



Kansas Register

Bill Graves, Secretary of State

Vol. 13, No. 20

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State of Kansas

**Kansas Commission on Children,
Youth and Families**
Notice of Meeting

The Kansas Commission on Children, Youth and Families will meet from 9 to 11:30 a.m. Friday, June 3, in the KDHE conference room, Suite 620, Landon State Office Building, 900 S.W. Jackson, Topeka.

Robert C. Harder
Chairman

Doc. No. 014876

State of Kansas

Secretary of State
Executive Appointments

Executive appointments made by the Governor, and in some cases by other state officials, are filed with the Secretary of State's office. The following appointments were filed April 25-May 13:

**District Judge, 7th Judicial District,
Division 2**

Jack A. Murphy, 419 E. 1700 Road, Baldwin City 66006. Terms expires when a successor is elected and qualifies according to law. Succeeds James W. Paddock, resigned.

Secretary of Administration

Gloria M. Timmer, 4500 Turnberry Drive, Lawrence 66047. Subject to Senate confirmation. Serves at the pleasure of the Governor. Succeeds Susan M. Seltsam.

State Corporation Commission

Susan M. Seltsam, 5225 N.W. 46th, Topeka 66618. Subject to Senate confirmation. Term expires March 19, 1998. Succeeds Arthur J. Robinson.

Employment Security Board of Review

Dan McClenny, 1516 Grove Ave. 3, Emporia 66801. Subject to Senate confirmation. Term expires April 24, 1998. Reappointment.

Governor's Adoption Reform Task Force

Sherry Cramer Dryden, 1612 E. 29th, Hays 67601. Serves at the pleasure of the Governor. Succeeds Reid Ashe, declined appointment.

Kansas Commission on Human Rights

Phillip E. DeLaTorre, 3030 W. 8th, Lawrence 66049. Effective July 11, 1994. Subject to Senate confirmation. Term expires July 10, 1998. Reappointment.

Northeast Kansas Regional Library System

Linda Funk, Route 1, Nortonville 66060. Term expires June 30, 1997. Succeeds Shirley Strickler, resigned.

State Board of Mortuary Arts

Frances K. Thull, 506 Oak, P.O. Box 15, Cawker City 67430. Term expires July 31, 1997. Succeeds James Butler, resigned.

State Board of Veterinary Examiners

Debra K. Anderson, Westport Animal Clinic, 2800 S.W. Wanamaker, Topeka 66614. Effective July 1, 1994. Term expires June 30, 1998. Succeeds Robert Wingert.

Mark A. Schwarm, Associated Veterinary Services, 701 N. Main, South Hutchinson 67505. Effective July 1, 1994. Term expires June 30, 1998. Reappointment.

Bill Graves
Secretary of State

State of Kansas

**Kansas Planning Council
on Developmental Disabilities**
Request for Proposals

The Kansas Planning Council on Developmental Disabilities (KPCDD) announces the availability, pending legislative action, of developmental disabilities funding totaling \$300,000 to be distributed by state plan activities. Approximate funding amounts available for each competition are listed in the parentheses following the program.

- I. For state plan goal activities focusing on Children and Family Life in the following areas: Integrated Day Care (\$40,000) and Parent-to-Parent Network (\$60,000).
- II. For state plan goal activities which focus on Quality of Adult Life in the following areas: Self Advocacy (\$50,000) and Innovative Community Living (\$50,000).
- III. For state plan goal activities which focus on Assistive Technology for Children and Adults which includes: A Statewide Assistive Technology System (\$75,000).

Applicants will be funded based on feasibility and potential for continuation by the grantee at the end of the project grant award. The level of funding for individual projects will be determined by feasibility, cost effectiveness of the proposal, and the following:

1. All proposals funded by the KPCDD must promote the inclusion of individuals with developmental disabilities in society to the maximum extent of their ability and desire.
2. All projects must include a statewide dissemination component including their capability for dissemination.
3. Where applicable, all projects must include a plan for continuation by the grantee or another entity at the end of the project's grant award.

To receive an application containing forms, instructions and information, contact the Kansas Planning Council on Developmental Disabilities, Room 141, Docking State Office Building, 915 S.W. Harrison, Topeka 66612-1570, (913) 296-2608. Completed applications will be accepted at the KPCDD office until 5 p.m. Tuesday, July 5. No handwritten, faxed, or single spaced documents will be accepted. Final decisions for grant project awards will be made by the KPCDD.

Jane Rhys
Executive Director

Doc. No. 014865

State of Kansas

Legislature

Interim Committee Schedule

The following committee meetings have been scheduled during the period of May 23 through June 5:

Date	Room	Time	Committee	Agenda
May 23	519-S	9:00 a.m.	Legislative Post Audit	Legislative matters.
May 23	Chambers	10:00 a.m.	Sine Die	
May 26	123-S	2:00 p.m.	Legislative Coordinating Council	Legislative matters.

Emil Lutz
Director of Legislative
Administrative Services

Doc. No. 014870

State of Kansas

Board of Agriculture

Request for Comment on Proposed
Special Local Need Registration

Notice is hereby given that pursuant to 7 U.S.C. 136v, Uniroyal Chemical Co., Inc. has filed an application for a special local need registration for the use of Comite II Agricultural Miticide on corn. Comite II (EPA registration number 400-154) is needed in situations where use of alternative registered products may not result in adequate control of spider mites and/or where experience shows that a prophylactic treatment is needed to prevent early development of infestations. No other registered products provide effective prophylactic protection of corn from spider mites. Uniroyal requests that the existing special local need for Comite be cancelled upon approval of the Comite II special local need.

The purpose of the proposed special local need registration is to allow the use of this pesticide with its improved formulation technology. No other changes in the existing special local need are being considered. Proposed application rates for the Comite II special local need are slightly higher than those on the existing Comite special local need due to the fact that Comite II has less percent active ingredient. Comite residue data have been used by the federal EPA in approving the registration of Comite II.

Information submitted by the applicant is on file with the Kansas Department of Agriculture. Written comments, data, or other evidence in support of or in opposition to the proposed special local need registration may be submitted before June 20 to Gary Boutz, Plant Health Division, 7th Floor, Kansas State Board of Agriculture, 901 S. Kansas Ave., Topeka 66612-1281.

Gary E. Boutz
Plant Health Division

Doc. No. 014894

State of Kansas

State Fair Board

Notice of Meeting

The State Fair Board will meet at 10 a.m. Wednesday, May 25, in the board room at the administration office on the fairgrounds in Hutchinson. For further information, contact Deana Novak at (316) 669-3612.

Deana Novak
Administrative Officer

Doc. No. 014872

State of Kansas

State Banking Board

Notice of Meeting

The State Banking Board will meet at 9 a.m. Monday, June 20, in the conference room of the Office of the State Bank Commissioner, Suite 300, Jayhawk Tower, 700 S.W. Jackson, Topeka. The board reviews matters relating to its supervisory authority set forth in K.S.A. 9-1801 et seq.

Frank D. Dunnick
State Bank Commissioner

Doc. No. 014867

State of Kansas

Board of Agriculture

Request for Comment on Proposed
Special Local Need Registration

Notice is hereby given that pursuant to 7 U.S.C. 136v, Monsanto Company has filed an application for a special local need registration for the use of Partner WDG herbicide on sorghum. Partner is needed in situations where use of alternative registered products may not result in adequate duration of control of broadleaf weeds in sorghum without excessive risk of crop damage and/or environmental insult including surface water contamination.

The purpose of the proposed special local need registration is to allow the use of this pesticide with its micro-encapsulation technology benefits to control broadleaf weeds in Kansas sorghum. This pesticide is registered and commonly used to control the same weed pests in corn. At present, there is not an encapsulated pesticide available to control the same weed pests in sorghum, which does not also contain atrazine.

Information submitted by the applicant is on file with the Kansas Department of Agriculture. Written comments, data, or other evidence in support of or in opposition to the proposed special local need registration may be submitted before June 20 to Gary Boutz, Plant Health Division, 7th Floor, Kansas State Board of Agriculture, 901 S. Kansas Ave., Topeka 66612-1281.

Gary E. Boutz
Plant Health Division

Doc. No. 014881

State of Kansas

Office of the State Treasurer

Notice of Investment Rates

The following rates are published in accordance with K.S.A. 1993 Supp. 75-4210. These rates and their uses are defined in K.S.A. 75-4201(1), 12-1675(b)(c)(d) and 75-4209(a)(1)(B), as amended.

Effective 5-23-94 through 5-29-94

Term	Rate
0-90 days	3.83%
3 months	4.21%
6 months	4.83%
9 months	5.31%
12 months	5.45%
18 months	5.80%
24 months	6.06%
36 months	6.45%
48 months	6.74%

Sally Thompson
State Treasurer

Doc. No. 014877

State of Kansas

Board of Agriculture

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 9 a.m. Tuesday, June 21, in the board room in the offices of the Kansas State Board of Agriculture, 901 S. Kansas Ave., Topeka, at which time all interested persons will have an opportunity to be heard regarding the adoption of proposed temporary and permanent rules and regulations of the Kansas State Board of Agriculture. The proposed permanent rules and regulations will become effective 45 days after their publication in the Kansas Register unless a specified date is contained in the regulation. The proposed temporary regulations will become effective as soon as possible.

All interested persons may attend the hearing and will be given an opportunity to express comments either orally or in writing, or both. In addition, the period of at least 30 days notice constitutes a public comment period for the purpose of receiving public comments on the proposed rules and regulations.

Written comments and requests for copies of the regulations and the complete economic impact statement should be sent to Kenneth M. Wilke, Chief Counsel, Kansas State Board of Agriculture, 901 S. Kansas Ave., Topeka 66612-1280, at or before the time of the hearing. If you intend to present testimony in person at the hearing, prior notice to this office would be helpful in arranging the agenda. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentations to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic

impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Kenneth M. Wilke, (913) 296-3848, or Carole Jordan, Public Information Officer, (913) 296-3571. Since the agency does not have a TTY number, requests may be made through the Kansas Relay Center (1-800-766-3777).

A summary of the proposed regulations is as follows:

K.A.R. 4-4-900 adds a definition for "tip tank" and modifies the definition of "storage container" to conform to K.A.R. 4-4-983.

K.A.R. 4-4-982 establishes marking requirements for tip tanks.

K.A.R. 4-4-983 makes tip tanks subject to the general fertilizer containment regulations and establishes exceptions.

K.A.R. 4-4-984 establishes basic requirements for construction of tip tanks.

These four regulations are proposed for adoption as both temporary regulations to become effective as soon as possible and as permanent regulations.

The following regulations are proposed for adoption as permanent regulations:

K.A.R. 4-7-716 updates the Grade A Pasteurized Milk Ordinance adopted by reference to the October 1, 1993, edition as further amended on March 21, 1994.

K.A.R. 4-7-719 makes a technical change to clarify existing language.

K.A.R. 4-13-60 makes technical language changes only.

K.A.R. 4-13-61 removes obligation for respondent to file an answer.

K.A.R. 4-13-64 makes technical changes to correspond to changes in K.A.R. 4-13-61.

K.A.R. 4-13-65 eliminates the requirement that a proposed civil penalty cannot be reduced more than 40 percent.

K.A.R. 99-40-21 adopts by reference ASTM standard D 56-87 entitled "Standard Test Method for Flash Point by Tag Closed Tester," as approved on December 14, 1987.

K.A.R. 99-40-22 adopts by reference ASTM standard D 86-90 entitled "Standard Test Method for Distillation of Petroleum Products," as approved on September 28, 1990.

K.A.R. 99-40-23 adopts by reference ASTM standard D 93-90 entitled "Standard Test Methods for Flash Point by Pensky-Martens Closed Tester," as approved on October 26, 1990.

K.A.R. 99-40-24 adopts by reference ASTM standard D 97-87 entitled "Standard Test Method for Pour Point of Petroleum Oils," as approved on March 27, 1987.

K.A.R. 99-40-25 adopts by reference ASTM standard D 130-88 entitled "Standard Test Method for Detection of Copper Corrosion from Petroleum Products by the Copper Strip Tarnish Test," as approved on October 31, 1988.

K.A.R. 99-40-26 adopts by reference ASTM standard D 156-87 entitled "Standard Test Method for Saybolt Color of Petroleum Products (Saybolt Chromometer Method)," as approved on October 30, 1987.

(continued)

K.A.R. 99-40-27 adopts by reference ASTM standard D 287-92 entitled "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method)," as approved on August 15, 1992.

K.A.R. 99-40-28 adopts by reference ASTM standard D 381-86 entitled "Standard Test Method for Existing Gum in Fuels by Jet Evaporation," as approved on October 31, 1986.

K.A.R. 99-40-29 adopts by reference ASTM standard D 445-88 entitled "Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and the Calculation of Dynamic Viscosity)," as approved on October 31, 1988.

K.A.R. 99-40-30 adopts by reference ASTM standard D 524-88 entitled "Standard Test Method for Ramsbottom Carbon Residue of Petroleum Products," as approved on March 25, 1988.

K.A.R. 99-40-31 adopts by reference ASTM standard D 525-88 entitled "Standard Test Method for Oxidation Stability of Gasoline (Induction Period Method)," as approved on October 31, 1988.

K.A.R. 99-40-32 adopts by reference ASTM standard D 1093-85 entitled "Standard Test Method for Acidity of Distillation Residues or Hydrocarbon Liquids," as approved on October 25, 1985.

K.A.R. 99-40-33 adopts by reference ASTM standard D 1094-92 entitled "Standard Test Method for Water Reaction of Aviation Fuels," as approved on September 15, 1992.

K.A.R. 99-40-34 adopts by reference ASTM standard D 1298-85 entitled "Standard Practice for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method," as approved on October 25, 1985.

K.A.R. 99-40-35 adopts by reference ASTM standard D 1319-89 entitled "Standard Test Method for Hydrocarbon Types in Liquid Petroleum Products by Fluorescent Indicator Adsorption," as approved on October 27, 1989.

K.A.R. 99-40-36 adopts by reference ASTM standard D 1322-90 entitled "Standard Test Method for Smoke Point of Aviation Turbine Fuels," as approved on September 28, 1990.

K.A.R. 99-40-37 adopts by reference ASTM standard D 1500-91 entitled "Standard Test Method for ASTM Color of Petroleum Products (ASTM Color Scale)," as approved on March 15, 1991.

K.A.R. 99-40-38 adopts by reference ASTM standard D 1840-92 entitled "Standard Test Method for Naphthalene Hydrocarbons in Aviation Turbine Fuels by Ultraviolet Spectrophotometry," as approved on November 15, 1992.

K.A.R. 99-40-39 adopts by reference ASTM standard D 2386-88 entitled "Standard Test Method for Freezing Point of Aviation Fuel," as approved on March 25, 1988.

K.A.R. 99-40-40 adopts by reference ASTM standard D 2500-91 entitled "Standard Test Method for Cloud Point of Petroleum Products," as approved on October 15, 1991.

K.A.R. 99-40-41 adopts by reference ASTM standard D 3241-92 entitled "Standard Test Method for Thermal Oxidation Stability of Aviation Turbine Fuels (JFTOT Procedure)," as approved on September 15, 1992.

K.A.R. 99-40-42 adopts by reference ASTM standard D 3242-89 entitled "Standard Test Method for Acidity in Aviation Turbine Fuel," as approved on April 4, 1989.

K.A.R. 99-40-43 adopts by reference ASTM standard D 3948-87 entitled "Standard Test Methods for Determining Water Separation Characteristics of Aviation Turbine Fuels by Portable Separometer," as approved on April 2, 1987.

K.A.R. 99-40-44 adopts by reference ASTM standard D 975-92a entitled "Standard Specifications for Diesel Fuel Oils," as approved on October 15, 1992.

K.A.R. 99-40-45 adopts by reference ASTM standard D 396-92 entitled "Standard Specification for Fuel Oils," as approved on October 15, 1992.

K.A.R. 99-40-46 adopts by reference ASTM standard D 4814-92a entitled "Standard Specification for Automotive Spark-Ignition Engine Fuel," as approved on May 20, 1992.

Regarding the proposed amendments to K.A.R. 4-4-900 and new regulations K.A.R. 4-4-983 and K.A.R. 4-4-984, there will be minimal, if any, fiscal or economic impact on this agency, other governmental agencies, individuals, or private businesses.

Regarding the proposed new regulation K.A.R. 4-4-982, there will be minimal, if any, fiscal or economic impact on this agency, other governmental agencies, individuals, or private businesses, except for those who store liquid fertilizer in a tip tank or a mobile storage container. In such cases, the agency estimates the cost of marking the container to be \$40 per unit.

Regarding the proposed amendments to K.A.R. 4-7-716 and K.A.R. 4-7-719 concerning the Grade A pasteurized Milk Ordinance, there will be minimal, if any, fiscal or economic impact on this agency, other governmental agencies, individuals, or private businesses.

Regarding the proposed amendments to K.A.R. 4-13-60, K.A.R. 4-13-61, K.A.R. 4-13-64 and K.A.R. 4-13-65, there will be minimal, if any, fiscal or economic impact on this agency, other governmental agencies, individuals, or private businesses.

Regarding the proposed new regulations K.A.R. 99-40-21 through K.A.R. 99-40-46, inclusive, there will be minimal, if any, fiscal or economic impact on this agency, other governmental agencies, individuals, or private businesses.

In promulgating each set of these regulations, the agency has chosen the least costly and least intrusive method for achieving the stated purpose of the proposed regulations.

Copies of these regulations and the complete fiscal impact statements may be obtained by writing to Kenneth M. Wilke at the address above.

Phillip A. Fishburn
Acting Secretary of Agriculture

Doc. No. 014882

State of Kansas

Department of Administration
Division of Purchases

Notice to Bidders

Sealed bids for items hereinafter listed 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:

Tuesday, May 31, 1994

A-7403

Kansas State University—Bramlage west parking lot subsurface drainage and repair

30452

University of Kansas—Printing and delivery of spring, summer and fall course schedules

30460

University of Kansas—Cleaning chemicals and supplies

30461

Kansas Correctional Industries—Fragrances (dry)

98930

University of Kansas Medical Center—RISC based power-PC

98936

University of Kansas—Liquid scintillation counting system

98937

Kansas Historical Society—Microfilm equipment

98941

University of Kansas—A/V equipment

98942

University of Kansas—Overhead projection screens

98943

Pittsburg State University—Dryer with hoppers

98971

Parsons State Hospital—Handicap conversion van

98993

Department of Transportation—Digital logging tape recorder

Wednesday, June 1, 1994

A-7239(b)

Department of Human Resources—Building remodel, Job Service Center, Coffeyville

30429

Statewide—Blood bank sets and related products

30453

Emporia State University—Course schedules

30462

Kansas Correctional Industries—Methyl carbitol, various glycols and phosphate

98946

Department of Wildlife and Parks—Furnish all labor and material to construct vault toilets, Glen Elder State Park

98947

University of Kansas—Lumber and plywood

98948

Wichita State University—Locksets

98955

Department of Health and Environment—Atomic absorption spectrophotometer

98956

University of Kansas Medical Center—Scanning confocal microscope system

98957

Department of Transportation—Rotary mowers, various locations

98958

University of Kansas Medical Center—RISC server system

98960

Larned State Hospital—Foam mattresses

98972

University of Kansas—Furnish and install UHF television transmitter

98973

University of Kansas—Furnish and install UHF television antenna

Thursday, June 2, 1994

A-7410

University of Kansas—Demolition of stone barn

30463

Kansas Correctional Industries—Liquid detergent concentrate

30466

Statewide—Seasonal clothing

30469

University of Kansas—Miscellaneous groceries

30470

University of Kansas—Frozen foods

30474

Statewide—Photocopier supplies

30479

Department of Health and Environment—Elisa test, kits - HIV 1 and Hepatitis B

98964

University of Kansas Medical Center—Spectrophotometer, centrifuge, balance and miscellaneous

98965

University of Kansas—Portable air compressor

98966

University of Kansas—Saddle stitcher

98967

Department of Administration, Division of Information Systems and Communications—BK4 disk drive-7380

98968

University of Kansas—Optical mark reader

98974

Kansas State University—Salina—Electronic test equipment

(continued)

98975

Department of Transportation—Electronic test equipment, Chanute

98976

Department of Transportation—Vehicle speed and volume recorder

98977

Norton Correctional Facility—Vertical baler for waste processing

98978

Fort Hays State University—Lounge furniture

99008

University of Kansas Medical Center—Surgical instruments

99009

University of Kansas Medical Center—Surgical table and lighting

99010

Winfield State Hospital—Patient lifts

99011

Department of Social and Rehabilitation Services—Handicapped van modification, Lawrence

99012

University of Kansas—Hospital stretcher/bed

99013

University of Kansas Medical Center—Cardiac monitoring system

99014

University of Kansas Medical Center—Sterilizer

99015

University of Kansas Medical Center—Electrocardiograph

Friday, June 3, 1994

30464

Kansas Correctional Industries—Fragrances (liquid)

30468

Statewide—Basic clothing

30471

University of Kansas Medical Center—Dishwashing supplies

30480

Kansas State University—Laboratory equipment maintenance

98959

Department of Human Resources—Pentium server

98991

Wichita State University—Street sweeper

98992

Larned State Hospital—Passenger vans

98994

Kansas State University—Gamma counting system

99004

University of Kansas—Carpet

99005

Department of Revenue—Laser printer telex 5038

99016

Department of Transportation—Hydraulic testing system

99017

Department of Human Resources—Microfilm reader printer

99018

University of Kansas—Microfilm reader printer

99019

Wichita State University—School furniture

99029

University of Kansas Medical Center—Window cleaning services

99030

Department of Transportation—Dump trucks, various locations

99031

Department of Transportation—Trucks, Topeka and Garden City

Monday, June 6, 1994

30465

Kansas Correctional Industries—Acrylic polymer emulsion

98998

Department of Transportation—Color electrostatic plotter

99021

Department of Transportation—Wood signposts

99022

Fort Hays State University—Toilet compartments

99023

Department of Transportation—Furnish and install tower lighting, various locations

99024

Department of Wildlife and Parks—Solar lighting systems, various locations

99025

Department of Transportation—Generator, standby power system

99026

Department of Transportation—(WIM) weigh-in-motion replacement system

99027

Kansas Highway Patrol—Engine oil

99028

Larned State Hospital—Front deck mower

99032

Department of Health and Environment—AS/400 upgrade items, 7 peripherals

Wednesday, June 8, 1994

A-7382

Kansas State University—Eisenhower Hall renovation for accessibility

A-7383

Pittsburg State University—Hughes Hall remodeling

30478

Department of Administration, Division of Accounts and Reports—Indirect cost allocation plan

99006

Department of Social and Rehabilitation Services—Fabricate and install dining room tables and seating, Leavenworth and Wichita

99007

Department of Social and Rehabilitation Services—
Vending machines, Wichita

Thursday, June 9, 1994

A-7036

Pittsburg State University—Renovation and
restoration, McCray Hall

Monday, June 13, 1994

30467

University of Kansas Medical Center—Credit Bureau
services

Tuesday, June 14, 1994

A-7268

Department of Transportation—Building
modifications for ADA accessibility, Garden City

Thursday, June 16, 1994

A-7246

Department of Transportation—Building
modifications for ADA accessibility, Salina

Tuesday, June 21, 1994

A-7366

Kansas State School for the Deaf—Emery Hall

Tuesday, June 28, 1994

30477

Department of Administration, Central Motor
Pool—Automobile physical damage insurance

Request for Proposals

Thursday, June 2, 1994

30458

Direct mail services for the Department of
Commerce and Housing

Monday, June 6, 1994

98996

Video production for the University of Kansas

Tuesday, June 7, 1994

98997

Interactive voice response system for the
Department of Revenue

Wednesday, June 8, 1994

30454

Drug testing services for the Department of
Administration, Division of Personnel Services

30475

Medical review officer services for the State of
Kansas Drug Screening Program for the Department
of Administration, Division of Personnel Services

Friday, June 10, 1994

98995

Outpatient/clinic information software system for
the University of Kansas Medical Center

Monday, June 13, 1994

30459

Family preservation/family services intake and
assessment services for the Department of Social and
Rehabilitation Services

Jack R. Shipman
Director of Purchases

Doc. No. 014884

State of Kansas

Private Industry Council

**Request for Proposals for
Employment Training and Placement**

The Job Training Partnership Act (JTPA) provides fed-
eral funds to states to establish programs to prepare
youth and adults for entry into the labor force. Under
the JTPA, each state is divided into service delivery areas
(SDA). Within each SDA private and public sector rep-
resentatives are appointed to a Private Industry Council
(PIC) which is responsible for policy, program devel-
opment and oversight of programs operated within the
SDA. The SDA IV PIC has selected the city of Wichita
to be the grant recipient and program administrator for
SDA IV.

Scope of Work

In anticipation of program operations for fiscal year
1995, the PIC and the city of Wichita are seeking agents
qualified in developing new and innovative programs
which provide client recruitment, counseling, employ-
ment training, and placement assistance. The training
component of the proposals must include occupational
training and/or classroom remedial training, with pre-
employment and work maturity skills training. A pro-
posed program's success, upon which program pay-
ments will be based, will be measured by the degree to
which the provided training results in unsubsidized em-
ployment for economically disadvantaged youth and/or
adults facing serious barriers to employment. Proposals
must provide for a package of client recruitment, coun-
seling, employment training, and placement services to
be offered in Service Delivery Area IV. This six-county
area includes Butler, Kingman, Sumner, Harper, Sedg-
wick and Cowley counties.

A mandatory technical assistance meeting for all in-
terested proposers will be at 10 a.m. May 20 in the tenth
floor planning conference room in City Hall, 455 N.
Main, Wichita. All instructions for submittal are in the
Request for Proposal packet, available 8 a.m. to 5 p.m.
Monday-Friday from Mike Reichenberger, Planning and
Administration Director, Human Services Department,
2nd Floor, City Hall, 455 N. Main, Wichita 67202, (316)
268-4691.

The proposal due date is noon, June 10, at the above
address.

Mike Reichenberger
Planning and Administration Director

Doc. No. 014871

State of Kansas

Kansas Advocacy and Protective
Services, Inc.

Notice of Meeting

The Kansas Advocacy and Protective Services will conduct its governing board meeting at 7 p.m. Monday, May 23, at Annie's Place, Gage Shopping Center, Huntoon and Gage, Topeka. For more information, call (913) 776-1541.

Joan Strickler
Executive Director

Doc. No. 014869

State of Kansas

Board of Emergency Medical Services

Notice of Meeting

The Board of Emergency Medical Services will meet at 9 a.m. Friday, June 3, in Room 11, State Defense Building, 2800 S. Topeka Blvd., Topeka. Agenda items include committee reports, FY 1995 budget, review of the NHTSA EMS and Trauma Assessment, review and approval of the investigations policy, examinations options, and a review of statutes and regulations with legal counsel.

All meetings of the board are open to the public. For more information, contact the administrator at 109 S.W. 6th, Topeka, (913) 296-7296.

Bob McDanel
Administrator

Doc. No. 014866

(Published in the Kansas Register, May 19, 1994.)

Notice to the holders of
Crawford County, Kansas
Single Family Mortgage Revenue Bonds
Series 1980 A

CUSIP Number 224851 and Suffixes

AP0; AQ8; AR6; AS4; AT2; AU9; AV7; AW5; and AX3

Notice is hereby given by Crawford County, Kansas, a political subdivision of the state of Kansas, that the notice of full redemption with respect to the above-referenced bonds, published April 28, 1994 in the Kansas Register, is rescinded and shall have no force or effect. Said bonds will *not* be redeemed on June 1, 1994, as set forth in the notice of full redemption and should not be forwarded to the trustee for payment. Any bonds tendered for payment will be returned to the holders thereof.

This notice does not apply to those bonds called for redemption from mortgage prepayments and so designated by bond number in a separate notice also dated April 28, 1994.

Dated May 13, 1994.

Crawford County, Kansas
By: Continental Bank, National Association
as Trustee

Doc. No. 014898

State of Kansas

Department of Health
and EnvironmentRequest for Variance From
Hazardous Waste Regulations

The Kansas Department of Health and Environment is providing public notice that on July 19, 1993, Chromalloy Aircraft Structures, 1234 Wellington Place, Wichita, submitted a request for renewal of a variance from specific hazardous waste regulations. The request for a variance has been submitted in accordance with K.A.R. 28-31-13(a).

The variance is requested from K.A.R. 28-31-4 and 40 CFR 265.176, which require the storage of containers holding ignitable hazardous waste must be located at least 15 meters (50 feet) from the facility's property line.

Chromalloy Aircraft Structures generates ignitable hazardous waste, which is stored prior to being recycled. Chromalloy Aircraft Structures stores this waste in the property adjacent to the east property line with an easement for two railroad lines. This industrial easement affords an open area more than 50 feet from the storage area. KDHE has reviewed the variance request and concluded that the variance is justified.

In accordance with K.A.R. 28-31-13(b), public notice is being provided of the tentative decision to grant the variance. Copies of the variance request will be available for public review through June 18 from 8 a.m. to 4:30 p.m. weekdays at the KDHE, Building 740, Forbes Field, Topeka, and at the KDHE District Office, 1919 Amidon, Suite 130, Wichita.

Comments concerning this variance request may be directed to Candy Williamson, Kansas Department of Health and Environment, Bureau of Waste Management, Hazardous Waste Section, Building 740, Forbes Field, Topeka 66620. Comments must be submitted in writing prior to June 18. Requests for additional information may be made by contacting KDHE at (913) 296-1600.

Upon the written request of any interested person, a public meeting may be held to consider comments on this tentative decision. The person requesting a meeting shall state the issues to be raised and shall explain why written comments would not suffice to communicate the person's views. If a decision is made to conduct a public meeting, a separate public notice detailing the date and place of a public meeting will be issued.

After evaluating all public comments, a final decision will be made by the secretary and a notice of the final decision will be published in the Kansas Register. If approved, any conditions or time limitations needed to comply with all applicable state or federal laws or to protect human health or safety or the environment will be specified by the secretary. A date upon which the variance will no longer be valid shall be prescribed in the final decision.

Robert C. Harder
Secretary of Health
and Environment

Doc. No. 014874

State of Kansas

Department of Health and Environment

Notice of Proposed Permit Action

The Secretary of Health and Environment is proposing to issue an air emission source construction permit in accordance with K.A.R. 28-19-14 (permits required) to Grasser Construction, Inc. to install and operate a hot-mix asphalt plant at Colby.

Written materials, including the permit application and information relating to the application submitted by Grasser Construction, draft permit, permit summary and analysis by KDHE describing the basis for the proposed permit, are available for public inspection during normal business hours through June 20 by contacting Richard Robinson, KDHE, 2301 E. 13th, Hays 67601, (913) 625-5664. This material also can be reviewed at the KDHE office in Building 283, Forbes Field, Topeka. Questions concerning this proposed permit should be directed to Gene Sallee, KDHE, (913) 296-1575.

K.S.A. 65-3008 provides that any person affected by the issuance of a permit can request a public hearing prior to the permit's issuance. The request must be in writing and addressed to the secretary. If the secretary determines there is sufficient reason in the request, a public hearing will be conducted—the place, date and time of the hearing will be announced in this publication. A request for a hearing or written comments on the proposed permit must be submitted to the Secretary, Kansas Department of Health and Environment, Landon State Office Building, 900 S.W. Jackson, Topeka 66612, before June 20.

Robert C. Harder
Secretary of Health
and Environment

Doc. No. 014875

State of Kansas

Department of Health and Environment

Notice of Hearing on Proposed Administrative Regulations

The Kansas Department of Health and Environment will conduct public hearings to consider adoption of proposed new permanent regulations K.A.R. 28-29-100 through 28-29-121. The new permanent regulations address location restrictions, operating criteria, design criteria, groundwater monitoring, corrective action, and closure and post-closure for owners and operators of municipal solid waste landfills (MSWLFs). These regulations are aimed at developing landfills that present a minimal risk to human health and the environment through the contamination of groundwater.

The locations and times of the public hearings are as follows:

Location	Time
Hays, Kansas Holiday Inn 3603 Vine	June 22 10 a.m.
Wichita, Kansas Wichita City Commission Chamber City Hall (south end of first floor) 455 N. Main	June 27 10 a.m.
Lawrence, Kansas Lawrence Public Library Auditorium 707 Vermont	June 29 10 a.m.

Development of these regulations was initiated in response to federal EPA regulations referred to as Subtitle D, which requires states to develop an EPA-approved regulatory program addressing the above-mentioned criteria for MSWLFs, or EPA and third parties will enforce the regulations. These regulations are intended to address all areas covered by Subtitle D, as well as adding enhancements to Subtitle D to tailor the regulations to Kansas.

Adoption of K.A.R. 28-29-100 through 28-29-121 is estimated to have an economic impact on the regulated community of approximately \$4,315,000 annually. These costs are primarily associated with final cover and liner systems associated with MSWLFs and will ultimately be passed on the consumers utilizing the landfills. Based on a statewide population of 2.4 million, the average annual cost of the regulations on a per capita basis is \$1.80.

It is anticipated that the additional costs to the agency associated with adoption of the regulations will be negligible. The costs incurred by the agency will be covered by funds already collected from a solid waste tipping fee provided for by K.S.A. 65-3415b and implemented by K.A.R. 28-29-85.

Copies of the regulations and the economic impact statement may be obtained from the Kansas Department of Health and Environment, Bureau of Waste Management, Forbes Field, Topeka 66620, (913) 296-1600. Questions pertaining to these proposed rules should be directed to Mike Tate at (913) 296-0724.

The time period between the publication of this notice and the scheduled hearings constitutes a public comment period for the purpose of receiving written comments prior to the hearings. All interested parties will be given reasonable opportunity during the hearings to present their views, orally or in writing, concerning the adoption of the regulations. Following the hearings, all comments will be considered in determining whether to make changes to the proposed new regulations.

Any individual with a disability may request accommodation in order to participate in the public hearings and may request the proposed regulations and fiscal impact statements in an accessible format. Requests for accommodation to participate in the hearings should be made at least five working days in advance of the hearing by contacting Michael Tate.

Robert C. Harder
Secretary of Health
and Environment

Doc. No. 014873

State of Kansas

Department of Health
and EnvironmentNotice Concerning Kansas
Water Pollution Control Permits

In accordance with state regulations 28-16-57 through 63, 28-18-1 through 4, 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.

Public Notice No. KS-94-41

Name and Address of Applicant	Waterway	Type of Discharge
Johnson County Unified Wastewater Districts Mission Township M.S.D. No. 1 and Turkey Creek- Mission, Kansas c/o-10881 Lowell, Suite 100 Overland Park, KS 66210 Johnson County, Kansas	Kansas River via Turkey Creek	Secondary wastewater treatment facility
Kansas Permit No. M-KS45-0001		Fed. Permit No. KS-0055492

Description of Facility: This facility is designed for the treatment of domestic sewage. This is an existing facility. Proposed effluent limitations are pursuant to Kansas surface water quality standards, K.A.R. 28-16-28(b-f), and federal surface water criteria, and are water quality based.

Public Notice No. KS-AG-94-38/41

Name and Address of Applicant	Legal Description	Receiving Water
Mike Beltz Route 1, P.O. Box 81 Ramona, KS 67475	NW/4, Sec. 6, T17S, R4E, Marion County	Smoky Hill River Basin
Kansas Permit No. A-SHMN-B002		

The feedlot has capacity for approximately 200 cattle and a contributing drainage area of approximately 1.55 acres. This is a new facility.

Runoff Control Facilities: Feedlot runoff is impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided in excess of 38,600 cubic-foot.

Compliance Schedule:

- The waste management plan developed by Soil Conservation Service and approved by the department shall be adhered to as a condition of this permit. The plan calls for nutrient analysis of both liquid and solids with applications to meet crop nutrient needs. If wastes are not analyzed for nutrient content, wastewater shall be applied at not greater than 1 acre-inch per acre per year and solids shall be applied at no greater than 5 ton per acre.
- Dewatering equipment shall be obtained within 45 days after issuance of this permit through purchase, rental or custom application agreement. It shall be capable of pumping at least 50 gpm and dispersing the wastewater over 10 acres of land suitable for waste application. Written verification of the acquisition of the equipment shall be submitted to the department.

Name and Address of Applicant	Legal Description	Receiving Water
Griffith of Iuka Clark Griffith Route 1, P.O. Box 16 Iuka, KS 67066	NW/4, Sec. 10, T26S, R13W, Pratt County	Lower Arkansas River Basin
Kansas Permit No. A-ARPR-C002		Federal Permit No. KS-0090778

The feedlot has capacity for approximately 3,000 cattle and a contributing drainage area of approximately 14.0 acres. This is an expansion of an existing facility.

Runoff Control Facilities: Feedlot runoff is impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided in excess of 8.0 acre-foot.

Compliance Schedule: None, existing controls adequate.

Name and Address of Applicant	Legal Description	Receiving Water
James A. Sandman 1436 21st Road Frankfort, KS 66427	E/2, Sec. 13, T2S, R9E, Marshall County	Big Blue River Basin
Kansas Permit No. A-BBMS-S042		

The proposed facility has the capacity for approximately 612 swine. Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided in excess of minimum requirements.

Compliance Schedule: None, existing controls adequate.

