

Kansas Register

Ron Thornburgh, Secretary of State

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State of Kansas

Legislature

Interim Committee Schedule

The following committee meetings have been scheduled during the period of June 2 through June 15:

Date	Room	Time	Committee	Agenda
June 2	313-S	9:00 a.m.	Retail Wheeling Task Force	Agenda not available.
June 3	313-S	9:00 a.m.		
June 2	519-S	10:00 a.m.	SR5 Transition Oversight Committee	Agenda not available.
June 9	313-S	9:00 a.m.	Retail Wheeling Task Force	9th: Kansas electric industry review; status reports on unbundling activities; status reports on stranded benefits; review of REC study.
June 10	313-S	9:00 a.m.		10th: Review of municipal study; electric restructuring and retail wheeling presentation; other presentations to be scheduled.
June 10	526-S	10:00 a.m.	Joint Committee on Computers and Telecommunications	Review topics for interim study.
June 11	526-S	9:00 a.m.		
June 11	527-S	1:00 p.m.	House Select Committee on Broadcasting	Organizational session (2nd day if necessary).
June 12	527-S	9:00 a.m.		

Emil Lutz
Director of Legislative
Administrative Services

Doc. No. 019181

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State of Kansas

Kansas Technology Enterprise Corporation

Notice of Meeting

The Kansas Technology Enterprise Corporation Board of Directors will meet at 8 a.m. Friday, June 6, at the Kansas Technology Enterprise Corporation offices, 214 S.W. 6th, Topeka.

Richard A. Bendis
President

Doc. No. 019167

State of Kansas

Kansas State University

Notice to Bidders

Sealed bids for the item listed below will be received by the Kansas State University Purchasing Office, Manhattan, until 2 p.m. local time on the date indicated and then will be publicly opened. Interested bidders may call (913) 532-6214 or fax (913) 532-5632 for additional information.

Monday, June 9, 1997

#70297

Streak camera

William H. Sesler
Director of Purchasing

Doc. No. 019169

State of Kansas

Department of Transportation

Request for Comments

The Kansas Department of Transportation requests comments on the amendment of the Statewide Transportation Improvement Program (STIP) FY 97-99 by adding the following project:

Project X-1984-01, Pre-emption signal at Cimmaron Valley railroad crossing and K-25 (Colorado Street) and traffic signals at the intersection of K-25 and US-160 in the City of Ulysses, Grant County

The STIP amendment requires a 30-day public comment period. To receive more information on this project or to make comments on the STIP amendment, contact the Kansas Department of Transportation, Office of Engineering Support, 7th Floor, Docking State Office Building, 915 S.W. Harrison, Topeka, 66612-1568, (913) 296-7916, fax (913) 296-0723.

This information is available in alternative accessible formats. To obtain an alternative format, contact the KDOT Office of Public Information, (913) 296-3585 (Voice/TTY).

The comment period regarding the STIP amendment will conclude June 30.

E. Dean Carlson
Secretary of Transportation

Doc. No. 019170

State of Kansas

Department of Human Resources
Division of Workers CompensationNotice of Hearing on Proposed
Administrative Regulations

A public hearing will be conducted at 10 a.m. Tuesday, July 29, in Room 123-S, State Capitol, 300 S.W. 10th Ave., Topeka, to consider the adoption of an amendment to a permanent regulation. All interested parties may submit comments prior to the hearing to the director of the Division of Workers Compensation, 800 S.W. Jackson, Suite 600, Topeka, 66612-1227.

The 60 days prior to the public hearing will be considered the public comment period. All interested parties will be given a reasonable opportunity at the hearing to orally express their views on the adoption of the proposed permanent regulation. Following the hearing, all oral and written comments submitted by interested parties will be considered by the director as the basis for making any changes to the proposed regulation.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting the Division of Workers Compensation at the address above, (913) 296-3441.

A complete copy of the regulation and the economic impact statement may be obtained by contacting the division.

The following is a brief summary of the proposed regulation:

K.A.R. 51-9-7, Fees for medical and hospital services. The proposed change to this regulation has occurred because of the language contained within K.S.A. 44-510, which mandates the Director of Workers Compensation to adopt rules and regulations for the establishment of a medical fee schedule. Accordingly, the medical fee schedule hereby being proposed has been approved by the advisory panel created by K.S.A. 44-510 and is being adopted by reference. The fee schedule establishes the maximum amount that can be charged for medical and hospital services.

Economic Impact: The fiscal impact to the division by passage of this proposed regulation is already being recognized in accordance with the current budget. There will be a definite fiscal impact on the health care provider, hospital or other entity providing the health care services due to the establishment of the maximum amount that will be allowed for health care services. Additionally, it is anticipated that the workers compensation insurance rates in the State of Kansas, as promulgated by the National Council on Compensation Insurance, Inc., will be decreased by an overall average of 0.4 percent.

Wayne L. Franklin
Secretary of Human Resources

Doc. No. 019178

State of Kansas

Pooled Money Investment Board

Notice of Investment Rates

The following rates are published in accordance with K.S.A. 1996 Supp. 75-4210. These rates and their uses are defined in K.S.A. 1996 Supp. 12-1675(b)(c)(d), and K.S.A. 1996 Supp. 75-4201(l) and 75-4209(a)(1)(B).

Effective 6-2-97 through 6-8-97

Term	Rate
1-89 days	5.45%
3 months	5.44%
6 months	5.69%
9 months	5.88%
12 months	5.96%
18 months	6.12%
24 months	6.25%
36 months	6.40%
48 months	6.54%

William E. Lewis
Chairman

Doc. No. 019161

State of Kansas

Department of Transportation

Notice of Public Auction

The Kansas Secretary of Transportation will offer for sale at public auction at 9 a.m. July 10 the following building and land located in Cherokee County, Kansas, described as follows:

Kansas Department of Transportation Materials Lab (1,827 sq. ft. brick building) located at 11th and Ottawa Avenue in Baxter Springs, Kansas. The legal description of the property is all of lots 136 and 137 in Railroad Addition to the City of Baxter Springs.

An inspection of property will be from 10 a.m. to noon July 1 and 30 minutes prior to the sale.

The Kansas Department of Transportation ensures the acceptance of any bid pursuant to this notice will be without discrimination on the grounds of sex, race, color, religion, physical handicap or national origin.

Terms of the Sale:

Money order, certified check or cashier's check for full price on day of sale, payable to "Kansas Department of Transportation." The purchaser will receive a bill of sale on the day of sale and a quitclaim deed within 30 days of sale date. The sale of property is "as is" and the buyer assumes all liability.

The seller reserves the right to reject any and all bids and is not responsible for accidents. The appraised value is \$8,500. The minimum acceptable bid is two-thirds of appraised value. For additional information, contact Fred Terry, Bureau of Right of Way, (913) 296-3501.

E. Dean Carlson
Secretary of Transportation

Doc. No. 019179

State of Kansas

Department of Transportation

Notice to Contractors

Sealed proposals for 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 2 p.m. June 18, and then publicly opened:

District One—Northeast

Jefferson—92-44 K-4371-01—K-92, 2.1 miles (3.4 kilometers) east of county route 328 east to Oskaloosa, 4.3 miles (6.9 kilometers), grading, bridge and surfacing. (Federal Funds)

Johnson—46 N-0044-01—Roe Intersection—47th and 48th Street in Roeland Park, 0.2 mile (0.3 kilometer), grading and surfacing. (Federal Funds)

Johnson—46 N-0090-01—71st Street at the tributary of Clear Creek, 0.09 mile (0.145 kilometer), grading, bridge and surfacing. (State Funds)

Shawnee—75A-89 K-5930-01—U.S. 75A, Topeka Avenue Bridge 116 over the Kansas River, bridge repair. (State Funds)

Shawnee—89 K-6753-01—Bridges 109 and 111 (U.S. 75), bridge 77 (U.S. 24) and bridge 46 (I-470), bridge repair. (State Funds)

Shawnee—24-89 K-3602-01—U.S. 24, Cross Creek Bridge in Rossville, bridge replacement. (Federal Funds)

