate specified shall be less than that specified for any earlier maturity. No bid of less than 100 percent of the principal amount of the bonds and accrued interest will be considered. Each bid must specify the total interest cost to the city during the term of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid. Each

bid must also specify the average annual net interest rate 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 on the bonds. 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 must be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body of the city will determine which bid, if any, will be accepted, and its determination will be final.

Authority, Purpose and Security for the Bonds

The bonds are being issued pursuant to and in full compliance with the constitution and laws of the state of Kansas, including K.S.A. 12-6a01 to 12-6a17, inclusive, as amended; K.S.A. 12-614, as amended; K.S.A. 12-626 to 12-629, inclusive, as amended; K.S.A. 12-685 to 12-690, inclusive, as amended; and K.S.A. 12-1736 to 12-1739, inclusive, as amended, for the purpose of paying the cost of certain sewer and street improvements and new fire station construction.

The internal improvement bonds, Series "K" No. 1, will be general obligations of the city, payable as to both principal and interest from special assessments levied upon the property benefited by such improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount on all the taxable tangible property, real and personal, within the territorial limits of the city.

The internal improvement bonds, Series "L" No. 1, and Series "M" No. 1, will be general obligations of the city, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount on all the taxable tangible property, real and personal, within the territorial limits of the city.

Legal Opinion and Tax Exemption

In the opinion of Burke, Williams, Sorensen & Garr, Overland Park, Kansas, bond counsel, assuming continued compliance by the city with the terms of the bond ordinances, under existing law, the interest on the bonds: (a) is excludable from gross income for federal income tax purposes; and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. No opinion is expressed regarding other federal tax consequences arising with respect to the bonds.

The Internal Revenue Code of 1986, as amended, imposes certain requirements which must be met subsequent to the issuance of the bonds in order for the interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the bonds to be

so included in federal gross income retroactive to the date of issue of the bonds. These requirements include, but are not limited to, limitations on the use of bond proceeds and restrictions on the yield which may be earned on the investment of bond proceeds and other amounts. In the ordinances authorizing the issuance of the bonds, the city will covenant to comply with the provisions of the code relating to the exclusion of the interest on the bonds from gross income for federal income tax purposes.

The interest on the bonds is excludable from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

The city has *not* designated the bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code.

Prospective purchasers of the bonds should be aware that: (1) Section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the bonds or, in the case of a financial institution (within the meaning of Section 265(b)(5) of the code), that portion of an owner's interest expense allocable to interest on the bonds; (2) with respect to insurance companies subject to the tax imposed by Section 831 of the code, for taxable years beginning after December 31, 1986, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (3) 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; (4) 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; (5) 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 (6) Section 86 of the code requires recipients of certain Social Security and certain railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. These categories of bondowners should consult their own tax advisers as to the applicability of these consequences.

Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered, without cost to the successful bidder, within 45 days after the date of sale at such bank or trust company as may be suggested by the successful bidder and is acceptable to the city, without cost to 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 proofs, which will include a certificate that there is no litigation pending or threatened at the time of the delivery of the bonds affecting their validity. Payment for the bonds must be made in Federal Reserve funds, immediately subject to use by the city.

(continued)

The number, type and denominations of the bonds and the names, addresses and Social Security or taxpayer identification numbers of the registered owners must be submitted in writing by the successful bidder to the city and bond registrar no more than 10 days after the sale date. In the absence of such information, the city will deliver the bonds in the denominations of each maturity registered in the name of the successful bidder. The successful bidder shall make a bona fide public offering of the bonds, and, as a condition to the city's obligation to deliver the bonds, the successful bidder must furnish to the city, no more than 10 days after the sale date, a certificate acceptable to bond counsel: (i) specifying the reoffering price at which a substantial amount (at least 10 percent of the bonds of each maturity) of the bonds was sold to the public (excluding bond houses, brokers and other intermediaries); and (ii) certifying as to the accuracy of such reoffering prices.

CUSIP Numbers

CUSIP identification numbers will be printed on certificated bonds or assigned to uncertificated 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 successful bidder thereof to accept delivery of and pay for the bonds in accordance with the terms of this notice. All expenses in relation to the assigning and printing of CUSIP numbers on the bonds will be paid for by the city.

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$200,900, payable to the order of the city to secure the city from any loss resulting from the failure of the successful bidder to comply with the terms of the bid. No interest will be paid upon the deposit made by any bidder. Said check will be returned to the bidder if the bid is not accepted. If a bid is accepted, said check will be held by the city until the bidder has complied with all of the terms and conditions of the bid and this notice, at which time the check will 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 fails to deliver the bonds to the bidder in accordance with the terms and conditions of the bid and this notice, said check 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 the bid and this notice, the proceeds of such check will be retained by the city as and for liquidated damages.