Name and Address of Applicant	Legal Description	Receiving Water
Martie Floyd, dba Floyd Feed Yard R.F.D. 1, Box 82 Johnson, KS 67855	NE/4, Sec. 9, T28S, R40W, Stanton County	Cimarron River Basin
Kansas Permit No. A-CIST-C005		Federal Permit No. KS-0087548

The feedlot has capacity for approximately 2900 head of cattle with expansion planned for an additional 6,500 head of cattle and a contributing drainage area of approximately 53.4 acres. This is an expansion of an existing facility.

Runoff Control Facilities: Feedlot runoff is impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided in excess of 26.7 acre-foot.

Compliance Schedule: A livestock waste management plan for the facility shall be developed. The plan shall cover, but not be limited to, the following items: handling and disposal equipment for both solid and liquid wastes, land application practices used to protect against runoff and leaching, waste application rates based on crop nutrient utilization, and identification of adequate land areas for application of all wastes. Detailed guidance and requirements will be provided by the department. A plan shall be submitted to the department within six months following receipt of detailed requirements. The approved plan will become part of this permit.

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, or Dorothy Geisler (agricultural permits), Kansas Department of Health and Environment, Division of Environment, Bureau of Water, Forbes Field, Topeka 66620. All comments postmarked or received on or before June 18 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate public notice number (KS-94-41, KS-AG-94-38/41) and the name of applicant as listed when preparing comments.

If no objections are received during the public notice period, 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. Media coordination (newspapers, radio) for publication

and/or announcement of the public notice or public hearing is handled by the Kansas Department of Health and Environment.

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 Kansas Department of Health and Environment offices, Building 740, Forbes Field, Topeka, from 8 a.m. to 4:30 p.m. Monday through Friday. The documents are available upon request at the copying cost assessed by KDHE. Additional copies of this public notice also may be obtained at the Division of Environment.

Robert C. Harder
Secretary of Health
and Environment

Doc. No. 014880

State of Kansas

State Corporation Commission

Notice of Motor Carrier Hearings

Applications set for hearing are to be heard at 9:30 a.m. June 7 before the State Corporation Commission, 1500 S.W. Arrowhead Road, Topeka, unless otherwise noticed. This list does not include cases previously assigned hearing dates for which parties of record have received notice.

Questions concerning applications for hearing dates should be addressed to the State Corporation Commission, 1500 S.W. Arrowhead Road, Topeka 66604-4027, (913) 271-3196 or 271-3146.

Your attention is invited to Kansas Administrative Regulation 82-1-228, "Rules of Practice and Procedure Before the Commission."

The State Corporation Commission has scheduled the following applications for hearing. Anyone needing special accommodations shall give notice to the commission 10 days prior to the scheduled hearing date.

Application for Extension of Certificate of Convenience and Necessity:

Brackeen Line Cleaning, Inc.) Docket No. 57,655 M
Clafin, KS 67525) MC ID No. 100536

Applicant's Attorney: Joseph Weiler, 2101 S.W. 21st,
P.O. Box 237, Topeka, KS 66601-0237

Crude oil, used in and for production, processing, treating, salvage, construction and for lease road purposes, in bulk, fresh water and salt water, petroleum and petroleum products, liquid natural gas and by-products from the production and transmission via pipeline of petroleum, petroleum products and liquid natural gas,

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

John Kevin Briscoe, dba) Docket No. 190,281 M
Briscoe Trucking)
105 S. 2nd)
Cimarron, KS 67835) MC ID No. 150617

Applicant's Attorney: None

Livestock, grain, dry feed, dry feed ingredients, dry fertilizer, dry fertilizer ingredients, hay, seeds, salt (restricted, however, to transport no hazardous materials),

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Crescent Transportation) Docket No. 190,333 M
Company, Inc., dba)
Yellow Cab Company)
200 S.E. 21st) MC ID No. 150375
Topeka, KS 66612

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

Passengers and their baggage,

Between all points and places in the state of Kansas.

Application for Extension of Certificate of Convenience and Necessity:

Albert Hogoboom) Docket No. 18,077 M
767 Oil Hill Road)
El Dorado, KS 67042) MC ID No. 100036

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

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

Between all points and places in the state of Kansas.

Application for Abandonment of Certificate of Convenience and Necessity:

Holton Transport, Inc.) Docket No. 22,721 M
3rd and Arizona)
Holton, KS 66436) MC ID No. 100098

Applicant's Attorney: None

Application for Certificate of Convenience and Necessity:

John H. Ihnken, dba) Docket No. 189,984 M
J.I. Trucking)
506 N. Putnam)
Bennington, KS 67422) MC ID No. 150358

Applicant's Attorney: None

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

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

James L. Laubhan, dba) Docket No. 188,795 M
James Laubhan Trucking)
Box 297)
Follett, TX 79034) MC ID No. 149671

Applicant's Attorney: None

(continued)

Corn,

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Jack F. McQueen, dba) Docket No. 190,332 M
Clearwater Towing and)
Recovery)
310 Janet)
Clearwater, KS 67026) MC ID No. 150374

Applicant's Attorney: None

Motor vehicles and component parts thereof, in truckaway, towaway and driveaway service,

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

O'Neil Company, Inc.) Docket No. 189,392 M
Highway 2 North)
Williston, ND 58801) MC ID No. 148979

Applicant's Attorney: Clyde Christey, Southwest Plaza Building, Suite 124, 3601 W. 29th, Topeka, KS 66614

Houses and buildings and heavy and cumbersome commodities,

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

Opies Transport, Inc.) Docket No. 119,713 M
Highway 54 and State Rt. FF))
Eldon, MO 65026) MC ID No. 102645

Applicant's Attorney: John Jandera, 2101 S.W. 21st, P.O. Box 237, Topeka, KS 66601-0237

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

Between all points and places in the state of Kansas.

Application for Certificate of Convenience and Necessity:

John and Aganetha Penner) Docket No. 178,545 M
309 Myrtle)
Sublette, KS 67877) MC ID No. 14233

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

Grain, feed, feed ingredients, fertilizer, fertilizer materials, salt, seed, livestock, machinery and building and construction materials,

Between all points and places in the state of Kansas.

Application for Amendment to Contract Carrier Permit:

Ryder Dedicated Logistics,) Docket No. 115,137 M
Inc.)
3600 N.W. 82nd Ave.)
Miami, FL 33166) MC ID No. 108354

Applicant's Attorney: John Richeson, 216 Hickory, P.O. Box 7, Ottawa, KS 66067

Paper and paper products, materials, equipment and supplies used in the manufacture thereof,

Between all points and places in the state of Kansas, under contract with Darling Envelope Corporation, of Merriam, Kansas.

Application for Contract Carrier Permit:

White Construction) Docket No. 190,334 M
Company, Inc.)
Kanapolis, KS 67454) MC ID No. 150376

Applicant's Attorney: Gregory Hoffman, 126 N. Douglas, P.O. Box 83, Ellsworth, KS 67439-0083

Salt, salt products and related items shipped in mixed loads with salt and salt products and materials, supplies and commodities as are dealt in by salt producers,

From Kansas producing and shipping points to points and places in the state of Kansas and between points in Kansas. Under contract with Independent Salt Company, of Kanopolis, Kansas.

Application for Name Change of Certificate of Convenience and Necessity:

Harry Wilson, dba) Docket No. 87,166 M
Wilson Truck Line)
Main Street)
Wilsonville, NE 69046) MC ID No. 100649

To:
Donalee Wilson, dba
Wilson Truck Line
Main Street
Wilsonville, NE 69046

Applicant's Attorney: None

Livestock,

Between points and places in Norton and Phillips counties, Kansas.

Also,

Between points and places in Norton and Phillips counties, Kansas, on the one hand, and points and places in Kansas, on the other.

Don Carlile
Administrator
Transportation Division

Doc. No. 014879

State of Kansas

Kansas Agricultural Value-Added Processing Center

Notice of Leadership Council Meeting

The Leadership Council of the Kansas Agricultural Value-Added Processing Center will convene for a board meeting at 8:30 a.m. Tuesday, May 24, at the Kansas State University Union, Room 212, Manhattan. For further information contact David Hurt at (913) 532-7033.

David Hurt
President

Doc. No. 014895

State of Kansas

Secretary of State

Permanent Administrative Regulations

Article 37.—MOTOR VOTER

7-37-1. Voter registration; department of revenue; division of vehicles. (a) The voter registration portion of the application for each motor vehicle driver's license and nondriver identification card shall be either part of the division of vehicles application or a separate form given to each applicant simultaneously with the division of vehicles application.

(b) The voter registration portion of the application for each motor vehicle driver's license and nondriver identification card shall be approved by the secretary of state, and shall comply with the requirements of K.S.A. 25-2309, as amended.

(c) Each division of vehicles office shall deliver within five days of receipt each voter registration and change of address form received by the office to the county election officer in the county where the division of vehicles office is located. The county election officer shall forward each voter registration and change of address form from a nonresident of the county to the appropriate county election officer within five days of the county election officer's receipt. (Authorized by and implementing K.S.A. 25-2351; effective July 5, 1994.)

7-37-2. Voter registration; department of revenue; division of vehicles; electronic transmission of data. If the division of vehicles collects and transmits voter registration data electronically, the division shall use the following data elements and field lengths when transmitting voter registration data to a county election officer:

Element	Field Length
Name	
First name	15
Middle name	15
Last name	20
Suffix	3
Residence Address	
House number	7
Direction	2
Street name	20
Subdirection	1

Street type	4
Apt./Suite number	6
City	15
State	2
County	2
Zip code	5
Zip + four	4

Mailing Address

Mailing address 1	20
Mailing address 2	20
Mailing city	15
Mailing state	2
Mailing zip code	5
Mailing zip code + four	4
Phone number	10
SSN/K number	9
Date of birth	8
Sex	1
Party affiliation	1
Date of registration	8

Previous Name

First name	15
Middle name	15
Last name	20
Suffix	3

Previous Residence

House number	7
Direction	2
Street name	20
Subdirection	1
Street type	4
Apt./Suite number	6
City	15
State	2
Date residence established	8
Naturalization data	1 (Y or N)

(Authorized by and implementing K.S.A. 25-2351; effective July 5, 1994.)

Bill Graves
Secretary of State

Doc. No. 014868

State of Kansas

Board of Indigents' Defense Services

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 9 a.m. Monday, June 13, in Room 106 of the Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the emergency adoption of proposed changes in existing rules and regulations and new rules and regulations of the State Board of Indigents' Defense Services.

This 30-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Director, State Board of Indigents' Defense Services, Room 304, Landon State Office Building, 900 S.W. Jackson, Topeka 66612. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

(continued)

All of the following 16 regulations are being proposed for adoption as temporary and permanent regulations to be effective July 1, 1994. A summary of the proposed regulations and their economic impact follows:

K.A.R. 105-1-1. Changes to this regulation, which prescribes when legal representation shall be provided, include an amendment to include under the agency's scope of representation those persons who have been arrested on suspicion of felony charges but not yet formally charged and those upon whom an affidavit of probable cause has been presented to a judge of the district court. Another change to this regulation is one which exempts capital cases from the prohibition on services related to certiorari to federal courts.

K.A.R. 105-2-1. Definitions. Amendments add definitions related to the creation of a capital defender office, including the terms "prequalified death penalty attorney," "capital felony case primary counsel," "assistant capital felony case counsel," "capital resource center," and "chief capital defender."

K.A.R. 105-3-2. Eligibility to serve. This regulation is amended to include the requirements for eligibility to serve as counsel in a capital case. This requirement may not be waived by the court, according to the amended regulation.

K.A.R. 105-3-8. Continued representation by trial counsel. Two amendments to this regulation have the effect of (1) bringing the regulation into line with the sentencing guidelines grid, and (2) providing for continued representation after a capital conviction.

K.A.R. 105-3-12. Appointments in capital cases. This is a new regulation which sets out the requirements for appointment of counsel in capital cases, appointment of counsel for conflict capital cases, and appointment of counsel for appellate representation in capital cases.

K.A.R. 105-5-2. Rates of compensation. This amendment provides for compensation of \$125 per hour for capital case representation and a rate of \$75 per hour for serving as assistant capital felony case counsel.

K.A.R. 105-5-3. Appellate courts; compensation. This regulation is amended to require the appellate defender to compile a list of attorneys certified competent to serve as appellate counsel in capital cases. Only attorneys on the list are eligible for appointment and compensation for capital case appeals.

K.A.R. 105-5-4. Multiple attorneys. Amends the current regulation to require appointment of two attorneys to each capital case. Exemption from the previous language restricting appointment to one attorney is amended into the regulation.

K.A.R. 105-5-6. Reasonable compensation; non-tried cases. Amendments to this regulation include a \$200 reasonable level of compensation for sentencing guideline retroactivity hearings. The amendment also exempts capital casework from the "non-tried" levels of compensation.

K.A.R. 105-5-7. Reasonable compensation; tried cases. The regulation is amended to exempt capital case-

work from the reasonable levels of compensation for tried cases.

K.A.R. 105-5-8. Compensation; exceptional cases. This regulation is amended to include capital case compensation guidelines. Capital case vouchers will be reviewed and approved by the court subject to final approval by the board. The \$5,000 level for exceptional cases does not apply to capital cases according to this amendment.

K.A.R. 105-8-1. Generally. Attorneys appointed to capital cases are not required to receive approval of the court or the director when ordering transcripts of a pre-trial hearing or trial.

K.A.R. 105-9-6. Claims for capital casework. This is a new regulation which sets out the procedures and guidelines for submitting claims for compensation for capital cases. The claims for capital cases must be paid out of a specific line-item appropriation, as required by statute.

K.A.R. 105-10-1a. Public defender systems at the trial level. The regulation is amended to provide for an exception to the rule requiring appointment of the regional defender or panel attorney. The trial court is required to appoint the capital defender in all capital cases except those in which the capital defender has a conflict of interest.

K.A.R. 105-10-1b. Public defender system for capital cases. This new regulation provides for the creation of the "capital defender office" system for capital cases.

K.A.R. 105-10-5. Assigned counsel contracts. The amended regulation includes the addition of the capital defender, along with the regional public defender, state appellate defender and the designated conflicts office, to the list of officials who may, with approval of the director, contract out a portion of their workload.

Summary of Economic Impact

All of the regulations being considered for adoption are related to the passage of capital punishment legislation and are intended to comply with the ABA Guidelines for the Appointment and Performance of Counsel in Death Penalty Cases (February 1989). The 1994 Kansas Legislature appropriated approximately \$900,000 for capital defense for FY 1995. The costs associated with the adoption of these regulations is estimated to be \$113,000 per capital case.

Copies of these regulations and their economic impact statements may be obtained from the director at the address above, (913) 296-4505.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Joni Andrews at (913) 296-4505.

Ronald E. Miles
Director

Doc. No. 014947

(Published in the Kansas Register, May 19, 1994.)

**Summary Notice of Bond Sale
Shawnee County, Kansas
\$3,170,000
General Obligation Bonds
Series 1994-1
(General obligation bonds payable from
unlimited ad valorem taxes)**

Sealed Bids

Subject to the notice of bond sale dated May 19, 1994, sealed bids will be received by the clerk of Shawnee County, Kansas (the issuer), on behalf of the governing body at 200 S.W. 7th, Topeka, until 11 a.m. C.D.T. on June 2, 1994, for the purchase of \$3,170,000 principal amount of General Obligation Bonds, Series 1994-1. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple of \$5,000. The bonds will be dated June 1, 1994, and will become due on September 1 in the years as follows:

Maturity September 1	Principal Amount
1995	\$ 70,000
1996	95,000
1997	100,000
1998	105,000
1999	115,000
2000	120,000
2001	125,000
2002	130,000
2003	140,000
2004	145,000
2005	155,000
2006	165,000
2007	175,000
2008	180,000
2009	195,000
2010	205,000
2011	215,000
2012	225,000
2013	250,000
2014	260,000

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 semi-annually on March 1 and September 1 in each year, beginning on March 1, 1995.

Paying Agent and Bond Registrar
Kansas State Treasurer, Topeka, Kansas.

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 \$63,400 (2 percent of the principal amount of the bonds).

Delivery

The issuer will pay for printing the bonds and will deliver the same properly prepared, executed and reg-

istered without cost to the successful bidder on or before June 23, 1994, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder.

Assessed Valuation and Indebtedness

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 1993 is \$892,610,694. The total general obligation indebtedness of the issuer as of the date of the bonds, including the bonds being sold, is \$52,010,000. The county has temporary notes outstanding in the amount of \$2,402,076.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Logan, Riley, Carson & Kaup, L.C., Overland Park, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the issuer, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from Patsy McDonald, Clerk, (913) 233-8200; or from Logan, Riley, Carson & Kaup, L.C., Bond Counsel, 9200 Indian Creek Parkway, Suite 230, Overland Park, KS 66210, (913) 661-0399.

Dated May 19, 1994.

Shawnee County, Kansas
By Patsy A. McDonald
Clerk
200 S.E. 7th
Topeka, KS 66603
(913) 233-8200

Doc. No. 014883

(Published in the Kansas Register, May 19, 1994.)

**Notice of Bond Sale
\$7,045,000
City of Topeka, Kansas
General Obligation Bonds
Series 1994-A
(Internal Improvement Bonds)**

Sealed Bids

Sealed bids for the purchase of \$7,045,000 principal amount of General Obligation Bonds, Series 1994-A (Internal Improvement Bonds), of the city hereinafter described, will be received by the undersigned city clerk of the city of Topeka, Kansas, on behalf of the governing body of the city at City Hall, 215 E. 7th, Topeka, until 11 a.m. C.D.T. on Tuesday, May 31, 1994. All bids will be publicly opened and read at said time and place and will be affirmed and finally acted upon by the governing body of the city at its meeting June 7, 1994. No oral or auction bids will be considered.

Bond Details

The bonds will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The bonds will be dated June 1, 1994, and will become due serially on August 15 in the years as follows:

(continued)

Year (8-15)	Principal Amount
1996	\$200,000
1997	220,000
1998	250,000
1999	250,000
2000	275,000
2001	275,000
2002	300,000
2003	325,000
2004	325,000
2005	350,000
2006	375,000
2007	400,000
2008	425,000
2009	450,000
2010	450,000
2011	500,000
2012	525,000
2013	550,000
2014	600,000

The bonds will bear interest at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning on February 15, 1995.

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 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 first day (whether or not a business day) of the calendar month of such interest payment date.

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

Redemption of Bonds Prior to Maturity

At the option of the city, bonds maturing on August 15, 2000, and thereafter will be subject to redemption and payment prior to maturity on August 15, 1999, and thereafter in whole on any date or in part on any interest payment date (bonds of less than a single maturity to be selected by lot in multiples of \$5,000 principal amount by the paying agent and bond registrar in such equitable manner as it shall designate), at the redemption price equal to the principal amount thereof, plus a premium of 1 percent of the principal amount redeemed, such premium to decline one-quarter of 1 percent each interest

payment date thereafter, plus accrued interest thereon to the date fixed for redemption and payment.

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

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

Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed a rate equal to the index of treasury bonds published by *The Bond Buyer*, in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. No supplemental interest payments will be authorized. No bid of less than the principal amount of the bonds and accrued interest will be considered. Each bid shall specify the total interest cost to the city during the life of the bond issue on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid. Bidders shall specify in the bid form the prices (exclusive of accrued interest), expressed as a percentage of the principal amount thereof, at which the bidder intends that each maturity amount of the bonds shall be initially offered to the public (the initial reoffering prices). All bonds maturing on or after August 15, 2002, must be reoffered at 100 percent of the principal amount thereof.

Basis of Award

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

termine which bid, if any, shall be accepted, and its termination 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 city. The bonds will be general obligations of the city payable as to both principal and interest in part from special assessments levied upon specially benefited property and, 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 city. 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 city.

Internal Revenue Code of 1986

The Internal Revenue Code of 1986 imposes requirements on the city which must be met subsequent to the issuance of the bonds by the city and, as a result, the city will and does hereby covenant that it will diligently undertake those steps necessary to maintain the tax-exempt status of the bonds. The city'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 city'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 current earnings of certain corporations in the calculation of alternative minimum taxable income 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 may subject certain bondowners to additional taxation for interest earned on the bonds.

The code also requires property and casualty insurance companies to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on such obligations. 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. The city *does not* intend to designate the bonds as "qualified tax-exempt obligations" under Section 265 of the code.

Legal Opinion

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose approving legal opinion as to the valid-

ity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder when the bonds are delivered. Said opinion will also state that in the opinion of bond counsel, assuming continued compliance by the city with the provisions of the ordinance authorizing the issuance of the bonds and the code, under existing law, the interest on the bonds is excludable from gross income from federal income tax purposes. Interest on the bonds will also be excludable from the computation of Kansas adjusted gross income.

Delivery and Payment

The city will pay for printing the bonds and will deliver the bonds, without cost to the successful bidder, properly prepared, executed and registered, on or about June 14, 1994, at such bank or trust company in the contiguous United States of America as may be specified by the successful bidder. Said bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate regarding the completeness and accuracy of the official statement. Payment for the bonds shall be made in Federal Reserve funds, immediately subject to use by the city. The denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar not later than 1 p.m. C.D.T. on June 3, 1994. In the absence of such information, the city will deliver bonds in the denomination of each maturity registered in the name of the successful bidder.

The successful bidder shall furnish the city by 1 p.m. C.D.T. on June 3, 1994, a certificate acceptable to the city'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, which initial reoffering prices must reflect that all bonds maturing on or after August 15, 2002, are being reoffered at a price equal to 100 percent of the principal amount thereof, 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 \$140,900, payable to the order of the city to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. No interest will be paid upon the deposit made by the successful bidder. Said check shall be returned to the bidder if the bid is not accepted. If a bid is accepted, said check shall be held by the city until the bidder shall have complied with all of the terms and

(continued)

conditions of this notice, at which time said check shall, at the option of the city, be returned to the successful bidder or deducted from the purchase price. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check shall be returned to the bidder, with the city having no further obligations due 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 forfeited to the city, and the city reserves the right to pursue any consequential damages as result of such default.

CUSIP Numbers

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

Bond Ratings

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

Bid Forms

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

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Proposal for the Purchase of General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at City Hall and must be received by the undersigned prior to 11 a.m. C.D.T. on Tuesday, May 31, 1994.

Delivery of Preliminary and Final Official Statement

The city has authorized the preparation and disbursement of a preliminary official statement containing information relating to both the bonds and the city's temporary notes, Series 1994-A, in the aggregate principal amount of \$9,850,000, being concurrently issued with the bonds. The preliminary official statement comprises the final official statement required by Rule 15c2-12 of the Securities and Exchange Commission.

The preliminary official statement, when amended to include the interest rates specified by the successful purchaser and the price or yield at which the purchaser will re-offer the bonds to the public, together with any other information required by law, will constitute a "Final Official Statement" with respect to the notes and bonds as that term is defined in Rule 15c2-12. No more than seven business days after the date of the sale of the bonds, the city will provide without cost to the purchaser such reasonable number of printed copies of the final official

statement as such purchaser may request without cost to the purchaser, and further copies, if desired, will be made available at the purchaser's expense. If the sale of the bonds is awarded to a syndicate, the city will designate the senior managing purchaser of the syndicate as its agent for purposes of distributing copies of the final official statement to each participating purchaser. Any purchaser executing and delivering a bid form with respect to the bonds agrees thereby that if the bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating purchasers for the purpose of assuring the receipt and distribution by each such participating purchaser of the final official statement.

The city will deliver to the purchaser on the date of delivery of the bonds a certificate executed by the city controller and the city clerk to the effect that the final official statement, as of the date of delivery of the bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances in which they are made, not misleading.

Copies of the city's preliminary official statement relating to the bonds may be obtained from the city clerk or the city's financial advisor, MG McMahon & Co., 4310 Madison Ave., Suite 200, Kansas City, MO 64111, (816) 531-1777, FAX (816) 531-0503.

Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property (including motor vehicles) within the city as of November 1, 1993, is \$628,536,735. The total general obligation bonded indebtedness of the city, following the concurrent issuance of the bonds and the city's temporary notes, Series 1994-A, dated June 1, 1994, in the aggregate principal amount of \$9,850,000 is \$129,910,000. There will be retired out of the proceeds of the bonds the city's 1994-A Temporary Notes and other legally available funds, temporary notes in the aggregate principal amount of \$6,080,000. A description of the city's temporary notes, Series 1994-A, is set forth within the city's official statement relating to both the bonds and the notes. In accordance with the financial advisor's agreement with the city, the financial advisor will not be submitting a bid or participating in a group submitting a bid for the purchase of the bonds.

Dated May 12, 1994.

City of Topeka, Kansas
Iris E. Walker
City Clerk
City Hall
215 E. 7th
Topeka, KS 66603
(913) 295-3940

Doc. No. 014897

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, KDOT, Topeka, until 10 a.m. June 16, and then publicly opened:

District One—Northeast

Douglas—40-23 TE-0050-01—U.S. 40, east of the South Lawrence Trafficway, pedestrian bicycle underpass. (Federal Funds)

Douglas—10-23 K-3359-10—K-10, South Lawrence Trafficway from 0.6 mile south of county road 438 south to 0.4 mile south of U.S. of 40, grading and bridges. (Federal Funds)

Johnson—169-46 K-5343-01—Intersection of U.S. 169 and 175th Street and U.S. 169 and 199th Street, intersection improvements. (Federal Funds)

Osage—35-70 K-5028-01—I-35, 0.3 mile east of the east junction of K-31, northeast to Osage-Franklin county line, 5.1 miles, pavement reconstruction. (Federal Funds)

Saline/Dickinson/Geary—106 K-5550-01—I-70, from the K-143 interchange at Salina east to the Geary-Riley county line, except portion K-15 at Abilene to K-57 at Grandview Plaza, 38 miles, signing. (State Funds)

Shawnee—70-89 K-5559-01—I-70, from the east end of Polk-Quincy Viaduct east to the KTA, 3.9 miles, signing. (State Funds)

Various counties—106 K-5051-94—Travel and tourism signing, signing. (State Funds)

District Two—Northcentral

Geary—31 C-2310-01—County road, from Junction City then southwest, 6.1 miles, surfacing. (Federal Funds)

Marion—50-57 K-3046-03—U.S. 50, from 690 feet west of the west city limits of Peabody, then east, 1.4 miles, surfacing. (Federal Funds)

Marion—50-57 K-3219-02—U.S. 50, from the Harvey-Marion county line to 690 feet west of the city limits of Peabody, 1.9 miles, surfacing. (Federal Funds)

Mitchell—62 C-3135-01—County road, from Tipton east, 5 miles, surfacing. (Federal Funds)

District Three—Northwest

Logan—55 C-2786-01—County road, from Winona, then north, 6 miles, surfacing. (Federal Funds)

Osborne—281-71 K-5242-01—U.S. 281, bridge 36, north fork Solomon River, bridge overlay. (State Funds)

Sheridan—90 C-3044-01—County road, 11 miles south and 9.2 miles west of Hoxie, 0.2 mile, grading and bridge. (Federal Funds)

Smith—281-92 K-5248-01—U.S. 281, bridge 21, Lindley Creek, 0.1 mile north of the Smith-Osborne county line, bridge overlay. (State Funds)

Thomas—70-97 K-5572-01—I-70, from the Sherman-Thomas county line, east 4.4 miles, overlay. (State Funds)

Thomas—70-97 M-1775-01—I-70, from the K-25/I-70 junction, then southeast, 9 miles, crack seal, recycling and overlay. (State Funds)

District Four—Southeast

Anderson—59-2 K-5357-01—U.S. 59/K-31 and Park Road in Garnett, traffic signal. (State Funds)

Coffey—35-16 K-5215-01—I-35, five bridges in Coffey County, bridge overlay. (State Funds)

Coffey—75-16 K-5379-01—U.S. 75 and Cross Street in Burlington, traffic signal. (State Funds)

Franklin—35-30 K-3596-01—I-35, from the Osage-Franklin county line, northeast to 0.3 mile east of the junction of K-273, 2.5 miles, grading, bridge and surfacing. (Federal Funds)

District Five—Southcentral

Barton—281-5 K-4618-01—U.S. 281, from the junction of K-4 south 1,000 feet in Hoisington, 0.2 mile, pavement reconstruction. (State Funds)

Harvey—50-40 K-4058-03—U.S. 50, from the east city limits of Walton northeast to the Harvey-Marion county line, 6.9 miles, surfacing. (Federal Funds)

Sedgwick—87 U-1363-01—Maize Road, from West Central to 13th Street in Wichita, 1 mile, grading and surfacing. (Federal Funds)

Stafford—281-93 K-4106-01—U.S. 281, from the junction of K-19, north to Stafford-Barton county line, 7.1 miles, recycling. (State Funds)

District Six—Southwest

Finney—50-28 K-4430-01—U.S. 50, from the south junction of U.S. 83, east 2.3 miles at Garden City, 2.2 miles grading and surfacing. (State Funds)

Lane—51 C-3138-01—County road, 4.5 miles east of Dighton, then north, 10.5 miles, surfacing. (Federal Funds)

Seward—54-88 K-4437-01—U.S. 54, Pershing Avenue to Country Estates at Liberal, 1.5 miles, grading, bridge and surfacing. (State Funds)

Seward—54-88 U-1347-01—U.S. 54, east of Clay Avenue to Pershing Avenue at Liberal, 0.2 mile, grading. (State 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

(continued)

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 KDOT district office responsible for the work.

Michael L. Johnston
Secretary of Transportation

Doc. No. 014896

INDEX TO ADMINISTRATIVE REGULATIONS

This index lists in numerical order the new, amended and revoked administrative regulations and the volume and page number of the *Kansas Register* issue in which more information can be found. This cumulative index supplements the index found in the 1993 Supplement to the *Kansas Administrative Regulations*.

AGENCY 1: DEPARTMENT OF ADMINISTRATION

Reg. No.	Action	Register
1-2-30	Amended	V. 12, p. 902
1-2-46	Amended	V. 12, p. 1705
1-5-15	Amended	V. 12, p. 1705
1-5-28	Amended	V. 12, p. 902
1-6-22a	New	V. 12, p. 1706
1-6-23	Amended	V. 12, p. 1706
1-7-4	Amended	V. 12, p. 1707
1-9-5	Amended	V. 12, p. 902
1-9-6	Amended	V. 12, p. 1708
1-9-13	Amended	V. 12, p. 1709
1-9-21	Amended	V. 12, p. 903
1-9-23	Amended	V. 12, p. 903
1-9-24	New	V. 12, p. 1709, 1779
1-10-6	Amended	V. 12, p. 1709
1-13-1a	Amended	V. 12, p. 1709
1-14-6	Amended	V. 12, p. 1817
1-14-7	Amended	V. 12, p. 1817
1-14-8	Amended	V. 12, p. 1710
1-14-10	Amended	V. 12, p. 1818
1-14-12	New	V. 12, p. 1711
1-16-2	Amended	V. 12, p. 721, 864
1-16-2a	Amended	V. 12, p. 721, 864
1-16-2b	Amended	V. 12, p. 721, 864
1-16-2d	Amended	V. 12, p. 721, 864
1-16-2f	Revoked	V. 12, p. 722, 865
1-16-2k	Amended	V. 12, p. 722, 865
1-16-22	Amended	V. 12, p. 865
1-17-13	Amended	V. 13, p. 720
1-18-1a	Amended	V. 12, p. 865
1-21-1	Amended	V. 12, p. 865
1-21-2	Amended	V. 12, p. 866
1-21-3	Revoked	V. 12, p. 866
1-21-4	Amended	V. 12, p. 866
1-21-5	Revoked	V. 12, p. 866
1-21-6	Revoked	V. 12, p. 866
1-21-7	Amended	V. 12, p. 866
1-21-8	Revoked	V. 12, p. 866
1-21-9	Revoked	V. 12, p. 866
1-21-10	Revoked	V. 12, p. 866
1-21-11	Revoked	V. 12, p. 866
1-21-12	Amended	V. 12, p. 866
1-22-1 through 1-22-5	Revoked	V. 12, p. 722, 867
1-28-1	Revoked	V. 12, p. 867
1-28-2	Revoked	V. 12, p. 867
1-49-1	Amended	V. 13, p. 720
1-49-11	New	V. 12, p. 1711
1-50-2	Revoked	V. 12, p. 867

AGENCY 2: MUNICIPAL ACCOUNTING BOARD

Reg. No.	Action	Register
2-3-3	Revoked	V. 12, p. 887

AGENCY 4: BOARD OF AGRICULTURE

Reg. No.	Action	Register
4-8-14a	Amended	V. 12, p. 1212
4-8-28	Amended	V. 12, p. 1212
4-8-32	Amended	V. 12, p. 1213

AGENCY 5: BOARD OF AGRICULTURE—DIVISION OF WATER RESOURCES

Reg. No.	Action	Register
5-1-1	Amended	V. 13, p. 491
5-1-2	New	V. 13, p. 493
5-3-4a	Amended	V. 13, p. 493
5-3-5e	New	V. 13, p. 493
5-4-4	New	V. 13, p. 493
5-7-1	Amended	V. 13, p. 494
5-7-3	Revoked	V. 13, p. 494
5-7-4	New	V. 13, p. 495
5-11-1	New	V. 13, p. 495
5-11-2	New	V. 13, p. 496
5-21-1	Amended	V. 13, p. 443
5-21-3	Amended	V. 13, p. 444
5-21-4	New	V. 13, p. 444
5-22-1	Amended	V. 13, p. 91
5-22-2	Amended	V. 13, p. 92
5-22-7	Amended	V. 13, p. 92
5-22-8	Amended	V. 13, p. 93

AGENCY 7: SECRETARY OF STATE

Reg. No.	Action	Register
7-23-2	Amended	V. 13, p. 5
7-23-12	New	V. 13, p. 5
7-23-13	New	V. 13, p. 276
7-27-1	Amended	V. 12, p. 1336
7-29-1	Revoked	V. 12, p. 1336
7-29-2	Amended	V. 12, p. 1336
7-36-1 through 7-36-6	New	V. 13, p. 5

AGENCY 17: STATE BANKING DEPARTMENT

Reg. No.	Action	Register
17-11-21	Amended	V. 12, p. 1176
17-15-1	Amended	V. 12, p. 311
17-16-8	Amended	V. 12, p. 314
17-21-1	Amended	V. 12, p. 314
17-21-2	Amended	V. 12, p. 314
17-22-1	Amended	V. 12, p. 1015
17-23-1 through 17-23-16	New	V. 13, p. 49-57

AGENCY 19: KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

Reg. No.	Action	Register
19-29-1a	New	V. 12, p. 1336

AGENCY 20: CRIME VICTIMS COMPENSATION BOARD

Reg. No.	Action	Register
20-1-1	Amended	V. 12, p. 1487
20-2-3	New	V. 12, p. 1487
20-2-6	New	V. 12, p. 1488
20-2-7	New	V. 12, p. 1488
20-2-8	New	V. 12, p. 1488
20-2-9	New	V. 12, p. 1488

AGENCY 22: STATE FIRE MARSHAL

Reg. No.	Action	Register
22-1-2	Amended	V. 12, p. 444
22-1-3	New	V. 12, p. 444
22-1-4	New	V. 12, p. 444
22-1-5	New	V. 12, p. 445
22-1-6	New	V. 12, p. 445
22-2-1	Revoked	V. 12, p. 445
22-3-1	Revoked	V. 12, p. 445
22-3-2	Revoked	V. 12, p. 445
22-4-1	Revoked	V. 12, p. 445

22-5-3	Amended	V. 12, p. 445
22-6-8	New	V. 12, p. 976
22-6-10	Revoked	V. 12, p. 445
22-6-17	Revoked	V. 12, p. 445
22-7-1	Revoked	V. 12, p. 445
22-7-2	Revoked	V. 12, p. 445
22-7-3	Revoked	V. 12, p. 445
22-7-5	Revoked	V. 12, p. 445
22-7-6 through 22-7-12	New	V. 12, p. 445-447
22-8-1	Revoked	V. 12, p. 448
22-10-3a	Revoked	V. 12, p. 448
22-10-10	Revoked	V. 12, p. 448
22-10-12	Revoked	V. 12, p. 448
22-10-13	Revoked	V. 12, p. 448
22-10-14	Revoked	V. 12, p. 448
22-10-17	Revoked	V. 12, p. 448
22-10-18	New	V. 12, p. 448
22-10-19	New	V. 12, p. 448
22-13-35	Revoked	V. 12, p. 449
22-18-3	Amended	V. 12, p. 449
22-19-1	Amended	V. 12, p. 450
22-19-2	Amended	V. 12, p. 450
22-19-3	Amended	V. 12, p. 451
22-19-4	Revoked	V. 12, p. 451
22-19-5	New	V. 12, p. 451
22-20-1	Revoked	V. 12, p. 451
22-22-1	New	V. 12, p. 451

AGENCY 23: DEPARTMENT OF WILDLIFE AND PARKS

Reg. No.	Action	Register
23-4-1	Revoked	V. 12, p. 1702
23-6-8	Revoked	V. 12, p. 1702
23-16-1	Revoked	V. 12, p. 1702
23-19-1	Revoked	V. 12, p. 1702