Throughout district—106 K-5925-97—I-35 in Lyon, Osage, Johnson and Wyandotte counties; K-33 in Douglas County, K-130 in Lyon County, 71.1 miles (114.5 kilometers), signing. (State Funds)

District Two—Northcentral

Geary—70-31 K-5086-01—I-70, from the east city limits of Grandview Plaza, north and east 7.8 miles (12.5 kilometers), pavement reconstruction. (Federal Funds)

Geary—31 U-1542-01—East Chestnut Street from Washington Street east 0.4 mile (0.7 kilometer), grading and surfacing. (Federal Funds)

Marion—50-57 K-6278-01—U.S. 50, from the end of Spring Creek Bridge 049, east 1.8 miles (3 kilometers), pavement marking. (State Funds)

Marion—50-57 K-3221-02—U.S. 50, east city limits of Peabody, northeast to the west city limits of Florence, 9.7 miles (15.6 kilometers), surfacing. (Federal Funds)

Washington—36-101 K-5383-02—U.S. 36, east bank Little Blue River, grading. (State Funds)

District Three—Northwest

Osborne—181-71 K-6221-01—K-181, bridge 044, north fork Solomon River, bridge overlay. (State Funds)

Smith—92 C-3355-01—County road, 6.5 miles (10.5 kilometers) north and 4.5 miles (7.2 kilometers) west of Smith Center, 0.3 mile (0.5 kilometer), grading and bridge. (Federal Funds)

Smith—9-92 K-6218-01—K-9, bridge 033, Cedar Creek, and bridge 034, Beaver Creek, bridge overlay. (State Funds)

Thomas—97 C-3155-01—County road, 8.5 miles (13.7 kilometers) south of Brewster, 0.3 mile (0.5 kilometer), grading and surfacing. (Federal Funds)

Thomas—70-97 K-5907-01—I-70, bridges 002 and 003 at the K-184 interchange, bridge overlay. (State Funds)

District Four—Southeast

Allen—169-1 K-4419-01—U.S. 169, 0.5 mile (0.8 kilometer) south of U.S. 54 at Iola, north to the Allen-Anderson county line, 8.5 miles (13.7 kilometers), grading and bridge. (State Funds)

Allen—169-1 TE-0051-01—U.S. 169, 1.1 miles (1.8 kilometers) south of the Anderson-Allen county line 0.05 mile (0.08 kilometer), pedestrian and bicycle paths. (Federal Funds)

Anderson—169-2 K-4420-01—U.S. 169, from the Allen-Anderson county line, north to 1 mile (1.6 kilometers) north of Colony, 3 miles (4.8 kilometers), grading. (State Funds)

Anderson—57-2 K-4421-01—K-57 relocation from 1 mile (1.6 kilometers) north of Colony west to K-57, 2.2 miles (3.5 kilometers), grading. (State Funds)

Chautauqua—10 C-3255-01—County road, 3 miles (4.8 kilometers) north and 5 miles (8.0 kilometers) west of Hale, grading, bridge and surfacing. (Federal Funds)

Cherokee—69A-11 K-5048-02—U.S. 69A, from U.S. 166, northwest to existing U.S. 59A and then northeast to 1.3 miles (2.1 kilometers) north of K-66, 6.2 miles (10 kilometers), surfacing. (Federal Funds)

Coffey—57-16 K-2373-01—K-57, Crooked Creek Bridge (43) 6.7 miles (10.8 kilometers) east of the junction of K-57 and U.S. 75, bridge repair. (State Funds)

Franklin—35-30 K-5085-01—I-35, from 0.7 mile (1.1 kilometers) east of county route 1647, northeast to 0.2 mile (0.3 kilometer) west of U.S. 50B, 5.1 miles (8.2 kilometers), pavement reconstruction. (Federal Funds)

Franklin—30 K-3596-03—Old U.S. 50 from the Coffey-Franklin county line, northeast to U.S. 50B at Ottawa, 10.3 miles (16.6 kilometers), overlay. (State Funds)

Greenwood—54-37 K-5082-01—U.S. 54, bridge 004 (Missouri Pacific Railroad) and bridge 005 (Fall River) bridge replacement. (Federal Funds)

Greenwood—54-37 K-5082-02—U.S. 54, west of the Missouri Pacific Railroad east to east of the Fall River at Eureka, 1.2 miles (1.9 kilometers), grading, bridge and surfacing. (Federal Funds)

Miami—61 C-3137-01—County road, 3.0 miles (4.8 kilometers) north and 1.5 miles (2.4 kilometers) west of Louisburg, then west 2 miles (3.3 kilometers), grading and surfacing. (Federal Funds)

Miami—169-61 K-6582-01—U.S. 169, south of the K-7 junction to the beginning of the concrete pavement, 20.7 miles (33.3 kilometers), shoulder construction. (State Funds)

Neosho—59-67 K-6224-01—U.S. 59, bridge 005, Canville Creek, bridge overlay. (State Funds)

Districtwide—106 K-6254-97—Various locations in the district, 199 miles (321 kilometers), signing. (State Funds)

District Five—Southcentral

Cowley—77-18 K-6715—U.S. 77, from the north city limits of Arkansas City, north to the south city limits of Winfield, 8.6 miles (13.9 kilometers), joint repair. (State Funds)

Harper—39 C-3120-01—County road, 0.7 mile (1.1 kilometers) north of Attica, then north 2 miles (3.2 kilometers), surfacing. (Federal Funds)

Harvey—40 U-1582-01—East 1st Street from Kansas Street to Sherman Street in Newton, 0.3 mile (0.5 kilometer), grading, bridge and surfacing. (Federal Funds)

Kingman—54-58 K-6637-01 U.S. 54, Smoots Creek Bridge, bridge overlay. (State Funds)

Reno—96-78 K-4457-02—K-96, road connecting Obee Road to Greenfield Road, 0.5 mile (0.8 kilometer), grading bridge and surfacing. (State Funds)

Rush—4-83 K-6229-01 K-4, bridge 20, Sand Creek drainage, bridges 21 and 22, Walnut Creek drainage, bridge overlay. (State Funds)

Sedgwick—135-87 K-6642-01—I-135, bridge 290, over railroad and local streets, bridge repair. (State Funds)

Sedgwick—54-87 K-6641-01—U.S. 54, bridge 317, over the Atchison, Topeka and Santa Fe and local streets, bridge repair. (State Funds)

District Six—Southwest

Seward—54-88 K-5495-01—U.S. 54, Pancake Boulevard and Western Avenue in Liberal, 0.12 mile (0.2 kilometer), intersection improvement. (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 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.

E. Dean Carlson
Secretary of Transportation

Doc. No. 019174

State of Kansas

Wichita State University

Notice to Bidders

Wichita State University is accepting bids on the following item:

Closing June 6, 1997

Quotation 970313-1

Nuclear magnetic resonance spectrometer system

Bids must be submitted to Wichita State University, Office of Purchasing, Morrison Hall, Room 021, 1845 N. Fairmount, Wichita, 67260-0012, by 2 p.m. on the above specified closing date. Please refer to the above quotation number on all correspondence. For additional information, contact the Office of Purchasing at (316) 978-3080.

Gary D. Link
Director of Purchasing

Doc. No. 019168

(Published in the Kansas Register May 29, 1997.)

U.S. Environmental Protection Agency

Request for Comments on Hazardous Waste Facility Closure Plan

The United States Environmental Protection Agency (EPA), Region 7, is seeking public comments regarding its preliminary decision to approve closure of two hazardous waste handling units at Lafarge Corporation in Fredonia, Kansas. The public is invited to review the closure plan and submit written comments.

Lafarge Corporation and Systech Environmental Corporation, next to the Lafarge cement plant, jointly operated the waste handling units on Lafarge property. Lafarge intends to continue burning hazardous wastes using hazardous waste feed systems at the Systech property.