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the city clerk and marked "Proposal for the Purchase of City of Kansas City, Kansas, Internal Improvement Bonds." Bids may be mailed or delivered in person and must be received by the city clerk prior to 10 a.m. C.D.T.

on Tuesday, July 12, 1988, at the city clerk's office, Municipal Office Building, One Civic Center Plaza, Kansas City, KS 66101.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city for the year 1987 is \$456,901,084. The total general obligation bonded indebtedness of the city for purposes of determining statutory debt limitations, as of the date of the bonds, including the bonds being sold, is \$94,840,000. In addition, the city has outstanding \$40,747,103 of temporary notes, including temporary notes in the amount of \$10,548,303, which will be retired from the proceeds of the bonds, special assessment payments, federal grants and restricted sales tax revenue either prior to or after bonding. Of the city's total outstanding general obligation indebtedness in the amount of \$94,840,000, \$26,540,966 of outstanding bonds and \$6,470,000 of outstanding temporary notes are exempt from statutory debt limitations. A portion of the city's general obligation indebtedness has been refunded and defeased with cash or U.S. Government obligations. Notwithstanding the total amount of general obligation indebtedness of the city set forth above for the purposes of determining the statutory debt limitations, the amount of general obligation indebtedness of the city including the bonds being sold which, as of the date of the bonds, remains to be retired from general ad valorem taxation, sales tax revenue, current cash and special assessments, is \$96,900,000, of which amount \$27,046,939 is exempt from statutory debt limitations.

The temporary note balance herein mentioned is scheduled for payment from the following funding sources: Benefit district special assessment payments \$5,891,673; general obligation bonds \$25,075,730; federal grant \$1,525,000; current cash \$1,625,700; and restricted sales tax revenue \$6,629,000; either prior to or after bonding. Collection and projection of restricted sales tax revenues are as follows: 1984 actual \$2,763,428; 1985 actual \$4,866,539 (includes \$337,899 due from previous year); 1986 actual \$4,646,616; 1987 actual \$4,648,525; and 1988 projected \$4,770,000. The unencumbered cash balance of restricted sales tax revenues as of June 1, 1988, is \$3,261,296.24.

Bond Ratings

The city has applied to Moody's Investors Service, Inc. and Standard and Poor's Corporation for a rating on the bonds. The city's outstanding general obligation bonds are rated "A-1" by Moody's and "AA" by Standard and Poor's.

Official Statement

The city has prepared an official statement dated June 16, 1988, copies of which may be obtained from the city's finance director. Upon the sale of the bonds, at the request of the successful bidder, the city will furnish the successful bidder with a reasonable number of copies thereof without additional cost. Additional copies may be ordered at the successful bidder's expense.

Additional Information

Additional information regarding the bonds may be obtained from the undersigned finance director.

Dated June 16, 1988.

CITY OF KANSAS CITY, KANSAS
David T. Isabell, Finance Director
Municipal Office Building
One Civic Center Plaza
701 N. 7th
Kansas City, KS 66101
(913) 573-5270

Doc. No. 006758

in the hands of the paying agent to pay the same in accordance with their terms.

Dated June 28, 1988.

BANK IV WICHITA, N.A.
100 N. Broadway
Wichita, KS 67202
as Fiscal Agent and Paying Agent

Doc. No. 006783

(Published in the *Kansas Register*, June 30, 1988.)

NOTICE OF REDEMPTION**Industrial Revenue Bonds**

(Universal Motor Oils Co., Inc. Project)

Series August 1, 1981

Dated August 1, 1981

of the

City of Kansas City, Kansas

Notice is hereby given pursuant to Section 4 of Ordinance No. 63448 of the city of Kansas City, Kansas, passed and approved on October 20, 1981, all of the city's outstanding industrial revenue bonds, Series August 1, 1981, dated August 1, 1981, authorized and issued under the aforesaid ordinance, have been called for redemption and payment on August 1, 1988 (the redemption date). Said outstanding bonds are numbered and bear interest as follows:

Bond Numbers	Maturity Date	Interest Rate
36-45	August 1, 1989	11.60%
46-56	August 1, 1990	12.00%
57-68	August 1, 1991	12.25%
69-80	August 1, 1992	12.50%
81-112	August 1, 1993	12.75%
113-150	August 1, 1994	13.00%

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

The bonds called for redemption will be redeemed and must be presented for payment at the principal offices of the fiscal agent and paying agent, BANK IV Wichita, National Association, 100 N. Broadway, Wichita, KS 67202. All coupons maturing subsequent to August 1, 1988, must be attached to and surrendered with said bonds.

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

On August 1, 1988, the bonds called for redemption shall cease to bear interest provided funds are available

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

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