AGENCY 25: STATE GRAIN INSPECTION DEPARTMENT

Reg. No.	Action	Register
25-1-8	Revoked	V. 12, p. 1460, 1571
25-1-15	Amended	V. 12, p. 1460, 1571
25-1-16	Revoked	V. 12, p. 1461, 1571
25-1-17	Revoked	V. 12, p. 1461, 1571

AGENCY 26: DEPARTMENT ON AGING

Reg. No.	Action	Register
26-5-5	Amended	V. 12, p. 1118
26-5-6	Amended	V. 12, p. 1118
26-8-1	Amended	V. 12, p. 1119, 1150
26-8-3	Amended	V. 12, p. 1120, 1152
26-8-4	Amended	V. 12, p. 1120, 1152
26-8-7	Amended	V. 12, p. 1120, 1152

AGENCY 28: DEPARTMENT OF HEALTH AND ENVIRONMENT

Reg. No.	Action	Register
28-1-2	Amended	V. 12, p. 315
28-1-18	Amended	V. 12, p. 1057
28-4-350	Amended	V. 12, p. 1042
28-4-351	Amended	V. 12, p. 1042
28-4-352	Amended	V. 12, p. 1043
28-4-353	Amended	V. 12, p. 1043
28-4-353a	New	V. 12, p. 1045
28-4-353b	New	V. 12, p. 1046
28-4-354	Amended	V. 12, p. 1047
28-4-355	Amended	V. 12, p. 1048
28-4-355a	New	V. 12, p. 1049
28-4-355b	New	V. 12, p. 1049
28-4-356	Amended	V. 12, p. 1051
28-4-357	Amended	V. 12, p. 1053
28-4-358	Amended	V. 12, p. 1054
28-4-359	Amended	V. 12, p. 1054
28-4-360	Amended	V. 12, p. 1057
28-15-11	Amended	V. 12, p. 725
28-15-13	Amended	V. 12, p. 727
28-15-21	New	V. 12, p. 728
28-15-35	Amended	V. 12, p. 1847
28-15-36	Amended	V. 12, p. 1849

91-12-64 Amended V. 12, p. 599
 91-12-65 Amended V. 12, p. 600
 91-12-71 Amended V. 12, p. 1935

AGENCY 98: KANSAS WATER OFFICE

Reg. No. Action Register
 98-5-2 Amended V. 12, p. 351
 98-5-3 Amended V. 12, p. 352
 98-5-5 Amended V. 12, p. 353

AGENCY 100: BOARD OF HEALING ARTS

Reg. No. Action Register
 100-10a-1 Amended V. 13, p. 637
 100-11-1 Amended V. 12, p. 1704
 100-24-1 Amended V. 13, p. 638
 100-26-1 New V. 13, p. 638
 100-35-7 Amended V. 13, p. 638
 100-38-1 Amended V. 12, p. 1704
 100-46-3 Amended V. 13, p. 638
 100-46-5 Amended V. 13, p. 638
 100-46-6 New V. 12, p. 679
 100-47-1 Amended V. 12, p. 679
 100-49-4 Amended V. 12, p. 1704
 100-54-6 Amended V. 12, p. 1704
 100-55-6 Amended V. 12, p. 1704
 100-60-13 Amended V. 13, p. 638

AGENCY 102: BEHAVIORAL SCIENCES REGULATORY BOARD

Reg. No. Action Register
 102-1-13 Amended V. 12, p. 1038
 102-5-1 through 102-5-12 New V. 12, p. 189-194
 102-5-2 Amended V. 12, p. 1038

AGENCY 105: BOARD OF INDIGENTS' DEFENSE SERVICES

Reg. No. Action Register
 105-2-1 Amended V. 13, p. 183
 105-3-2 Amended V. 12, p. 976, 1013
 105-3-11 New V. 13, p. 184
 105-5-2 Amended V. 13, p. 184
 105-5-6 Amended V. 12, p. 977, 1013
 105-5-7 Amended V. 12, p. 977, 1014
 105-5-8 Amended V. 12, p. 977, 1014
 105-5-9 New V. 12, p. 1014
 105-9-5 New V. 12, p. 1014
 105-10-1 Revoked V. 13, p. 184
 105-10-1a New V. 13, p. 184
 105-10-3 New V. 13, p. 184
 105-10-4 New V. 13, p. 185
 105-10-5 New V. 13, p. 185

AGENCY 109: BOARD OF EMERGENCY MEDICAL SERVICES

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 109-1-1 Amended V. 12, p. 1873
 109-2-5 Amended V. 12, p. 1015
 109-2-8 Amended V. 12, p. 1016
 109-5-1 Amended V. 12, p. 1018
 109-9-4 Amended V. 12, p. 1874
 109-9-5 Amended V. 12, p. 1875
 109-10-2 Amended V. 12, p. 1091
 109-10-3 New V. 12, p. 1875
 109-10-4 New V. 12, p. 1876
 109-11-1 Amended V. 12, p. 1876
 109-11-4 Amended V. 12, p. 1019
 109-11-8 Amended V. 12, p. 1876
 109-13-1 New V. 12, p. 1877
 109-13-3 New V. 12, p. 1877

AGENCY 110: DEPARTMENT OF COMMERCE AND HOUSING

Reg. No. Action Register
 110-6-1 through 110-6-6 New V. 12, p. 1294, 1295, 1489, 1490
 110-6-7 New V. 12, p. 1490

AGENCY 111: THE KANSAS LOTTERY

Reg. No. Action Register
 111-1-2 Amended V. 7, p. 1190
 111-1-5 Amended V. 8, p. 586
 111-2-1 Amended V. 7, p. 1995
 111-2-2 Amended V. 12, p. 1261
 111-2-2a Revoked V. 9, p. 1675
 111-2-6 Revoked V. 13, p. 149
 111-2-7 Revoked V. 10, p. 1210
 111-2-13 Revoked V. 10, p. 881
 111-2-14 New V. 9, p. 30

111-2-15 Revoked V. 10, p. 881
 111-2-16 Revoked V. 10, p. 1210
 111-2-17 Revoked V. 10, p. 1210
 111-2-18 Revoked V. 11, p. 413
 111-2-19 Revoked V. 11, p. 413
 111-2-20 New V. 11, p. 199
 111-2-21 New V. 11, p. 1471
 111-2-22 New V. 11, p. 1972
 111-2-23 New V. 12, p. 113
 111-2-24 Amended V. 12, p. 912
 111-2-25 New V. 12, p. 677
 111-2-26 New V. 12, p. 1113
 111-2-27 New V. 12, p. 1370
 111-2-28 New V. 12, p. 1844
 111-2-29 New V. 12, p. 1844
 111-3-1 Amended V. 13, p. 34
 111-3-6 Amended V. 12, p. 677
 111-3-9 Revoked V. 11, p. 1793
 111-3-10 through 111-3-31 New V. 7, p. 201-206
 111-3-11 Amended V. 13, p. 35
 111-3-12 Amended V. 10, p. 12
 111-3-13 Amended V. 11, p. 1148
 111-3-14 Amended V. 10, p. 12
 111-3-16 Amended V. 9, p. 1566
 111-3-19 through 111-3-22 Amended V. 9, p. 30
 111-3-20 Amended V. 11, p. 1148
 111-3-21 Amended V. 11, p. 1148
 111-3-22 Amended V. 11, p. 1148
 111-3-23 Revoked V. 10, p. 883
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 111-4-1 through 111-4-5 Revoked V. 12, p. 113
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 111-4-6 through 111-4-15 Revoked V. 12, p. 113
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 111-4-100 Amended V. 12, p. 1113
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 111-4-103 Amended V. 10, p. 1211
 111-4-104 Amended V. 12, p. 1114
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 111-4-110 Amended V. 11, p. 978
 111-4-111 Amended V. 9, p. 1366
 111-4-112 Amended V. 12, p. 1114
 111-4-113 Amended V. 9, p. 1366
 111-4-114 Amended V. 9, p. 1366
 111-4-153 through 111-4-160 Revoked V. 9, p. 1676, 1677
 111-4-177 through 111-4-212 Revoked V. 9, p. 1677, 1678
 111-4-213 through 111-4-220 Revoked V. 10, p. 1213
 111-4-217 Amended V. 9, p. 986
 111-4-221 through 111-4-224 Revoked V. 10, p. 1585
 111-4-225 through 111-4-228 Revoked V. 10, p. 1585
 111-4-229 through 111-4-236 Revoked V. 10, p. 1585, 1586
 111-4-237 through 111-4-240 Revoked V. 11, p. 413

111-4-241 through 111-4-244 Revoked V. 12, p. 1371
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 111-4-249 through 111-4-256 Revoked V. 12, p. 113, 114
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 111-4-287 through 111-4-290 Revoked V. 12, p. 1371
 111-4-291 through 111-4-300 Revoked V. 12, p. 114
 111-4-301 through 111-4-307 New V. 10, p. 1015, 1016
 111-4-301 Amended V. 12, p. 1115
 111-4-303 Amended V. 12, p. 1115
 111-4-304 Amended V. 12, p. 1115
 111-4-306 Amended V. 12, p. 1115
 111-4-308 through 111-4-320 New V. 10, p. 1214, 1215
 111-4-308 Amended V. 12, p. 1261
 111-4-311 Amended V. 12, p. 1262
 111-4-312 Amended V. 12, p. 1262
 111-4-313 Amended V. 12, p. 1262
 111-4-318 through 111-4-321 Revoked V. 12, p. 114
 111-4-322 through 111-4-331 New V. 10, p. 1411-1413
 111-4-322 through 111-4-327 Revoked V. 12, p. 1371
 111-4-328 through 111-4-335 Revoked V. 12, p. 114
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 111-4-346 through 111-4-340 Amended V. 12, p. 1371, 1372
 111-4-341 Revoked V. 11, p. 1473
 111-4-341a Revoked V. 12, p. 1372
 111-4-341b Amended V. 12, p. 1372
 111-4-341c New V. 12, p. 1664
 111-4-344 Amended V. 12, p. 1373
 111-4-346 through 111-4-361 New V. 10, p. 1586-1589
 111-4-346 through 111-4-349 Revoked V. 12, p. 114
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 111-4-379 through 111-4-369 Revoked V. 12, p. 1373
 111-4-380 through 111-4-383 Revoked V. 12, p. 1664
 111-4-384 through 111-4-387 Revoked V. 12, p. 1373
 111-4-388 through 111-4-400 New V. 11, p. 478-481
 111-4-388 through 111-4-391 Revoked V. 12, p. 1373
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 111-4-401 through 111-4-404 Revoked V. 12, p. 1373
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111-4-405 through			111-5-19	Amended	V. 8, p. 212	111-9-1 through		
111-4-413	New	V. 11, p. 756, 757	111-5-21 through			111-9-12	New	V. 7, p. 1714-1716
111-4-405	Amended	V. 12, p. 912	111-5-22	New	V. 11, p. 415-418	111-9-1 through		
111-4-407	Amended	V. 12, p. 912	111-5-23	Amended	V. 11, p. 481	111-9-6	Revoked	V. 9, p. 1680
111-4-408	Amended	V. 12, p. 912	111-5-24	Amended	V. 11, p. 983	111-9-13 through		
111-4-409	Amended	V. 11, p. 1473, 1474	111-5-25	Amended	V. 11, p. 482	111-9-18	Revoked	V. 9, p. 1680
111-4-411	Amended	V. 11, p. 1474	111-5-27	Amended	V. 11, p. 482	111-9-25 through		
111-4-412	Amended	V. 11, p. 1475	111-5-28	Amended	V. 12, p. 317	111-9-30	New	V. 9, p. 699, 700
111-4-413	Amended	V. 11, p. 1475	111-5-34	New	V. 12, p. 318	111-9-31 through		
111-4-414			111-5-35 through			111-9-36	New	V. 10, p. 262
111-4-428	New	V. 11, p. 981-983	111-5-38	New	V. 12, p. 526	111-9-37 through		
111-4-414	Amended	V. 11, p. 1150	111-6-1 through			111-9-48	New	V. 10, p. 1439, 1440
111-4-429 through			111-6-15	New	V. 7, p. 213-217	111-9-49 through		
111-4-432	Revoked	V. 12, p. 1373	111-6-1	Amended	V. 13, p. 339	111-9-54	New	V. 12, p. 318, 319
111-4-433 through			111-6-3	Amended	V. 12, p. 527	111-9-55 through		
111-4-436	Revoked	V. 12, p. 1374	111-6-4	Amended	V. 10, p. 1413	111-9-60	New	V. 12, p. 1263, 1264
111-4-437 through			111-6-5	Amended	V. 12, p. 1262	111-10-1 through		
111-4-444	New	V. 11, p. 1475-1477	111-6-6	Amended	V. 11, p. 1973	111-10-9	New	V. 8, p. 136-138
111-4-437 through			111-6-7	Amended	V. 11, p. 1477	111-10-7	Amended	V. 8, p. 301
111-4-440	Revoked	V. 12, p. 1374	111-6-7a	New	V. 12, p. 1118	AGENCY 112: KANSAS RACING COMMISSION		
111-4-445 through			111-6-8	Revoked	V. 12, p. 1263	Reg. No.	Action	Register
111-4-453	New	V. 11, p. 1794-1796	111-6-9	Amended	V. 10, p. 1217	112-4-1	Amended	V. 12, p. 1152, 1369
111-4-445 through			111-6-11	Revoked	V. 12, p. 1376	112-4-24	New	V. 12, p. 1153, 1370
111-4-448	Revoked	V. 12, p. 1374	111-6-12	Amended	V. 8, p. 212	112-9-2	Amended	V. 12, p. 975, 1211
111-4-454 through			111-6-13	Amended	V. 8, p. 299	112-9-18a	Amended	V. 12, p. 355, 378
111-4-465	Revoked	V. 12, p. 1664, 1665	111-6-15	Amended	V. 12, p. 677	112-9-30	Amended	V. 12, p. 975, 1211
111-4-466 through			111-6-17	Revoked	V. 10, p. 1475	112-9-39a	Amended	V. 12, p. 356, 378
111-4-473	New	V. 12, p. 316, 317	111-6-18	New	V. 13, p. 150	112-9-40a	Amended	V. 12, p. 356, 379
111-4-466 through			111-6-19	New	V. 13, p. 340	112-9-41a	Amended	V. 12, p. 358, 380
111-4-473	New	V. 12, p. 316, 317	111-6-20	New	V. 13, p. 340	112-9-42	Amended	V. 12, p. 359, 382
111-4-466 through			111-7-1 through			112-9-43	Amended	V. 12, p. 361, 383
111-4-469	Revoked	V. 12, p. 1665	111-7-10	New	V. 7, p. 1192, 1193	112-9-44	New	V. 12, p. 361, 384
111-4-470	Amended	V. 12, p. 522	111-7-1	Amended	V. 8, p. 212	112-12-1	New	V. 12, p. 50
111-4-474 through			111-7-3	Amended	V. 11, p. 1796	112-12-2 through		
111-4-488	New	V. 12, p. 522-524	111-7-3a	Revoked	V. 13, p. 340	112-12-11	Amended	V. 12, p. 50-53
111-4-489 through			111-7-4	Amended	V. 9, p. 1367	112-12-10	Amended	V. 12, p. 1816
111-4-492	New	V. 12, p. 861	111-7-5	Amended	V. 9, p. 986	112-17-15	New	V. 12, p. 1034, 1211
111-4-493 through			111-7-6	Amended	V. 9, p. 987	AGENCY 115: DEPARTMENT OF WILDLIFE AND PARKS		
111-4-496	New	V. 12, p. 525	111-7-9	Amended	V. 12, p. 1263	Reg. No.	Action	Register
111-4-497 through			111-7-11	Amended	V. 10, p. 1475	115-2-1	Amended	V. 13, p. 233
111-4-500	New	V. 12, p. 913, 914	111-7-12 through			115-4-1	Amended	V. 12, p. 570
111-4-501 through			111-7-32	New	V. 7, p. 1194-1196	115-4-3	Amended	V. 12, p. 570
111-4-512			111-7-33 through			115-4-5	Amended	V. 12, p. 571
111-4-513 through			111-7-43	New	V. 7, p. 1197, 1198	115-4-6	Amended	V. 13, p. 592
111-4-521			111-7-33a	New	V. 8, p. 300	115-4-7	Amended	V. 13, p. 594
111-4-522 through			111-7-44 through			115-5-1	Amended	V. 12, p. 1490
111-4-530	New	V. 12, p. 1569, 1570	111-7-54	Revoked	V. 13, p. 340	115-8-22	New	V. 13, p. 233
111-4-531 through			111-7-46	Amended	V. 11, p. 1152	115-9-1	Revoked	V. 12, p. 1702
111-4-534	New	V. 12, p. 1665, 1666	111-7-54	Amended	V. 11, p. 1511	115-17-16 through		
111-4-535 through			111-7-55 through			115-17-20	New	V. 13, p. 234-236
111-4-542	New	V. 12, p. 1844-1846	111-7-63	Revoked	V. 10, p. 1217	115-17-15	New	V. 12, p. 1702
111-4-543 through			111-7-60	Amended	V. 10, p. 262	115-18-4	Amended	V. 12, p. 1491
111-4-546	New	V. 13, p. 150	111-7-64 through			115-18-9	New	V. 12, p. 1702
111-4-547 through			111-7-75	New	V. 11, p. 13, 14	115-18-10	New	V. 12, p. 1702
111-4-554	New	V. 13, p. 337-339	111-7-66	Amended	V. 12, p. 1666	115-18-12	New	V. 12, p. 1491
111-4-555 through			111-7-66a	Revoked	V. 13, p. 340	115-21-3	New	V. 12, p. 1703
111-4-563	New	V. 13, p. 396-398	111-7-76 through			115-30-8	Amended	V. 12, p. 1703
111-4-564 through			111-7-78	New	V. 11, p. 1478-1480	115-30-10	New	V. 13, p. 595
111-4-571	New	V. 13, p. 635-637	111-7-79	Revoked	V. 11, p. 1478-1480	AGENCY 116: STATE FAIR BOARD		
111-5-1 through			111-7-80 through			Reg. No.	Action	Register
111-5-23	New	V. 7, p. 209-213	111-7-83	New	V. 11, p. 1478-1480	116-3-1	New	V. 12, p. 1175
111-5-9 through			111-7-84 through			116-3-2	New	V. 12, p. 1175
111-5-15	Amended	V. 8, p. 210, 211	111-7-90	New	V. 12, p. 677, 678	AGENCY 117: REAL ESTATE APPRAISAL BOARD		
111-5-11	Amended	V. 9, p. 505	111-7-91 through			Reg. No.	Action	Register
111-5-12	Amended	V. 11, p. 415	111-7-94	Revoked	V. 13, p. 340	117-1-1	Amended	V. 12, p. 528
111-5-17	Amended	V. 8, p. 211	111-7-98	New	V. 12, p. 914	117-2-1	Amended	V. 12, p. 528
111-5-18	Amended	V. 10, p. 13	111-7-99 through			117-2-4	Amended	V. 12, p. 529
			111-7-105	New	V. 12, p. 1376, 1377	117-3-1	Amended	V. 12, p. 529
			111-8-1	New	V. 7, p. 1633	117-4-1	Amended	V. 12, p. 1699
			111-8-2	New	V. 7, p. 1633	117-4-4	Amended	V. 12, p. 530
			111-8-3	Amended	V. 10, p. 886	117-6-1	Amended	V. 12, p. 531
			111-8-4	New	V. 7, p. 1714	117-6-2	Amended	V. 12, p. 531
			111-8-4a	New	V. 7, p. 1995	117-8-1	Amended	V. 12, p. 531
			111-8-5 through					
			111-8-13	New	V. 7, p. 1634			

State of Kansas

Secretary of State

I, Bill Graves, Secretary of State of the State of Kansas, do hereby certify that each of the following bills is a correct copy of the original enrolled bill now on file in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed my official seal.

Bill Graves
Secretary of State

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 3068

AN ACT relating to income taxation; concerning refunds of tax on federal military retirement benefits.

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

Section 1. (a) The secretary of revenue is hereby authorized and directed to promptly negotiate, approve and recommend judicial approval of a settlement agreement to resolve all tax refund claims pending in the Barker class action for the amounts set forth in subsection (d). As used in this section, "Barker class action" means the consolidated class action styled *Keyton E. Barker, et al. v. State of Kansas, et al.*, Nos. 89-CV-666 and 89-CV-1100, filed in the district court of Shawnee county, Kansas. The settlement agreement shall include:

(1) Any stipulations, terms and conditions which may be necessary to effectuate the prompt and final disposition of the Barker class action;

(2) stipulations that the plaintiffs in the Barker class action shall dismiss, with prejudice, their pending motion for an award of attorney's fees under 42 U.S.C. 1988, and that class counsel in the Barker class action may submit one or more applications with the district court of Shawnee county, Kansas, for an award of reasonable litigation costs and expenses, including reasonable attorney's fees; and

(3) provisions for joint administration under the supervision of the secretary of revenue and class counsel or their respective designees in accordance with methodologies for the calculation and payment of refund claims to eligible persons. The settlement agreement shall be submitted to the district court of Shawnee county, Kansas, no later than June 15, 1994, and such court shall have all necessary jurisdiction to fully implement the provisions of this act.

(b) Subject to the provisions of subsection (c), any person who paid Kansas individual income tax on or on account of federal military retirement benefits for any or all of the tax years from 1984 through 1991 shall be entitled to receive refund payments in an aggregate amount equal to that portion of the tax actually paid pursuant to the Kansas income tax act which is attributable to federal military retirement benefits, plus interest on the amount of overpayment at the rate of 5% per annum from the date of overpayment through December 31, 1991, in accordance with the terms of the settlement agreement referenced in subsection (a) and the provisions of this act. Refund payments of such aggregate amount shall be made in three equal annual installments. As used in this section, "federal military retirement benefits" shall include all benefits calculated and paid by the United States in accordance with applicable provisions of title 10 and 14 of the United States code as retired pay, retainer pay or survivor's benefits. Where any person otherwise entitled to receive a refund payment under this section is deceased, such refund shall be paid upon a claim duly made on behalf of the estate of the deceased or in the absence of any such claim upon a claim by or on behalf of a surviving spouse and if none upon the claim of any heir at law.

(c) There is hereby created a military retirees income tax refund fund in the state treasury which shall be administered by the secretary of revenue in accordance with this section and appropriation acts. No expenditures from the military retirees income tax refund fund shall be made until and unless the settlement agreement ref-

erenced in subsection (a) is approved by the district court of Shawnee county, Kansas, after eligible persons have been afforded reasonable notice and an opportunity to be heard.

(1) In the event of judicial approval, administration of the military retirees income tax refund fund shall be subject to the jurisdiction and supervisory control of the district court of Shawnee county, Kansas, until such time as all refund payments have been made to eligible persons in accordance with the terms of the settlement agreement. The payment of refunds as provided in the settlement agreement shall represent a final and complete settlement of all claims, including any appeal or administrative process perfected pursuant to law for the purpose of obtaining a refund of income tax imposed upon federal military retirement benefits, of all federal military retired personnel for taxable years 1984 through 1991 against the state of Kansas, its departments, agencies, officials, employees and agents regarding the taxation of federal military retirement benefits for the taxable years 1984 through 1991. No claim for refund submitted by a federal military retired individual or, if such individual is deceased, on behalf of the estate of the deceased or, in the absence of any such claim, upon a claim by or on behalf of a surviving spouse and, if none, upon the claim of any heir-at-law, after 18 months from the date of judicial approval of the settlement agreement shall be allowed if due diligence has been exercised in attempting to locate any such individual. For so long as the judicial process is active in regard to the settlement agreement described herein, all administrative appeals or related activity by the director of taxation or the state board of tax appeals concerning claims for refunds of income tax imposed upon federal military retirement benefits for taxable years 1984 through 1991 shall be held in abeyance. Upon final judicial approval of the settlement agreement, all such administrative appeals shall be deemed dismissed with prejudice to all parties.

(2) In the event that the settlement agreement does not receive judicial approval, no expenditures or refund payments shall be made pursuant to this section, and all pending administrative appeals or related activities shall proceed in accordance with applicable law.

(d) (1) The aggregate amount, including interest thereon as provided by subsection (b), equal to that portion of Kansas individual income tax actually paid by all individuals for any or all of the taxable years 1984 through 1991, pursuant to the Kansas income tax act which is attributable to federal military retirement benefits, as calculated and determined pursuant to subsection (b), shall be certified on or before December 15, 1994, by the secretary of revenue to the director of accounts and reports.

(2) On December 20, 1994, the director of accounts and reports shall transfer the amount equal to 1/3 of the amount certified pursuant to paragraph (1) from the state budget stabilization fund to the military retirees income tax refund fund. On July 1, 1995, the director of accounts and reports shall transfer the amount equal to 1/3 of the amount certified pursuant to paragraph (1) from the state general fund to the military retirees income tax refund fund. On July 1, 1996, the director of accounts and reports shall transfer the amount equal to 1/3 of the amount certified pursuant to paragraph (1) from the state general fund to the military retirees income tax refund fund.

(3) Expenditures from the military retirees income tax refund fund shall be made upon warrants of the director of accounts and reports pursuant to vouchers approved by the secretary of revenue or by the secretary's designee in accordance with the settlement agreement referenced in subsection (a) as approved by the district court of Shawnee county, Kansas.

(e) If any clause, paragraph or subsection of this act shall be held invalid or unconstitutional, it shall be conclusively presumed that the legislature would have enacted the remainder of this act without such invalid or unconstitutional clause, paragraph or subsection.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 3089

AN ACT concerning automobiles and other vehicles; relating to the operation thereof; amending K.S.A. 8-253, 8-292, 8-1006, 8-1016 and 8-1019 and repealing the existing sections.

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

Section 1. K.S.A. 8-253 is hereby amended to read as follows: 8-253. (a) When K.S.A. 8-254, and amendments thereto, makes mandatory the revocation of a person's driving privileges by the division, the court in which such conviction or adjudication is had shall require the surrender to it of all driver's licenses then held by the person so convicted or adjudicated, and the court shall forward the same, or if such court has a clerk shall direct the clerk to forward the same, together with a record of such conviction or adjudication to the division, within 10 days from the date the conviction or adjudication becomes final.

(b) Every court having jurisdiction over offenses committed under the motor vehicle drivers' license act shall forward to the division a record of the conviction of any person by such court for a violation of that act. Such record shall be made upon any form approved by the division and shall include the name and address of the violator, the violator's driver's license number, the registration number of the vehicle involved, the nature of the offense, the date of hearing, the plea, the judgment or whether bail or bond was forfeited and the amount of the fine or forfeiture.

(c) For the purpose of this act, the term "conviction" means a final conviction and without regard to whether sentence was suspended or probation granted after such conviction. Also, for the purposes of this act, a forfeiture of bail, bond or collateral deposited to secure a defendant's appearance in court, which forfeiture has not been vacated, shall be equivalent to a conviction.

(d) The clerk of any court of record to which a conviction for violation of any law described in subsection (b) has been appealed shall within 10 days of the final disposition of the appeal forward a notification of such final disposition to the division.

Sec. 2. K.S.A. 8-292 is hereby amended to read as follows: 8-292. (a) Except as otherwise provided by law, whenever a statute authorizes the court to place restrictions on a person's driving privileges or whenever a municipal ordinance which prohibits the acts prohibited by such a statute so provides, a district or municipal court may enter an order restricting the person's driving privileges to driving only under the following circumstances: (1) In going to or returning from the person's place of employment or schooling; (2) in the course of the person's employment; (3) during a medical emergency; (4) in going to and returning from probation or parole meetings, drug or alcohol counseling or any place the person is required to go to attend an alcohol and drug safety action program as provided in K.S.A. 8-1008, and amendments thereto; (5) at such times of the day as may be specified by the order; and (6) to such places as may be specified by the order.

(b) Restrictions imposed pursuant to this section shall be for a period of not less than 90 days nor more than one year, as specified by the court order.

(c) Upon entering an order restricting a person's driving privileges under this section, the court shall require that the person surrender to the court any driver's license in the person's possession. The court shall transmit any such license to the division of vehicles of the department of revenue, together with a copy of the order. Upon its receipt, the division of vehicles shall issue without charge a driver's license which shall indicate on the face of the license that restrictions have been imposed on the person's driving privileges and that a certified copy of the order imposing the restrictions is required to be carried by the person for whom the license was issued any time the person is operating a motor vehicle on the highways of this state. If the person is a nonresident, the court shall transmit a copy of the order to the division. The division shall forward a copy of the order to the motor vehicle administrator of the person's state of residence. The judge shall furnish to any person whose driver's license is surrendered under this section a copy of the order, which for a period of 30 days only shall be recognized as a valid Kansas

driver's license pending issuance of the restricted license as provided in this section.

(d) Upon expiration of the period of time for which restrictions are imposed pursuant to this section, the licensee may apply to the division for the return of any license previously surrendered by the licensee. If the license has expired, the person may apply to the division for a new license, which shall be issued by the division upon payment of the proper fee and satisfaction of the other conditions established by law, unless the person's driving privileges have been suspended or revoked prior to expiration.

(e) Violation of restrictions imposed under this section is a misdemeanor subject to punishment and suspension of driving privileges as provided by K.S.A. 8-291, and amendments thereto.

Sec. 3. K.S.A. 8-1006 is hereby amended to read as follows: 8-1006. (a) The provisions of K.S.A. 8-1005, and amendments thereto, shall not be construed as limiting the introduction of any other competent evidence bearing upon the question of whether or not the defendant was under the influence of alcohol or drugs, or both.

(b) Nothing in this act shall require any samples of blood, breath or urine to be preserved for or furnished to the person for independent testing.

Sec. 4. K.S.A. 8-1016 is hereby amended to read as follows: 8-1016. (a) The secretary of revenue shall adopt rules and regulations for:

(1) The approval by the division of models and classes of ignition interlock devices suitable for use by persons whose driving privileges have been restricted to driving a vehicle equipped with such a device; and

(2) the calibration and maintenance of such devices, which shall be the responsibility of the manufacturer.

In adopting rules and regulations for approval of ignition interlock devices under this section, the secretary of revenue shall insure that those devices approved do not impede the safe operation of a motor vehicle and have the fewest opportunities to be bypassed so as to render them ineffective.

(b) If the division approves an ignition interlock device in accordance with rules and regulations adopted under this section, the division shall give written notice of the approval to the manufacturer of the device. Such notice shall be admissible in any civil or criminal proceeding in this state.

(c) The manufacturer of an ignition interlock device shall reimburse the division for any cost incurred in approving or disapproving such device under this section.

(d) Neither the state nor any agency, officer or employee thereof shall be liable in any civil or criminal proceeding arising out of the use of an ignition interlock device approved pursuant to under this section.

Sec. 5. K.S.A. 8-1019 is hereby amended to read as follows: 8-1019. (a) As used in this section, "alcohol or drug-related offense" means: (1) A violation of K.S.A. 8-1567, and amendments thereto, or any ordinance of a city or resolution of a county prohibiting the acts prohibited by that statute; or (2) any other offense arising out of the operation or attempted operation of a motor vehicle while under the influence of alcohol or drugs, or both.

(b) Prior to the sentencing of a person convicted of an alcohol or drug-related offense which resulted in serious bodily injury to a person or the death of a person, the court shall cause reasonable attempts to be made to notify the victim or the victim's family, who shall be given an opportunity to make a victim impact statement as to the impact of the offense on the victim's life or the lives of the victim's family members.

(c) Any court sentencing a person convicted of an alcohol or drug-related offense which resulted in personal injury to a person, the death of a person or injury to a person's property may require, in addition to any other penalty provided by law, that the convicted person pay restitution as a condition of probation or parole.

Sec. 6. K.S.A. 8-253, 8-292, 8-1006, 8-1016 and 8-1019 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

SENATE BILL No. 762

AN ACT concerning liability of officers and directors of certain financial institutions.

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

Section 1. The provisions of K.S.A. 1993 Supp. 9-1132, 17-2268 and 17-5831 and amendments thereto apply to an action brought against a director or officer of an insured depository institution, regardless of whether the action was filed before, on, or after May 20, 1993, unless the action was finally adjudicated before May 20, 1993. The provisions of this section shall not apply to executive officers as defined in K.S.A. 1993 Supp. 9-1132, 17-2268 and 17-5831 and amendments thereto.

Sec. 2. If any provision of section 1 or K.S.A. 1993 Supp. 9-1132, 17-2268 and 17-5831 and amendments thereto or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, of such statutes which can be given effect without the invalid provision or application, and to this end the provisions of such statutes are declared to be severable.

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

(Published in the Kansas Register, May 19, 1994.)

SENATE BILL No. 21

AN ACT establishing the Kansas criminal justice coordinating council; prescribing membership, powers and duties; repealing K.S.A. 75-712a.

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

Section 1. (a) There is hereby established the Kansas criminal justice coordinating council.

(b) The council shall consist of the governor or designee, the chief justice of the supreme court or designee, the attorney general or designee, the secretary of corrections, the secretary of social and rehabilitation services and the director of the Kansas bureau of investigation.

(c) The director and all existing employees of the Kansas sentencing commission shall serve as staff to the Kansas criminal justice coordinating council, while continuing to serve at the will of the Kansas sentencing commission pursuant to K.S.A. 74-9103 and amendments thereto in the performance of its duties as outlined in K.S.A. 74-9101, 74-9106 and 21-4725 and amendments thereto. The director shall attend all meetings of the council, be responsible for keeping a record of council meetings, prepare reports of the council and perform such other duties as directed by the council.

(d) The council shall elect a chairperson and vice-chairperson from among the members of the council.

(e) The council shall:

(1) Define and analyze issues and processes in the criminal justice system, identify alternative solutions and make recommendations for improvements;

(2) perform such criminal justice studies or tasks as requested by the governor, the legislature or the chief justice, as deemed appropriate or feasible by the council;

(3) oversee development and management of a criminal justice database including assuming the designation and functions of the state statistical analysis center currently assigned to the Kansas bureau of investigation pursuant to K.S.A. 75-712a and amendments thereto. All criminal justice agencies as defined in subsection (c) of K.S.A. 22-4701 and amendments thereto and the department of social and rehabilitation services shall provide any data or information, including juvenile offender information which is requested by the council, in a form and manner established by the council, in order to facilitate the development and management of the criminal justice council database; and

(4) develop and oversee reporting of all criminal justice federal funding available to the state or local units of government including assuming the designation and functions of administering the United States bureau of justice assistance grants currently administered through the law enforcement antidrug abuse program of the department of administration. On the effective date of this act any

bureau of justice assistance antidrug abuse federal fund balances in any account and all unclassified positions authorized for the law enforcement antidrug abuse program of the department of administration shall be transferred to and budgeted with the Kansas sentencing commission.

(f) The council shall appoint a standing local government advisory group to consult and advise the council concerning local government criminal justice issues and the impact of state criminal justice policy and decisions on local units of government. The advisory group shall consist of a sheriff, chief of police, county or district attorney, city governing body and a county commissioner. Appointees to such advisory group shall serve without compensation or reimbursement for travel and subsistence or any other expenses.

(g) The council shall form a task force to study and develop policies and recommendations regarding the juvenile justice system, including issues of jurisdiction, placement, intake and assessment processes, dispositional alternatives, financing strategies, availability of mental health services and work processes and case loads of social workers and court services officers, the implications of a youth authority and any other issues affecting children in need of care as defined in K.S.A. 38-1501 et seq. and juvenile offenders as defined in K.S.A. 38-1601 et seq. and amendments thereto. The task force shall consist of the following members: Executive director of the corporation for change or designee, chair of the advisory committee on juvenile offender programs or designee, commissioner of youth services of the department of social and rehabilitation services or designee; additional members to be selected by the council shall include a director of a community corrections program, a juvenile judge, a prosecuting attorney, an attorney who represents juveniles, a deputy secretary of corrections, a court services officer, and a sheriff or chief of police. The corporation for change and the division of youth services of the state department of social and rehabilitation services shall each assign one full-time equivalent staff member to the council or, in the case of the corporation for change, the equivalent of such by more than one staff member or other, for a period of one year, which staff shall be approved by the council and perform duties as assigned by and function under the direction of the executive director of the staff of the council, while continuing to be compensated by the agency by which employed. The task force shall submit a preliminary report to the council, and the council shall report to the chairperson of the senate and house committee on judiciary during the interim session of the 1995 legislature. A final report shall be submitted to the legislature on or before February 1, 1995. The task force shall cease to exist on June 30, 1995.

(h) The council shall form a task force to study the consolidation of probation, parole and community corrections services.

(i) When analyzing criminal justice issues and performing criminal justice studies, the council shall form such task groups as necessary and shall appoint individuals who appropriately represent law enforcement, the judiciary, legal profession, state, local, or federal government, the public, or other professions or groups as determined by the council, to represent the various aspects of the issue being analyzed or studied. Members of the legislature may be appointed ex officio members to such task groups. A member of the council shall serve as the chairperson of each task group appointed by the council. The council may appoint other members of the council to any task group formed by the council.

(j) The council shall review reports submitted by each task group named by the council and shall submit the report with the council's recommendations pertaining thereto to the governor, chief justice of the supreme court, the chief clerk of the house of representatives and the secretary of the senate.

Sec. 2. K.S.A. 75-712a is hereby repealed.

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

(Published in the Kansas Register, May 19, 1994.)