A copy of the closure plan is available for public review at the Fredonia Public Library, 807 Jefferson, Fredonia, (316) 378-2863, from 11 a.m. to 7 p.m. Monday through Thursday, 11 a.m. to 6 p.m. Friday, and 10 a.m. to noon Saturday; and at the southeast district office of the Kansas Department of Health and Environment, 1500 W. 7th, Chanute. The closure plan also is available for review at the Region 7 Information Center, 726 Minnesota Ave., Kansas City, Kansas, (913) 551-7241, from 9 a.m. to 3 p.m. Monday through Friday.

Comments or requests for additional information about the closure plan should be directed in writing to John Smith, EPA Region 7, RPCB Branch, 726 Minnesota Ave., Kansas City, KS 66101. Comments must be post-marked on or before the end of the comment period, which expires June 30.

A public hearing has not been scheduled; however, if requests are received that indicate significant public interest in the closure plan, a public hearing will be scheduled. Requests for a public hearing must be made in writing to the EPA at the address above prior to June 30 and must state the nature of issues proposed to be raised at

the hearing. If a public hearing is scheduled, a public notice will be issued announcing the date, time and location.

After consideration of all comments received and of the requirements of the Resource Conservation and Recovery Act (RCRA), the EPA will make a final closure plan decision and notify all persons submitting comments or requesting a notice of the final decision.

JoAnn M. Heiman, Chief
RCRA Permitting and Compliance Branch

Doc. No. 019184

State of Kansas

Department of Health and Environment

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 1 p.m. Wednesday, August 27, in the MTAA conference room in the Air Terminal, Forbes Field, 6700 S. Topeka Blvd., Topeka, to consider the adoption of proposed amendments to an existing regulation of the Health and Environment laboratory. The amended regulation is proposed for adoption on a permanent basis. A summary of the proposed regulation and its environmental and economic impact follows:

K.A.R. 28-33-12 regulates the testing of human body fluids for drugs of abuse for nonmedical purposes. The department proposes to make the changes to improve the clarity and completeness of the description of the program regulation to regulate the testing of human body fluids for drugs of abuse. There is no measurable economic impact of these semantic changes.

The period between publication of this notice and the scheduled hearing serves as the required public comment period of at least 60 days for receiving written public comments on the proposed regulation. All interested parties may submit written comments prior to the hearing to Stanley P. Sutton, Kansas Department of Health and Environment, Laboratory Improvement Program, Forbes Field, Building 740, Topeka, 66620. 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 that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and regulatory impact statement in an accessible format. Requests for accommodation should be made at least five working days before the hearing by contacting Maren Farr at (913) 296-3811, fax (913) 296-1641.

Complete copies of the proposed revisions to the regulation and the corresponding economic impact statement may be obtained from the Laboratory Improvement Program, (913) 296-0724.

Gary R. Mitchell
Secretary of Health and Environment

Doc. No. 019183

State of Kansas

Kansas Council on Developmental Disabilities

Request for Proposals

The Kansas Council on Developmental Disabilities (KCDD) announces the availability, pending Congressional action, of developmental disabilities funding totaling \$384,000 to be distributed by state plan activities. Approximate funding amounts available for each competition are listed in the parentheses following the program. Unless indicated, only one grant will be funded.

- I. For state plan goal activities focusing on community living in the following areas: Rural Housing Initiatives (three projects of up to \$25,000 each) and Self-Directed Care (\$20,000).
- II. For state plan goal activities which focus on self-determination in the following area: Self-Advocacy (\$50,000).
- III. For state plan goal activities which focus on health in the following areas: Accessing Medical and Dental Care in Kansas (\$15,000) and Training for Medical and Dental Care Providers (\$15,000).
- IV. For state plan goal activities which focus on employment in the following areas: Small Business Initiative (six projects of up to \$20,000 each); Social Security Work Incentives (two projects of up to \$7,000 each); and Grantsmanship (\$25,000).

Application Process

To receive an application containing forms, instructions and information, contact the Kansas Council on Developmental Disabilities, Room 141, Docking State Office Building, 915 S.W. Harrison, Topeka, 66612-1570, (913) 296-1608, e-mail: krestine@idir.net.

General Requirements

Eligible Applicants: State, public, private profit or non-profit organizations, institutions or agencies.

Project Duration: Except where noted, the projected duration for these projects is one year, beginning October 1, 1997 and ending September 30, 1998.

Council Share of the Project Cost: The maximum council contribution cannot exceed 75 percent of the annual project budget.

Matching Requirement: Successful applicants must contribute at least 25 percent or one-fourth of the actual annual project budget.

Evaluation and Selection

Completed applications will be given a project number analyzed by a review committee and evaluated based on content (narrative, methodology, budget, qualifications of the applicant, and adherence to specific criteria included in the application). Additionally, applicants should be aware that the council and review committee will note whether the application addresses the needs of diverse populations and/or rural Kansans with developmental disabilities.

Grant project awards will depend upon the availability of federal developmental disability funding. Final decisions for grant project awards will be made by the KCDD.

Deadline

Completed applications will be accepted at the KCDD office until 5 p.m. Monday, July 7. No handwritten, faxed or single-spaced documents will be accepted. Completed applications received after the deadline will not be considered or returned.

Applicants will be notified of the KCDD decision by September 1.

Jane Rhys
Executive Director

Doc. No. 019171

State of Kansas

Racing and Gaming Commission

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 9 a.m. Friday, August 8, in the conference room, Office of the Kansas Racing and Gaming Commission, 3400 S. Van Buren, Topeka, to consider the adoption of a proposed amendment to a permanent regulation of the commission. This 60-day notice constitutes a public comment period for the purpose of receiving written public comments on the proposed regulation.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting the Kansas Racing and Gaming Commission, (913) 296-5800.

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

K.A.R. 112-16-6, Participation and representation: This regulation amendment specifies that any natural person may be represented by an attorney licensed to practice law in the State of Kansas in any evidentiary hearing conducted before the commission or its designated presiding officer(s) in accordance with the Kansas administrative procedures act (KAPA) or rules and regulations adopted by the commission. The attorney shall represent the respondent at the respondent's own expense. Additionally, this amendment specifies that each for-profit or not-for-profit corporation, unincorporated association, or other non-natural person shall be represented by an attorney licensed to practice law in the State of Kansas in any evidentiary hearing conducted before the commission or its designated presiding officer(s) in accordance with KAPA or rules and regulations adopted by the commission. The attorney shall represent the respondent at the respondent's own expense.

Economic Impact: None to the commission. Any person appearing in an evidentiary hearing would bear the expense of paying for their own attorney.

Myron Scafe
Executive Director

Doc. No. 019163

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, which are effective immediately unless otherwise specified, were recently filed with the Secretary of State:

**Johnson County Commissioner,
4th District**

George Gross, The Legacy Companies, 8650 College Blvd., Suite 120, Overland Park, 66210. Term expires when a successor is elected and qualifies according to law. Succeeds Elaine Beckers Braun.

**Kansas-Oklahoma Arkansas River
Compact Commission**

David L. Pope, Chief Engineer-Director, Division of Water Resources, Kansas Department of Agriculture, 901 S. Kansas Ave., 2nd Floor, Topeka, 66612. Serves at the pleasure of the Governor. Reappointment.

Arthur T. Woodman, 200 N. Broadway, Suite 110, Wichita, 67202. Term expires June 30, 2000. Succeeds Orvie Howell.

**Central Interstate Low-Level
Radioactive Waste Commission**

James O'Connell, Sinclair, Sawyer, Thompson, Haynes and Cowing, 4520 Main, Kansas City, MO 64111. Serves at the pleasure of the Governor. Subject to Senate confirmation. Reappointment.

**Kansas Criminal Justice
Coordinating Council**

Ronald J. Green (Governor's Representative), Office of the Governor, 2nd Floor, State Capitol, 300 S.W. 10th Ave., Topeka, 66612. Serves at the pleasure of the Governor. Succeeds Brent Anderson.

Education Commission of the States

Sheila Frahm, Kansas Association of Community Colleges, 700 S.W. Jackson, Suite 401, Topeka, 66603. Term expires May 8, 1999. Succeeds Rick Bowden.