HOUSE SUBSTITUTE for SENATE BILL No. 157

AN ACT relating to property taxation; classifying certain real property for constitutional assessment rate purposes; providing for recoupment of property tax upon the change in use of certain land.

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

Section 1. (a) In accordance with and for the purposes of section 1 of article 11 of the Kansas constitution, real property, to the extent herein specified, which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to paragraphs (2), (3), (4), (7), (8) or (10) of subsection (c) of section 501 of the federal internal revenue code, as in effect on January 1, 1994, is hereby included in subclass (4) of class 1 for property tax classification purposes, and shall be assessed at the rate of 12% of its fair market value. With respect to real property owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to paragraph (2) of subsection (c) of section 501 of such code, this section shall only apply to real property leased to a not-for-profit organization not subject to federal income taxation pursuant to paragraph (8) of subsection (c) of section 501 of such code. With respect to real property owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to paragraph (7) of subsection (c) of section 501 of such code, this section shall only apply to land which is actually and regularly used for recreational purposes, other than land accommodating buildings or other improvements associated with such recreational land. Nothing in this subsection shall be deemed to affect the exemption of property by law or the Kansas constitution.

(b) The provisions of this section shall apply to all taxable years commencing after December 31, 1993.

Sec. 2. (a) Whenever land owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to paragraph (7) of subsection (c) of section 501 of the federal internal revenue code, as in effect on January 1, 1994, which has been assessed at the rate of 12%, is devoted to a use other than recreational, there shall be a recoupment of property taxes which were not levied upon such land by reason of the assessment thereof at the rate of 12% pursuant to section 1 in the amount and manner hereinafter provided. Land which has been assessed at the rate of 12% pursuant to section 1 shall be assessed at the rate required by section 1 of article 11 of the Kansas constitution as of January 1 of the year next following its change to a use other than recreational. Property taxes in the amount of the difference between the amount of taxes actually levied upon such land for the two years next preceding the year of such change in assessment rate, and the amount of taxes which would have been levied upon such land for such years had it been assessed at the rate required by section 1 of article 11 of the Kansas constitution shall be determined as of such date and shall become due and payable in such year as provided by K.S.A. 79-2004, and amendments thereto. A lien for such taxes shall attach to the land subject to the same on November 1 in the year such taxes become due and all such taxes remaining due and unpaid after the date prescribed for the payment thereof shall be collected in the manner provided by law for the collection of delinquent taxes. Moneys collected from the recoupment tax hereunder shall be credited by the county treasurer to the several taxing subdivisions within which such land is located in the proportion that the total tangible property tax levies made in the preceding year for each such taxing subdivision bear to the total of all such levies made in that year by all such taxing subdivisions. Such moneys shall be credited to the general fund of the taxing subdivision or if such taxing subdivision is making no property tax levy for the support of a general fund such moneys may be credited to any other tangible property tax fund of general application of such subdivision.

(b) Whenever the use of any such land which is changed to a use other than recreational, the owner thereof shall give written notice of such change to the county appraiser within 60 days after such change in use. Such written notice shall specify the date of such change in use. Failure to give such notice within the time prescribed shall subject the owner of such land to a penalty equal to 10% of the recoupment tax herein provided.

(c) Whenever the use of land is changed from a recreational use to another use as a result of an exercise by the state of Kansas or

any political or taxing subdivision thereof of the power of eminent domain or the threat or imminence thereof, no recoupment tax shall be levied and collected upon such land under the provisions of this section.

(d) The county treasurer shall each year include a notice with the tax statement for all land assessed under the provisions of this act, which shall inform the taxpayer that such land has been valued under the provisions of this act and that a recoupment of additional property taxes shall be made if the use of such land is changed to a use other than recreational. Such notice also shall inform the taxpayer of the duty to report any such change in use and of the penalty prescribed for failure to make such report.

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

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 3098

AN ACT concerning liability of settling parties in certain actions brought by the Kansas public employees retirement system.

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

Section 1. (1) A judicially approved settlement of any claim or cause of action of the Kansas public employees retirement system against any party for any injury, loss or damage shall discharge the settling party from all liability for contribution or noncontractual indemnity to any other individual or entity that is or may be liable, in whole or in part, for that same injury, loss or damage, irrespective of whether or not such individual or entity has been joined as a party to any suit brought by the Kansas public employees retirement system, provided such individual or entity is notified, in any manner approved by the court, of the proceeding to approve the settlement not less than 20 days prior thereto. As used in this section, the term "noncontractual indemnity" includes indemnity between active and passive tortfeasors and indemnity based on principles of vicarious liability but does not include indemnity which arises by reason of contract.

(2) When a release, covenant not to sue or agreement not to enforce a judgment is given in good faith by the Kansas public employees retirement system, the release, covenant not to sue or agreement not to enforce a judgment does not discharge any non-settling party from liability, unless the terms of the release, covenant not to sue or agreement not to enforce a judgment so provide. However, nonsettling parties shall be entitled to a setoff against any claims that are made against them by the Kansas public employees retirement system and that are not covered by K.S.A. 60-258a and amendments thereto in the amount stated in the release, covenant not to sue or agreement not to enforce a judgment, or the amount of the consideration actually paid for it, whichever is greater.

(3) Such settlement shall conclusively establish that the settling party has extinguished such settling party's share of the total liability and is not obligated for or entitled to pro rata contribution or non-contractual indemnity from any other individual or entity irrespective of whether or not such individual or entity has been joined as a party to the action and whose liability is not extinguished by the settlement.

(4) The provisions of this act shall apply to any settlement judicially approved after the effective date of this act regardless of the date on which the Kansas public employees retirement system suffered any injury, loss or damage or the date on which any claim or cause of action of the Kansas public employees retirement system arose or accrued.

(5) Except as provided in this act, the provisions of this act are not intended to alter the substantive law of Kansas relating to contribution, indemnity or comparative fault.

(6) The provisions of this act shall expire on June 30, 1997.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

SENATE BILL No. 824

AN ACT concerning state officers and employees; relating to salaries and compensation; concerning revision of the classification and compensation of certain job classes; overtime compensation; certain benefits; making appropriations for the fiscal year ending June 30, 1995, and authorizing certain transfers and adjustments in expenditure limitations therefor; amending K.S.A. 75-5541, K.S.A. 1993 Supp. 75-6508 and K.S.A. 1993 Supp. 75-6508, as amended by section 25 of House Substitute for Senate Bill No. 615, and repealing the existing sections; also repealing K.S.A. 1993 Supp. 75-6508, as amended by section 5 of this act.

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

New Section 1. (a) There is hereby appropriated from the state general fund for the state finance council, for the fiscal year ending June 30, 1995, the sum of \$3,034,486 to be used for the purpose of paying the proportionate share of the cost to the state general fund of: (1) The revision of the classification and compensation of classified positions in each of the following job class series, effective on the first day of the first payroll period which is chargeable to the fiscal year ending June 30, 1995: (i) Accountants and auditors; (ii) human resource professionals; (iii) purchasing and marketing professionals; (iv) general administrative job classes; (v) social scientists; and (vi) attorneys; and (2) the revision of the classification and compensation of classified positions in the public service executive job class series, effective on the first day of any payroll period which is chargeable to the fiscal year ending June 30, 1995, and which ends after December 31, 1994.

(b) To pay the proportionate share of the cost to the state general fund of each state agency for classification and compensation revisions authorized under subsection (a), upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized and directed to approve the transfer of moneys from the appropriation under subsection (a) to the proper accounts created by state general fund appropriations for the fiscal year ending June 30, 1995.

(c) Upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve increases in expenditure limitations on special revenue funds and accounts established for the fiscal year ending June 30, 1995, for the purpose of paying from such funds or accounts the proportionate share of the cost to such funds or accounts, including associated employer contributions, of the revision of the classification and compensation of classified positions in each of the job class series listed in parts (1) and (2) of subsection (a).

(d) Each state agency of the executive branch of state government shall prepare and submit a budget estimate for such compensation revisions, and all amendments and revisions of such estimates, to the director of the budget on forms prescribed by the director of the budget. At the same time as each state agency submits such estimate, and all amendments and revisions thereof, each state agency shall submit a copy of such estimate, and all amendments and revisions thereof, directly to the legislative research department.

New Sec. 2. No revision of the job classification or the compensation of any classified position in any job class, which takes effect in any payroll period which commences after January 1, 1995, shall change the current anniversary date of any person in any such classified position for purposes of any increase in compensation from step movement on the pay plan for the classified service under the Kansas civil service act.

New Sec. 3. Except as otherwise required by federal law, after December 31, 1994, any rule and regulation relating to overtime compensation for state employees adopted by the secretary of administration shall provide that only hours actually worked may be considered in determining whether overtime compensation is due and the amount of overtime compensation due, whether in the form of overtime pay or compensatory time off in lieu of overtime pay. After December 31, 1994, to the extent that any rule and regulation adopted by the secretary of administration prior to the effective date of this act contains a provision contrary to this section, that portion of the rule and regulation, and documents pertaining to such portion

of the rule and regulation, shall have no effect and shall not be enforced.

Sec. 4. K.S.A. 75-5541 is hereby amended to read as follows: 75-5541. (a) Each state officer or employee, who is within the classified service under the Kansas civil service act in a state agency in the executive branch of state government or who is a *Each classified employee, excluding any such employee who is on emergency or temporary appointment, and each nonjudicial employee in the unclassified service under the Kansas civil service act in a state agency in the judicial branch of state government*, shall receive ~~additional compensation~~ a *bonus* as provided by this section, which shall be referred to as a *longevity pay bonus*, under the terms and conditions and subject to the limitations prescribed by this section.

(b) After June 30, 1989, any such officer or employee who has been employed by any agency, board or department within any branch of state government, whether or not the entire period of service is continuous with the same agency, board or department, shall be eligible to receive a *longevity pay bonus* upon completion of 120 months of *satisfactory service*. ~~Part-time employment shall be converted to a full-time equivalent, pursuant to rules and regulations or policies adopted for the administration of this section, for the purposes of determining length of service and service anniversary dates under this section state service. Length of service and service anniversary dates shall be determined pursuant to rules and regulations or policies adopted by the secretary of administration.~~

(c) The amount of each *longevity pay bonus* payment shall be computed by multiplying \$40 by the number of full years of ~~satisfactory state~~ service, not to exceed 25 years, rendered by such officer or employee as of the service anniversary date within such fiscal year.

(d) *Longevity pay bonus* payments shall be made by a separate payment on the date the payment of compensation is made for the payroll period in which an eligible officer's or employee's service anniversary date occurs. ~~For the purposes of this section, an officer's or employee's service anniversary date shall be the date on which such officer or employee began employment under the Kansas civil service act with the state of Kansas, proportionately adjusted in accordance with the rules and regulations or policies adopted pursuant to this section for any periods during which such officer or employee was engaged in part-time employment under the Kansas civil service act.~~

(e) *Longevity pay bonus payments* shall be compensation, within the meaning of K.S.A. 74-4901 *et seq.*, and amendments thereto, for all purposes under the Kansas public employees retirement system and shall be subject to applicable deductions for employee contributions notwithstanding the fact that payments are made annually. *Longevity pay bonus payments* shall be in addition to ~~any other compensation payable by law, or increase therein, the regular earnings to which an officer or employee may become entitled or for which such employee may become eligible.~~

(f) ~~The provisions of this section shall be liberally construed to maximize benefits to those officers or purpose of longevity pay is to recognize permanent employees who have provided experience and faithful long-term service to the state of Kansas in order to encourage officers and employees to remain in the service of the state. The provisions of this section shall apply to fiscal years commencing after June 30, 1989. The amendatory language of this section shall be construed to confirm that longevity pay is intended, and has been intended since its enactment, to be a bonus as defined in 29 C.F.R. § 778.203.~~

(g) In accordance with the provisions of K.S.A. 75-3706, and amendments thereto, the secretary of administration shall adopt rules and regulations to implement the provisions of this section with respect to officers and employees in the executive branch of state government. The supreme court may adopt policies to implement the provisions of this section with respect to officers and employees who are nonjudicial personnel of state agencies in the judicial branch of state government.

Sec. 5. K.S.A. 1993 Supp. 75-6508 is hereby amended to read as follows: 75-6508. (a) (1) Each state agency which has on its payroll persons participating in the state health care benefits program shall

(continued)

pay from any moneys available to the agency for such purpose an amount specified by the Kansas state employees health care commission, including any amounts prescribed under a cafeteria plan established under K.S.A. 75-6512 and amendments thereto. All such payments shall continue on the behalf of employees otherwise eligible for participation in the state health care benefits program who are temporarily unable to work because of an injury or illness and who have exhausted their sick and annual leave hours. Such payments will continue for three months following the exhaustion of sick and annual leave in accordance with continuation provisions of the family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6. The commission may charge each state agency a uniform amount per person as the cost to the agency for the state's contribution for persons participating in the state health care benefits program. Such amounts may include the costs of administering the program.

(2) In the event that the Kansas state employees health care commission designates by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, as qualified to participate in the state health care benefits program, each local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, which has on its payroll persons participating in the state health care benefits program shall pay from any moneys available to the local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, for such purpose an amount specified by the commission. The commission may charge each local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, a uniform amount per person as the cost to the local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, for the contribution of the local governmental entity, public school district, licensed boarding home for children operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit

community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, for persons participating in the state health care benefits program. Such amounts may include the costs of administering the program.

(b) Payments from public funds for coverage under the state health care benefits program for persons participating in that program shall not be deemed a payment or supplement of wages of such person notwithstanding any other provision of law or rules and regulations relating to wages of any such person.

Sec. 6. On July 1, 1994, K.S.A. 1993 Supp. 75-6508, as amended by section 25 of 1994 House Substitute for Senate Bill No. 615, is hereby amended to read as follows: 75-6508. (a) (1) Each state agency which has on its payroll persons participating in the state health care benefits program shall pay from any moneys available to the agency for such purpose an amount specified by the Kansas state employees health care commission, including any amounts prescribed under a cafeteria plan established under K.S.A. 75-6512, and amendments thereto. All such payments shall continue on the behalf of employees otherwise eligible for participation in the state health care benefits program who are temporarily unable to work because of an injury or illness and who have exhausted their sick and annual leave hours. Such payments will continue for three months following the exhaustion of sick and annual leave in accordance with the continuation provisions of the federal family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6. The commission may charge each state agency a uniform amount per person as the cost to the agency for the state's contribution for persons participating in the state health care benefits program. Such amounts may include the costs of administering the program.

(2) In the event that the Kansas state employees health care commission designates by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, as qualified to participate in the state health care benefits program, each local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, which has on its payroll persons participating in the state health care benefits program shall pay from any moneys available to the local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, for such purpose an amount specified by the commission. The commission may charge each local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living

agency, as defined in K.S.A. 65-5101, and amendments thereto, a uniform amount per person as the cost to the local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, for the contribution of the local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, for persons participating in the state health care benefits program. Such amounts may include the costs of administering the program.

(b) Payments from public funds for coverage under the state health care benefits program for persons participating in that program shall not be deemed a payment or supplement of wages of such person notwithstanding any other provision of law or rules and regulations relating to wages of any such person.

Sec. 7. K.S.A. 75-5541 and K.S.A. 1993 Supp. 75-6508 are hereby repealed.

Sec. 8. On July 1, 1994, K.S.A. 1993 Supp. 75-6508, as amended by section 5 of this act, and K.S.A. 1993 Supp. 75-6508, as amended by section 25 of House Substitute for Senate Bill No. 615, are hereby repealed.

Sec. 9. *Effective date.* This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 3097

AN ACT concerning racing with parimutuel wagering; amending K.S.A. 74-8802, as amended by section 1 of 1994 House Bill No. 2836, K.S.A. 1993 Supp. 74-8810, as amended by section 1 of 1994 House Bill No. 2984, K.S.A. 74-8829, as amended by section 3 of 1994 House Bill No. 2836, and K.S.A. 74-8836, as amended by section 4 of 1994 House Bill No. 2836, and repealing the existing sections; also repealing K.S.A. 74-8802, as amended by section 2 of 1994 House Bill No. 2577, K.S.A. 1993 Supp. 74-8810, as amended by section 4 of 1994 House Bill No. 2577, and K.S.A. 74-8836, as amended by section 9 of 1994 House Bill No. 2577.

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

Section 1. On and after July 1, 1994, K.S.A. 74-8802, as amended by section 1 of 1994 House Bill No. 2836, is hereby amended to read as follows: 74-8802. As used in this act unless the context otherwise requires:

(a) "Breakage" means the odd cents by which the amount payable on each dollar wagered exceeds:

(1) A multiple of \$.10, for parimutuel pools from races conducted in this state; and

(2) a multiple of such other number of cents as provided by law of the host jurisdiction, for interstate combined wagering pools.

(b) "Commission" means the Kansas racing commission created by this act.

(c) "Concessionaire licensee" means a person, partnership, corporation or association licensed by the commission to utilize a space or privilege within a racetrack facility to sell goods.

(d) "Dual racetrack facility" means a racetrack facility for the racing of both horses and greyhounds or two immediately adjacent racetrack facilities, owned by the same licensee, one for racing horses and one for racing greyhounds.

(e) "Executive director" means the executive director of the commission.

(f) "Facility manager licensee" means a person, partnership, corporation or association licensed by the commission and having a contract with an organization licensee to manage a racetrack facility.

(g) "Facility owner licensee" means a person, partnership, corporation or association, or the state of Kansas or any political subdivision thereof, licensed by the commission to construct or own a racetrack facility but does not mean an organization licensee which owns the racetrack facility in which it conducts horse or greyhound racing.

(h) "Fair association" means an association organized pursuant to K.S.A. 2-125 *et seq.* and amendments thereto or a nonprofit association determined by the commission to be otherwise organized to conduct fair activities pursuant to findings of fact entered by the commission in a license order.

(i) "Financial interest" means an interest that could result directly or indirectly in receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a business entity or activity or as a result of a salary, gratuity or other compensation or remuneration from any person.

(j) "Greyhound" means any greyhound breed of dog properly registered with the national greyhound association of Abilene, Kansas.

(k) "Horsemen's association" means any association or corporation:

(1) All officers, directors, members and shareholders of which are licensed owners of horses or licensed trainers of horses, or both;

(2) which is applying for or has been issued a facility owner license authorizing ownership of Eureka Downs, Anthony Downs, or a racetrack facility on or adjacent to premises used by a fair association to conduct fair activities; and

(3) none of the officers, directors, members or shareholders of which holds another facility owner license or is an officer, director, member or shareholder of another facility owner licensee.

(l) "Horsemen's nonprofit organization" means any nonprofit organization:

(1) All officers, directors, members or shareholders of which are licensed owners of horses or licensed trainers of horses, or both; and

(2) which is applying for or has been issued an organization license authorizing the conduct of horse races at Eureka Downs, Anthony Downs or a racetrack facility on or adjacent to premises used by a fair association to conduct fair activities.

(m) "Host facility" means the racetrack at which the race is run or, if the race is run in a jurisdiction which is not participating in the interstate combined wagering pool, the racetrack or other facility which is designated as the host facility.

(n) "Host jurisdiction" means the jurisdiction where the host facility is located.

(o) "Interstate combined wagering pool" means a parimutuel pool established in one jurisdiction which is combined with comparable parimutuel pools from one or more racing jurisdictions for the purpose of establishing the amount of money returned on a successful wager in the participating jurisdictions.

(p) "Intertrack wagering" means wagering on a simulcast race at a licensed racetrack facility or at a facility which is licensed in its racing jurisdiction to conduct live races.

(q) "Intrastate combined wagering pool" means a parimutuel pool which is combined with comparable parimutuel pools from one or more racetrack facilities for the purpose of establishing the amount of money returned on a successful wager at the participating racetrack facilities.

(r) "Kansas-whelped greyhound" means a greyhound whelped and raised in Kansas for the first six months of its life.

(s) "Minus pool" means a parimutuel pool in which, after deducting the takeout, not enough money remains in the pool to pay the legally prescribed minimum return to those placing winning wagers, and in which the organization licensee would be required to pay the remaining amount due.

(t) "Nonprofit organization" means:

(1) A corporation which is incorporated in Kansas as a not-for-profit corporation pursuant to the Kansas general corporation code.

(continued)

and the net earnings of which do not inure to the benefit of any shareholder, individual member or person; or

(2) a county fair association organized pursuant to K.S.A. 2-125 et seq. and amendments thereto *fair association*.

(†) (u) "Occupation licensee" means a person licensed by the commission to perform an occupation or provide services which the commission has identified as requiring a license pursuant to this act.

(†) (v) "Off-track wagering" means wagering on a simulcast race at a facility which is not licensed in its jurisdiction to conduct live races.

(†) (w) "Organization licensee" means a nonprofit organization licensed by the commission to conduct races pursuant to this act and, if the license so provides, to construct or own a racetrack facility.

(†) (x) "Parimutuel pool" means the total money wagered by individuals on one or more horses or greyhounds in a particular horse or greyhound race to win, place or show, or combinations thereof, as established by the commission, and, except in the case of an interstate or intrastate combined wagering pool, held by the organization licensee pursuant to the parimutuel system of wagering. There is a separate parimutuel pool for win, for place, for show and for each of the other forms of betting provided for by the rules and regulations of the commission.

(†) (y) "Parimutuel wagering" means a form of wagering on the outcome of horse and greyhound races in which those who wager purchase tickets of various denominations on one or more horses or greyhounds and all wagers for each race are pooled and the winning ticket holders are paid prizes from such pool in amounts proportional to the total receipts in the pool.

(†) (z) "Race meeting" means the entire period of time for which an organization licensee has been approved by the commission to hold live or simulcast horse or greyhound races at which parimutuel wagering is conducted or to hold horse races at which parimutuel wagering is not conducted, including such additional time as designated by the commission for the conduct of official business before and after the races.

(z) "Racing jurisdiction" or "jurisdiction" means a governmental authority which is responsible for the regulation of live or simulcast racing in its jurisdiction.

(aa) "Racetrack facility" means a racetrack within Kansas used for the racing of horses or greyhounds, or both, including the track surface, grandstands, clubhouse, all animal housing and handling areas, other areas in which a person may enter only upon payment of an admission fee or upon presentation of authorized credentials and such additional areas as designated by the commission.

(bb) "Racing jurisdiction" or "jurisdiction" means a governmental authority which is responsible for the regulation of live or simulcast racing in its jurisdiction.

(cc) "Racing or wagering equipment or services licensee" means any person, partnership, corporation or association licensed by the commission to provide integral racing or wagering equipment or services, as designated by the commission, to an organization licensee.

(bb) (dd) "Recognized greyhound owners' group" means the duly recognized group elected in accordance with rules and regulations of the commission by a majority of the Kansas licensed greyhound owners at the racetrack facility voting in the election. The commission may designate an organization such as the national greyhound association of Abilene, Kansas, to conduct the election.

(ee) (ee) "Recognized horsemen's group" means the duly recognized group, representing the breeds of horses running at a racetrack facility, elected in accordance with rules and regulations of the commission by a majority of the licensed owners and trainers at the racetrack facility voting in the election. If the licensee does not have a recognized horsemen's group, the commission shall designate as the recognized horsemen's group one that serves another organization licensee, but not one that serves a county fair association organization licensee.

(dd) (ff) "Simulcast" means a live audio-visual broadcast of an actual horse or greyhound race at the time it is run.

(ee) (gg) "Takeout" means the total amount of money withheld from each parimutuel pool for the payment of purses, taxes and the share to be kept by the organization licensee. Takeout does not include the breakage. The balance of each pool less the breakage is distributed to the holders of winning parimutuel tickets.

(ff) "Totalisator licensee" means any person, partnership, corporation or association licensed by the commission to provide totalisator equipment or services to an organization licensee.

Sec. 2. On and after July 1, 1994, K.S.A. 1993 Supp. 74-8810, as amended by section 1 of 1994 House Bill No. 2984, is hereby amended to read as follows: 74-8810. (a) It is a class A nonperson misdemeanor for any person to have a financial interest, directly or indirectly, in any racetrack facility within the state of Kansas or in any host facility for a simulcast race displayed in this state:

(1) While such person is a member of the commission or during the five years immediately following such person's term as member of the commission; or

(2) while such person is an officer, director or member of an organization licensee, other than a county fair association or horseman's horsemen's nonprofit organization, or during the five years immediately following the time such person is an officer, director or member of such an organization licensee.

(b) It is a class A nonperson misdemeanor for any member, employee or appointee of the commission, including stewards and racing judges, to knowingly:

(1) Participate in the operation of or have a financial interest in any business which has been issued a concessionaire license, totalisator racing or wagering equipment or services license, facility owner license or facility manager license, or any business which sells goods or services to an organization licensee;

(2) participate directly or indirectly as an owner, owner-trainer or trainer of a horse or greyhound, or as a jockey of a horse, entered in a race meeting conducted in this state;

(3) place a wager on an entry in a horse or greyhound race conducted by an organization licensee; or

(4) accept any compensation, gift, loan, entertainment, favor or service from any licensee, except such suitable facilities and services within a racetrack facility operated by an organization licensee as may be required to facilitate the performance of the member's, employee's or appointee's official duties.

(c) It is a class A nonperson misdemeanor for any member, employee or appointee of the commission, or any spouse, parent, grandparent, brother, sister, child, grandchild, uncle, aunt, parent-in-law, brother-in-law or sister-in-law thereof, to:

(1) Hold any license issued by the commission, except that a steward or racing judge shall hold an occupation license to be such a steward or judge; or

(2) enter into any business dealing, venture or contract with an owner or lessee of a racetrack facility in Kansas.

(d) It is a class A nonperson misdemeanor for any officer, director or member of an organization licensee, other than a county fair association or horsemen's nonprofit organization, to:

(1) Receive, for duties performed as an officer or director of such licensee, any compensation or reimbursement or payment of expenses in excess of the amounts provided by K.S.A. 75-3223 and amendments thereto for board members' compensation, mileage and expenses; or

(2) enter into any business dealing, venture or contract with the organization licensee or, other than in the capacity of an officer or director of the organization licensee, with a facility owner licensee, facility manager licensee, totalisator racing or wagering equipment or services license or concessionaire licensee, or with any host facility for a simulcast race displayed in this state.

(e) It is a class A nonperson misdemeanor for any facility owner licensee or facility manager licensee, other than a horsemen's association, or any officer, director, employee, stockholder or shareholder thereof or any person having an ownership interest therein, to participate directly or indirectly as an owner, owner-trainer or trainer of a horse or greyhound, or as a jockey of a horse, entered in a live race conducted in this state.

(f) It is a class A nonperson misdemeanor for any licensee of the commission, or any person who is an officer, director, member or employee of a licensee, to place a wager at a racetrack facility located in Kansas on an entry in a horse or greyhound race if:

(1) The commission has by rules and regulations designated such person's position as a position which could influence the outcome of such race or the parimutuel wagering thereon; and

(2) such race is conducted at or simulcast to the racetrack facility where the licensee is authorized to engage in licensed activities.

(g) It is a class B nonperson misdemeanor for any person to use any animal or fowl in the training or racing of racing greyhounds.

(h) It is a class A nonperson misdemeanor for any person to:

(1) Sell a parimutuel ticket or an interest in such a ticket to a person knowing such person to be under 18 years of age, upon conviction of the first offense;

(2) accept, transmit or deliver, from a person outside a racetrack facility, anything of value to be wagered in any parimutuel system of wagering within a racetrack facility, upon conviction of the first offense;

(3) administer or conspire to administer any drug or medication to a horse or greyhound within the confines of a racetrack facility in violation of rules and regulations of the commission, upon conviction of the first offense;

(4) possess or conspire to possess, within the confines of a racetrack facility, any drug or medication for administration to a horse or greyhound in violation of rules and regulations of the commission, upon conviction of the first offense;

(5) possess or conspire to possess, within the confines of a racetrack facility, equipment for administering drugs or medications to horses or greyhounds in violation of rules and regulations of the commission, upon conviction of the first offense;

(6) enter any horse or greyhound in any race knowing such horse or greyhound to be ineligible to compete in such race pursuant to K.S.A. 74-8812 and amendments thereto; or

(7) prepare or cause to be prepared an application for registration of a horse pursuant to K.S.A. 74-8830 and amendments thereto knowing that such application contains false information.

(i) It is a severity level 8, nonperson felony for any person to:

(1) Sell a parimutuel ticket or an interest in such a ticket to a person knowing such person to be under 18 years of age, upon conviction of the second or a subsequent offense;

(2) accept, transmit or deliver, from any person outside a racetrack facility, anything of value to be wagered in any parimutuel system of wagering within a racetrack facility, upon the second or a subsequent conviction;

(3) conduct or assist in the conduct of a horse or greyhound race, or the display of a simulcast race, where the parimutuel system of wagering is used or is intended to be used and where no license has been issued to an organization to conduct or simulcast such race;

(4) enter any horse or greyhound in any race conducted by an organization licensee knowing that the class or grade in which such horse or greyhound is entered is not the true class or grade or knowing that the name under which such horse or greyhound is entered is not the name under which such horse or greyhound has been registered and has publicly performed;

(5) use or conspire to use any device, other than an ordinary whip for horses or a mechanical lure for greyhounds, for the purpose of affecting the speed of any horse or greyhound at any time during a race conducted by an organization licensee;

(6) possess or conspire to possess, within the confines of a racetrack facility, any device, other than an ordinary whip for horses or a mechanical lure for greyhounds, designed or intended to affect the speed of a horse or greyhound;

(7) administer or conspire to administer any drug or medication to a horse or greyhound within the confines of a racetrack facility in violation of rules and regulations of the commission, upon conviction of the second or a subsequent offense;

(8) possess or conspire to possess, within the confines of a racetrack facility, any drug or medication for administration to a horse or greyhound in violation of rules and regulations of the commission, upon conviction of the second or a subsequent offense;

(9) possess or conspire to possess, within the confines of a racetrack facility, equipment for administering drugs or medications to horses or greyhounds in violation of rules and regulations of the commission, upon conviction of the second or a subsequent offense;

(10) sponge the nostrils or windpipe of a horse for the purpose of stimulating or depressing such horse or affecting its speed at any time during a race meeting conducted by an organization licensee;

(11) alter or attempt to alter the natural outcome of any race conducted by, or any simulcast race displayed by, an organization

licensee or transmit or receive an altered race or delayed broadcast race if parimutuel wagering is conducted or solicited after off time of the race;

(12) influence or attempt to influence, by the payment or promise of payment of money or other valuable consideration, any person to alter the natural outcome of any race conducted by, or any simulcast race displayed by, an organization licensee;

(13) influence or attempt to influence any member, employee or appointee of the commission, by the payment or promise of payment of money or other valuable consideration, in the performance of any official duty of that member, employee or appointee;

(14) fail to report to the commission or to one of its employees or appointees knowledge of any violation of this act by another person for the purpose of stimulating or depressing any horse or greyhound, or affecting its speed, at any time during any race conducted by an organization licensee;

(15) commit any of the following acts with respect to the prior racing record, pedigree, identity or ownership of a registered horse or greyhound in any matter related to the breeding, buying, selling or racing of the animal: (A) Falsify, conceal or cover up, by any trick, scheme or device, a material fact; (B) make any false, fictitious or fraudulent statement or representation; or (C) make or use any false writing or document knowing that it contains any false, fictitious or fraudulent statement or entry; or

(16) pass or attempt to pass, cash or attempt to cash any altered or forged parimutuel ticket knowing it to have been altered or forged.

(j) No person less than 18 years of age shall purchase a parimutuel ticket or an interest in such a ticket. Any person violating this subsection shall be subject to adjudication as a juvenile offender pursuant to the Kansas juvenile offenders code.

Sec. 3. K.S.A. 74-8829, as amended by section 3 of 1994 House Bill No. 2836, is hereby amended to read as follows: 74-8829. (a) There is hereby created in the state treasury the Kansas horse breeding development fund to which moneys shall be credited as provided by this act. Expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission or a person designated by the chairperson.

(b) Moneys credited to the Kansas horse breeding development fund, including any moneys in the fund on March 24, 1994, and any moneys credited to the fund on or after that date, shall be apportioned into categories corresponding with the various breeds of horses which are participating in live races with parimutuel wagering conducted by organization licensees in direct proportion to the number of horses in each category participating in such live races and shall be used in each category to provide:

(1) Purse supplements to owners of Kansas-bred horses;

(2) stakes and awards to be paid to the owners of the winning Kansas-bred horses in certain races as determined by the commission;

(3) a stallion award to each owner of a Kansas-registered stallion which is the sire of a Kansas-bred horse if such horse wins or wins, places or shows in any race conducted at a Kansas race meeting, but no such award shall be paid to the owner of a Kansas stallion that served outside Kansas at any time during the calendar year in which the winning Kansas-bred horse was conceived;

(4) a breeder's award to each owner of a Kansas-registered mare which is the dam of a Kansas-bred horse if such horse wins or wins, places or shows in any race conducted at a Kansas race meeting; and

(5) moneys for equine research through institutions of higher education under the state board of regents.

Sec. 4. On and after July 1, 1994, K.S.A. 74-8836, as amended by section 4 of 1994 House Bill No. 2836, is hereby amended to read as follows: 74-8836. (a) Any organization licensee that conducts at least 150 days of live racing during a calendar year or a county fair association that conducts fewer than 22 days of live racing during a calendar year may apply to the commission for a simulcasting license to display simulcast horse or greyhound races and to conduct intertrack parimutuel wagering thereon. If the organization licensee conducts races at a racetrack facility that is owned by a facility owner licensee, both licensees shall join in the application. A simulcasting license granted to a county fair association that conducts fewer than 22 days of live racing shall restrict the county fair association's display

(continued)

of simulcast races to a number of days, including days on which it conducts live horse races, equal to not more than twice the number of days on which it conducts live races.

(b) (1) A simulcasting license granted to an organization licensee other than a county fair association shall authorize the display of simulcast races at the racetrack facility where the live races are conducted. If a simulcasting licensee conducts live horse races on a day when simulcast races are displayed by the licensee and the licensee conducts fewer than 10 live horse races on such day, not less than 80% of the races on which wagers are taken by the licensee during such day shall be live races conducted by the licensee. If a simulcast licensee conducts live greyhound races on a day when simulcast races are displayed by the licensee and the licensee conducts fewer than 13 live greyhound races during a performance on such day, not less than 80% of the races on which wagers are taken by the licensee during such performance shall be live races conducted by the licensee.

(2) A simulcasting license granted to a county fair association shall authorize the display of simulcast races at the racetrack facility where the races are conducted only if live races are scheduled for two or more days of the same calendar week, except that the licensee may conduct simulcast races in the week immediately before and immediately after a live meeting if the total number of days on which simulcast races are displayed does not exceed the total authorized in subsection (a). In no case shall the live meet or simulcast races allowed under this subsection exceed nine consecutive weeks. For purposes of this subsection, a calendar week shall be measured from Monday through the following Sunday.

(3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2), a county fair association may apply to the commission for not more than five additional days of simulcasting of special events. In addition, the commission may authorize a county fair association to display additional simulcast races but, if such county fair association is less than 100 miles from an organization licensee that is not a county fair association, it must also secure written consent from that organization licensee.

(4) Notwithstanding the provisions of subsection (b)(1), if an emergency causes the cancellation of all or any live races scheduled for a day or performance by a simulcasting licensee, the commission or the commission's designee may authorize the licensee to display any simulcast races previously scheduled for such days or performance.

(5) Notwithstanding the provisions of subsection (b)(1), the commission may authorize the licensee to display simulcast special racing events as designated by the commission.

(c) The application for a simulcasting license shall be filed with the commission at a time and place prescribed by rules and regulations of the commission. The application shall be in a form and include such information as the commission prescribes.

(d) To qualify for a simulcasting license the applicant shall:

(1) Comply with the interstate horse racing act of 1978 (15 U.S.C. 3001 *et seq.*) as in effect December 31, 1991;

(2) submit with the application a written approval of the proposed simulcasting schedule signed by: (A) The recognized horsemen's group for the track, if the applicant is licensed to conduct only horse races; (B) the recognized greyhound owners' group, if the applicant is licensed to conduct only greyhound races and only greyhound races are to be simulcast; (C) both the recognized greyhound owners' group and a recognized horsemen's group, if the applicant is licensed to conduct only greyhound races and horse races are to be simulcast; (D) the recognized greyhound owners' group, if the applicant is licensed to conduct both greyhound and horse races, only greyhound races are to be simulcast and races are to be simulcast only while the applicant is conducting live greyhound races; (E) the recognized horsemen's group for the track, if the applicant is licensed to conduct both greyhound and horse races, only horse races are to be simulcast and races are to be simulcast only while the applicant is conducting live horse races; or (F) both the recognized greyhound owners' group and the recognized horsemen's group for the track, if the applicant is licensed to conduct both greyhound races and horse races and horse races are to be simulcast while the applicant is conducting live greyhound races or greyhound races are to be simulcast while the applicant is conducting live horse races; and

(3) submit, in accordance with rules and regulations of the com-

mission and before the simulcasting of a race, a written copy of each contract or agreement which the applicant proposes to enter into with regard to such race, and any proposed modification of any such contract or agreement.

(e) The term of a simulcasting license shall be one year.