Andy Tompkins, Commissioner of Education, Kansas Department of Education, 120 S.E. 10th Ave., Topeka, 66612. Term expires May 8, 1998. Succeeds Cynthia S. Luxem.

Joint Advisory Committee on Governance

D. Danielle Noe (Governor's Representative), Office of the Governor, 2nd Floor, State Capitol, 300 S.W. 10th Ave., Topeka, 66612. Serves at the pleasure of the Governor. New position.

North Central Kansas Library System Board

Susan Schardein, 8801 University Park Road, Manhattan, 66503. Term expires June 30, 1997. Succeeds Barbara Leith, resigned.

Ron Thornburgh
Secretary of State

Doc. No. 019172

State of Kansas

Department of Health
and Environment

Request for Comments

The Kansas Department of Health and Environment is soliciting comments regarding issuance of authorizations to operate under the general Class I air quality operating permit for natural gas compressor stations. Authorizations to operate under the general Class I operating permit have been issued in accordance with the provisions of K.A.R. 28-19-400 *et seq.*

A copy of each permit application, authorization and all supporting documentation is available for public review during normal business hours at the KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka. Information also is available at the KDHE district office indicated for each facility. To obtain or review the permit, authorization and supporting documentation, contact Connie Carreno, (913) 296-6422, at the KDHE central office, or the indicated district representative. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding an authorization to Connie Carreno, Bureau of Air and Radiation, KDHE, Building 283, Forbes Field, Topeka, 66620.

A list of all major sources within the state which are authorized to operate under the terms of the general Class I operating permit will be maintained at the KDHE Topeka offices.

**Authorizations issued during the week of
April 14, 1997:**

KDHE District Rep: Wayne Neese, (316) 225-3731
Rep. Location: Southwest District Office,
Dodge City

Company:
Compressor Station:
Source ID No.:
Location:

Anadarko
South Breech Station
1890094
S27, T34S, R38W, Stevens County

Mobil Exploration and Producing
Lateral H - Hickok Station
0670046
S9, T27S, R35W, Grant County

Mobil Exploration and Producing
Lateral B - Hickok Station
1890023
S13, T31S, R36W, Stevens County

Mobil Exploration and Producing
Main Hickok Station
0670008
S31, T28S, R35W, Grant County

Mobil Exploration and Producing
Lateral C - Hickok Station
1890024
S2, T31S, R36W, Stevens County

Mobil Exploration and Producing
 Lateral G - Hickok Station
 0670045
 S4, T28S, R36W, Grant County

Mobil Exploration and Producing
 Lateral H - East Hickok Station
 0550054
 S35, T26S, R34W, Finney County

Gary R. Mitchell
 Secretary of Health
 and Environment

Doc. No. 019173

State of Kansas

Department of Administration
 Division of Purchases

Notice to Bidders

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

Monday, June 9, 1997

5995

Kansas State University—Inserter

Tuesday, June 10, 1997

32520

Emporia State University—All labor and materials to replace bathtubs/showers

5986

Department of Transportation—Notebook sniffer

6009

University of Kansas Medical Center—Audio/video equipment

6026

Osawatomie State Hospital—Furnish and install video conferencing equipment

6032

Department of Transportation—Pull-type mud jack, Salina

6034

Department of Transportation, Salina—Trailer-mounted fuel storage tank

6035

Department of Transportation, Hutchinson—Truck-mounted hydraulic derrick

Wednesday, June 11, 1997

31123

Statewide—Upholstery materials and foam

32519

Kansas Bureau of Investigation—Data entry services

32521

Department of Human Resources—IBM 3160 printer supplies

32523

Department of Social and Rehabilitation Services—Security guard services (armed)

5991

Department of Transportation—Bituminous plant mix, Morrowville

5992

Youth Center at Beloit—Front deck mower

5993

Wichita State University—Truck with dumped

5994

Larned State Hospital—Furnish and install washer/extractor

5996

University of Kansas—Copier

5997

Department of Transportation—Trailer-mounted flashing light, various locations

5998

Department of Transportation—Asphalt distributor, truck-mounted, Chanute

5999

State Corporation Commission—Liquid level instrument

6025

Kansas State University—Data/video multi-media projector

6028

University of Kansas—Data/video multi-media projector

6047

University of Kansas—Furnish and install carpet and cove base

Thursday, June 12, 1997

6007

Department of Transportation—Utility trailer, Chanute and Hutchinson

6008

Department of Transportation—Pothole patcher, various locations

6010

University of Kansas—Coax cable

6011

Kansas State University—Light fixtures

6012

Parsons State Hospital—Building materials

6014

Department of Transportation—Workstations (Integrph)

6015

Department of Transportation—Line printers (Mannesman Tally)

6016

Department of Wildlife and Parks—LAN installations, various locations

6022

Department of Transportation—Vehicle weigh-in-motion system

6023

Department of Wildlife and Parks—Law enforcement patrol boat

6033

Department of Transportation—Stationary shop air compressor, various locations

6043

Kansas Bureau of Investigation—Construct block storage room

(continued)

6044
Hutchinson Correctional Facility—Plumbing materials

6045
Hutchinson Correctional Facility—Copper plumbing materials

6046
University of Kansas—Expand access control system

Friday, June 13, 1997

6017
Department of Transportation—Slope mower

6018
Department of Transportation—Agricultural seed drill, Salina

6019
Department of Transportation—Skid mount sprayer, Salina

6020
Department of Transportation—Fuel tank monitoring system, Gardner

6021
Department of Transportation—Underground fuel storage tanks, Hays

6024
University of Kansas—Furnish and install dish machines

6031
Fort Hays State University—Innerspring mattresses and box springs

6036
Department of Transportation—Tractors, various locations

6037
Department of Social and Rehabilitation Services—Furnish and install voice mail and automated attendant, Lawrence

6038
Fort Hays State University—Furnish and install carpet and cove base

6039
Lansing Correctional Facility—Combination lav-toilet

6040
Department of Transportation—Wood signposts, Salina

6041
Department of Wildlife and Parks—Furnish and install concrete boat ramps, Cheney

6042
Kansas Highway Patrol—Furnish and install electrical service

6048
Kansas Public Employees Retirement System—AS/400 B20 to 9402-4HS small server

Monday, June 16, 1997

6029
University of Kansas—Paper, printing and binding: Graduate Catalog 1997-99

Tuesday, June 17, 1997

A-7789
Department of Transportation—HVAC renovation, central materials lab

6027
Pittsburg State University—Furnish and install A/V video equipment

Wednesday, June 18, 1997

A-8254
Department of Wildlife and Parks—Covered boat slips, Prairie Dog State Park, Norton

32525
Kansas Lottery—Promotional items

Friday, June 20, 1997

A-8240
Kansas State University—HVAC and window replacement, Ellen Richards-Galichia

Monday, June 23, 1997

6030
Department of Social and Rehabilitation Services—Furnish and install telecommunications PDS, various locations

Tuesday, June 24, 1997

A-8011(a) (b) (c)
Department of Transportation—Area office building renovation, various locations

32522
Department of Administration, Division of Facilities Management—Food service

Thursday, June 26, 1997

A-7830
Hutchinson Correctional Facility—Structural renovation, clinic/infirmary

Request for Proposals

Thursday, June 12, 1997

32524
Space lease for the Department on Aging

Thursday, June 19, 1997

32513
Child abuse hotline for the Department of Social and Rehabilitation Services

Tuesday, July 1, 1997

32516
Capitol Plaza Area development plan for the Department of Administration, Division of Facilities Management

6013
General financial systems for the University of Kansas and University of Kansas Medical Center

John T. Houlihan
Director of Purchases

Doc. No. 019177

State of Kansas

Employee Award Board

Notice of Meeting

The Employee Award Board will meet at 9 a.m. Thursday, June 5, in the Division of Personnel Services, Room 951-S, Landon State Office Building, 900 S.W. Jackson, Topeka.

Ben Barrett
Chairperson

Doc. No. 019162

State of Kansas

Department of Health and Environment

Notice Concerning Kansas Water Pollution Control Permits

In accordance with state regulations 28-16-57 through 63, 28-18-1 through 4, 28-16-150 through 154, 28-46-7, and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, draft permits have been prepared for discharges to the waters of the United States and the State of Kansas for the class of dischargers described below. The determinations for permit content are based on 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 subject to certain conditions.

Public Notice No. KS-AG-97-126/133

Name and Address of Applicant	Legal Description	Receiving Water
Carl and Linda Crocker d/b/a L C Turkeys Route 1, Box 1725 Chetopa, KS 67336	NW/4 of Sec. 13, T35S, R22E, Cherokee County	Neosho River Basin

Kansas Permit No. A-NECK-F008

This is a renewal of an existing permit for 33,000 (594 animal units) of turkeys.

Waste Storage Facilities: Litter from the buildings that is stored shall be done in such a manner that the runoff does not present a significant water pollution potential. Storage capabilities will exceed the minimum requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Kenneth and Bonnie Feist d/b/a Timberline Farm 3581 S.W. 110th Chetopa, KS 67336	SW/4 of Sec. 32, T33S, R22E, Cherokee County	Neosho River Basin

Kansas Permit No. A-NECK-F012

This is a renewal for an existing facility for 33,000 (594 animal units) of turkeys.

Waste Storage Facilities: Litter from the buildings that is stored shall be done in such a manner that the runoff from the storage area does not present a significant water pollution potential. Storage capabilities will meet or exceed the minimum state requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Charles N. and Martha T. Stone d/b/a Stone Farms 8529 S.W. 90th Chetopa, KS 67336	SW/4 of Sec. 27, T34S, R22E, Cherokee County	Neosho River Basin

Kansas Permit No. A-NECK-F011

This is a renewal of a permit of an existing facility for 33,000 (594 animal units) of turkeys.

Waste Storage Facilities: Litter from the buildings that is stored shall be done in such a manner that the runoff from the storage area does not present a significant water pollution potential. Storage capabilities will meet or exceed the minimum state requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Kenneth Penner Penner Enterprises 13652 N.W. Butler Road Whitewater, KS 67154	SE/4 of Sec. 25, T14S, R8W, Ellsworth County	Smoky Hill River Basin

Kansas Permit No. A-SHEW-S004

This is an existing facility for 2,400 head (960 animal units) of swine.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Mark Wiebe Mark Wiebe Dairy Route 1, Box 43A Tampa, KS 67483	NW/4 of Sec. 22, T17S, R1E, Marion County	Neosho River Basin

Kansas Permit No. A-NEMN-M021

This is a new facility for 100 head (140 animal units) of dairy cows.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Kevin Wittorf Wittorff Cackleberry Farm 433 Cherokee Road Inman, KS 67546	NW/4 of Sec. 14, T21S, R5W, McPherson County	Little Arkansas River Basin

Kansas Permit No. A-LAMP-P003 Federal Permit No. KS-0093882

This is a new facility for 32,000 head (320 animal units) of chickens.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided which meets or exceeds KDHE minimum requirements.

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.

Name and Address of Applicant	Legal Description	Receiving Water
Livengood Brothers Partnership 6235 Road 24 Goodland, KS 67735	SW/4 of Sec. 36, T8S, R39W, Sherman County	South fork Sappa Creek

Kansas Permit No. A-URSH-C005 Federal Permit No. KS-0093769

(continued)

This is an expansion of an existing facility for 3,500 head (3,500 animal units) of cattle.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: None.

Name and Address of Applicant	Legal Description	Receiving Water
Chester Williams Route 3, Box 76 Fredonia, KS 66720	SE/4 of Sec. 24, T30S, R13E, Wilson County	Verdigris River Basin

Kansas Permit No. A-VEWL-S006

This is an existing facility, that is changing ownership, with a capacity for 600 head (240 animal units) of swine.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: None.

Location: SW 1/4, S5, T20S, R4E, Marion County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a three-cell wastewater stabilization lagoon system. The 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
Unified School Dist. 450 Tecumseh North Elementary 44th and Shawnee Heights Road Tecumseh, KS 66542	Kansas River via Shunganunga Creek	Treated domestic wastewater

Kansas Permit No. M-KS72-0015

Federal Permit No. KS0119962

Location: SE 1/4, S36, T11S, R16E, Shawnee County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a Smith and Loveless extended aeration package plant. The proposed permit contains a schedule of compliance requiring the permittee to connect the existing collection system to the City of Topeka's wastewater treatment system and properly abandon the existing treatment system. The 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.

Name and Address of Applicant	Waterway	Type of Discharge
City of Washington P.O. Box 296 Washington, KS 66968	Little Blue River via Plum Creek via Mill Creek	Treated domestic wastewater

Kansas Permit No. M-BB21-0001

Federal Permit No. KS0089991

Location: SE 1/4, S1, T3S, R3E, Washington County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a three-cell wastewater stabilization lagoon system. The 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
Board of Public Utilities Power Plant #3 400 E. Kansas Ave. McPherson, KS 67460	Arkansas River via Dry Turkey Creek via drainage ditch	Treated process and cooling wastewater

Kansas Permit No. I-LA11-CO03

Federal Permit No. KS0093602

Facility Location: 1486 17th Ave., McPherson, Kansas

Legal: NW 1/4, S24, T19S, R3W, McPherson County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. This facility is a new 80 MW, simple cycle, natural gas/diesel fuel combustion turbine electric generating station to provide peak electrical demand. Maximum discharge from this facility is about 0.653 million gallons per day. No. 2 diesel fuel is stored on-site as a backup fuel. Storm water runoff from the fuel oil storage dike, fuel loading and unloading areas is directed to an oil-water separator. Oil-water separator effluent, evaporative cooler blowdown and storm water runoff from uncontaminated areas are directed to a storm water retention pond. Process and plant floor drains are routed to a holding tank for off-site disposal. Domestic waste is directed to a septic tank lateral field system. The 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.

Name and Address of Applicant	Waterway	Type of Discharge
North American Salt Co. c/o Larry Schulte 8300 College Blvd. Overland Park, KS 66210	Arkansas River via Cow Creek via storm drain	Treated process wastewater

Kansas Permit No. I-AR49-PO02

Federal Permit No. KS0001112

Facility Location: 1800 Carey Boulevard, Hutchinson, KS 67501

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. This facility produces salt products by solution mining and the vacuum

Public Notice No. KS-97-084/091

Name and Address of Applicant	Waterway	Type of Discharge
City of Carbondale P.O. Box 70 Carbondale, KS 66414	Kansas River via Wakarusa River via Bury's Creek	Treated domestic wastewater

Kansas Permit No. M-KS07-0001

Federal Permit No. KS0021674

Location: NE 1/4, S24, T14S, R15E, Osage County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a six-cell wastewater stabilization lagoon system. The proposed permit contains a schedule of compliance requiring the permittee to obtain the services of a KDHE-certified operator. The 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
Hillsdale Improvement District P.O. Box 147 Hillsdale, KS 66036	Ten Mile Creek	Treated domestic wastewater

Kansas Permit No. M-MC60-0001

Federal Permit No. KS0081396

Location: SE 1/4, S15, T16S, R23E, Miami County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a three-cell wastewater stabilization lagoon system. The proposed permit contains a schedule of compliance requiring the permittee to obtain the services of a KDHE-certified operator. The 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
City of Maple Hill P.O. Box 215 Maple Hill, KS 66507	Kansas River via Mill Creek via unnamed tributary	Treated domestic wastewater

Kansas Permit No. M-KS39-0001

Federal Permit No. KS0046426

Location: NW 1/4, S19, T11S, R12E, Wabunsee County

Facility Description: The proposed action is to re-issue an existing permit for operation of an existing wastewater treatment facility. The facility consists of a three-cell wastewater stabilization lagoon system. The 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
City of Marion 203 N. 3rd Marion, KS 66861	Neosho River via Cottonwood River	Treated domestic wastewater

Kansas Permit No. M-NE45-0001

Federal Permit No. S0051691

evaporation process. Condenser water, noncontact cooling water and stormwater runoff are discharged to the east side drainage ditch (001). The maximum daily discharge, excluding stormwater runoff, is about 3.8 million gallons. The 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-ND-97-034

Name and Address of Application	Legal Location	Type of Discharge
Elf Atochem North America, Inc. P.O. Box 198 Wichita, KS 67201-0198	SW¼, S27, T28S, R1W, Sedgwick County	Nonoverflowing

Kansas Permit No. I-AR94-NO06

Facility Description: The proposed action is to re-issue an existing permit. The facility manufactures refrigerants. Domestic wastewater from the plant control room, the maintenance/engineering building, the laboratory, the administration building, and the warehouse/cylinder filling building is directed to a nondischarging earthen lagoon. Stormwater runoff from nonprocess areas of the plant flow to a nondischarging earthen pond. Stormwater runoff from process areas are directed to the Vulcan Chemicals facility for disposal by underground injection.