(f) A simulcasting licensee may apply to the commission or its designee for changes in the licensee's approved simulcasting schedule if such changes are approved by the respective recognized greyhound owners' group or recognized horsemen's group needed throughout the term of the license. Application shall be made upon forms furnished by the commission and shall contain such information as the commission prescribes.

(g) Except as provided by subsection (j), the takeout for simulcast horse and greyhound races shall be the same as it is for the live horse and greyhound races conducted during the current or next live race meeting at the racetrack facility where the simulcast races are displayed. For simulcast races the tax imposed on amounts wagered shall be as provided by K.S.A. 74-8823 and amendments thereto. The simulcasting licensee shall be entitled to retain sufficient revenue to pay expenses directly related to the simulcast race or performance. The commission, by rules and regulations, shall define what constitutes such expenses. Of the balance of the takeout remaining after deduction of taxes and expenses, 50% shall be paid to the simulcasting licensee. The remainder shall be used for purses, as follows:

(1) For purses for greyhound races conducted by the licensee, if the simulcast race is a greyhound race and the licensee conducts only live greyhound races;

(2) for purses for horse races conducted by the licensee, if the simulcast race is a horse race and the licensee conducts only live horse races;

(3) for purses, as determined by both the recognized horsemen's group and the recognized greyhound owners' group, if the simulcast race is a greyhound race and the licensee does not conduct or is not currently conducting live greyhound races; or

(4) for purses, as determined by both the recognized horsemen's group and the recognized greyhound owners' group, if the simulcast is a horse race and the licensee does not conduct or is not currently conducting live horse races.

(h) Except as provided by subsection (j):

(1) If a simulcasting licensee has a license to conduct live horse races and the licensee displays a simulcast horse race: (A) All breakage proceeds shall be remitted by the licensee to the commission not later than the 15th day of the month following the race from which the breakage is derived and the commission shall promptly remit any such proceeds received to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the Kansas horse breeding development fund created by K.S.A. 74-8829 and amendments thereto; and (B) all unclaimed ticket proceeds shall be remitted by the licensee to the commission on the 61st day after the end of the calendar year and the commission shall promptly remit any such proceeds received to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the Kansas horse breeding development fund created by K.S.A. 74-8829 and amendments thereto.

(2) If a simulcasting licensee has a license to conduct live greyhound races and the licensee displays a simulcast greyhound race, breakage and unclaimed winning ticket proceeds shall be distributed in the manner provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for breakage and unclaimed winning ticket proceeds from live greyhound races.

(3) If a simulcasting licensee has a license to conduct live racing of only horses and the licensee displays a simulcast greyhound race, unclaimed winning ticket proceeds shall be distributed in the manner provided by K.S.A. 74-8822, and amendments thereto, for unclaimed winning ticket proceeds from live greyhound races. Breakage for such races shall be distributed for use to benefit greyhound racing as determined by the commission.

(4) If a simulcasting licensee has a license to conduct live racing of only greyhounds and the licensee displays a simulcast horse race: (A) All breakage proceeds shall be remitted by the licensee to the commission not later than the 15th day of the month following the race from which the breakage is derived and the commission shall

(Published in the Kansas Register, May 19, 1994.)

House Sub. for Senate Bill No. 453

AN ACT concerning retirement; relating to the Kansas public employees retirement system and certain retirement systems related thereto; amending K.S.A. 1993 Supp. 74-4902 and 74-4952 and repealing the existing sections; also repealing K.S.A. 1993 Supp. 74-4902, as amended by section 7 of 1994 Senate Substitute for House Bill No. 2597 and 74-4952, as amended by section 19 of 1994 Senate Substitute for House Bill No. 2597.

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

Section 1. K.S.A. 1993 Supp. 74-4902 is hereby amended to read as follows: 74-4902. As used in K.S.A. 74-4901 to 74-4929, inclusive, and amendments thereto, unless the context otherwise requires:

(1) "Accumulated contributions" means the sum of all contributions by a member to the system which are credited to the member's account, with interest allowed thereon;

(2) "acts" means K.S.A. 74-4901 to 74-4929, inclusive, and amendments thereto;

(3) "actuarial equivalent" means an annuity or benefit of equal value to the accumulated contributions, annuity or benefit, when computed upon the basis of the actuarial tables in use by the system;

(4) "actuarial tables" means the actuarial tables approved and in use by the board at any given time;

(5) "actuary" means the actuary or firm of actuaries employed or retained by the board at any given time;

(6) "agent" means the individual designated by each participating employer through whom system transactions and communication are directed;

(7) "beneficiary" means any natural person or persons or estate named by a member to receive any benefits as provided for by this act. Designations of beneficiaries by a member who is a member of more than one retirement system made on or after July 1, 1987, shall be the basis of any benefits payable under all systems unless otherwise provided by law. Except as otherwise provided by subsection (33) of this section, if there is no named beneficiary living at time of member's death, any benefits provided for by this act shall be paid to: (A) The member's surviving spouse; (B) the member's dependent child or children; (C) the member's dependent parent or parents; (D) the member's nondependent child or children; (E) the member's nondependent parent or parents; (F) the estate of the deceased member; in the order of preference as specified in this subsection. Any payment made to a named beneficiary shall be a full discharge and release to the system from any further claims. Any payment made to a beneficiary as provided in clauses (A), (B), (C), (D), (E) or (F) of this subsection, as determined by the board, shall be a full discharge and release to the system from any further claims. Whenever any payment is payable to more than one beneficiary such payment shall be made to such beneficiaries jointly. Any benefits payable to a beneficiary or beneficiaries who are minor children or incompetent persons shall be made in the name of the beneficiary or beneficiaries and delivered to the lawfully appointed conservator of such beneficiaries who was nominated by will or as otherwise provided by law, except that in those cases where the benefit involves only the payment of the member's accumulated contributions with interest as provided by this act in an amount not to exceed \$500, the board is hereby authorized in its discretion without the appointment of a conservator or the giving of a bond to pay such amount as is due to the minor or minors themselves, any payment so made shall be a full discharge and release to the system from any further claims;

(8) "board of trustees," "board" or "trustees" means the managing body of the system which is known as the Kansas public employees retirement system board of trustees;

(9) "compensation" means all salary, wages and other remuneration payable to a member for personal services performed for a participating employer, including maintenance or any allowance in lieu thereof provided a member as part of compensation, but not including reimbursement for travel or moving expenses or on and after July 1, 1994, payment pursuant to an early retirement incentive program made prior to the retirement of the member. Beginning with the employer's fiscal year which begins in calendar year 1991 or for employers other than the state of Kansas, beginning with the fiscal year which begins in calendar year 1992, when the compensation of a member who remains in substantially the same position

(continued)

promptly remit any such proceeds received to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the Kansas horse breeding development fund created by K.S.A. 74-8829 and amendments thereto; and (B) all unclaimed ticket proceeds shall be remitted by the licensee to the commission on the 61st day after the end of the calendar year and the commission shall promptly remit any such proceeds received to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the Kansas horse breeding development fund created by K.S.A. 74-8829 and amendments thereto.

(i) The commission may approve a request by two or more simulcasting licensees to combine wagering pools within the state of Kansas pursuant to rules and regulations adopted by the commission.

(j) (1) The commission may authorize any simulcasting licensee to participate in an interstate combined wagering pool with one or more other racing jurisdictions.

(2) If a licensee participates in an interstate pool, the licensee may adopt the takeout of the host jurisdiction or facility, except that the takeout shall not be more than 20% on win, place and show bets and not more than 25% on all other bets. The amount and manner of paying purses from the takeout in an interstate pool shall be as provided by subsection (g).

(3) The tax imposed on amounts wagered in an interstate pool shall be as provided by K.S.A. 74-8823 and amendments thereto. Parimutuel taxes may not be imposed on any amounts wagered in an interstate combined wagering pool other than amounts wagered within this jurisdiction.

(4) Breakage for interstate combined wagering pools shall be calculated in accordance with the statutes and rules and regulations of the host jurisdiction and shall be allocated among the participating jurisdictions in a manner agreed to among the jurisdictions. Breakage allocated to this jurisdiction shall be distributed as provided by subsection (h).

(5) Upon approval of the respective recognized greyhound owners' group or recognized horsemen's group, the commission may permit an organization licensee to simulcast to other racetrack facilities or off-track wagering or intertrack wagering facilities in other jurisdictions one or more races conducted by such licensee, use one or more races conducted by such licensee for an intrastate combined wagering pool or use one or more races conducted by such licensee for an interstate combined wagering pool at off-track wagering or intertrack wagering locations outside the commission's jurisdiction and may allow parimutuel pools in other jurisdictions to be combined with parimutuel pools in the commission's jurisdiction for the purpose of establishing an interstate combined wagering pool.

(6) The participation by a simulcasting licensee in a combined interstate wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction which the licensee is physically located.

(k) If the organization licensee, facility owner licensee if any and the recognized horsemen's group or recognized greyhound owners' group are unable to agree concerning a simulcasting application, the matter may be submitted to the commission for determination at the written request of any party in accordance with rules and regulations of the commission.

(l) This section shall be part of and supplemental to the Kansas parimutuel racing act.

Sec. 5. K.S.A. 74-8829, as amended by section 3 of 1994 House Bill No. 2836 is hereby repealed.

Sec. 6. On and after July 1, 1994, K.S.A. 74-8802, as amended by section 1 of 1994 House Bill No. 2836; K.S.A. 74-8802, as amended by section 2 of 1994 House Bill No. 2577; K.S.A. 1993 Supp. 74-8810, as amended by section 1 of 1994 House Bill No. 2984; K.S.A. 1993 Supp. 74-8810, as amended by section 4 of 1994 House Bill No. 2577; K.S.A. 74-8836, as amended by section 4 of 1994 House Bill No. 2836; and K.S.A. 74-8836, as amended by section 9 of 1994 House bill No. 2577, are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

during any two consecutive years of participating service used in calculating final average salary is increased by an amount which exceeds 15%, then the amount of such increase which exceeds 15% shall not be included in compensation, except that (A) any amount of compensation for accumulated sick leave or vacation or annual leave paid to the member, (B) any increase in compensation for any member due to a reclassification or reallocation of such member's position or a reassignment of such member's job classification to a higher range or level and (C) any increase in compensation as provided in any contract entered into prior to January 1, 1991, and still in force on the effective date of this act, pursuant to an early retirement incentive program as provided in K.S.A. 72-5395 et seq. and amendments thereto, shall be included in the amount of compensation of such member used in determining such member's final average salary and shall not be subject to the 15% limitation provided in this subsection. Any contributions by such member on the amount of such increase which exceeds 15% which is not included in compensation shall be returned to the member. Unless otherwise provided by law, beginning with the employer's fiscal year coinciding with or following July 1, 1985, compensation shall include any amounts for tax sheltered annuities or deferred compensation plans. Beginning with the employer's fiscal year which begins in calendar year 1991, compensation shall include amounts under sections 403b, 457 and 125 of the federal internal revenue code of 1986 and any other section of the federal internal revenue code of 1986 which defers or excludes amounts from inclusion in income;

(10) "credited service" means the sum of participating service and prior service and in no event shall credited service include any service which is credited under another retirement plan authorized under any law of this state;

(11) "dependent" means a parent or child of a member who is dependent upon the member for at least 1/2 of such parent or child's support;

(12) "effective date" means the date upon which the system becomes effective by operation of law;

(13) "eligible employer" means the state of Kansas, and any county, city, township, special district or any instrumentality of any one or several of the aforementioned or any noncommercial public television or radio station located in this state which receives state funds allocated by the Kansas public broadcasting commission whose employees are covered by social security. If a class or several classes of employees of any above defined employer are not covered by social security, such employer shall be deemed an eligible employer only with respect to such class or those classes of employees who are covered by social security;

(14) "employee" means any appointed or elective officer or employee of a participating employer whose employment is not seasonal or temporary and whose employment requires at least 1,000 hours of work per year, but not including: (A) Any person covered by or eligible for or who will become eligible for a retirement annuity under the provisions of K.S.A. 74-4925 and amendments thereto except as otherwise specifically provided in subsection (3) of K.S.A. 74-4925 and amendments thereto and this subsection; (B) any employee who is a contributing member of the United States civil service retirement system; (C) any employee of an eligible employer who is a participant in public service employment under title II and title VI of the federal comprehensive employment and training act of 1973; (D) any employee or class of employees specifically exempted by law. After June 30, 1975, no person who is otherwise eligible for membership in the Kansas public employees retirement system shall be barred from such membership by reason of coverage by, eligibility for or future eligibility for a retirement annuity under the provisions of K.S.A. 74-4925 and amendments thereto, except that no person shall receive service credit under the Kansas public employees retirement system for any period of service for which benefits accrue or are granted under a retirement annuity plan under the provisions of K.S.A. 74-4925 and amendments thereto. After June 30, 1982, no person who is otherwise eligible for membership in the Kansas public employees retirement system shall be barred from such membership by reason of coverage by, eligibility for or future eligibility for any benefit under another retirement plan authorized under any law of this state, except that no such person shall receive service credit under the Kansas public employees retirement system for any period of service for which any benefit accrues or is granted

under any such retirement plan. Employee shall include persons who are in training at or employed by, or both, a sheltered workshop for the blind operated by the secretary of social and rehabilitation services. The entry date for such persons shall be the beginning of the first pay period of the fiscal year commencing in calendar year 1986. Such persons shall be granted prior service credit in accordance with K.S.A. 74-4913 and amendments thereto. However, such persons classified as home industry employees shall not be covered by the retirement system;

(15) "entry date" means the date as of which an eligible employer joins the system. The first entry date pursuant to this act is January 1, 1962;

(16) "executive secretary" means the managing officer of the system employed by the board under this act;

(17) "final average salary" means in the case of a member who retires prior to January 1, 1977, and in the case of a member who retires after January 1, 1977, and who has less than five years of participating service after January 1, 1967, the average highest annual compensation paid to such member for any five years of the last 10 years of participating service immediately preceding retirement or termination of employment, or in the case of a member who retires on or after January 1, 1977, and who has five or more years of participating service after January 1, 1967, the average highest annual compensation paid to such member on or after January 1, 1967, for any five years of participating service preceding retirement or termination of employment, or, in any case, if participating service is less than five years, then the average annual compensation paid to the member during the full period of participating service, or, in any case, if the member has less than one calendar year of participating service such member's final average salary shall be computed by multiplying such member's highest monthly salary received in that year by 12; in the case of a member who became a member under subsection (3) of K.S.A. 74-4925 and amendments thereto, or who became a member with a participating employer as defined in subsection (3) of K.S.A. 74-4931 and amendments thereto and who elects to have compensation paid in other than 12 equal installments, such compensation shall be annualized as if the member had elected to receive 12 equal installments for any such periods preceding retirement; in the case of a member who retires after July 1, 1987, the average highest annual compensation paid to such member for any four years of participating service preceding retirement or termination of employment; in the case of a member who retires on or after July 1, 1993, who was first hired as an employee, as defined in subsection (14) of K.S.A. 74-4902 and amendments thereto, prior to July 1, 1993, the average highest annual compensation, as defined in subsection (9), paid to such member for any four years of participating service preceding retirement or termination of employment or the average highest annual salary, as defined in subsection (34), paid to such member for any three years of participating service preceding retirement or termination of employment, whichever is greater; and in the case of a member who retires on or after July 1, 1993, and who is first hired as an employee, as defined in subsection (14) of K.S.A. 74-4902 and amendments thereto, on or after July 1, 1993, the average highest annual salary, as defined in subsection (34), paid to such member for any three years of participating service preceding retirement or termination of employment. Final average salary shall not include any purchase of participating service credit by a member as provided in subsection (2) of K.S.A. 74-4919h and amendments thereto which is completed within five years of retirement. *For any application to purchase or repurchase service credit for a certain period of service as provided by law received by the system after May 17, 1994, for any member who will have contributions deducted from such member's compensation at a percentage rate equal to two or three times the employee's rate of contribution or will begin paying to the system a lump-sum amount for such member's purchase or repurchase and such deductions or lump-sum payment commences after the commencement of the first payroll period in the third quarter, "final average salary" shall not include any amount of compensation or salary which is based on such member's purchase or repurchase. Any application to purchase or repurchase multiple periods of service shall be treated as multiple applications. For purposes of this subsection, the date that such member is first hired as an employee for members who are employees of employers that elected to participate in the system on or after*

January 1, 1994, shall be the date that such employee's employer elected to participate in the system;

(18) "fiscal year" means, for the Kansas public employees retirement system, the period commencing July 1 of any year and ending June 30 of the next;

(19) "Kansas public employees retirement fund" means the fund created by this act for payment of expenses and benefits under the system and referred to as the fund;

(20) "leave of absence" means a period of absence from employment without pay, authorized and approved by the employer, and which after the effective date does not exceed one year;

(21) "member" means an eligible employee who is in the system and is making the required employee contributions, or any former employee who has made the required contributions to the system and has not received a refund;

(22) "military service" means service in the armed forces of the United States, which service is immediately preceded by a period of employment as an employee with a participating employer and is followed by return to employment as an employee with the same or another participating employer within 12 months immediately following discharge from such military service, except that if the board determines that such return within 12 months was made impossible by reason of a service-connected disability, the period within which the employee must return to employment with a participating employer shall be extended not more than two years from the date of discharge or separation from military service;

(23) "normal retirement date" means the date on or after which a member may retire with full retirement benefits pursuant to K.S.A. 74-4914 and amendments thereto;

(24) "participating employer" means an eligible employer who has agreed to make contributions to the system on behalf of its employees;

(25) "participating service" means the period of employment after the entry date for which credit is granted a member;

(26) "prior service" means the period of employment of a member prior to such member's entry date for which credit is granted a member under this act;

(27) "prior service annual salary" means the highest annual salary, not including any amounts received as payment for overtime or as reimbursement for travel or moving expense, received for personal services by the member from the current employer in any one of the three calendar years immediately preceding January 1, 1962, or the entry date of the employer, whichever is later, except that if a member entered the employment of the state during the calendar year 1961, the prior service annual salary shall be computed by multiplying such member's highest monthly salary received in that year by 12;

(28) "retirant" means a member who has retired under this system;

(29) "retirement benefit" means a monthly income or the actuarial equivalent thereof paid in such manner as specified by the member pursuant to this act or as otherwise allowed to be paid at the discretion of the board, with benefits accruing from the first day of the month coinciding with or following retirement and ending on the last day of the month in which death occurs. Upon proper identification a surviving spouse may negotiate the warrant issued in the name of the retirant;

(30) "retirement system" or "system" means the Kansas public employees retirement system as established by this act and as it may be amended;

(31) "social security" means the old age, survivors and disability insurance section of the federal social security act;

(32) "total disability" means a physical or mental disability which prevents the member from engaging, for remuneration or profit, in any occupation for which the member is reasonably suited by education, training or experience;

(33) "trust" means an express trust, created by a trust instrument, including a will, designated by a member to receive payment of the insured death benefit under K.S.A. 74-4927 and amendments thereto and payment of the member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto. A designation of a trust shall be filed with the board. If there is a designated trust at the time of the member's death, the insured death benefit for the member under K.S.A. 74-4927 and amendments thereto and the

member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto shall be paid to the trust in lieu of the member's beneficiary. If no will is admitted to probate within six months after the death of the member or no trustee qualifies within such six months or if the designated trust fails, for any reason whatsoever, the insured death benefit under K.S.A. 74-4927 and amendments thereto and the member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto shall be paid in accordance with the provisions of subsection (7) of this section as in other cases where there is no named beneficiary living at the time of the member's death and any payments so made shall be a full discharge and release to the system from any further claims; and

(34) "salary" means all salary and wages payable to a member for personal services performed for a participating employer, including maintenance or any allowance in lieu thereof provided a member as part of salary. Salary shall not include reimbursement for travel or moving expenses, payment for accumulated sick leave or vacation or annual leave, severance pay or any other payments to the member determined by the board to not be payments for personal services performed for a participating employer constituting salary or on and after July 1, 1994, payment pursuant to an early retirement incentive program made prior to the retirement of the member. When the salary of a member who remains in substantially the same position during any two consecutive years of participating service used in calculating final average salary is increased by an amount which exceeds 15%, then the amount of such increase which exceeds 15% shall not be included in salary. Any contributions by such member on the amount of such increase which exceeds 15% which is not included in compensation shall be returned to the member. Unless otherwise provided by law, salary shall include any amounts for tax sheltered annuities or deferred compensation plans. Salary shall include amounts under sections 403b, 457 and 125 of the federal internal revenue code of 1986 and any other section of the federal internal revenue code of 1986 which defers or excludes amounts from inclusion in income. In any case, if participating service is less than three years, then the average annual salary paid to the member during the full period of participating service, or, in any case, if the member has less than one calendar year of participating service such member's final average salary shall be computed by multiplying such member's highest monthly salary received in that year by 12.

Sec. 2. K.S.A. 1993 Supp. 74-4952 is hereby amended to read as follows: 74-4952. As used in K.S.A. 74-4951 to 74-4969 and amendments thereto:

(1) "Accumulated contributions" means the sum of all contributions by a member to the system which shall be credited to the member's account with interest allowed thereon after June 30, 1982.

(2) "Disability" means the total inability to perform permanently the duties of the position of a policeman or fireman.

(3) "Eligible employer" means any city, county, township or other political subdivision of the state employing one or more employees as firemen or policemen.

(4) "Employee" means any policeman or fireman employed by a participating employer whose employment for police or fireman purposes is not seasonal or temporary and requires at least 1,000 hours of work per year.

(5) "Entry date" means the date as of which an eligible employer joins the system; the first entry date pursuant to this act is January 1, 1967.

(6) "Final average salary" means:

(a) For members who are first hired as an employee, as defined in subsection (4), before July 1, 1993, the average highest annual compensation paid to a member for any three of the last five years of participating service immediately preceding retirement or termination of employment, or if participating service is less than three years, then the average annual compensation paid to the member during the full period of participating service, or if a member has less than one calendar year of participating service, then the member's final average salary shall be computed by multiplying the member's highest monthly salary received in that year by 12; and

(b) for members who are first hired as an employee, as defined in subsection (4), on and after July 1, 1993, the average highest

(continued)

annual salary, as defined in subsection (34) of K.S.A. 74-4902 and amendments thereto, paid to a member for any three of the last five years of participating service immediately preceding retirement or termination of employment, or if participating service is less than three years, then the average annual salary, as defined in subsection (34) of K.S.A. 74-4902 and amendments thereto, paid to the member during the full period of participating service, or if a member has less than one calendar year of participating service, then the member's final average salary shall be computed by multiplying the member's highest monthly salary received in that year by 12.

(c) For purposes of subparagraphs (a) and (b) of this subsection, the date that such member is first hired as an employee for members who are employees of employers that elected to participate in the system on or after January 1, 1994, shall be the date that such employee's employer elected to participate in the system.

(d) For any application to purchase or repurchase service credit for a certain period of service as provided by law received by the system after May 17, 1994, for any member who will have contributions deducted from such member's compensation at a percentage rate equal to two or three times the employee's rate of contribution or will begin paying to the system a lump-sum amount for such member's purchase or repurchase, and such deductions or lump-sum payment commences after the commencement of the first payroll period in the third quarter, "final average salary" shall not include any amount of compensation or salary which is based on such member's purchase or repurchase. Any application to purchase or repurchase multiple periods of service shall be treated as multiple applications.

(7) "Retirement benefit" means a monthly income or the actuarial equivalent thereof paid in such manner as specified by the member as provided under the system or as otherwise allowed to be paid at the discretion of the board, with benefits accruing from the first day of the month coinciding with or following retirement and ending on the last day of the month in which death occurs. Upon proper identification such surviving spouse may negotiate the warrant issued in the name of the retirant.

(8) "Normal retirement date" means the date on or after which a member may retire with eligibility for retirement benefits for age and service as provided in subsections (1) and (3) of K.S.A. 74-4957 and amendments thereto;

(9) "Retirement system" or "system" means the Kansas police and firemen's retirement system as established by this act and as it may be hereafter amended.

(10) "Service-connected" means with regard to a death or any physical or mental disability, any such death or disability resulting from external force, violence or disease occasioned by an act of duty as a policeman or fireman and, for any member after five years of credited service, includes any death or disability resulting from a heart disease or disease of the lung or respiratory tract or cancer as provided in this subsection, except that in the event that the member ceases to be a contributing member except by reason of a service-connected disability for a period of six months or more and then again becomes a contributing member, the provision relating to death or disability resulting from a heart disease, disease of the lung or respiratory tract or cancer as provided in this subsection shall not apply until such member has again become a contributing member for a period of not less than two years or unless clear and precise evidence is presented that the heart disease, disease of the lung or respiratory tract or cancer as provided in this subsection was in fact occasioned by an act of duty as a policeman or fireman. The provisions of this section relating to the presumption that the death or disability resulting from cancer is service-connected shall only apply if the condition that caused the death or disability is a type of cancer which may, in general, result from exposure to heat, radiation or a known carcinogen.

(11) "Fireman" or "firemen" means an employee assigned to the fire department and engaged in the fighting and extinguishment of fires and the protection of life and property therefrom or in support thereof and who is specifically designated, appointed, commissioned or styled as such by the governing body or city manager of the participating employer and certified to the retirement system as such.

(12) "Police," "policeman" or "policemen" means an employee

assigned to the police department and engaged in the enforcement of law and maintenance of order within the state and its political subdivisions, including sheriffs and sheriffs' deputies, or in support thereof and who is specifically designated, appointed, commissioned or styled as such by the governing body or city manager of the participating employer and certified to the retirement system as such.

(13) Except as otherwise defined in this act, words and phrases used in K.S.A. 74-4951 to 74-4969, and amendments thereto, shall have the same meanings ascribed to them as are defined in K.S.A. 74-4902 and amendments thereto.

Sec. 3. K.S.A. 1993 Supp. 74-4902 and 74-4952 are hereby repealed.

Sec. 4. On and after July 1, 1994, K.S.A. 1993 Supp. 74-4902, as amended by section 7 of 1994 Senate Substitute for House Bill No. 2597 and 74-4952, as amended by section 19 of 1994 Senate Substitute for House Bill No. 2597 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 3096

AN ACT concerning business entities; amending K.S.A. 1993 Supp. 17-5903, as amended by Section 3 of 1994 Senate Bill No. 554, 17-5904, as amended by Section 4 of 1994 Senate Bill No. 554, and 17-7515, as amended by Section 7 of 1994 Senate Bill No. 581, and repealing the existing sections; also repealing K.S.A. 1993 Supp. 17-5903, as amended by Section 2 of 1994 House Bill No. 2584, 17-5904, as amended by Section 3 of 1994 House Bill No. 2584, and 17-7515, as amended by Section 1 of 1994 House Bill No. 3045.

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

Section 1. K.S.A. 1993 Supp. 17-5903, as amended by Section 3 of 1994 Senate Bill No. 554, is hereby amended to read as follows: 17-5903. As used in this act:

(a) "Corporation" means a domestic or foreign corporation organized for profit or nonprofit purposes.

(b) "Nonprofit corporation" means a corporation organized not for profit and which qualifies under section 501(c)(3) of the federal internal revenue code of 1954 as amended.

(c) "Limited partnership" has the meaning provided by K.S.A. 56-1a01, and amendments thereto.

(d) "Limited agricultural partnership" means a limited partnership founded for the purpose of farming and ownership of agricultural land in which:

(1) The partners do not exceed 10 in number;

(2) the partners are all natural persons, persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations, or general partnerships other than corporate partnerships formed under the laws of the state of Kansas; and

(3) at least one of the general partners is a person residing on the farm or actively engaged in the labor or management of the farming operation. If only one partner is meeting the requirement of this provision and such partner dies, the requirement of this provision does not apply for the period of time that the partner's estate is being administered in any district court in Kansas.

(e) "Corporate partnership" means a partnership, as defined in K.S.A. 56-306, and amendments thereto, which has within the association one or more corporations or one or more limited liability companies.

(f) "Feedlot" means a lot, yard, corral, or other area in which livestock fed for slaughter are confined. The term includes within its meaning agricultural land in such acreage as is necessary for the operation of the feedlot.

(g) "Agricultural land" means land suitable for use in farming.

(h) "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming does not include the production of timber, forest products, nursery products or sod, and farming does not include a contract to provide spraying, harvesting or other farm services.

(i) "Fiduciary capacity" means an undertaking to act as executor, administrator, guardian, conservator, trustee for a family trust, authorized trust or testamentary trust or receiver or trustee in bankruptcy.

(j) "Family farm corporation" means a corporation:

(1) Founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons related to each other, all of whom have a common ancestor within the third degree of relationship, by blood or by adoption, or the spouses or the stepchildren of any such persons; or persons acting in a fiduciary capacity for persons so related;

(2) all of its stockholders are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons; and

(3) at least one of the stockholders is a person residing on the farm or actively engaged in the labor or management of the farming operation. A stockholder who is an officer of any corporation referred to in this subsection and who is one of the related stockholders holding a majority of the voting stock shall be deemed to be actively engaged in the management of the farming corporation. If only one stockholder is meeting the requirement of this provision and such stockholder dies, the requirement of this provision does not apply for the period of time that the stockholder's estate is being administered in any district court in Kansas.

(k) "Authorized farm corporation" means a Kansas corporation, other than a family farm corporation, all of the incorporators of which are Kansas residents and which is founded for the purpose of farming and the ownership of agricultural land in which:

(1) The stockholders do not exceed 15 in number;

(2) the stockholders are all natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations; and

(3) at least 30% of the stockholders are persons residing on the farm or actively engaged in the day-to-day labor or management of the farming operation. If only one of the stockholders is meeting the requirement of this provision and such stockholder dies, the requirement of this provision does not apply for the period of time that the stockholder's estate is being administered in any district court in Kansas.

For the purposes of this definition, if more than one person receives stock by bequest from a deceased stockholder, all of such persons, collectively, shall be deemed to be one stockholder, and a husband and wife, and their estates, collectively, shall be deemed to be one stockholder.

(l) "Trust" means a fiduciary relationship with respect to property, subjecting the person by whom the property is held to equitable duties to deal with the property for the benefit of another person, which arises as a result of a manifestation of an intention to create it. A trust includes a legal entity holding property as trustee, agent, escrow agent, attorney-in-fact and in any similar capacity.

(m) "Family trust" means a trust in which:

(1) A majority of the equitable interest in the trust is held by and the majority of the beneficiaries are persons related to each other, all of whom have a common ancestor within the third degree of relationship, by blood or by adoption, or the spouses or stepchildren of any such persons, or persons acting in a fiduciary capacity for persons so related; and

(2) all the beneficiaries are natural persons, are persons acting in a fiduciary capacity, other than as trustee for a trust, or are nonprofit corporations.

(n) "Authorized trust" means a trust other than a family trust in which:

(1) The beneficiaries do not exceed 15 in number;

(2) the beneficiaries are all natural persons, are persons acting in a fiduciary capacity, other than as trustee for a trust, or are nonprofit corporations; and

(3) the gross income thereof is not exempt from taxation under the laws of either the United States or the state of Kansas.

For the purposes of this definition, if one of the beneficiaries dies, and more than one person succeeds, by bequest, to the deceased beneficiary's interest in the trust, all of such persons, collectively, shall be deemed to be one beneficiary, and a husband and wife, and their estates, collectively, shall be deemed to be one beneficiary.

(o) "Testamentary trust" means a trust created by devising or

bequeathing property in trust in a will as such terms are used in the Kansas probate code.

(p) "Poultry confinement facility" means the structures and related equipment used for housing, breeding, laying of eggs or feeding of poultry in a restricted environment. The term includes within its meaning only such agricultural land as is necessary for proper disposal of liquid and solid wastes and for isolation of the facility to reasonably protect the confined poultry from exposure to disease. As used in this subsection, "poultry" means chickens, turkeys, ducks, geese or other fowl.

(q) "Rabbit confinement facility" means the structures and related equipment used for housing, breeding, raising, feeding or processing of rabbits in a restricted environment. The term includes within its meaning only such agricultural land as is necessary for proper disposal of liquid and solid wastes and for isolation of the facility to reasonably protect the confined rabbits from exposure to disease.

(r) "Swine marketing pool" means an association whose membership includes three or more business entities or individuals formed for the sale of hogs to buyers but shall not include any trust, corporation, limited partnership or corporate partnership, or limited liability company other than a family farm corporation, authorized farm corporation, limited liability agricultural company, limited agricultural partnership, family trust, authorized trust or testamentary trust.

(s) "Swine production facility" means the land, structures and related equipment owned or leased by a corporation or limited liability company and used for housing, breeding, farrowing or feeding of swine. The term includes within its meaning only such agricultural land as is necessary for proper disposal of liquid and solid wastes in environmentally sound amounts for crop production and to avoid nitrate buildup and for isolation of the facility to reasonably protect the confined animals from exposure to disease.

(t) "Limited liability company" has the meaning provided by K.S.A. 1993 Supp. 17-7602, and amendments thereto.

(u) "Limited liability agricultural company" means a limited liability company founded for the purpose of farming and ownership of agricultural land in which:

(1) The members do not exceed 10 in number;

(2) the members are all natural persons, persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations, or general partnerships other than corporate partnerships formed under the laws of the state of Kansas; and

(3) at least one of the members is a person residing on the farm or actively engaged in the labor or management of the farming operation. If only one member is meeting the requirement of this provision and such member dies, the requirement of this provision does not apply for the period of time that the member's estate is being administered in any district court in Kansas.

(v) "Dairy production facility" means the land, structures and related equipment used for housing, breeding, raising, feeding or milking dairy cows. The term includes within its meaning only such agricultural land as is necessary for proper disposal of liquid and solid wastes and for isolation of the facility to reasonably protect the confined cows from exposure to disease.

Sec. 2. K.S.A. 1993 Supp. 17-5904, as amended by Section 4 of 1994 Senate Bill No. 554, is hereby amended to read as follows: 17-5904. (a) No corporation, trust, limited liability company, limited partnership or corporate partnership, other than a family farm corporation, authorized farm corporation, limited liability agricultural company, limited agricultural partnership, family trust, authorized trust or testamentary trust shall, either directly or indirectly, own, acquire or otherwise obtain or lease any agricultural land in this state. The restrictions provided in this section do not apply to the following:

(1) A bona fide encumbrance taken for purposes of security.

(2) Agricultural land when acquired as a gift, either by grant or devise, by a bona fide educational, religious or charitable nonprofit corporation.

(3) Agricultural land acquired by a corporation or a limited liability company in such acreage as is necessary for the operation of a nonfarming business. Such land may not be used for farming except under lease to one or more natural persons, a family farm corporation, authorized farm corporation, family trust, authorized trust or testamentary trust. The corporation shall not engage, either directly

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or indirectly, in the farming operation and shall not receive any financial benefit, other than rent, from the farming operation.

(4) Agricultural land acquired by a corporation or a limited liability company by process of law in the collection of debts, or pursuant to a contract for deed executed prior to the effective date of this act, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise, if such corporation divests itself of any such agricultural land within 10 years after such process of law, contract or procedure, except that provisions of K.S.A. 9-1102, and amendments thereto, shall apply to any bank which acquires agricultural land.

(5) A municipal corporation.

(6) Agricultural land which is acquired by a trust company or bank in a fiduciary capacity or as a trustee for a nonprofit corporation.

(7) Agricultural land owned or leased or held under a lease purchase agreement as described in K.S.A. 12-1741, and amendments thereto, by a corporation, corporate partnership, limited corporate partnership or trust on the effective date of this act if: (A) Any such entity owned or leased such agricultural land prior to July 1, 1965, provided such entity shall not own or lease any greater acreage of agricultural land than it owned or leased prior to the effective date of this act unless it is in compliance with the provisions of this act; (B) any such entity was in compliance with the provisions of K.S.A. 17-5901 prior to its repeal by this act, provided such entity shall not own or lease any greater acreage of agricultural land than it owned or leased prior to the effective date of this act unless it is in compliance with the provisions of this act, and absence of evidence in the records of the county where such land is located of a judicial determination that such entity violated the provisions of K.S.A. 17-5901 shall constitute proof that the provisions of this act do not apply to such agricultural land, and that such entity was in compliance with the provisions of K.S.A. 17-5901 prior to its repeal; or (C) any such entity was not in compliance with the provisions of K.S.A. 17-5901 prior to its repeal by this act, but is in compliance with the provisions of this act by July 1, 1991.

(8) Agricultural land held or leased by a corporation or a limited liability company for use as a feedlot, a poultry confinement facility or rabbit confinement facility.

(9) Agricultural land held or leased by a corporation for the purpose of the production of timber, forest products, nursery products or sod.

(10) Agricultural land used for bona fide educational research or scientific or experimental farming.

(11) Agricultural land used for the commercial production and conditioning of seed for sale or resale as seed or for the growing of alfalfa by an alfalfa processing entity if such land is located within 30 miles of such entity's plant site.

(12) Agricultural land owned or leased by a corporate partnership or limited corporate partnership in which the partners associated therein are either natural persons, family farm corporations, authorized farm corporations, limited liability agricultural companies, family trusts, authorized trusts or testamentary trusts.

(13) Any corporation, either domestic or foreign, or any limited liability company, organized for coal mining purposes which engages in farming on any tract of land owned by it which has been strip mined for coal.