Written comments on the draft permits must be submitted to the attention of Dorothy Geisler for agricultural permits or to the permit clerk for all other permits, Kansas Department of Health and Environment, Division of Environment, Bureau of Water, J Street and 2 North, Forbes Field, Building 283, Topeka, 66620. All comments post-marked or received on or before June 28 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate public notice number (KS-AG-97-126/133, KS-97-084/091, KS-ND-97-034) 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 determination. If response to this notice indicates significant public interest, a public hearing may be held in conformance with state regulation 28-16-61 (28-46-21 for UIC). Media coordination for publication and/or announcement of the public notice or public hearing is handled by the Kansas Department of Health and Environment.

The applications, proposed permits, 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 283, Forbes Field, Topeka, from 8 a.m. to 5 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.

Gary R. Mitchell
Secretary of Health
and Environment

Doc. No. 019176

State of Kansas

State Corporation Commission

Notice of Motor Carrier Hearings

The following motor carriers have filed various applications and are scheduled for hearing at 9:30 a.m. June 17 before the commission at its offices, 1500 S.W. Arrowhead Road, Topeka, as indicated below. All applications listed herein are for statewide authority, unless otherwise stated. This list does not include cases which have been continued from earlier assigned hearing dates for which parties of record have received notice.

Requests to inspect and copy the notices provided to the parties and questions in regard to these hearings should be addressed to the State Corporation Commission, Transportation Division, 1500 S.W. Arrowhead Road, Topeka, 66604-4027, (913) 271-3225 or 271-3151. The presiding officer for these matters is Dan Riley, Assistant General Counsel, (913) 271-3159. Anyone needing special accommodations should give notice to the commission 10 days prior to the scheduled hearing date.

Attention should be directed to Kansas Administrative Regulation 82-1-228, "Rules of Practice and Procedure Before the Commission."

Application for Certificate of Public Service:

Hamilton Trucking, Inc., 350 S. West St., Valley Center, KS 67147; MC ID No. 143956; General commodities (except household goods).

Nations Delivery, Inc., 8519 E. 21st, Kansas City, MO 64126; MC ID No. 154095; William Barker, Attorney; General commodities (restricted against the transportation of household goods and hazardous materials).

Application for Certificate of Convenience and Necessity:

Freight All Kinds, Inc., 4920 Oneida St., Commerce City, CO 80022; MC ID No. 106858; General commodities.

Application for Name Change for Certificate of Public Service:

River City Courier, Inc., 236 Pennsylvania, Wichita, KS 67214, MC ID No. 154083, to: Henry Industries, Inc., River City Courier Division, 236 Pennsylvania, Wichita, KS 67214; William Barker, Attorney; General commodities (restricted against the transportation of hazardous materials, commodities in bulk and household goods).

Bryan K. Collins, dba Bryan Collins Trucking, 203 E. Fair, Garden City, KS 67846, MC ID No. 151552, to: Bryan K. Collins, dba BCT, 203 E. Fair, Garden City, KS 67846; General commodities (except household goods, Classes A and B explosives and hazardous materials).

Application for Name Change for Certificate of Convenience and Necessity:

Crescent Transportation Co., Inc., dba Yellow Cab Company, 2861 S. Kansas Ave., Topeka, KS 66611, MC ID No. 150375, to: Crescent Transportation Co., Inc., 2861 S. Kansas Ave., Topeka, KS 66611; Passengers and their baggage.

(continued)

**Application for Abandonment of Certificate of
Public Service:**

Transit Homes of America, Inc., 5305 W. Diamond St.,
Boise, ID 83705; MC ID No. 125420.

Don Carlile
Administrator
Transportation Division

Doc. No. 019182

(Published in the Kansas Register May 29, 1997.)

Summary Notice of Bond Sale

\$7,000,000

**City of Topeka, Kansas
General Obligation Bonds
Series 1997-A**

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

Sealed Bids

Subject to the official notice of bond sale and preliminary official statement dated May 27, 1997, sealed bids will be received by the city clerk of the City of Topeka, Kansas (the issuer), on behalf of the governing body of the city at City Hall, 215 E. 7th, Topeka, KS 66603, until 11 a.m. Tuesday, June 10, 1997, for the purchase of \$7,000,000 principal amount of General Obligation Bonds, Series 1997-A. No bid of less than 99 percent of the aggregate principal amount of the bonds and accrued interest thereon to the date of delivery will be considered, and no supplemental interest payments will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The bonds will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York, to which payments of principal and interest on the bonds will be made. Individual purchases of bonds will be made in book-entry form only. Purchasers will not receive certificates representing their interest in bonds purchased. The bonds will be dated June 15, 1997, and will become due on August 15 in the years as follows:

Year	Principal Amount
1999	\$225,000
2000	225,000
2001	250,000
2002	275,000
2003	275,000
2004	300,000
2005	300,000
2006	325,000
2007	350,000
2008	350,000
2009	375,000
2010	400,000
2011	425,000
2012	425,000
2013	450,000

2014	475,000
2015	500,000
2016	525,000
2017	550,000

The bonds will be subject to optional redemption prior to maturity as provided in the official notice of bond sale and preliminary official statement.

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning February 15, 1998.

Paying Agent and Bond Registrar

The Kansas State Treasurer, Topeka, Kansas, is designated as the paying agent and bond registrar for 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 or a qualified financial surety bond in the amount of \$140,000 (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 registered at such bank or trust company in the contiguous United States of America as may be specified by the successful bidder without cost to the successful bidder within 45 days after the date of sale.

Assessed Valuation and Indebtedness

The total assessed valuation of taxable tangible property in the city for the year 1996 is \$636,459,420 (exclusive of motor vehicle assessed valuation). The total general obligation indebtedness of the issuer, following the concurrent issuance of the bonds and the city's Temporary Notes, Series 1997-A in the aggregate principal amount of \$12,800,000 (less the Series 1996-B Notes in the principal amount of \$13,810,000, all of which mature July 2, 1997), is \$133,585,000.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the issuer and delivered to the successful bidder as and when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from DeAnna Schlegel, city controller, (913) 368-2991, fax (913) 295-3975; or from the issuer's financial advisor, MG McMahon & Co., 4310 Madison Ave., Suite 200, Kansas City, MO 64111, (816) 531-1777, fax (816) 531-0503.

Dated May 27, 1997.

City of Topeka, Kansas
Iris E. Walker, City Clerk
City Hall
215 S.E. 7th
Topeka, KS 66603
(913) 368-3940

Doc. No. 019185

(Published in the Kansas Register May 29, 1997.)

Summary Notice of Bond Sale
\$275,000
City of Gorham, Kansas
General Obligation Bonds, Series 1997
(General obligation bonds payable from
unlimited ad valorem taxes)

Sealed Bids

Subject to the notice of bond sale dated May 12, 1997, sealed bids will be received by the clerk of the City of Gorham, Kansas (the issuer), on behalf of the governing body at City Hall, P.O. Box 25, Gorham, KS 67640, until 8 p.m. June 9, 1997, for the purchase of \$275,000 principal amount of General Obligation Bonds, Series 1997. No bid of less than 100 percent of the principal amount 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 thereof. The bonds will be dated July 1, 1997, and will become due on September 1 in the years as follows:

Year	Principal Amount
1999	\$ 5,000
2000	15,000
2001	15,000
2002	15,000
2003	15,000
2004	20,000
2005	20,000
2006	20,000
2007	20,000
2008	25,000
2009	25,000
2010	25,000
2011	25,000
2012	30,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning March 1, 1998.

Paying Agent and Bond Registrar

Kansas State Treasurer, Topeka, Kansas.

Good Faith Deposit

Each bid shall be accompanied by a good faith deposit in the form of a cashier's or certified check drawn on a bank located in the United States of America or a qualified financial surety bond in the amount of \$5,500 (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 registered without cost to the successful bidder on or before July 1, 1997, at such bank or trust company in the contiguous United States of America 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 1997 is \$1,239,131. The total general obligation indebtedness of the issuer as of the date of delivery of the bonds, including the bonds being sold, is \$424,000.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Gilmore & Bell, P.C., Wichita, Kansas, 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 the clerk, (913) 637-5288, or from the financial advisor, Ranson Municipal Consultants, L.L.C., Wichita, Kansas, Attention: John Haas, (316) 269-2231.

Dated May 12, 1997.

City of Gorham, Kansas

Doc. No. 019186

(Published in the Kansas Register May 29, 1997.)

Summary Notice of Bond Sale
\$9,750,000
Unified School District No. 428
Barton County, Kansas (Great Bend)
General Obligation Bonds, Series 1997-A
(General obligation bonds payable from
unlimited ad valorem taxes)

Sealed Bids

Subject to the notice of bond sale dated May 12, 1997, sealed bids will be received by the clerk of Unified School District No. 428, Barton County, Kansas (Great Bend) (the issuer), on behalf of the governing body at the office of the Board of Education, 201 Patton Road, Great Bend, KS 67530-4613, until 1 p.m. June 9, 1997, for the purchase of \$9,750,000 principal amount of General Obligation Bonds, Series 1997-A. No bid of less than 100 percent of the principal amount 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 thereof. The bonds will be dated June 15, 1997, and will become due on September 1 in the years as follows:

Year	Principal Amount
1999	\$240,000
2000	320,000
2001	340,000
2002	365,000
2003	390,000
2004	410,000
2005	430,000
2006	450,000
2007	475,000

(continued)

2008	495,000
2009	520,000
2010	550,000
2011	580,000
2012	610,000
2013	640,000
2014	675,000
2015	715,000
2016	750,000
2017	795,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning March 1, 1998.

Book-Entry-Only System

The bonds will be registered under a book-entry-only system administered through DTC.

Paying Agent and Bond Registrar

Kansas State Treasurer, Topeka, Kansas.

Good Faith Deposit

Each bid shall be accompanied by a good faith deposit in the form of a cashier's or certified check drawn on a bank located in the United States of America or a qualified financial surety bond in the amount of \$195,500 (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 registered without cost to the successful bidder on or before July 9, 1997, at DTC or the account of the successful bidder.

Assessed Valuation and Indebtedness

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 1996 is \$108,306,089. The total general obligation indebtedness of the issuer as of the date of delivery of the bonds, including the bonds being sold, is \$9,750,000.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Gilmore & Bell, P.C., Wichita, Kansas, 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 the clerk, (913) 793-1500, or from the financial advisor, George K. Baum & Company, 120 W. 12th, Kansas City, MO 64105, Attention: David Arteberry, (817) 474-1100.

Dated May 12, 1997.

Unified School District No. 428
Barton County, Kansas
(Great Bend)

Doc. No. 019187

(Published in the Kansas Register-May 29, 1997.)

Summary Notice of Bond Sale

City of Mission, Kansas

\$3,400,000

General Obligation Bonds, Series 1997

(General obligation bonds payable from unlimited ad valorem taxes)

Sealed Bids

Bids will be received by the city clerk of the City of Mission, Kansas, in the manner described in the notice of bond sale dated May 29, 1997, on behalf of the governing body at 6090 Woodson, Mission, KS 66202, until 11 a.m. Wednesday, June 11, 1997, for the purchase of \$3,400,000 principal amount of General Obligation Bonds, Series 1997. No bid of less than the entire par value of the bonds and accrued interest 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 thereof. The bonds will be dated June 1, 1997, and will become due on September 1 in the years as follows:

Maturity September 1	Principal Amount
1998	\$265,000
1999	280,000
2000	295,000
2001	310,000
2002	325,000
2003	345,000
2004	365,000
2005	385,000
2006	405,000
2007	425,000

The bonds will bear interest from that date at rates to be determined when the bonds are sold as provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning March 1, 1998.

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 or a qualified surety bond in the amount of \$68,000 (2 percent of the principal amount of the bonds).

Delivery

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before Wednesday, June 25, 1997, at the offices of the Depository Trust Company, New York, New York, or at such bank or trust company in the contiguous United States of America 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 1996 is \$92,204,939. The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$4,580,000.

Approval of Bonds

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

Additional Information

Additional information regarding the bonds may be obtained from the city clerk, (913) 722-3685, or from bond counsel, Logan, Riley, Carson & Kaup, L.C., 9200 Indian Creek Parkway, Suite 230, Overland Park, KS 66210, (913) 661-0399.

Dated May 29, 1997.

City of Mission, Kansas
By Sue A Grosdidier
Mission City Hall
6090 Woodson
Mission, KS 66202
(913) 722-3685

Doc. No. 019180

State of Kansas**Social and Rehabilitation Services****Permanent Administrative
Regulations****Article 26.—STATE PSYCHIATRIC HOSPITALS;
CATCHMENT AREAS; ASSISTANCE TO
COUNTIES; PATIENT FUNDS; AND MEDICAL
INFORMATION**

30-26-1. (Authorized by K.S.A. 75-3304, 76-12a07; implementing K.S.A. 59-2919; effective Jan. 1, 1967; amended Jan. 1, 1969; amended Jan. 1, 1972; amended, E-74-45, Sept. 30, 1974; amended May 1, 1975; amended May 1, 1983; revoked June 13, 1997.)

30-26-1a. State hospital catchment areas. (a) Persons residing in the following counties authorized by a participating mental health center to seek voluntary admission to a state psychiatric hospital or ordered to be involuntarily admitted by a district court acting pursuant to K.S.A. 59-2945, et seq., shall be admitted to or committed to the Larned state hospital: Barber, Barton, Cheyenne, Clark, Comanche, Decatur, Dickinson, Edwards, Ellis, Ellsworth, Finney, Ford, Gove, Graham, Grant, Gray, Greeley, Hamilton, Harper, Harvey, Haskell, Hodgeman, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, McPherson, Meade, Morton, Ness, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Seward, Sheridan, Smith, Sherman, Stafford, Stanton, Stevens, Sumner, Thomas, Trego, Wallace, and Wichita.

(b) Persons residing in the following counties authorized by a participating mental health center to seek voluntary admission to a state psychiatric hospital or ordered to be involuntarily admitted by a district court acting pursuant to K.S.A. 59-2945, et seq., shall be

admitted to or committed to either the Osawatomie state hospital or the Rainbow mental health facility as designated by the participating mental health center authorizing the admission: Allen, Anderson, Atchison, Bourbon, Brown, Butler, Chase, Chautauqua, Cherokee, Clay, Cloud, Coffey, Cowley, Crawford, Doniphan, Douglas, Elk, Franklin, Geary, Greenwood, Jackson, Jefferson, Jewell, Johnson, Labette, Leavenworth, Linn, Lyon, Marshall, Miami, Mitchell, Montgomery, Morris, Nemaha, Neosho, Osage, Pottawatomie, Republic, Riley, Sedgwick, Shawnee, Wabauunsee, Washington, Wilson, Woodson, and Wyandotte.

(c) The state security hospital at Larned shall admit persons from all counties as ordered committed there, pursuant to K.S.A. 22-3302, 22-3303, 22-3428, 22-3428a, 22-3428b, 22-3429, or 22-3430.