(14) Agricultural land owned or leased by a limited partnership prior to the effective date of this act.

(15) Except as provided by section 1 of 1994 Senate Bill No. 554, agricultural land held or leased by a corporation or a limited liability company for use as a swine production facility in any county which has voted favorably pursuant to section 1 of 1994 Senate Bill No. 554, either by county resolution or by the electorate.

(16) *Agricultural land held or leased by a corporation or a limited liability company for use as a dairy production facility in any county which has voted favorably pursuant to section 1 of 1994 House Bill No. 2584, either by county resolution or by the electorate.*

(b) Production contracts entered into by a corporation, trust, limited liability company, limited partnership or corporate partnership and a person engaged in farming for the production of agricultural products shall not be construed to mean the ownership, acquisition, obtainment or lease, either directly or indirectly, of any agricultural land in this state.

(c) Any corporation, trust, limited liability company, limited part-

nership or corporate partnership, other than a family farm corporation, authorized farm corporation, family trust, authorized trust or testamentary trust, violating the provisions of this section shall be subject to a civil penalty of not more than \$50,000 and shall divest itself of any land acquired in violation of this section within one year after judgment is entered in the action. The district courts of this state may prevent and restrain violations of this section through the issuance of an injunction. The attorney general or district or county attorney shall institute suits on behalf of the state to enforce the provisions of this section.

(d) Civil penalties sued for and recovered by the attorney general shall be paid into the state general fund. Civil penalties sued for and recovered by the county attorney or district attorney shall be paid into the general fund of the county where the proceedings were instigated.

Sec. 3. On and after July 1, 1994, K.S.A. 1993 Supp. 17-7515, as amended by Section 7 of 1994 Senate Bill No. 581, is hereby amended to read as follows: 17-7515. (a) The secretary of state shall have authority to place and maintain, in a confidential file, that portion of an annual report of a corporation, limited liability company or limited partnership, including the amount of any fee based thereon, containing the financial information required by subsection (a)(6) of K.S.A. 17-7503, subsection (a)(8) of K.S.A. 17-7505, subsection (a) of K.S.A. 17-2718, subsection (b)(3) of K.S.A. 17-7647, subsection (b)(3) of K.S.A. 17-7648, subsection (b)(3) of K.S.A. 56-1a606 or subsection (b)(3) of K.S.A. 56-1a607 and amendments thereto upon application verifying to the secretary of state, that such corporation, limited liability company or limited partnership:

(1) Has a net worth of at least \$5,000 that is equal to at least ~~20%~~ 5% of its total assets, determined in accordance with generally accepted accounting principles;

(2) has never been the subject of a proceeding under chapter 7, 11 or 13 of the federal bankruptcy laws or any similar provision of any state law, any amendment to the federal bankruptcy laws or any predecessor to the federal bankruptcy laws;

(3) is not subject to the reporting requirements of the securities exchange act of 1934;

(4) has 35 or fewer holders of its voting shares, if a corporation; members, if a limited liability company; or partners, if a limited partnership;

(5) is not an applicant for or holder of a license under the Kansas parimutuel racing act; and

(6) is not a vendor under the Kansas lottery act.

(b) Any such application by a corporation, limited liability company or limited partnership shall be accompanied by payment of a fee set by rules and regulations from the secretary of state. The secretary of state shall remit all moneys received from fees pursuant to this section to the state treasurer for deposit in the state treasury to the credit of the information and copy service fee fund. Such application and any accompanying material shall also be maintained in a confidential file by the secretary of state.

(c) All material maintained in a confidential file pursuant to this section shall not be disclosed except: (1) in accordance with a proper judicial order; (2) in accordance with the provisions of subsection (c) of K.S.A. 17-7514(e), and amendments thereto; (3) upon a proper written request of a law enforcement officer or agency of this state or of any political subdivision thereof; (4) upon a determination by the secretary of state that such corporation, limited liability company or limited partnership no longer meets one or more of the requirements set forth in subsection (a); or (5) when 10 years have elapsed since such material was filed with the secretary of state.

(d) The secretary of state shall adopt such rules and regulations as may be necessary to carry out the provisions of this act.

Sec. 4. K.S.A. 1993 Supp. 17-5903, as amended by Section 3 of 1994 Senate Bill No. 554, 17-5903, as amended by Section 2 of 1994 House Bill No. 2584, 17-5904, as amended by Section 4 of 1994 Senate Bill No. 554, and 17-5904, as amended by section 3 of 1994 House Bill No. 2584, are hereby repealed.

Sec. 5. On and after July 1, 1994, K.S.A. 1993 Supp. 17-7515, as amended by Section 7 of 1994 Senate Bill No. 581, and 17-7515, as amended by Section 1 of 1994 House Bill No. 3045, are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

SENATE BILL No. 794

AN ACT concerning juvenile detention facilities; relating to certain funds used therefor; amending K.S.A. 8-241 and 8-2110 and K.S.A. 1993 Supp. 79-4803 and 79-4804 and repealing the existing sections; also repealing K.S.A. 38-556.

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

Section 1. On and after July 1, 1994, K.S.A. 8-241 is hereby amended to read as follows: 8-241. (a) Except as provided in K.S.A. 8-2,125 through 8-2,142, and amendments thereto, any person licensed to operate a motor vehicle in this state shall submit to an examination whenever: (1) The division of vehicles has good cause to believe that such person is incompetent or otherwise not qualified to be licensed; or (2) such person has been convicted of a violation of K.S.A. 8-1567, and amendments thereto.

(b) When a person is required to submit to an examination pursuant to subsection (a)(1), the fee for such examination shall be in the amount provided by K.S.A. 8-240, and amendments thereto. When a person is required to submit to an examination pursuant to subsection (a)(2), the fee for such examination shall be \$5. In addition, any person required to submit to an examination pursuant to subsection (a)(2) shall be required, at the time of examination, to pay a reinstatement fee of \$25. All examination fees collected pursuant to this section shall be disposed of as provided in K.S.A. 8-267, and amendments thereto. All reinstatement fees collected pursuant to this section shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit 75% to the community alcoholism and intoxication programs fund created pursuant to K.S.A. 41-1126, and amendments thereto and 25% to the juvenile detention facilities capital improvements fund created by K.S.A. 1990 Supp. 38-556 79-4803, and amendments thereto.

(c) When an examination is required pursuant to subsection (a), at least five days' written notice of the examination shall be given to the licensee. The examination administered hereunder shall be at least equivalent to the examination required by subsection (e) of K.S.A. 8-247, and amendments thereto, with such additional tests as the division deems necessary. Upon the conclusion of such examination, the division shall take action as may be appropriate and may suspend or revoke the license of such person or permit the licensee to retain such license, or may issue a license subject to restrictions as permitted under K.S.A. 8-245, and amendments thereto.

(d) Refusal or neglect of the licensee to submit to an examination as required by this section shall be grounds for suspension or revocation of the license.

Sec. 2. On and after July 1, 1994, K.S.A. 8-2110 is hereby amended to read as follows: 8-2110. (a) Failure to comply with a traffic citation means failure either to (1) appear before any district or municipal court in response to a traffic citation and pay in full any fine and court costs imposed or (2) otherwise comply with a traffic citation as provided in K.S.A. 8-2118 and amendments thereto. Failure to comply with a traffic citation is a misdemeanor, regardless of the disposition of the charge for which such citation was originally issued.

(b) In addition to penalties of law applicable under subsection (a), when a person fails to comply with a traffic citation, except for illegal parking, standing or stopping, the district or municipal court in which the person should have complied with the citation shall mail notice to the person that if the person does not appear in district or municipal court or pay all fines, court costs and any penalties within 30 days from the date of mailing, the division of vehicles will be notified to suspend the person's driving privileges. Upon the person's failure to comply within such 30 days, the district or municipal court shall notify the division of vehicles. Upon receipt of a report of a failure to comply with a traffic citation under this subsection, pursuant to K.S.A. 8-255, and amendments thereto, the division of vehicles shall notify the violator and suspend the license of the violator until satisfactory evidence of compliance with the terms of the traffic citation has been furnished the informing court. Upon such compliance the informing court shall notify the division of vehicles and the suspension or suspension action shall be terminated.

(c) Except as provided in subsection (d), when the district or municipal court notifies the division of vehicles of a failure to comply with a traffic citation pursuant to subsection (b), the court shall assess

a reinstatement fee of \$50 for each charge on which the person failed to make satisfaction regardless of the disposition of the charge for which such citation was originally issued. Such reinstatement fee shall be in addition to any fine, district or municipal court costs and other penalties. The court shall, at least monthly, remit all reinstatement fees to the state treasurer who shall credit 50% of such moneys to the division of vehicles operating fund, 37.5% to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126, and amendments thereto, and 12.5% to the juvenile detention facilities capital improvements fund created by K.S.A. 1990 Supp. 38-556 79-4803, and amendments thereto.

(d) The district court or municipal court shall waive the reinstatement fee provided for in subsection (c), if the failure to comply with a traffic citation was the result of such person enlisting in or being drafted into the armed services of the United States, being called into service as a member of a reserve component of the military service of the United States, or volunteering for such active duty, or being called into service as a member of the state of Kansas national guard, or volunteering for such active duty, and being absent from Kansas because of such military service. In any case of a failure to comply with a traffic citation which occurred on or after August 1, 1990, and prior to the effective date of this act, in which a person was assessed and paid a reinstatement fee and the person failed to comply with a traffic citation because the person was absent from Kansas because of any such military service, the reinstatement fee shall be reimbursed to such person upon application therefor. The state treasurer and the director of accounts and reports shall prescribe procedures for all such reimbursement payments and shall create appropriate accounts, make appropriate accounting entries and issue such appropriate vouchers and warrants as may be required to make such reimbursement payments.

Sec. 3. K.S.A. 1993 Supp. 79-4803 is hereby amended to read as follows: 79-4803. (a) Before July 1, 1995, an amount equal to 10% of all moneys credited to the state gaming revenues fund shall be transferred and credited in accordance with the following:

(1) A portion of such amount, which shall be specified by appropriations act, shall be credited to the juvenile detention facilities fund; and

(2) the remainder of such amount shall be credited to the correctional institutions building fund created pursuant to K.S.A. 76-6b09, and amendments thereto, to be appropriated by the legislature for the use and benefit of state correctional institutions as provided in K.S.A. 76-6b09 and amendments thereto.

(b) On and after July 1, 1995:

(1) An amount equal to 10% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the correctional institutions building fund created pursuant to K.S.A. 76-6b09 and amendments thereto, to be appropriated by the legislature for the use and benefit of state correctional institutions as provided in K.S.A. 76-6b09 and amendments thereto; and

(2) an amount equal to 5% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the juvenile detention facilities fund.

(b) (c) There is hereby created in the state treasury the juvenile detention facilities fund which shall be administered by the attorney general. All expenditures from the juvenile detention facilities fund shall be for the retirement of debt of facilities for the detention of juveniles; or for the construction, renovation, remodeling; or operational costs or retirement of debt of facilities for the detention of juveniles in accordance with a grant program which shall be established with grant criteria designed to facilitate the expeditious award and payment of grants for the purposes for which the moneys are intended. "Operational costs" shall not be limited to any per capita reimbursement by the secretary of social and rehabilitation services for juveniles under the supervision and custody of the secretary but shall include payments to counties as and for their costs of operating the facility. The secretary of social and rehabilitation services shall make grants of the moneys credited to the juvenile detention facilities fund for such purposes to counties in accordance with such grant program. All expenditures from the juvenile detention facilities fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of social and rehabilitation services or the secretary's designee.

(continued)

(d) On July 1, 1994, the director of accounts and reports shall transfer all moneys in the juvenile detention facilities capital improvements fund to the juvenile detention facilities fund established pursuant to subsection (c). On July 1, 1994, all liabilities of the juvenile detention facilities capital improvements fund existing prior to such date are hereby imposed on the juvenile detention facilities fund established pursuant to subsection (c) and the juvenile detention facilities capital improvements fund is hereby abolished.

Sec. 4. K.S.A. 1993 Supp. 79-4804 is hereby amended to read as follows: 79-4804. (a) Before July 1, 1995, an amount equal to 90% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund which is hereby created in the state treasury. On and after July 1, 1995, an amount equal to 85% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund. Expenditures from the state economic development initiatives fund shall be made in accordance with appropriations acts for the financing of such programs supporting and enhancing the existing economic foundation of the state and fostering growth through the expansion of current, and the establishment and attraction of new, commercial and industrial enterprises as provided by this section and as may be authorized by law and not less than 1/2 of such money shall be distributed equally among the congressional districts of the state. Except as provided by subsection (g), all moneys credited to the state economic development initiatives fund shall be credited within the fund, as provided by law, to an account or accounts of the fund which are created by this section.

(b) There is hereby created the Kansas capital formation account in the state economic development initiatives fund. All moneys credited to the Kansas capital formation account shall be used to provide, encourage and implement capital development and formation in Kansas.

(c) There is hereby created the Kansas economic development research and development account in the state economic development initiatives fund. All moneys credited to the Kansas economic development research and development account shall be used to promote, encourage and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state board of regents or other Kansas colleges and universities.

(d) There is hereby created the Kansas economic development endowment account in the state economic development initiatives fund. All moneys credited to the Kansas economic development endowment account shall be accumulated and invested as provided in this section to provide an ongoing source of funds which shall be used for economic development activities in Kansas, including but not limited to continuing appropriations or demand transfers for programs and projects which shall include, but are not limited to, specific community infrastructure projects in Kansas that stimulate economic growth.

(e) Except as provided in subsection (f), the pooled money investment board may invest and reinvest moneys credited to the state economic development initiatives fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. All moneys received as interest earned by the investment of the moneys credited to the state economic development initiatives fund shall be deposited in the state treasury and credited to the Kansas economic development endowment account of such fund.

(f) Moneys credited to the Kansas economic development endowment account of the state economic development initiatives fund may be invested in government guaranteed loans and debentures as provided by law in addition to the investments authorized by sub-

section (e) or in lieu of such investments. All moneys received as interest earned by the investment under this subsection of the moneys credited to the Kansas economic development endowment account shall be deposited in the state treasury and credited to the Kansas economic development endowment account of the state economic development initiatives fund.

(g) In each fiscal year, the director of accounts and reports shall make transfers in equal amounts on July 15 and January 15 which in the aggregate equal \$2,000,000 from the state economic development initiatives fund to the state water plan fund created by K.S.A. 82a-951, and amendments thereto. No other moneys credited to the state economic development initiatives fund shall be used for: (1) Water-related projects or programs, or related technical assistance; or (2) any other projects or programs, or related technical assistance, which meet one or more of the long-range goals, objectives and considerations set forth in the state water resource planning act.

Sec. 5. K.S.A. 1993 Supp. 79-4803 and 79-4804 are hereby repealed.

Sec. 6. On and after July 1, 1994, K.S.A. 8-241, 8-2110 and 38-556 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

SENATE BILL No. 525

AN ACT concerning persons who commit sexually violent offenses; relating to such person's civil commitment; evaluation, care and treatment; allegation of sexual motivation in criminal cases.

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

Section 1. The legislature finds that a small but extremely dangerous group of sexually violent predators exist who do not have a mental disease or defect that renders them appropriate for involuntary treatment pursuant to the treatment act for mentally ill persons defined in K.S.A. 59-2901 et seq. and amendments thereto, which is intended to provide short-term treatment to individuals with serious mental disorders and then return them to the community. In contrast to persons appropriate for civil commitment under K.S.A. 59-2901 et seq. and amendments thereto, sexually violent predators generally have antisocial personality features which are unamenable to existing mental illness treatment modalities and those features render them likely to engage in sexually violent behavior. The legislature further finds that sexually violent predators' likelihood of engaging in repeat acts of predatory sexual violence is high. The existing involuntary commitment procedure pursuant to the treatment act for mentally ill persons defined in K.S.A. 59-2901 et seq. and amendments thereto is inadequate to address the risk these sexually violent predators pose to society. The legislature further finds that the prognosis for rehabilitating sexually violent predators in a prison setting is poor, the treatment needs of this population are very long term and the treatment modalities for this population are very different than the traditional treatment modalities for people appropriate for commitment under the treatment act for mentally ill persons defined in K.S.A. 59-2901 et seq. and amendments thereto, therefore a civil commitment procedure for the long-term care and treatment of the sexually violent predator is found to be necessary by the legislature.

Sec. 2. As used in this act:

(a) "Sexually violent predator" means any person who has been convicted of or charged with a sexually violent offense and who suffers from a mental abnormality or personality disorder which makes the person likely to engage in the predatory acts of sexual violence.

(b) "Mental abnormality" means a congenital or acquired condition affecting the emotional or volitional capacity which predisposes the person to commit sexually violent offenses in a degree constituting such person a menace to the health and safety of others.

(c) "Predatory" means acts directed towards strangers or individuals with whom relationships have been established or promoted for the primary purpose of victimization.

(d) "Sexually motivated" means that one of the purposes for which the defendant committed the crime was for the purpose of the defendant's sexual gratification.

(e) "Sexually violent offense" means:

(1) Rape as defined in K.S.A. 21-3502 and amendments thereto;

(2) indecent liberties with a child as defined in K.S.A. 21-3503 and amendments thereto;

(3) aggravated indecent liberties with a child as defined in K.S.A. 21-3504 and amendments thereto;

(4) criminal sodomy as defined in subsection (a)(2) and (a)(3) of K.S.A. 21-3505 and amendments thereto;

(5) aggravated criminal sodomy as defined in K.S.A. 21-3506 and amendments thereto;

(6) indecent solicitation of a child as defined in K.S.A. 21-3510 and amendments thereto;

(7) aggravated indecent solicitation of a child as defined in K.S.A. 21-2511 and amendments thereto;

(8) sexual exploitation of a child as defined in K.S.A. 21-3516 and amendments thereto;

(9) aggravated sexual battery as defined in K.S.A. 21-3518 and amendments thereto;

(10) any conviction for a felony offense in effect at any time prior to the effective date of this act, that is comparable to a sexually violent offense as defined in subparagraphs (1) through (9) or any federal or other state conviction for a felony offense that under the laws of this state would be a sexually violent offense as defined in this section;

(11) an attempt, conspiracy or criminal solicitation, as defined in K.S.A. 21-3301, 21-3302 and 21-3303, and amendments thereto, of a sexually violent offense as defined in this subsection; or

(12) any act which either at the time of sentencing for the offense or subsequently during civil commitment proceedings pursuant to this act, has been determined beyond a reasonable doubt to have been sexually motivated.

(f) "Agency with jurisdiction" means that agency with the authority to direct the release of a person serving a sentence or term of confinement and includes the department of corrections and the department of social and rehabilitation services.

Sec. 3. (a) When it appears that a person may meet the criteria of a sexually violent predator as defined in section 2, the agency with jurisdiction shall give written notice of such to the prosecuting attorney of the county where that person was charged, 60 days prior to:

(1) The anticipated release from total confinement of a person who has been convicted of a sexually violent offense;

(2) release of a person who has been charged with a sexually violent offense and who has been determined to be incompetent to stand trial pursuant to K.S.A. 22-3305 and amendments thereto; or

(3) release of a person who has been found not guilty by reason of insanity of a sexually violent offense pursuant to K.S.A. 22-3428 and amendments thereto.

(b) The agency with jurisdiction shall inform the prosecutor of the following:

(1) The person's name, identifying factors, anticipated future residence and offense history; and

(2) documentation of institutional adjustment and any treatment received.

(c) The agency with jurisdiction, its employees, officials and individuals contracting, appointed or volunteering to perform services hereunder shall be immune from liability for any good-faith conduct under this section.

Sec. 4. When it appears that the person presently confined may be a sexually violent predator, the prosecuting attorney of the county where the person was convicted or charged or the attorney general if requested by the prosecuting attorney may file a petition, within 45 days of the date the prosecuting attorney received the written notice by the agency of jurisdiction as provided in subsection (a) of section 3, alleging that the person is a sexually violent predator and stating sufficient facts to support such allegation.

Sec. 5. Upon filing of a petition under section 4, the judge shall determine whether probable cause exists to believe that the person named in the petition is a sexually violent predator. If such determination is made, the judge shall direct that person be taken into

custody and the person shall be transferred to an appropriate facility for an evaluation as to whether the person is a sexually violent predator. The evaluation shall be conducted by a person deemed to be professionally qualified to conduct such an examination.

Sec. 6. Within 45 days after the filing of a petition pursuant to section 4, the court shall conduct a trial to determine whether the person is a sexually violent predator. At all stages of the proceedings under this act, any person subject to this act shall be entitled to the assistance of counsel, and if the person is indigent, the court shall appoint counsel to assist such person. Whenever any person is subjected to an examination under this act, such person may retain experts or professional persons to perform an examination of such person's behalf. When the person wishes to be examined by a qualified expert or professional person of such person's own choice, such examiner shall be permitted to have reasonable access to the person for the purpose of such examination, as well as to all relevant medical and psychological records and reports. In the case of a person who is indigent, the court, upon the person's request, shall assist the person in obtaining an expert or professional person to perform an examination or participate in the trial on the person's behalf. The person, the county or district attorney or attorney general, or the judge shall have the right to demand that the trial be before a jury. Such demand for the trial to be before a jury shall be filed, in writing, at least four days prior to trial. Number and selection of jurors shall be determined as provided in K.S.A. 22-3403, and amendments thereto. If no demand is made, the trial shall be before the court.

Sec. 7. (a) The court or jury shall determine whether, beyond a reasonable doubt, the person is a sexually violent predator. If such determination that the person is a sexually violent predator is made by a jury, such determination shall be by unanimous verdict of such jury. Such determination may be appealed. If the court or jury determines that the person is a sexually violent predator, the person shall be committed to the custody of the secretary of social and rehabilitation services for control, care and treatment until such time as the person's mental abnormality or personality disorder has so changed that the person is safe to be at large. Such control, care and treatment shall be provided at a facility operated by the department of social and rehabilitation services. At all times, persons committed for control, care and treatment by the department of social and rehabilitation services pursuant to this act shall be kept in a secure facility and such persons shall be segregated at all times from any other patient under the supervision of the secretary of social and rehabilitation services and commencing June 1, 1995, such persons committed pursuant to this act shall be kept in a facility or building separate from any other patient under the supervision of the secretary. If the court or jury is not satisfied beyond a reasonable doubt that the person is a sexually violent predator, the court shall direct the person's release.

(b) If the person charged with a sexually violent offense has been found incompetent to stand trial, and is about to be released pursuant to K.S.A. 22-3305 and amendments thereto, and such person's commitment is sought pursuant to subsection (a), the court shall first hear evidence and determine whether the person did commit the act or acts charged. The hearing on this issue must comply with all the procedures specified in this section. In addition, the rules of evidence applicable in criminal cases shall apply, and all constitutional rights available to defendants at criminal trials, other than the right not to be tried while incompetent, shall apply. After hearing evidence on this issue, the court shall make specific findings on whether the person did commit the act or acts charged, the extent to which the person's incompetence or developmental disability affected the outcome of the hearing, including its effect on the person's ability to consult with and assist counsel and to testify on such person's own behalf, the extent to which the evidence could be reconstructed without the assistance of the person and the strength of the prosecution's case. If after the conclusion of the hearing on this issue, the court finds, beyond a reasonable doubt, that the person did commit the act or acts charged, the court shall enter a final order, appealable by the person, on that issue, and may proceed to consider whether the person should be committed pursuant to this section.

Sec. 8. Each person committed under this act shall have a cur-

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rent examination of the person's mental condition made once every year. The person may retain, or if the person is indigent and so requests the court may appoint a qualified professional person to examine such person, and such expert or professional person shall have access to all records concerning the person. The yearly report shall be provided to the court that committed the person under this act. The court shall conduct an annual review of the status of the committed person. Nothing contained in this act shall prohibit the person from otherwise petitioning the court for discharge at this hearing. The secretary of the department of social and rehabilitation services shall provide the committed person with an annual written notice of the person's right to petition the court for release over the secretary's objection. The notice shall contain a waiver of rights. The secretary shall forward the notice and waiver form to the court with the annual report. The committed person shall have a right to have an attorney represent the person at the hearing but the person is not entitled to be present at the hearing. If the court at the hearing determines that probable cause exists to believe that the person's mental abnormality or personality disorder has so changed that the person is safe to be at large and will not engage in acts of sexual violence if discharged, then the court shall set a hearing on the issue. At the hearing, the committed person shall be entitled to be present and entitled to the benefit of all constitutional protections that were afforded the person at the initial commitment proceeding. The county or district attorney or the attorney general if requested by the county shall represent the state and shall have a right to a jury trial and to have the committed person evaluated by experts chosen by the state. The committed person shall also have the right to have experts evaluate the person on the person's behalf and the court shall appoint an expert if the person is indigent and requests an appointment. The burden of proof at the hearing shall be upon the state to prove beyond a reasonable doubt that the committed person's mental abnormality or personality disorder remains such that the person is not safe to be at large and if released is likely to engage in acts of sexual violence.

Sec. 9. The involuntary detention or commitment of persons under this act shall conform to constitutional requirements for care and treatment.

Sec. 10. If the secretary of the department of social and rehabilitation services determines that the person's mental abnormality or personality disorder has so changed that the person is not likely to commit predatory acts of sexual violence if released, the secretary shall authorize the person to petition the court for release. The petition shall be served upon the court and the county or district attorney. The court, upon receipt of the petition for release, shall order a hearing within 30 days. The county or district attorney or the attorney general, if requested by the county, shall represent the state, and shall have the right to have the petitioner examined by an expert or professional person of such attorney's choice. The hearing shall be before a jury if demanded by either the petitioner or the county or district attorney or attorney general. The burden of proof shall be upon the county or district attorney or attorney general to show beyond a reasonable doubt that the petitioner's mental abnormality or personality disorder remains such that the petitioner is not safe to be at large and that if discharged is likely to commit predatory acts of sexual violence.

Sec. 11. Nothing in this act shall prohibit a person from filing a petition for discharge pursuant to this act. However, if a person has previously filed a petition for discharge without the secretary of the department of social and rehabilitation services approval and the court determined either upon review of the petition or following a hearing, that the petitioner's petition was frivolous or that the petitioner's condition had not so changed that the person was safe to be at large, then the court shall deny the subsequent petition unless the petition contains facts upon which a court could find the condition of the petitioner had so changed that a hearing was warranted. Upon receipt of a first or subsequent petition from committed persons without the secretary's approval, the court shall endeavor whenever possible to review the petition and determine if the petition is based upon frivolous grounds and if so shall deny the petition without a hearing.

Sec. 12. The secretary of social and rehabilitation services shall be responsible for all cost relating to the evaluation and treatment

of persons committed to the secretary's custody under any provision of this act. Reimbursement may be obtained by the secretary for the cost of care and treatment of persons committed to the secretary's custody pursuant to K.S.A. 1993 Supp. 59-2006 and amendments thereto.

Sec. 13. In addition to any other information required to be released under this act, prior to the release of a person committed under this act, the secretary of the department of social and rehabilitation services shall give written notice of such release to any victim of the person's activities or crime who is alive and whose address is known to the secretary or, if the victim is deceased, to the victim's family, if the family's address is known to the secretary. Failure to notify shall not be a reason for postponement of release. Nothing in this section shall create a cause of action against the state or an employee of the state acting within the scope of the employee's employment as a result of the failure to notify pursuant to this action.

Sec. 14. (a) The county or district attorney shall file a special allegation of sexual motivation within 10 days after arraignment in every criminal case other than sex offenses as defined in article 35 of chapter 21 of the Kansas Statutes Annotated and amendments thereto, when sufficient admissible evidence exists, which, when considered with the most plausible, reasonably foreseeable defense that could be raised under the evidence, would justify a finding of sexual motivation by a reasonable and objective fact finder.

(b) In a criminal case wherein there has been a special allegation, the state shall prove beyond a reasonable doubt that the accused committed the crime with a sexual motivation. The court shall make a finding of fact of whether or not a sexual motivation was present at the time of the commission of the crime, or if a jury trial is had, the jury, if it finds the defendant guilty, also shall find a special verdict as to whether or not the defendant committed the crime with a sexual motivation. This finding shall not be applied to sex offenses as defined in article 35 of chapter 21 of the Kansas Statutes Annotated and amendments thereto.

(c) The county or district attorney shall not withdraw the special allegation of sexual motivation without approval of the court through an order of dismissal of the special allegation. The court shall not dismiss this special allegation unless it finds that such an order is necessary to correct an error in the initial charging decision or unless there are evidentiary problems which make proving the special allegation doubtful. *

Sec. 15. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or application and, to this end, the provisions of this act are severable.

Sec. 16. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 2633

AN ACT relating to health care for Kansans; concerning sickness and accident plans; creating the health care reform legislative oversight committee; providing for the powers, duties and functions thereof; concerning adverse underwriting decisions; amending K.S.A. 40-2,112, 40-2209, 40-2209, as amended by section 1 of 1994 House Bill No. 2917, 40-2209d, 40-2209e, 40-2209f and 40-2209h and repealing the existing sections; also repealing K.S.A. 46-1901 and 40-2209, as amended by section 2 of 1994 House Bill No. 2633.

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

Section 1. K.S.A. 40-2,112 is hereby amended to read as follows: 40-2,112. (a) In the event of an adverse underwriting decision the insurance company, *health maintenance organization* or agent responsible for the decision shall either provide the applicant, policyholder or individual proposed for coverage with the specific reason or reasons for the adverse underwriting decision in writing or advise such persons that upon written request they may receive the specific reason or reasons in writing.

(b) Upon receipt of a written request within 60 business days from the date of the mailing of notice or other communication of an adverse underwriting decision to an applicant, policyholder or individual proposed for coverage, the insurance company, *health maintenance organization* or agent shall furnish to such person within

21 business days of the receipt of such written request:

(1) The specific reason or reasons for the adverse underwriting decision, in writing, if such information was not initially furnished in writing pursuant to subsection (a); or

(2) if specific items of medical-record information are supplied by a health care institution or health care provider it shall be disclosed either directly to the individual about whom the information relates or to a health care provider designated by the individual and licensed to provide health care with respect to the condition to which the information relates, whichever the insurance company, health maintenance organization or agent prefers; and

(3) the names and addresses of the institutional sources that supplied the specific items of information given pursuant to subsection (b)(2) if the identity of any health care provider or health care institution is disclosed either directly to the individual or to the designated health care provider, whichever the insurance company, health maintenance organization or agent prefers.

(c) The obligations imposed by this section upon an insurance company, health maintenance organization or agent may be satisfied by another insurance company, health maintenance organization or agent authorized to act on its behalf.

(d) The company, health maintenance organization or the agent, whichever is in possession of the money, shall refund to the applicant or individual proposed for coverage, the difference between the payment and the earned premium, if any, in the event of a declination of insurance coverage, termination of insurance coverage, or any other adverse underwriting decision.

(1) If coverage is in effect, such refund shall accompany the notice of the adverse underwriting decision, except such refund obligation shall not apply if:

(A) Material underwriting information requested by the application for coverage is clearly misstated or omitted and the company or health maintenance organization attempts to provide coverage based on the proper underwriting information; or

(B) the company or health maintenance organization includes with the notice of the adverse underwriting decision an offer of coverage to an applicant for life insurance under a different policy or at an increased premium. If such a counter-offer is made by the insurer, the insured or the insured's legal representative shall have 10 business days after receipt thereof in which to notify the company or health maintenance organization of acceptance of the counter-offer, during which time coverage will be deemed to be in effect under the terms of the policy for which application has been made, but such coverage shall not extend beyond 30 calendar days following the date of issuance of the counter-offer by the insurer insurance company or health maintenance organization. The insurer insurance company or health maintenance organization shall promptly refund the premium upon notice of the insured's refusal to accept the counter-offer or upon expiration of such 30 calendar day period, whichever occurs first.

(2) If coverage is not in effect and payment therefor is in the possession of the company, health maintenance organization or the agent, the underwriting decision shall be made within 20 business days from receipt of the application by the agent unless the underwriting decision is dependent upon substantive information available only from an independent source. In such cases, the underwriting decision shall be made within 10 business days from receipt of the external information by the party that makes the decision. The refund shall accompany the notice of an adverse underwriting decision.

Sec. 2. K.S.A. 40-2209 is hereby amended to read as follows: 40-2209. (A) Group sickness and accident insurance is declared to be that form of sickness and accident insurance covering groups of persons, with or without one or more members of their families or one or more dependents. Except at the option of the employee or member and except employees or members enrolling in a group policy after the close of an open enrollment opportunity, no individual employee or member of an insured group and no individual dependent or family member may be excluded from eligibility or coverage under a policy providing hospital, medical or surgical expense benefits both with respect to policies issued or renewed within this state and with respect to policies issued or renewed outside this state covering persons residing in this state. For purposes of this section, an open enrollment opportunity shall be deemed to be a period no less favorable than a period beginning on the employee's

or member's date of initial eligibility and ending 31 days thereafter. No group policy providing hospital, medical or surgical expense benefits issued or renewed within this state or issued or renewed outside this state covering residents within this state shall limit or exclude benefits for specific conditions existing at or prior to the effective date of coverage thereunder. Such policy may impose a waiting period, not to exceed one year 90 days for benefits for conditions, including related conditions, for which diagnosis, treatment or advice was sought or received in the 90 days prior to the effective date of coverage. Such policy shall waive such a waiting period to the extent the employee or member or individual dependent or family member was covered by a group or individual sickness and accident policy, coverage under section 607(1) of the employees retirement income act of 1974 (ERISA), a group specified in K.S.A. 40-2222 and amendments thereto or a group subject to K.S.A. 12-2616 et seq. and amendments thereto which provided hospital, medical and surgical expense benefits within 31 days prior to the effective date of coverage with no gap in coverage. Any group policy may impose participation requirements, define full-time employees or members and otherwise be designed for the group as a whole through negotiations between the group sponsor and the insurer to the extent such design is not contrary to or inconsistent with this act and may be issued to such group upon the following basis:

(1) Under a policy issued to an employer or trustees of a fund established by an employer, who is the policyholder, insuring at least three employees of such employer, for the benefit of persons other than the employer. The term "employees" shall include the officers, managers, employees and retired employees of the employer, the partners, if the employer is a partnership, the proprietor, if the employer is an individual proprietorship, the officers, managers and employees and retired employees of subsidiary or affiliated corporations of a corporation employer, and the individual proprietors, partners, employees and retired employees of individuals and firms, the business of which and of the insured employer is under common control through stock ownership contract, or otherwise. The policy may provide that the term "employees" may include the trustees or their employees, or both, if their duties are principally connected with such trusteeship. A policy issued to insure the employees of a public body may provide that the term "employees" shall include elected or appointed officials.

(2) Under a policy issued to a labor union which shall have a constitution and bylaws insuring at least 25 members of such union.

(3) Under a policy issued to the trustees of a fund established by two or more employers or business associations or by one or more labor unions or by one or more employers and one or more labor unions, which trustees shall be the policyholder, to insure employees of the employers or members of the union or members of the association for the benefit of persons other than the employers or the unions or the associations. The term "employees" shall include the officers, managers, employees and retired employees of the employer and the individual proprietor or partners if the employer is an individual proprietor or partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

(4) A policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements: (a) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. (b) The premium for the policy shall be paid by the policyholder, either from the creditor's funds or from charges collected from the insured debtors, or from both.

(5) A policy issued to an association which has been organized and is maintained for the purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers. The term "employees" shall include retired employees. The premiums for the policies shall be paid by the policyholder, either wholly from association funds, or funds con-

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tributed by the members of such association or by employees of such members or any combination thereof.

(6) Under a policy issued to any other type of group which the commissioner of insurance may find is properly subject to the issuance of a group sickness and accident policy or contract.

(B) Each such policy shall contain in substance: (1) A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or the insured's beneficiary.

(2) A provision setting forth the conditions under which an individual's coverage terminates under the policy, including the age, if any, to which an individual's coverage under the policy shall be limited, or, the age, if any, at which any additional limitations or restrictions are placed upon an individual's coverage under the policy.

(3) Provisions setting forth the notice of claim, proofs of loss and claim forms, physical examination and autopsy, time of payment of claims, to whom benefits are payable, payment of claims, change of beneficiary, and legal action requirements. Such provisions shall not be less favorable to the individual insured or the insured's beneficiary than those corresponding policy provisions required to be contained in individual accident and sickness policies.

(4) A provision that the insurer will furnish to the policyholder, for the delivery to each employee or member of the insured group, an individual certificate approved by the commissioner of insurance setting forth in summary form a statement of the essential features of the insurance coverage of such employee or member, the procedure to be followed in making claim under the policy and to whom benefits are payable. Such certificate shall also contain a summary of those provisions required under paragraphs (2) and (3) of this subsection in addition to the other essential features of the insurance coverage. If dependents are included in the coverage, only one certificate need be issued for each family unit.

(C) No group disability income policy which integrates benefits with social security benefits, shall provide that the amount of any disability benefit actually being paid to the disabled person shall be reduced by changes in the level of social security benefits resulting either from changes in the social security law or due to cost of living adjustments which become effective after the first day for which disability benefits become payable.

(D) A group policy of insurance delivered or issued for delivery or renewed which provides hospital, surgical or major medical expense insurance, or any combination of these coverages, on an expense incurred basis, shall provide that an employee or member or such employee's or member's covered dependents whose insurance under the group policy has been terminated for any reason, including discontinuance of the group policy in its entirety or with respect to an insured class, and who has been continuously insured under the group policy or under any group policy providing similar benefits which it replaces for at least three months immediately prior to termination, shall be entitled to have such coverage nonetheless continued under the group policy for a period of six months and have issued to the employee or member or such employee's or member's covered dependents by the insurer, at the end of such six-month period of continuation, a policy of health insurance which conforms to the applicable requirements specified in this subsection. This requirement shall not apply to a group policy which provides benefits for specific diseases or for accidental injuries only or a group policy issued to an employer subject to the continuation and conversion obligations set forth at title I, subtitle B, part 6 of the employee retirement income security act of 1974 or at title XXII of the public health service act, as each act was in effect on January 1, 1987 to the extent federal law provides the employee or member or such employee's or member's covered dependents with equal or greater continuation or conversion rights; or an employee or member or such employee's or member's covered dependents shall not be entitled to have such coverage continued or a converted policy issued to the employee or member or such employee's or member's covered dependents if termination of the insurance under the group policy

occurred because: (a) The employee or member or such employee's or member's covered dependents failed to pay any required contribution after receiving reasonable notice of such required contribution from the insurer in accordance with rules and regulations adopted by the commissioner of insurance; (b) any discontinued group coverage was replaced by similar group coverage within 31 days; (c) the employee or member is or could be covered by medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded); or (d) the employee or member is or could be covered to the same extent by any other insured or lawful self-insured arrangement which provides expense incurred hospital, surgical or medical coverage and benefits for individuals in a group under which the person was not covered prior to such termination. In the event the group policy is terminated and not replaced the insurer may issue an individual policy or certificate in lieu of a conversion policy or the continuation of group coverage required herein if the individual policy or certificate provides substantially similar coverage for the same or less premium as the group policy. In any event, the employee or member shall have the option to be issued a conversion policy which meets the requirements set forth in this subsection (D) in lieu of the right to continue group coverage.

The continued coverage and the issuance of a converted policy shall be subject to the following conditions:

(1) Written application for the converted policy shall be made and the first premium paid to the insurer not later than 31 days after termination of coverage under the group policy.

(2) The converted policy shall be issued without evidence of insurability.

(3) The terminated employee or member shall pay to the insurer the premium for the six-month continuation of coverage and such premium shall be the same as that applicable to members or employees remaining in the group. Failure to pay such premium shall terminate coverage under the group policy at the end of the period for which the premium has been paid. The premium rate charged for converted policies issued subsequent to the period of continued coverage shall be such that can be expected to produce an anticipated loss ratio of not less than 80% based upon conversion, morbidity and reasonable assumptions for expected trends in medical care costs. In the event the group policy is terminated and is not replaced, converted policies may be issued at self-sustaining rates that are not unreasonable in relation to the coverage provided based on conversion, morbidity and reasonable assumptions for expected trends in medical care costs. The frequency of premium payment shall be the frequency customarily required by the insurer for the policy form and plan selected, provided that the insurer shall not require premium payments less frequently than quarterly.

(4) The effective date of the converted policy shall be the day following the termination of insurance under the group policy.

(5) The converted policy shall cover the employee or member and the employee's or member's dependents who were covered by the group policy on the date of termination of insurance. At the option of the insurer, a separate converted policy may be issued to cover any dependent.

(6) The insurer shall not be required to issue a converted policy covering any person if such person is or could be covered by medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded). Furthermore, the insurer shall not be required to issue a converted policy covering any person if:

(a) (i) Such person is covered for similar benefits by another hospital, surgical, medical or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program, or

(ii) such person is eligible for similar benefits (whether or not covered therefor) under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis, or

(iii) similar benefits are provided for or available to such person, pursuant to or in accordance with the requirements of any state or federal law, and

(b) the benefits provided under the sources referred to in paragraph (i) above for such person or benefits provided or available under the sources referred to in paragraphs (ii) and (iii) above for

such person, together with the benefits provided by the converted policy, would result in over-insurance according to the insurer's standards. The insurer's standards must bear some reasonable relationship to actual health care costs in the area in which the insured lives at the time of conversion and must be filed with the commissioner of insurance prior to their use in denying coverage.

(7) A converted policy may include a provision whereby the insurer may request information in advance of any premium due date of such policy of any person covered as to whether:

(a) Such person is covered for similar benefits by another hospital, surgical, medical or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program;

(b) such person is covered for similar benefits under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis; or

(c) similar benefits are provided for or available to such person, pursuant to or in accordance with the requirements of any state or federal law.

The converted policy may provide that the insurer may refuse to renew the policy and the coverage of any person insured for the following reasons only:

(a) Either the benefits provided under the sources referred to in paragraphs (i) and (ii) above for such person or benefits provided or available under the sources referred to in paragraph (iii) above for such person, together with the benefits provided by the converted policy, would result in over-insurance according to the insurer's standards on file with the commissioner of insurance, or the converted policyholder fails to provide the requested information;

(b) fraud or material misrepresentation in applying for any benefits under the converted policy;

(c) eligibility of the insured person for coverage under medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded) or under any other state or federal law (except title XIX of the social security act of 1965) providing for benefits similar to those provided by the converted policy; or

(d) other reasons approved by the commissioner of insurance.

(8) An insurer shall not be required to issue a converted policy which provides coverage and benefits in excess of those provided under the group policy from which conversion is made.

(9) If the converted policy provides that any hospital, surgical or medical benefits payable may be reduced by the amount of any such benefits payable under the group policy after the termination of the individual's insurance or the converted policy includes provisions so that during the first policy year the benefits payable under the converted policy, together with the benefits payable under the group policy, shall not exceed those that would have been payable had the individual's insurance under the group policy remained in force and effect, the converted policy shall provide credit for deductibles, co-payments and other conditions satisfied under the group policy.

(10) Subject to the provisions and conditions of this act, if the group insurance policy from which conversion is made insures the employee or member for basic hospital or surgical expense insurance, the employee or member shall be entitled to obtain a converted policy providing, at the insured's option, coverage on an expense incurred basis under any one of the plans meeting the following requirements:

Plan A

(a) hospital room and board daily expense benefits in a maximum dollar amount approximating the average semiprivate rate charged in metropolitan areas of this state, for a maximum duration of 70 days,

(b) miscellaneous hospital expense benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$800, or

Plan B

(a) hospital room and board daily expense benefits in a maximum dollar amount equal to 75% of the maximum dollar amount determined for plan A, for a maximum duration of 70 days,

(b) miscellaneous hospital expense benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$600, or

Plan C

(a) hospital room and board daily expense benefits in a maximum dollar amount equal to 50% of the maximum dollar amount determined for plan A, for a maximum duration of 70 days,

(b) miscellaneous hospital benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$400.

The maximum dollar amounts of plan A shall be determined by the commissioner of insurance and may be redetermined by such official from time to time as to converted policies issued as new policies subsequent to such redetermination. At the request of the insured, such redetermined amounts shall, subject to the provisions of condition (17) and submission of reasonable evidence of insurability, be made available to the holders of converted policies which have been in effect at least three years on the date the redetermined amounts become effective. At the option of the insurer, any such requested increase or decrease in coverage on outstanding policies or any renewal thereof need not be made effective until the first policy anniversary date following the insured's request. Such redetermination shall not be made more often than once in three years. The maximum dollar amounts in plans A, B and C shall be rounded to the nearest multiple of \$10.

(11) Subject to the provisions and conditions of this act, if the group insurance policy from which conversion is made insures the employee or member for major medical expense insurance, the employee or member shall be entitled to obtain a converted policy providing catastrophic or major medical coverage under a plan meeting the following requirements:

(a) A maximum benefit at least equal to either, at the option of the insurer, paragraphs (i) or (ii) below:

(i) The smaller of the following amounts:

1. The maximum benefit provided under the group policy.

2. A maximum payment of \$250,000 per covered person for all covered medical expenses incurred during the covered person's lifetime.

(ii) The smaller of the following amounts:

1. The maximum benefit provided under the group policy.

2. A maximum payment of \$250,000 for each unrelated injury or sickness.

(b) Payment of benefits at the rate of 80% of covered medical expenses which are in excess of the deductible, until 20% of such expenses in a benefit period reaches \$1,000, after which benefits will be paid at the rate of 100% during the remainder of such benefit period. Payment of benefits for outpatient treatment of mental illness, if provided in the converted policy, may be at a lesser rate but not less than 50%.

(c) A deductible for each benefit period which, at the option of the insurer, shall be (a) the sum of the benefits deductible and \$100, or (b) the corresponding deductible in the group policy. The term "benefits deductible," as used herein, means the value of any benefits provided on an expense incurred basis which are provided with respect to covered medical expenses by any other hospital, surgical, or medical insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan, or any other plan or program whether on an insured or uninsured basis, or in accordance with the requirements of any state or federal law and, if pursuant to condition (12), the converted policy provides both basic hospital or surgical coverage and major medical coverage, the value of such basic benefits.

If the maximum benefit is determined by paragraph (a)(ii) above, the insurer may require that the deductible be satisfied during a period of not less than three months if the deductible is \$100 or less, and not less than six months if the deductible exceeds \$100.

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(d) The benefit period shall be each calendar year when the maximum benefit is determined by paragraph (a)(i) above or 24 months when the maximum benefit is determined by paragraph (a)(ii) above.

(e) The term "covered medical expenses," as used above, shall include at least, in the case of hospital room and board charges 80% of the average semiprivate room and board rate for the hospital in which the individual is confined and twice such amount for charges in an intensive care unit. Any surgical schedule shall be consistent with those customarily offered by the insurer under group or individual health insurance policies and must provide at least a \$1,200 maximum benefit.

(12) The conversion privilege required by this act shall, if the group insurance policy insures the employee or member for basic hospital or surgical expense insurance as well as major medical expense insurance, make available the plans of benefits set forth in conditions (10) and (11). At the option of the insurer, such plans of benefits may be provided under one policy.

The insurer may also, in lieu of the plans of benefits set forth in conditions (10) and (11), provide a policy of comprehensive medical expense benefits without first dollar coverage. The policy shall conform to the requirements of condition (11). An insurer electing to provide such a policy shall make available a low deductible option, not to exceed \$100, a high deductible option between \$500 and \$1,000, and a third deductible option midway between the high and low deductible options.

(13) The insurer, at its option, may also offer alternative plans for group health conversion in addition to those required by this act.

(14) In the event coverage would be continued under the group policy on an employee following the employee's retirement prior to the time the employee is or could be covered by medicare, the employee may elect, in lieu of such continuation of group insurance, to have the same conversion rights as would apply had such person's insurance terminated at retirement by reason of termination of employment or membership.

(15) The converted policy may provide for reduction of coverage on any person upon such person's eligibility for coverage under medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded) or under any other state or federal law providing for benefits similar to those provided by the converted policy.

(16) Subject to the conditions set forth above, the continuation and conversion privileges shall also be available:

(a) To the surviving spouse, if any, at the death of the employee or member, with respect to the spouse and such children whose coverage under the group policy terminates by reason of such death, otherwise to each surviving child whose coverage under the group policy terminates by reason of such death, or, if the group policy provides for continuation of dependents' coverage following the employee's or member's death, at the end of such continuation;

(b) to the spouse of the employee or member upon termination of coverage of the spouse, while the employee or member remains insured under the group policy, by reason of ceasing to be a qualified family member under the group policy, with respect to the spouse and such children whose coverage under the group policy terminates at the same time; or

(c) to a child solely with respect to such child upon termination of such coverage by reason of ceasing to be a qualified family member under the group policy, if a conversion privilege is not otherwise provided above with respect to such termination.

(17) If the benefit levels required in condition (10) exceed the benefit levels provided under the group policy, the conversion policy may offer benefits which are substantially similar to those provided under the group policy either at the time the group policy was discontinued in its entirety and not replaced or as the group policy is in effect at the time the benefits under the converted policies are determined or redetermined in lieu of those required in condition (10).

(18) The insurer may elect to provide group insurance coverage which complies with this act in lieu of the issuance of a converted individual policy.

(19) A notification of the conversion privilege shall be included in each certificate of coverage.

(20) A converted policy which is delivered outside this state must be on a form which could be delivered in such other jurisdiction as a converted policy had the group policy been issued in that jurisdiction.

(21) The insurer shall give the employee or member and such employee's or member's covered dependents reasonable notice of the right to convert at least once during the six-month continuation period in accordance with rules and regulations adopted by the commissioner of insurance.

(E) (1) No policy issued by an insurer to which this section applies shall contain a provision which excludes, limits or otherwise restricts coverage because medicaid benefits as permitted by title XIX of the social security act of 1965 are or may be available for the same accident or illness.

(2) Violation of this subsection shall be subject to the penalties prescribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.

Sec. 3. On and after July 1, 1994, K.S.A. 40-2209, as amended by section 1 of 1994 House Bill No. 2917, is hereby amended to read as follows: 40-2209. (A) Group sickness and accident insurance is declared to be that form of sickness and accident insurance covering groups of persons, with or without one or more members of their families or one or more dependents. Except at the option of the employee or member and except employees or members enrolling in a group policy after the close of an open enrollment opportunity, no individual employee or member of an insured group and no individual dependent or family member may be excluded from eligibility or coverage under a policy providing hospital, medical or surgical expense benefits both with respect to policies issued or renewed within this state and with respect to policies issued or renewed outside this state covering persons residing in this state. For purposes of this section, an open enrollment opportunity shall be deemed to be a period no less favorable than a period beginning on the employee's or member's date of initial eligibility and ending 31 days thereafter. No group policy providing hospital, medical or surgical expense benefits issued or renewed within this state or issued or renewed outside this state covering residents within this state shall limit or exclude benefits for specific conditions existing at or prior to the effective date of coverage thereunder. Such policy may impose a waiting period, not to exceed one year 90 days for benefits for conditions, including related conditions, for which diagnosis, treatment or advice was sought or received in the 90 days prior to the effective date of coverage. Such policy shall waive such a waiting period to the extent the employee or member or individual dependent or family member was covered by a group or individual sickness and accident policy, coverage under section 607(1) of the employees retirement income act of 1974 (ERISA), a group specified in K.S.A. 40-2222 and amendments thereto or a group subject to K.S.A. 12-2616 et seq. and amendments thereto which provided hospital, medical and surgical expense benefits within 31 days prior to the effective date of coverage with no gap in coverage. Any group policy may impose participation requirements, define full-time employees or members and otherwise be designed for the group as a whole through negotiations between the group sponsor and the insurer to the extent such design is not contrary to or inconsistent with this act and may be issued to such group upon the following basis:

(1) Under a policy issued to an employer or trustees of a fund established by an employer, who is the policyholder, insuring at least three employees of such employer, for the benefit of persons other than the employer. The term "employees" shall include the officers, managers, employees and retired employees of the employer, the partners, if the employer is a partnership, the proprietor, if the employer is an individual proprietorship, the officers, managers and employees and retired employees of subsidiary or affiliated corporations of a corporation employer, and the individual proprietors, partners, employees and retired employees of individuals and firms, the business of which and of the insured employer is under common control through stock ownership contract, or otherwise. The policy may provide that the term "employees" may include the trustees or their employees, or both, if their duties are principally connected with such trusteeship. A policy issued to insure the employees of a

public body may provide that the term "employees" shall include elected or appointed officials.

(2) Under a policy issued to a labor union which shall have a constitution and bylaws insuring at least 25 members of such union.

(3) Under a policy issued to the trustees of a fund established by two or more employers or business associations or by one or more labor unions or by one or more employers and one or more labor unions, which trustees shall be the policyholder, to insure employees of the employers or members of the union or members of the association for the benefit of persons other than the employers or the unions or the associations. The term "employees" shall include the officers, managers, employees and retired employees of the employer and the individual proprietor or partners if the employer is an individual proprietor or partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

(4) A policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements: (a) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. (b) The premium for the policy shall be paid by the policyholder, either from the creditor's funds or from charges collected from the insured debtors, or from both.

(5) A policy issued to an association which has been organized and is maintained for the purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers. The term "employees" shall include retired employees. The premiums for the policies shall be paid by the policyholder, either wholly from association funds, or funds contributed by the members of such association or by employees of such members or any combination thereof.

(6) Under a policy issued to any other type of group which the commissioner of insurance may find is properly subject to the issuance of a group sickness and accident policy or contract.

(B) Each such policy shall contain in substance: (1) A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or the insured's beneficiary.

(2) A provision setting forth the conditions under which an individual's coverage terminates under the policy, including the age, if any, to which an individual's coverage under the policy shall be limited, or, the age, if any, at which any additional limitations or restrictions are placed upon an individual's coverage under the policy.

(3) Provisions setting forth the notice of claim, proofs of loss and claim forms, physical examination and autopsy, time of payment of claims, to whom benefits are payable, payment of claims, change of beneficiary, and legal action requirements. Such provisions shall not be less favorable to the individual insured or the insured's beneficiary than those corresponding policy provisions required to be contained in individual accident and sickness policies.

(4) A provision that the insurer will furnish to the policyholder, for the delivery to each employee or member of the insured group, an individual certificate approved by the commissioner of insurance setting forth in summary form a statement of the essential features of the insurance coverage of such employee or member, the procedure to be followed in making claim under the policy and to whom benefits are payable. Such certificate shall also contain a summary of those provisions required under paragraphs (2) and (3) of this subsection in addition to the other essential features of the insurance coverage. If dependents are included in the coverage, only one certificate need be issued for each family unit.

(C) No group disability income policy which integrates benefits with social security benefits, shall provide that the amount of any disability benefit actually being paid to the disabled person shall be reduced by changes in the level of social security benefits resulting

either from changes in the social security law or due to cost of living adjustments which become effective after the first day for which disability benefits become payable.

(D) A group policy of insurance delivered or issued for delivery or renewed which provides hospital, surgical or major medical expense insurance, or any combination of these coverages, on an expense incurred basis, shall provide that an employee or member or such employee's or member's covered dependents whose insurance under the group policy has been terminated for any reason, including discontinuance of the group policy in its entirety or with respect to an insured class, and who has been continuously insured under the group policy or under any group policy providing similar benefits which it replaces for at least three months immediately prior to termination, shall be entitled to have such coverage nonetheless continued under the group policy for a period of six months and have issued to the employee or member or such employee's or member's covered dependents by the insurer, at the end of such six-month period of continuation, a policy of health insurance which conforms to the applicable requirements specified in this subsection. This requirement shall not apply to a group policy which provides benefits for specific diseases or for accidental injuries only or a group policy issued to an employer subject to the continuation and conversion obligations set forth at title I, subtitle B, part 6 of the employee retirement income security act of 1974 or at title XXII of the public health service act, as each act was in effect on January 1, 1987 to the extent federal law provides the employee or member or such employee's or member's covered dependents with equal or greater continuation or conversion rights; or an employee or member or such employee's or member's covered dependents shall not be entitled to have such coverage continued or a converted policy issued to the employee or member or such employee's or member's covered dependents if termination of the insurance under the group policy occurred because: (a) The employee or member or such employee's or member's covered dependents failed to pay any required contribution after receiving reasonable notice of such required contribution from the insurer in accordance with rules and regulations adopted by the commissioner of insurance; (b) any discontinued group coverage was replaced by similar group coverage within 31 days; (c) the employee or member is or could be covered by medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded); or (d) the employee or member is or could be covered to the same extent by any other insured or lawful self-insured arrangement which provides expense incurred hospital, surgical or medical coverage and benefits for individuals in a group under which the person was not covered prior to such termination. In the event the group policy is terminated and not replaced the insurer may issue an individual policy or certificate in lieu of a conversion policy or the continuation of group coverage required herein if the individual policy or certificate provides substantially similar coverage for the same or less premium as the group policy. In any event, the employee or member shall have the option to be issued a conversion policy which meets the requirements set forth in this subsection (D) in lieu of the right to continue group coverage.

The continued coverage and the issuance of a converted policy shall be subject to the following conditions:

(1) Written application for the converted policy shall be made and the first premium paid to the insurer not later than 31 days after termination of coverage under the group policy or not later than 31 days after notice is received pursuant to subsection (D)(2)(b)(ii).

(2) The converted policy shall be issued without evidence of insurability.

(3) The terminated employee or member shall pay to the insurer the premium for the six-month continuation of coverage and such premium shall be the same as that applicable to members or employees remaining in the group. Failure to pay such premium shall terminate coverage under the group policy at the end of the period for which the premium has been paid. The premium rate charged for converted policies issued subsequent to the period of continued coverage shall be such that can be expected to produce an anticipated loss ratio of not less than 80% based upon conversion, morbidity and reasonable assumptions for expected trends in medical care costs.

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In the event the group policy is terminated and is not replaced, converted policies may be issued at self-sustaining rates that are not unreasonable in relation to the coverage provided based on conversion, morbidity and reasonable assumptions for expected trends in medical care costs. The frequency of premium payment shall be the frequency customarily required by the insurer for the policy form and plan selected, provided that the insurer shall not require premium payments less frequently than quarterly.

(4) The effective date of the converted policy shall be the day following the termination of insurance under the group policy.

(5) The converted policy shall cover the employee or member and the employee's or member's dependents who were covered by the group policy on the date of termination of insurance. At the option of the insurer, a separate converted policy may be issued to cover any dependent.

(6) The insurer shall not be required to issue a converted policy covering any person if such person is or could be covered by medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded). Furthermore, the insurer shall not be required to issue a converted policy covering any person if:

(a) (i) Such person is covered for similar benefits by another hospital, surgical, medical or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program, or

(ii) such person is eligible for similar benefits (whether or not covered therefor) under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis, or

(iii) similar benefits are provided for or available to such person, pursuant to or in accordance with the requirements of any state or federal law, and

(b) the benefits provided under the sources referred to in paragraph (i) above for such person or benefits provided or available under the sources referred to in paragraphs (ii) and (iii) above for such person, together with the benefits provided by the converted policy, would result in over-insurance according to the insurer's standards. The insurer's standards must bear some reasonable relationship to actual health care costs in the area in which the insured lives at the time of conversion and must be filed with the commissioner of insurance prior to their use in denying coverage.

(7) A converted policy may include a provision whereby the insurer may request information in advance of any premium due date of such policy of any person covered as to whether:

(a) Such person is covered for similar benefits by another hospital, surgical, medical or major medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program;

(b) such person is covered for similar benefits under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis; or

(c) similar benefits are provided for or available to such person, pursuant to or in accordance with the requirements of any state or federal law.

The converted policy may provide that the insurer may refuse to renew the policy and the coverage of any person insured for the following reasons only:

(a) Either the benefits provided under the sources referred to in paragraphs (i) and (ii) above for such person or benefits provided or available under the sources referred to in paragraph (iii) above for such person, together with the benefits provided by the converted policy, would result in over-insurance according to the insurer's standards on file with the commissioner of insurance, or the converted policyholder fails to provide the requested information;

(b) fraud or material misrepresentation in applying for any benefits under the converted policy;

(c) eligibility of the insured person for coverage under medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or superseded) or under any other state or federal law (except title XIX of the social security act of 1965) providing for benefits similar to those provided by the converted policy; or

(d) other reasons approved by the commissioner of insurance.

(8) An insurer shall not be required to issue a converted policy

which provides coverage and benefits in excess of those provided under the group policy from which conversion is made.

(9) If the converted policy provides that any hospital, surgical or medical benefits payable may be reduced by the amount of any such benefits payable under the group policy after the termination of the individual's insurance or the converted policy includes provisions so that during the first policy year the benefits payable under the converted policy, together with the benefits payable under the group policy, shall not exceed those that would have been payable had the individual's insurance under the group policy remained in force and effect, the converted policy shall provide credit for deductibles, co-payments and other conditions satisfied under the group policy.

(10) Subject to the provisions and conditions of this act, if the group insurance policy from which conversion is made insures the employee or member for basic hospital or surgical expense insurance, the employee or member shall be entitled to obtain a converted policy providing, at the insured's option, coverage on an expense incurred basis under any one of the plans meeting the following requirements:

Plan A

(a) hospital room and board daily expense benefits in a maximum dollar amount approximating the average semiprivate rate charged in metropolitan areas of this state, for a maximum duration of 70 days,

(b) miscellaneous hospital expense benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$800, or

Plan B

(a) hospital room and board daily expense benefits in a maximum dollar amount equal to 75% of the maximum dollar amount determined for plan A, for a maximum duration of 70 days,

(b) miscellaneous hospital expense benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$600, or

Plan C

(a) hospital room and board daily expense benefits in a maximum dollar amount equal to 50% of the maximum dollar amount determined for plan A, for a maximum duration of 70 days,

(b) miscellaneous hospital benefits of a maximum amount of 10 times the hospital room and board daily expense benefits, and

(c) surgical operation expense benefits according to a surgical schedule consistent with those customarily offered by the insurer under group or individual health insurance policies and providing a maximum benefit of \$400.

The maximum dollar amounts of plan A shall be determined by the commissioner of insurance and may be redetermined by such official from time to time as to converted policies issued as new policies subsequent to such redetermination. At the request of the insured, such redetermined amounts shall, subject to the provisions of condition (17) and submission of reasonable evidence of insurability, be made available to the holders of converted policies which have been in effect at least three years on the date the redetermined amounts become effective. At the option of the insurer, any such requested increase or decrease in coverage on outstanding policies or any renewal thereof need not be made effective until the first policy anniversary date following the insured's request. Such redetermination shall not be made more often than once in three years. The maximum dollar amounts in plans A, B and C shall be rounded to the nearest multiple of \$10.

(11) Subject to the provisions and conditions of this act, if the group insurance policy from which conversion is made insures the employee or member for major medical expense insurance, the employee or member shall be entitled to obtain a converted policy providing catastrophic or major medical coverage under a plan meeting the following requirements:

(a) A maximum benefit at least equal to either, at the option of the insurer, paragraphs (i) or (ii) below:

- (i) The smaller of the following amounts:
1. The maximum benefit provided under the group policy.
 2. A maximum payment of \$250,000 per covered person for all covered medical expenses incurred during the covered person's lifetime.

- (ii) The smaller of the following amounts:
1. The maximum benefit provided under the group policy.
 2. A maximum payment of \$250,000 for each unrelated injury or sickness.

(b) Payment of benefits at the rate of 80% of covered medical expenses which are in excess of the deductible, until 20% of such expenses in a benefit period reaches \$1,000, after which benefits will be paid at the rate of 100% during the remainder of such benefit period. Payment of benefits for outpatient treatment of mental illness, if provided in the converted policy, may be at a lesser rate but not less than 50%.

(c) A deductible for each benefit period which, at the option of the insurer, shall be (a) the sum of the benefits deductible and \$100, or (b) the corresponding deductible in the group policy. The term "benefits deductible," as used herein, means the value of any benefits provided on an expense incurred basis which are provided with respect to covered medical expenses by any other hospital, surgical, or medical insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan, or any other plan or program whether on an insured or uninsured basis, or in accordance with the requirements of any state or federal law and, if pursuant to condition (12), the converted policy provides both basic hospital or surgical coverage and major medical coverage, the value of such basic benefits.

If the maximum benefit is determined by paragraph (a)(ii) above, the insurer may require that the deductible be satisfied during a period of not less than three months if the deductible is \$100 or less, and not less than six months if the deductible exceeds \$100.

(d) The benefit period shall be each calendar year when the maximum benefit is determined by paragraph (a)(i) above or 24 months when the maximum benefit is determined by paragraph (a)(ii) above.

(e) The term "covered medical expenses," as used above, shall include at least, in the case of hospital room and board charges 80% of the average semiprivate room and board rate for the hospital in which the individual is confined and twice such amount for charges in an intensive care unit. Any surgical schedule shall be consistent with those customarily offered by the insurer under group or individual health insurance policies and must provide at least a \$1,200 maximum benefit.

(12) The conversion privilege required by this act shall, if the group insurance policy insures the employee or member for basic hospital or surgical expense insurance as well as major medical expense insurance, make available the plans of benefits set forth in conditions (10) and (11). At the option of the insurer, such plans of benefits may be provided under one policy.

The insurer may also, in lieu of the plans of benefits set forth in conditions (10) and (11), provide a policy of comprehensive medical expense benefits without first dollar coverage. The policy shall conform to the requirements of condition (11). An insurer electing to provide such a policy shall make available a low deductible option, not to exceed \$100, a high deductible option between \$500 and \$1,000, and a third deductible option midway between the high and low deductible options.

(13) The insurer, at its option, may also offer alternative plans for group health conversion in addition to those required by this act.

(14) In the event coverage would be continued under the group policy on an employee following the employee's retirement prior to the time the employee is or could be covered by medicare, the employee may elect, in lieu of such continuation of group insurance, to have the same conversion rights as would apply had such person's insurance terminated at retirement by reason of termination of employment or membership.

(15) The converted policy may provide for reduction of coverage on any person upon such person's eligibility for coverage under medicare (title XVIII of the United States social security act as added by the social security amendments of 1965 or as later amended or

superseded) or under any other state or federal law providing for benefits similar to those provided by the converted policy.

(16) Subject to the conditions set forth above, the continuation and conversion privileges shall also be available:

(a) To the surviving spouse, if any, at the death of the employee or member, with respect to the spouse and such children whose coverage under the group policy terminates by reason of such death, otherwise to each surviving child whose coverage under the group policy terminates by reason of such death, or, if the group policy provides for continuation of dependents' coverage following the employee's or member's death, at the end of such continuation;

(b) to the spouse of the employee or member upon termination of coverage of the spouse, while the employee or member remains insured under the group policy, by reason of ceasing to be a qualified family member under the group policy, with respect to the spouse and such children whose coverage under the group policy terminates at the same time; or

(c) to a child solely with respect to such child upon termination of such coverage by reason of ceasing to be a qualified family member under the group policy, if a conversion privilege is not otherwise provided above with respect to such termination.

(17) If the benefit levels required in condition (10) exceed the benefit levels provided under the group policy, the conversion policy may offer benefits which are substantially similar to those provided under the group policy either at the time the group policy was discontinued in its entirety and not replaced or as the group policy is in effect at the time the benefits under the converted policies are determined or redetermined in lieu of those required in condition (10).

(18) The insurer may elect to provide group insurance coverage which complies with this act in lieu of the issuance of a converted individual policy.

(19) A notification of the conversion privilege shall be included in each certificate of coverage.

(20) A converted policy which is delivered outside this state must be on a form which could be delivered in such other jurisdiction as a converted policy had the group policy been issued in that jurisdiction.

(21) The insurer shall give the employee or member and such employee's or member's covered dependents: (a) Reasonable notice of the right to convert at least once during the six-month continuation period; or (b) for persons covered under 29 U.S.C. 1161 et seq., notice of the right to a conversion policy required by this subsection (D) shall be given at least 30 days: (i) Prior to the end of the continuation period provided by 29 U.S.C. 1161 et seq., or (ii) from the date the employer ceases to provide any similar group health plan to any employee. Such notices shall be provided in accordance with rules and regulations adopted by the commissioner of insurance.

(E) (1) No policy issued by an insurer to which this section applies shall contain a provision which excludes, limits or otherwise restricts coverage because medicaid benefits as permitted by title XIX of the social security act of 1965 are or may be available for the same accident or illness.

(2) Violation of this subsection shall be subject to the penalties prescribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.

Sec. 4. K.S.A. 40-2209d is hereby amended to read as follows: 40-2209d. As used in this act:

(a) "Actuarial certification" means a written statement by a member of the American academy of actuaries or other individual acceptable to the commissioner that a small employer carrier is in compliance with the provisions of K.S.A. 40-2209h and amendments thereto, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the small employer carrier in establishing premium rates for applicable health benefit plans.

(b) "Approved service area" means a geographical area, as approved by the commissioner to transact insurance in this state, within which the carrier is authorized to provide coverage.

(c) "Base premium rate" means, for each class of business as to a rating period, the lowest premium rate charged or that could have been charged under the rating system for that class of business, by the small employer carrier to small employers with similar case

(continued)

characteristics for health benefit plans with the same or similar coverage.

(d) "Basic small employer health care plan" means a health benefit plan developed by the board pursuant to K.S.A. 40-2209k and amendments thereto.

(e) "Board" means the board of directors of the program.

(f) "Carrier" or "small employer carrier" means any insurance company, nonprofit medical and hospital service corporation, nonprofit optometric, dental, and pharmacy service corporations, municipal group-funded pool, fraternal benefit society or health maintenance organization, as these terms are defined by the Kansas Statutes Annotated, that offers health benefit plans covering eligible employees of one or more small employers in this state.

(g) "Case characteristics" means, with respect to a small employer, the geographic area in which the employees reside; the age and sex of the individual employees and their dependents; the appropriate industry classification as determined by the carrier, and the number of employees and dependents and such other objective criteria as may be approved family composition by the commissioner. "Case characteristics" shall not include claim experience, health status and duration of coverage since issue.

(h) "Class of business" means all or a separate grouping of small employers established pursuant to K.S.A. 40-2209g and amendments thereto.

(i) "Commissioner" means the commissioner of insurance.

(j) "Department" means the insurance department.

(k) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health benefits plan covering such employee and the dependent eligibility standards established by the board.

(l) "Eligible employee" means an employee who works on a full-time basis, with a normal work week of 30 or more hours, and includes a sole proprietor, a partner of a partnership or an independent contractor, provided such sole proprietor, partner or independent contractor is included as an employee under a health benefit plan of a small employer but does not include an employee who works on a part-time, temporary or substitute basis.

(m) "Financially impaired" means a member which, after the effective date of this act, is not insolvent but is:

(1) Deemed by the commissioner to be in a hazardous financial condition pursuant to K.S.A. 40-222d and amendments thereto; or

(2) placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(n) "Health benefit plan" means any hospital or medical expense policy, health, hospital or medical service corporation contract, and a plan provided by a municipal group-funded pool, or a health maintenance organization contract offered by an employer or any certificate issued under any such policies, contracts or plans. "Health benefit plan" does not include policies or certificates covering only accident, credit, dental, disability income, long-term care, hospital indemnity, medicare supplement, specified disease, vision care, coverage issued as a supplement to liability insurance, insurance arising out of a workers compensation or similar law, automobile medical-payment insurance, or insurance under which benefits are payable with or without regard to fault and which is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(o) "Index rate" means, for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

(p) "Initial enrollment period" means the period of time specified in the health benefit plan during which an individual is first eligible to enroll in a small employer health benefit plan. Such period shall be no less favorable than a period beginning on the employee's or member's date of initial eligibility and ending 31 days thereafter.

(q) "Late enrollee" means an eligible employee or dependent who requests enrollment in a small employer's health benefit plan following the initial enrollment period provided under the terms of the first plan for which such employee or dependent was eligible through such small employer, however an eligible employee or dependent shall not be considered a late enrollee if:

(1) the individual:

(A) Was covered under another employer-provided health benefit plan at the time the individual was eligible to enroll;

(B) states, at the time of the initial eligibility, that coverage under another employer health benefit plan was the reason for declining enrollment;

(C) has lost coverage under another employer health benefit plan as a result of the termination of employment, the termination of the other plan's coverage, death of a spouse, or divorce; and

(D) requests enrollment within 31 days after the termination of coverage under another employer health benefit plan; or

(2) the individual is employed by an employer who offers multiple health benefit plans and the individual elects a different health benefit plan during an open enrollment period; or

(3) a court has ordered coverage to be provided for a spouse or minor child under a covered employee's plan and request for enrollment is made within 31 days after issuance of such court order.

(r) "New business premium rate" means, for each class of business as to a rating period, the lowest premium rate charged or offered, or which could have been charged or offered, by the small employer carrier to small employers with similar case characteristics for newly issued health benefit plans with the same or similar coverage.

(s) "Plan of operation" means the articles, bylaws and operating rules of the program adopted by the board pursuant to K.S.A. 40-2209l and amendments thereto.

(t) "Preexisting conditions provision" means a policy provision which excludes or limits coverage for charges or expenses incurred during a specified period not to exceed one year 90 days following the insured's effective date of coverage as to a condition or related conditions for which diagnosis, treatment or advice was sought or received in the six months immediately preceding the effective date of coverage.

(u) "Premium" means moneys paid by a small employer or eligible employees or both as a condition of receiving coverage from a small employer carrier, including any fees or other contributions associated with the health benefit plan.

(v) "Program" means the Kansas small employer health reinsurance program, established under K.S.A. 40-2209l and amendments thereto.

(w) "Rating period" means the calendar period for which premium rates established by a small employer carrier are assumed to be in effect but any period of less than one year shall be considered as a full year.

(x) "SEHC plan" means the Kansas small employer health care plan which shall be a health benefit plan for small employers established by the board in accordance with K.S.A. 40-2209k and amendments thereto.

(y) "Service waiting period" means a period of time after full-time employment begins before an employee is first eligible to enroll in any applicable health benefit plan offered by the small employer.

(z) "Small employer" means any person, firm, corporation, partnership or association eligible for group sickness and accident insurance pursuant to subsection (A) of K.S.A. 40-2209 and amendments thereto actively engaged in business whose total employed work force consisted of, on at least 50 percent 50% of its working days during the preceding year, no more than 25 50 eligible employees, the majority of whom were employed within the state. In determining the number of eligible employees, companies which are affiliated companies or which are eligible to file a combined tax return for purposes of state taxation, shall be considered one employer. Except as otherwise specifically provided, provisions of this act which apply to a small employer which has a health benefit plan shall continue to apply until the plan anniversary following the date the employer no longer meets the requirements of this definition.

(aa) "Standard small employer health care plan" means a basic SEHC plan with specified benefit enhancements and such deductible and coinsurance provisions as may be developed by the board pursuant to K.S.A. 40-2209k and amendments thereto.

(bb) "Affiliate" or "affiliated" means an entity or person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified entity or person.

Sec. 5. K.S.A. 40-2209e is hereby amended to read as follows:

40-2209e. (a) Any individual or group health benefit plan issued to a group authorized by subsection (A) of K.S.A. 40-2209 and amendments thereto shall be subject to the provisions of this act if it provides health care benefits covering employees of a small employer and if it meets any one of the following conditions:

(1) Any portion of the premium is paid by a small employer, or any covered individual, whether through wage adjustments, reimbursement, withholding or otherwise;

(2) the health benefit plan is treated by the employer or any of the covered individuals as part of a plan or program for the purposes of section 106 or section 162 of the United States internal revenue code; or

(3) with the permission of the board, the carrier elects to renew or continue a health benefit plan covering employees of an employer who no longer meets the definition of a "small employer."

(b) For purposes of this act an aggregation of two or more small employers covered under a trust arrangement or a policy issued to an association of small employers pursuant to subsection (A)(3) or (5) of K.S.A. 40-2209 and amendments thereto shall permit employee or member units of more than two but less than 26 51 employees or members and their dependents to participate in any health benefit plan to which this act applies. Any group which includes employee or member units of 25 50 or fewer employees shall be subject to the provisions of this act notwithstanding its inclusion of employee or member units with more than 25 50 employees or members.

(c) Except as expressly provided for in this act, no law requiring the coverage or the offer of coverage of a health care service or benefit shall apply to any SEHC plan offered or delivered to a small employer.

(d) Except as expressly provided in this act, no health benefit plan offered to a small employer shall be subject to:

(1) Any law that would inhibit any carrier from contracting with providers or groups of providers with respect to health care services or benefits;

(2) any law that would impose any restriction on the ability to negotiate with providers regarding the level or method of reimbursing care or services provided under the health benefit plan.

(e) Individual policies of accident and sickness insurance issued to individuals and their dependents totally independent of any group, association or trust arrangement permitted under K.S.A. 40-2209 and amendments thereto shall not be subject to the provisions of this act.

Sec. 6. K.S.A. 40-2209f is hereby amended to read as follows: 40-2209f. Health benefit plans covering small employers that are issued or renewed within this state or outside this state covering persons residing in this state shall be subject to the following provisions, as applicable:

(a) Provisions of preexisting conditions shall not exclude or limit coverage for a period beyond 12 months 90 days following the individual's effective date of coverage and may only relate to conditions or related conditions for which diagnosis, advice or treatment was sought, during the six months immediately preceding the effective date of coverage.

(b) Such policy may impose a waiting period, not to exceed one year 90 days for benefits for conditions, including related conditions, for which diagnosis, treatment or advice was sought or received in the six months prior to the effective date of coverage. *On and after May 1, 1994, such policy shall waive such a waiting period to the extent the employee or member or individual dependent or family member was covered by a group or individual sickness and accident policy, coverage under section 607(1) of the employees retirement income act of 1974 (ERISA), a group specified in K.S.A. 40-2222 and amendments thereto or a group subject to K.S.A. 12-2616 et seq. and amendments thereto which provided hospital, medical and surgical expense benefits within 31 days prior to the effective date of coverage under a health benefit plan with no gap in coverage.*

(c) Any health benefit plan issued, delivered or renewed within this state and subject to the provisions of this act, shall be renewable with respect to all eligible employees or dependents at the option of the policyholder, contractholder, or small employer, except for:

(1) Nonpayment of the required premiums by the policyholder, contractholder, or employer; or

(2) fraud or misrepresentation of the policyholder, contractholder,

or employer or, with respect to coverage of individual insureds, the insureds or their representatives; or

(3) noncompliance with health benefit plan provisions; or

(4) when the total number of insured individuals covered under all of the health benefit plans of any one employer is less than the total number of individuals or percentage of individuals required by participation requirements under any specific health benefit plan of that employer; or

(5) when a material and significant change in the risk characteristics of the group has occurred because the small employer is no longer actively engaged in the business in which it was engaged on the policy's effective date; or

(6) when the carrier ceases doing business in the small employer market, if the following conditions are met:

(A) Notice of the decision to cease to do business in the small employer market is provided to the department, the board, to either the policyholder or contractholder, and the employer;

(B) health benefit plans subject to this act shall not be canceled by the carrier for one year after the date of the notice required under provision (A) above unless the business has been sold to another carrier; and

(C) a carrier that ceases to do business in the small employer marketplace is prohibited from re-entering the small employer marketplace for a period of five years from the date of the notice required under provision (A) above.

(d) Notwithstanding subsection (c) pertaining to renewability, any such health benefit plan or any coverage provided to any individual covered by such a plan subject to the provisions of this act may be rescinded for fraud, material misrepresentation, or concealment by an applicant, employee, dependent or small employer.

(e) A carrier shall not exclude any employee or dependent, who would otherwise be covered under a health benefit plan on the basis of an actual or expected health condition of such person, but a carrier shall be allowed to exclude a late enrollee.

(f) Except as expressly provided by this act, every carrier doing business in the small employer market retains the authority to underwrite and rate individual accident and sickness insurance policies, and to rate small employer groups using generally accepted actuarial practices.

(g) No health benefit plan issued by a carrier may limit or exclude, by use of a rider or amendment applicable to a specific individual, coverage by type of illness, treatment, medical condition, or accident, except for preexisting conditions or disease as permitted under subsection (a).

(h) In the absence of the small employer's decision to the contrary, all health benefit plans shall make coverage available to all the eligible employees of a small employer without a service waiting period. The decision of whether to impose a service waiting period for eligible employees of a small employer shall be made by the small employer, who may only choose from the service waiting periods offered by the carrier. No service waiting period shall be greater than 90 days or three calendar months and shall permit coverage to become effective no later than the first day of the month immediately following completion of the service waiting period.

(i) The benefit structure of any health benefit plan subject to the provisions of this act may be changed by the carrier to make it consistent with the benefit structure contained in health benefit plans developed by the board for marketing to new groups but this shall not preclude the development and marketing of other health benefit plans to small employers.

(j) (1) Except as provided in subsection (h), requirements used by a small employer carrier in determining whether to provide coverage to a small employer, including requirements for minimum participation of eligible employees and minimum employer contributions, shall be applied uniformly among all small employers with the same number of eligible employees applying for coverage or receiving coverage from the small employer carrier.

(2) A small employer carrier may vary application of minimum participation requirements and minimum employer contribution requirements only by the size of the small employer group.

(3) (A) Except as provided in provision (B), in applying minimum participation requirements with respect to a small employer, a small employer carrier shall not consider employees or dependents who

(continued)

have qualifying existing coverage in a health benefit plan sponsored by another employer in determining whether the applicable percentage of participation is met.

(B) With respect to a small employer, a small employer carrier may consider employees or dependents who have coverage under another health benefit plan sponsored by such small employer in applying minimum participation requirements.

Sec. 7. K.S.A. 40-2209h is hereby amended to read as follows: 40-2209h. From and after January 1, 1993: (a) Premium rates applicable to Kansas residents for health benefit plans subject to this act shall be subject to the following provisions:

(1) The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than ~~20 percent~~ 20%.

(2) For a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates that could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than ~~25 percent~~ 25% of the index rate.

(3) The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(A) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, if such change does not exceed, on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers;

(B) any adjustment, not to exceed ~~15 percent~~ 15% annually and adjusted pro rata for rating periods of less than one year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business; and

(C) any adjustment due to change in coverage or change in the case characteristics of the small employer, as determined from the small employer carrier's rate manual for the class of business.

(4) Adjustments in rates for claim experience, health status and duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

(5) A small employer carrier may utilize industry as a case characteristic in establishing premium rates, if the highest rate factor associated with any industry classification does not exceed the lowest rate factor associated with any industry classification by more than ~~30 percent~~ 30% for each year of the first three years immediately following the date the program becomes operational until the earlier of the first acquisition of coverage from a small employer carrier which did not previously provide coverage to that small employer or the first renewal date on or after December 31, 1996, and ~~15 percent~~ 15% each year thereafter.

(6) In the case of health benefit plans issued prior to the effective date of this act, A premium rate for a rating period may exceed the ranges set forth in paragraphs (1) and (2) for a period of three years following the effective date of this act until the earlier of the first acquisition of coverage from a small employer carrier which did not previously provide coverage to that small employer or the first renewal date on or after December 31, 1996. In such case, the percentage increase in the premium rate charged to a small employer for a new rating period shall not exceed the sum of the following:

(A) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, if such change does not exceed,

on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers.

(B) Any adjustment due to change in coverage or change in the case characteristics of the small employer, as determined from the carrier's rate manual for the class of business.

(7) (A) Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

(B) A small employer carrier shall treat all health benefit plans issued or renewed in a class of business in the same calendar month as having the same rating period.

(8) For the purposes of this subsection, a health benefit plan that utilizes a restricted provider network shall not be considered similar coverage to a health benefit plan that does not utilize such a network, if utilization of the restricted provider network results in substantial differences in claims costs.

(9) A small employer carrier shall not use case characteristics, other than age, gender, industry, geographic area, family composition, and group size without prior approval of the commissioner.

(10) The commissioner may establish regulations to implement the provisions of this section and to assure that rating practices used by small employer carriers are consistent with the purposes of this act, including:

(A) Assuring that differences in rates charged for health benefit plans by small employer carriers are reasonable and reflect objective differences in plan design, not including differences due to the nature of the groups assumed to select particular health benefit plans; and

(B) prescribing the manner in which case characteristics may be used by small employer carriers.

(b) A small employer carrier shall not transfer a small employer involuntarily into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration of coverage.

(c) The commissioner may suspend for a specified period the application of subsection (a)(1) as to the premium rates applicable to one or more small employers included within a class of business of a small employer carrier for one or more rating periods upon a filing by the small employer carrier and a finding by the commissioner either that the suspension is reasonable in light of the financial condition of the small employer carrier or that the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance.

(d) Upon written application of the group policyholders, the commissioner may suspend the application of K.S.A. 40-2209g and 40-2209h and amendments thereto to any group whose fundamental structure or composition would otherwise be adversely affected.

New Sec. 8. Health care reform for all Kansans is a matter of general public interest. It is a matter that should be addressed by those persons elected by the voters to make public policy. The prospect of federal legislation affecting state laws and regulations requires that the state have the legislative and administrative expertise to promptly make the necessary adjustments in both laws and regulations as required by federal law. Further, regardless of the federal proposal enacted, each such proposal relies ultimately on the state for implementation in the crucial areas of insurance reform, quality assurance, availability of service and administrative structure to implement the reform program. The legislature must be prepared to respond timely but deliberately to safeguard the public health and welfare of all Kansans.

New Sec. 9. (a) There is hereby created the health care reform legislative oversight committee, hereinafter "committee," to oversee the necessary changes in state laws and regulations made necessary by federal law and, to the fullest extent possible, implement health care reform specific to Kansas needs.

(b) The committee shall be composed of 12 members of the legislature appointed as follows: Three members of the house of

representatives appointed by the speaker of the house of representatives; three members of the house of representatives appointed by the minority leader of the house of representatives; three members of the senate appointed by the president of the senate; and three members of the senate appointed by the minority leader of the senate. The president of the senate shall designate a senator member to be chairperson of the committee as provided in this section. The speaker of the house of representatives shall designate a representative member to be chairperson of the committee as provided in this section. The minority leader of the senate shall designate a senate member to be vice-chairperson of the committee as provided in this section. The minority leader of the house of representatives shall designate a representative member to be vice-chairperson of the committee as provided in this section. The secretary of health and environment, the secretary of social and rehabilitation services, the director of the budget and the commissioner of insurance shall be advisors to the committee.

(c) A quorum of the committee shall be seven. All actions of the committee may be taken by a majority of those present when there is a quorum. In even-numbered years the chairperson of the committee shall be the designated member of the senate from the convening of the regular session of that year until the convening of the regular session of the next ensuing year. In odd-numbered years, the chairperson of the committee shall be the designated member of the house of representatives from the convening of the regular session in that year until the convening of the regular session in the next ensuing year. In even-numbered years, the vice-chairperson of the committee shall be the designated member of the house of representatives from the convening of the regular session in that year until the convening of the regular session in the next ensuing year. In odd-numbered years, the vice-chairperson of the committee shall be the designated member of the senate from the convening of the regular session of that year until the convening of the regular session of the next ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson.

(d) The committee shall be designated a standing joint committee of the legislature and shall have such powers and duties as hereinafter provided. Funding of operations of the committee shall be made from moneys appropriated to the legislature and expenditures of the committee shall be approved by the legislative coordinating council. Administrative support for the committee shall be provided by the division of legislative administrative services.

(e) The health care reform legislative oversight committee shall meet on call of the chairperson as authorized by the legislative coordinating council. All such meetings shall be held in Topeka unless authorized to be held in a different place by the legislative coordinating council. Members of the committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212 and amendments thereto, when attending meetings of such committee authorized by the legislative coordinating council.

New Sec. 10. (a) The health care reform legislative oversight committee shall:

(1) Examine changes in federal laws affecting Kansas and propose such changes in Kansas laws and regulations as are necessary to meet the federal requirements.

(2) Cooperate and interact with agencies of the federal government responsible for health care reform.

(3) Consider all health care financing and delivery options now in effect taking into account the actions of other states and the federal government.

(4) Work cooperatively with all relevant state and federal agencies, health care providers, payors and consumer groups in the development of an integrated health plan for all Kansans.

(5) Receive, analyze and make recommendations related to the state health care data base developed by the health care data governing board.

(6) Develop plans for health care cost containment.

(7) Study and make recommendations for legislative action to integrate health care financing and coverage with other states.

(8) Recommend legislative actions necessary to assure accessibility of services to residents of underserved areas.

(9) Provide recommendations if federal or state laws require in-

clusion of the medical care component of workers compensation and automobile insurance into all inclusive health care coverage.

(10) Make recommendations on tort reform for medical liability and for state antitrust reform and federal antitrust modifications.

(b) The committee may appoint advisory subcommittees as it deems appropriate but shall at least name the following:

(1) Administrative subcommittee. This subcommittee shall be composed of the secretary of health and environment, the secretary of social and rehabilitation services, the secretary of aging, the director of the budget and such other state or local governmental agency officials as are named by the committee.

(2) Insurance subcommittee. This subcommittee shall be composed of the commissioner of insurance, a representative of a domestic insurance carrier, a representative of a foreign insurance company, a representative of the managed care industry and such others as are named by the committee.

(3) Employer subcommittee. This subcommittee shall be composed of a representative of statewide business organization having large and small employer members, a representative of an organization having only small employer members, a representative of organized labor and such other members as are named by the committee.

(4) Provider subcommittee. This subcommittee shall be composed of a representative of a statewide physicians group, a statewide nursing group, a statewide hospital group and such other provider groups as are named by the committee.

(5) Consumer subcommittee. This subcommittee shall be composed of representatives of consumers of health care in this state as are named by the committee.

(c) All subcommittees shall meet and report at the direction of the committee, but in no event shall the subcommittees report less than quarterly. All meetings shall be subject to the Kansas open meetings act. Members of the advisory subcommittees shall not be paid compensation, subsistence allowances, mileage or other expenses as otherwise may be authorized by law for attending meetings of the advisory subcommittees.

(d) The committee may introduce legislation.

New Sec. 11. (a) From moneys appropriated to the legislature, the health care reform legislative oversight committee shall employ an executive secretary who shall be in the unclassified service of the Kansas civil service act and receive compensation as approved by the legislative coordinating council. The executive secretary shall act as staff to the committee and its subcommittees and shall serve as liaison with the state agencies and the office of the governor.

(b) All officers and employees of the state shall provide such information and assistance as may be deemed necessary by the committee. Other staff assistance shall be provided by the office of the revisor of statutes, the legislative research department and such other legislative offices and employees as may be directed by the legislative coordinating council.

New Sec. 12. The department of health and environment is hereby designated the contact agency for the state of Kansas with reference to federal health care reform measures. The department of health and environment shall not make any decision with reference to federal health care reform measures not otherwise authorized by the legislature or which would be inconsistent with existing law.

New Sec. 13. The provisions of sections 8 through 13 shall expire on December 31, 1998.

Sec. 14. K.S.A. 40-2,112, 40-2209, 40-2209d, 40-2209e, 40-2209f, 40-2209h and 46-1901 are hereby repealed.

Sec. 15. On and after July 1, 1994, K.S.A. 40-2209, as amended by section 2 of 1994 House Bill No. 2633 and 40-2209, as amended by section 1 of 1994 House Bill No. 2917 are hereby repealed.

Sec. 16. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register, May 19, 1994.)

HOUSE BILL No. 2622

AN ACT relating to sales taxation; authorizing certain cities and counties to impose a retailers' sales tax for economic development initiatives and solid waste disposal purposes; exempting certain sales of propane gas; amending K.S.A. 1993 Supp. 12-187, 12-188, 12-189, 12-192 and 79-3606, as amended by section 4 of House Bill No. 2004, and repealing the existing sections.

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

Section 1. K.S.A. 1993 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) (1) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

(2) The governing body of any city located in any county which does not impose a countywide retailers' sales tax pursuant to paragraph (5) of subsection (b) may submit the question of imposing a retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city, county or district hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home health care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

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

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

(3) Except as otherwise provided in this paragraph, the result of the election held on November 8, 1988, on the question submitted by the board of county commissioners of Jackson county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the Banner Creek reservoir project. The tax imposed pursuant to this paragraph shall take effect on the effective date of this act and shall expire not later than five years after such date.

(4) The board of county commissioners of Finney and Ford counties may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing all or any portion of the cost to be paid by Finney or Ford county for construction of highway projects identified as system enhancements under the provisions of paragraph (5) of subsection (b) of K.S.A. 68-2314, and amendments thereto, to the electors at an election called and held thereon. Such election shall be called and held in the manner provided by the general bond law. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Finney or Ford county pursuant to this paragraph to exceed the maximum rate prescribed in K.S.A. 12-189, and amendments thereto. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Finney county, the state treasurer shall remit such funds to the treasurer of Finney county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Ford county, the state treasurer shall remit such funds to the treasurer of Ford county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund.

(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to paragraph (2) of subsection (a) by any city located in such county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

(6) The board of county commissioners of Allen county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% and pledging the revenue received therefrom for the purpose of financing the costs of operation and construction of a solid waste disposal area or the modification of an existing landfill to comply with federal regulations to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in the financing of the project undertaken. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Allen county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189 and amendments thereto.

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

such counties, or upon receiving resolutions requesting such an election passed by $\frac{2}{3}$ of the membership of the governing body of each of one or more taxing subdivisions within each of such counties which levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) Any city retailers' sales tax in the amount of .5% being levied by a city on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance so providing. In addition to any city retailers' sales tax being levied by a city on July 1, 1990, any such city may adopt an additional city retailers' sales tax in the amount of .25% or .5%, provided that such additional tax is adopted and approved in the manner provided for the adoption and approval of a city retailers' sales tax. Any countywide retailers' sales tax in the amount of .5% or 1% in effect on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

(e) A class B city shall have the same power to levy and collect a city retailers' sales tax that a class A city is authorized to levy and collect and in addition, in 1990, 1991 or 1992, the governing body of any class B city may submit the question of imposing an additional city retailers' sales tax in an amount not to exceed 1% and pledging the revenue received therefrom for flood control projects to the electors at an election called and held thereon. Any additional sales tax imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in financing such flood control projects.

(f) A class D city shall have the same power to levy and collect a city retailers' sales tax that a class A city is authorized to levy and collect and in addition, the governing body of any class D city may submit the question of imposing an additional city retailers' sales tax in the amount of .25%, .5% or .75% and pledging the revenue received therefrom for economic development initiatives or for public infrastructure projects including buildings to the electors at an election called and held thereon. Any additional sales tax imposed pursuant to this paragraph shall expire *no later than* five years from the date of imposition thereof. ~~The provisions of this subsection shall not be effective unless and until: (1) The board of county commissioners of Montgomery county has submitted on or before September 30, 1992, the question of imposing a countywide retailers' sales tax to the electorate and such proposition has failed; or (2) such board has failed to submit such question to the electorate on or before September 30, 1992.~~

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

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

(i) The governing body of the city or county proposing to levy any retailers' sales tax shall specify the purpose or purposes for which the revenue would be used, and a statement generally describing such purpose or purposes shall be included as a part of the ballot proposition.

Sec. 2. K.S.A. 1993 Supp. 12-188 is hereby amended to read as follows: 12-188. The following classes of cities are hereby established for the purpose of imposing limitations and prohibitions upon the levying of sales and excise taxes or taxes in the nature of an excise upon sales or transfers of personal or real property or the use thereof,

or the rendering or furnishing of services by cities as authorized and provided by article 12, section 5, of the constitution of the state of Kansas:

Class A cities. All cities in the state of Kansas which have the authority to levy and collect excise taxes or taxes in the nature of an excise upon the sales or transfers of personal or real property or the use thereof, or the rendering or furnishing of services by cities.

Class B cities. All cities in the state of Kansas having a population of more than 1,000 but less than 2,000 located in a county having a population of more than 150,000 but less than 175,000 which has the authority to levy and collect excise taxes or taxes in the nature of an excise upon the sales or transfers of personal or real property or the use thereof, or the rendering or furnishing of services.

Class C cities. All cities in the state of Kansas having a population of more than 290,000 located in a county having a population of more than 350,000 which has the authority to levy and collect excise taxes or taxes in the nature of an excise upon the sales or transfers of personal or real property or the use thereof, or the rendering or furnishing of services.

Class D cities. All cities in the state of Kansas located in Montgomery county or in both Riley and Pottawatomie counties which have the authority to levy and collect excise taxes or taxes in the nature of an excise upon the sales or transfers of personal or real property or the use thereof, or the rendering or furnishing of services.

Sec. 3. K.S.A. 1993 Supp. 12-189 is hereby amended to read as follows: 12-189. Except as otherwise provided by paragraph (2) of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of any class A or class C city retailers' sales tax shall be fixed in the amount of .25%, .5%, .75% or 1% which amount shall be determined by the governing body of the city. Except as otherwise provided by paragraph (2) of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of any class B city retailers' sales tax shall be fixed in the amount of .25%, .5%, .75%, 1%, 1.25%, 1.5%, 1.75% or 2%. Except as otherwise provided by paragraph (2) of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of any class D city retailers' sales tax shall be fixed in the amount of .25%, .5%, .75%, 1%, 1.25%, 1.5% or 1.75%. The rate of any countywide retailers' sales tax shall be fixed in an amount of either .25%, .5%, .75% or 1% which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Saline or Wyandotte county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5%, and the board of county commissioners of Barton or Jefferson county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%;

(b) the board of county commissioners of Jackson county, for the purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%;

(c) the boards of county commissioners of Finney and Ford counties, for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at .25%; or

(d) the board of county commissioners of any county for the purposes of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by a board of county commissioners on the effective date of this act plus .25%, .5%, .75% or 1%, as the case requires.

Any county or city levying a retailers' sales tax is hereby prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and amendments thereto, such tax shall be identical in its application, and exemptions therefrom, to the Kansas retailers' sales tax act and all laws and administrative rules and regulations of the state department of revenue relating to the Kansas retailers' sales tax shall apply to such local sales tax insofar as such laws and rules and regulations may be made applicable. The state director of taxation is hereby authorized to administer, enforce and collect such local sales taxes and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement thereof.

(continued)

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the state director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. All local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

The director of taxation shall provide, upon request by a city or county clerk or treasurer of any city or county levying a local retailers' sales tax, a monthly report identifying each retailer having a place of business in such city or county and setting forth the amount of such tax remitted by each retailer during the preceding month. Such report shall be made available to the clerk or treasurer of such city or county within a reasonable time after it has been requested from the director of taxation. The director of taxation shall be allowed to assess a reasonable fee for the issuance of such report. Information received by any city or county pursuant to this section shall be confidential, and it shall be unlawful for any officer or employee of such city or county to divulge any such information in any manner. Any violation of this paragraph by a city or county officer or employee is a class B misdemeanor, and such officer or employee shall be dismissed from office.

Sec. 4. K.S.A. 1993 Supp. 12-192 is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner: (1) One-half of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year, and (2) except as provided by paragraph (3), $\frac{1}{2}$ of all revenue received by the director of taxation from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county, or (3) one-half of all revenue received by the director of taxation from countywide retailers' sales taxes levied in Geary county in any year shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county less the population residing on a military reservation bears to the total population of the county less the population residing on a military reservation, and second to the cities in the proportion that the population of each city bears to the total population of the county less the population residing on a military reservation. All revenue apportioned to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(b) As an alternative and in lieu of the apportionment formula provided in subsection (a), all revenue received by the Johnson county treasurer from a countywide retailers' sales tax imposed at the rate of 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: (1) One-half of all such revenue shall be apportioned in the manner prescribed by subsection (a) and (2) one-half of all such revenue shall be apportioned as follows: (A) One-fourth shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each

such governmental unit bear to the total of all such levies made in the preceding year and (B) one-fourth shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county and (C) one-half shall be retained by the county for its sole use and benefit.

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(2) For the purposes of subsections (a) and (b), any ad valorem property tax levied on property located in a city in Johnson county for the purpose of providing fire protection service in such city shall be included within the term "total tangible property tax levies" for such city regardless of its applicability to all tangible property located within each such city. If the tax is levied by a district which extends across city boundaries, for purposes of this computation, the amount of such levy shall be apportioned among each city in which such district extends in the proportion that such tax levied within each city bears to the total tax levied by the district.

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to paragraph paragraphs (2) or (6) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(2) Except as otherwise provided in paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, all revenues received from a countywide retailers' sales tax imposed pursuant to paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(e) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof and deposited in the general fund of the city. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax, as an alternative to depositing the same in the general fund, may be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax.

(f) Prior to March 1 of each year, the secretary of revenue shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

(g) Prior to December 31 of each year, the clerk of every county imposing a countywide retailers' sales tax shall provide such information deemed necessary by the secretary of revenue to apportion and remit revenue to the counties and cities pursuant to this section.

(h) As an alternative and in lieu of the apportionment formula provided in subsection (a) and if the same is approved by the electorate, all revenue received by the Montgomery county treasurer from a countywide retailers' sales tax imposed at the rate of 1% after the effective date of this act shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county. The provisions of this subsection shall only apply for the five-year period of time next following the date upon which it is authorized.

Sec. 5. K.S.A. 1993 Supp. 79-3606, as amended by section 4 of House Bill No. 2004, is hereby amended to read as follows: 79-3606.

The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes as defined by K.S.A. 79-3301 and amendments thereto, cereal malt beverages and malt products as defined by K.S.A. 79-3817 and amendments thereto, including wort, liquid malt, malt syrup and malt extract, which is not subject to taxation under the provisions of K.S.A. 79-41a02 and amendments thereto, and motor vehicles as defined by K.S.A. 79-1017 and amendments thereto;

(b) all sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased directly by the state of Kansas, a political subdivision thereof, other than a school or educational institution, or purchased by a public or private nonprofit hospital or nonprofit blood, tissue or organ bank and used exclusively for state, political subdivision, hospital or nonprofit blood, tissue or organ bank purposes, except when: (1) Such state or hospital is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business, or (2) such political subdivision is engaged or proposes to engage in the business of furnishing gas, water, electricity or heat to others and such items of personal property or service are used or proposed to be used in such business;

(c) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation;

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital, public or private elementary or secondary school or a public or private nonprofit educational institution, which would be exempt from taxation under the provisions of this act if purchased directly by such hospital, school or educational institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state, the total cost of which is paid from funds of such political subdivision and which would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision. Nothing in this subsection or in the provisions of K.S.A. 12-3418 and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state. As used in this subsection, K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities which are to be leased to the donor. When any political subdivision of the state, public or private nonprofit hospital, public or private elementary or secondary school or public or private nonprofit educational institution shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, hospital, school or educational institution concerned a sworn statement, on a form to be provided by the director of taxation, that all

purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, hospital, school or educational institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United States, its agencies or instrumentalities, which would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto;

(f) tangible personal property purchased by a railroad or public utility for consumption or movement directly and immediately in interstate commerce;

(g) sales of aircraft including remanufactured and modified aircraft, sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft sold to persons using such aircraft and aircraft repair; modification and replacement parts as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government or sold to any foreign government or agency or instrumentality of such foreign government and all sales of aircraft, aircraft parts, replacement parts and services employed in the remanufacture, modification and repair of aircraft for use outside of the United States;

(h) all rentals of nonsectarian textbooks by public or private elementary or secondary schools;

(i) the lease or rental of all films, records, tapes, or any type of sound or picture transcriptions used by motion picture exhibitors;

(j) meals served without charge or food used in the preparation of such meals to employees of any restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public if such employees' duties are related to the furnishing or sale of such meals or drinks;

(continued)

(k) any motor vehicle, semitrailer or pole trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto, or aircraft sold and delivered in this state to a bona fide resident of another state, which motor vehicle, semitrailer, pole trailer or aircraft is not to be registered or based in this state and which vehicle, semitrailer, pole trailer or aircraft will not remain in this state more than 10 days;

(l) all isolated or occasional sales of tangible personal property, services, substances or things, except isolated or occasional sale of motor vehicles specifically taxed under the provisions of subsection (o) of K.S.A. 79-3603 and amendments thereto;

(m) all sales of tangible personal property which become an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail within or without the state of Kansas; and any such producer, manufacturer or compounder may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for use as an ingredient or component part of the property or services produced, manufactured or compounded;

(n) all sales of tangible personal property which is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, irrigation and in providing such services;

(o) all sales of animals, fowl and aquatic plants and animals, the primary purpose of which is use in agriculture or aquaculture, as defined in K.S.A. 47-1901, and amendments thereto, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber or fur, or the production of offspring for use for any such purpose or purposes;

(p) all sales of drugs, as defined by K.S.A. 65-1626 and amendments thereto, dispensed pursuant to a prescription order, as defined by K.S.A. 65-1626 and amendments thereto, by a licensed practitioner;

(q) all sales of insulin dispensed by a person licensed by the state board of pharmacy to a person for treatment of diabetes at the direction of a person licensed to practice medicine by the board of healing arts;

(r) all sales of prosthetic and orthopedic appliances prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry. For the purposes of this subsection, the term prosthetic and orthopedic appliances means any apparatus, instrument, device, or equipment used to replace or substitute for any missing part of the body; used to alleviate the malfunction of any part of the body; or used to assist any disabled person in leading a normal life by facilitating such person's mobility; but such term shall not include motor vehicles, accessories to be attached to motor vehicles or personal property which when installed becomes a fixture to real property;

(s) all sales of tangible personal property or services purchased directly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 *et seq.* and amendments thereto, which property or services are used in the operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include machinery and equipment used in the operation of Christmas tree farming but shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farm-

ing or ranching shall include the operation of a feedlot and farm and ranch work for hire;

(u) all leases or rentals of tangible personal property used as a dwelling if such tangible personal property is leased or rented for a period of more than 28 consecutive days;

(v) all sales of food products to any contractor for use in preparing meals for delivery to homebound elderly persons over 60 years of age and to homebound disabled persons or to be served at a group-sitting at a location outside of the home to otherwise homebound elderly persons over 60 years of age and to otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization, and all sales of food products for use in preparing meals for consumption by indigent or homeless individuals whether or not such meals are consumed at a place designated for such purpose;

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises and all sales of propane gas and of natural gas, electricity, heat and water delivered through mains, lines or pipes for agricultural use;

(x) all sales of propane gas, LP-gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises;

(y) all sales of materials and services used in the repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States;

(z) all sales of tangible personal property and services purchased directly by a port authority or by a contractor therefor as provided by the provisions of K.S.A. 12-3418 and amendments thereto;

(aa) all sales of materials and services applied to equipment which is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and which is subsequently transported outside the state for use in the transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

(bb) all sales of used mobile homes or manufactured homes. As used in this subsection: (1) "Mobile homes" and "manufactured homes" shall have the meanings ascribed thereto by K.S.A. 1993 Supp. 58-4202 and amendments thereto; and (2) "sales of used mobile homes or manufactured homes" means sales other than the original retail sale thereof;

(cc) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business which meets the requirements established in K.S.A. 74-50,115 and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto. As used in this subsection, "business" and "retail business" have the meanings respectively ascribed thereto by K.S.A. 74-50,114 and amendments thereto;

(dd) all sales of tangible personal property purchased with food stamps issued by the United States department of agriculture;

(ee) all sales of lottery tickets and shares made as part of a lottery operated by the state of Kansas;

(ff) on and after July 1, 1988, all sales of new mobile homes or manufactured homes to the extent of 40% of the gross receipts, determined without regard to any trade-in allowance, received from such sale. As used in this subsection, "mobile homes" and "manufactured homes" shall have the meanings ascribed thereto by K.S.A. 1993 Supp. 58-4202 and amendments thereto;

(gg) all sales of tangible personal property purchased in accordance with vouchers issued pursuant to the federal special supplemental food program for women, infants and children;

(hh) all sales of medical supplies and equipment purchased directly by a nonprofit skilled nursing home or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923, and amendments thereto, for the purpose of providing medical services to residents thereof. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(ii) all sales of tangible personal property purchased directly by a nonprofit organization for nonsectarian comprehensive multidisciplinary youth development programs and activities provided or sponsored by such organization. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based mental retardation facility or mental health center organized pursuant to K.S.A. 19-4001 *et seq.*, and amendments thereto, and licensed in accordance with the provisions of K.S.A. 75-3307b and amendments thereto. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(kk) on and after January 1, 1989, all sales of machinery and equipment used directly and primarily for the purposes of manufacturing, assembling, processing, finishing, storing, warehousing or distributing articles of tangible personal property in this state intended for resale by a manufacturing or processing plant or facility or a storage, warehousing or distribution facility;

(1) For purposes of this subsection, machinery and equipment shall be deemed to be used directly and primarily in the manufacture, assemblage, processing, finishing, storing, warehousing or distributing of tangible personal property where such machinery and equipment is used during a manufacturing, assembling, processing or finishing, storing, warehousing or distributing operation:

(A) To effect a direct and immediate physical change upon the tangible personal property;

(B) to guide or measure a direct and immediate physical change upon such property where such function is an integral and essential part of tuning, verifying or aligning the component parts of such property;

(C) to test or measure such property where such function is an integral part of the production flow or function;

(D) to transport, convey or handle such property during the manufacturing, processing, storing, warehousing or distribution operation at the plant or facility; or

(E) to place such property in the container, package or wrapping in which such property is normally sold or transported.

(2) For purposes of this subsection "machinery and equipment used directly and primarily" shall include, but not be limited to:

(A) Mechanical machines or major components thereof contributing to a manufacturing, assembling or finishing process;

(B) molds and dies that determine the physical characteristics of the finished product or its packaging material;

(C) testing equipment to determine the quality of the finished product;

(D) computers and related peripheral equipment that directly control or measure the manufacturing process or which are utilized for engineering of the finished product; and

(E) computers and related peripheral equipment utilized for research and development and product design.

(3) "Machinery and equipment used directly and primarily" shall not include:

(A) Hand tools;

(B) machinery, equipment and tools used in maintaining and repairing any type of machinery and equipment;

(C) transportation equipment not used in the manufacturing, assembling, processing, furnishing, storing, warehousing or distributing process at the plant or facility;

(D) office machines and equipment including computers and related peripheral equipment not directly and primarily used in controlling or measuring the manufacturing process;

(E) furniture and buildings; and

(F) machinery and equipment used in administrative, accounting, sales or other such activities of the business;

(ll) all sales of educational materials purchased for distribution to the public at no charge by a nonprofit corporation organized for the purpose of encouraging, fostering and conducting programs for the improvement of public health;

(mm) all sales of seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides and fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use;

(nn) except as otherwise provided in this act, all sales of services rendered by an advertising agency or licensed broadcast station or any member, agent or employee thereof;

(oo) all sales of tangible personal property purchased by a community action group or agency for the exclusive purpose of repairing or weatherizing housing occupied by low income individuals;

(pp) all sales of drill bits and explosives actually utilized in the exploration and production of oil or gas;

(qq) all sales of tangible personal property and services purchased by a nonprofit museum or historical society or any combination thereof, including a nonprofit organization which is organized for the purpose of stimulating public interest in the exploration of space by providing educational information, exhibits and experiences, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(rr) all sales of tangible personal property which will admit the purchaser thereof to any annual event sponsored by a nonprofit organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986; and

(ss) all sales of tangible personal property and services purchased by a public broadcasting station licensed by the federal communications commission as a noncommercial educational television or radio station.

Sec. 6. K.S.A. 1993 Supp. 12-187, 12-188, 12-189, 12-192 and 79-3606, as amended by section 4 of House Bill No. 2004, are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the Kansas register.

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