(d)(1) Persons ordered committed to a state psychiatric hospital other than the state security hospital at Larned pursuant to K.S.A. 22-3302, 22-3303, 22-3428, 22-3428a, 22-3428b, 22-3429, 22-3430, or 38-1655 shall be admitted to the Larned state hospital if the person's county of residence is a county listed in subsection (a), or to the Osawatomie state hospital if the person's county of residence is a county listed in subsection (b).

(2) If the county of residence of the person ordered committed under paragraph (d)(1) cannot be reasonably determined, then that person shall be admitted to the Larned state hospital if the court committing that person is the court for a county listed in subsection (a), or to the Osawatomie state hospital if the court committing that person is the court for a county listed in subsection (b).

(e) Persons proposed to be committed by a court to a state psychiatric hospital pursuant to K.S.A. 22-3219, 38-1623, 38-1637, 38-1638, 38-1662, 59-29a05, 59-29a07 or any other provisions of law not provided for in this regulation, shall be admitted to the hospital designated by the secretary as the secretary may determine is a suitable place to which the person may be committed and at which space is available. (Authorized by K.S.A. 75-3304 and 76-12a07; implementing K.S.A. 22-3219, 22-3302, 22-3303, 22-3428, 22-3428a, 22-3428b, 22-3429, 22-3430, 38-1623, 38-1637, 38-1638, 38-1655, 38-1662, 59-2968, 59-29a05, and 29a07; effective June 13, 1997.)

30-26-2. (Authorized by K.S.A. 1973 Supp. 75-3304, 76-12a07; effective Jan. 1, 1967; amended Jan. 1, 1974; revoked June 13, 1997.)

30-26-4. (Authorized by K.S.A. 1973 Supp. 75-3302c, 75-3304, 76-12a07; effective Jan. 1, 1967; amended Jan. 1, 1974; revoked June 13, 1997.)

30-26-7. (Authorized by K.S.A. 1973 Supp. 75-3304, 76-12a07; effective Jan. 1, 1967; amended Jan. 1, 1974; revoked June 13, 1997.)

Rochelle Chronister
Secretary of Social and
Rehabilitation Services

Doc. No. 019175

State of Kansas

Secretary of State

I, Ron Thornburgh, 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.

Ron Thornburgh
Secretary of State

(Published in the Kansas Register May 29, 1997.)

HOUSE Substitute for SENATE BILL No. 264

AN ACT concerning crimes, criminal procedure and punishments; creating the crime of aggravated criminal threat and prescribing penalties therefor; relating to giving a false alarm; capital murder, assistance of counsel; sentencing of certain drug offenses; discovery and inspection; registration of persons who commit certain crimes; correctional records, open; defense services for indigent defendants, recoupment of certain state expenditures; amending K.S.A. 21-4110, 21-4603, 21-4610, 22-3212, 22-3718, as amended by section 6 of 1997 House Bill No. 2211, 22-4504, 22-4505, 22-4506, 22-4513, 22-4522, 22-4901, 22-4902, 22-4905, 22-4906, 22-4908 and 22-4909 and K.S.A. 1996 Supp. 21-4603d, as amended by section 1 of 1997 House Bill No. 2049, 21-4705, 22-3717, as amended by section 5 of 1997 House Bill No. 2211, 22-4904, 22-4907, 45-221, as amended by section 44 of 1997 House Bill No. 2105, and 75-719 and repealing the existing sections; also repealing K.S.A. 1996 Supp. 45-221d.

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

New Section 1. (a) Aggravated criminal threat is the commission of one or more crimes of criminal threat, as defined in K.S.A. 21-3419 and amendments thereto, when a public, commercial or industrial building, place of assembly or facility of transportation is evacuated as a result of the threat or threats.

(b) Aggravated criminal threat is a severity level 6, person felony when the loss of productivity measured by the total wages and salaries of all persons evacuated as a result of the threat or threats for the period of evacuation is less than \$500.

(c) Aggravated criminal threat is a severity level 5, person felony when the loss of productivity measured by the total wages and salaries of all persons evacuated as a result of the threat or threats for the period of evacuation is at least \$500 but less than \$25,000.

(d) Aggravated criminal threat is a severity level 4, person felony when the loss of productivity measured by the total wages and salaries of all persons evacuated as a result of the threat or threats for the period of evacuation equals or exceeds \$25,000.

Sec. 2. K.S.A. 21-4110 is hereby amended to read as follows: 21-4110. (a) Giving a false alarm is:

(1) Initiating or circulating a report or warning of an impending bombing or other crime or catastrophe, knowing that the report or warning is baseless and under such circumstances that it is likely to cause evacuation of a building, place of assembly or facility of public transport or to cause public inconvenience or alarm;

(2) (1) transmitting in any manner to the fire department of any city, township or other municipality a false alarm of fire, knowing at the time of such transmission that there is no reasonable ground for believing that such fire exists; or

(3) (2) making a call in any manner for emergency service assistance including police, fire, medical or other emergency service provided under K.S.A. 12-5301 et seq., and amendments thereto, knowing at the time of such call that there is no reasonable ground for believing such assistance is needed.

(b) Giving a false alarm is a class A nonperson misdemeanor.

Sec. 3. On and after July 1, 1997, K.S.A. 1996 Supp. 21-4705 is hereby amended to read as follows: 21-4705. (a) For the purpose of sentencing, the following sentencing guidelines grid for drug crimes shall be applied in felony cases under the uniform controlled substances act for crimes committed on or after July 1, 1993:

SENTENCING RANGE - DRUG OFFENSES

Table with 10 columns (A-J) and 4 rows (I-IV). Columns represent offense categories (A: 3+ Person Felonies, B: 2 Person Felonies, C: 1 Person & 1 Nonperson Felonies, D: Person Felony, E: 3+ Nonperson Felonies, F: 2 Nonperson Felonies, G: Nonperson Felony, H: 2+ Misdemeanors, I: 1 Misdemeanor No Record, J: 1). Rows represent severity levels (I: 1, II: 2, III: 3, IV: 4). Cells contain numerical sentencing ranges. Some cells are shaded with diagonal lines.

Legend table with 3 rows: 1. Labeled 'LAWLESS' with a solid black background. 2. Labeled 'Presumptive Probation' with a diagonal line pattern. 3. Labeled 'Presumptive Imprisonment' with a diagonal line pattern.

(b) The provisions of subsection (a) will apply for the purpose of sentencing violations of the uniform controlled substances act except as otherwise provided by law. Sentences expressed in the sentencing guidelines grid for drug crimes in subsection (a) represent months of imprisonment.

(c) (1) The sentencing court has discretion to sentence at any place within the sentencing range. The sentencing judge shall select the center of the range in the usual case and reserve the upper and lower limits for aggravating and mitigating factors insufficient to warrant a departure. *The sentencing court shall not distinguish between the controlled substances cocaine base (9041L000) and cocaine hydrochloride (9041L005) when sentencing within the sentencing range of the grid block.*

(2) In presumptive imprisonment cases, the sentencing court shall pronounce the complete sentence which shall include the prison sentence, the maximum potential reduction to such sentence as a result of good time and the period of postrelease supervision at the sentencing hearing. Failure to pronounce the period of postrelease supervision shall not negate the existence of such period of postrelease supervision.

(3) In presumptive nonprison cases, the sentencing court shall pronounce the prison sentence as well as the duration of the nonprison sanction at the sentencing hearing.

(d) Each grid block states the presumptive sentencing range for an offender whose crime of conviction and criminal history place such offender in that grid block. If an offense is classified in a grid block below the dispositional line, the presumptive disposition shall be nonimprisonment. If an offense is classified in a grid block above the dispositional line, the presumptive disposition shall be imprisonment. If an offense is classified in grid blocks 3-E, 3-F, 3-G, 3-H, 3-I, 4-E or 4-F, the court may impose an optional nonprison sentence upon making the following findings on the record:

(1) An appropriate treatment program exists which is likely to be more effective than the presumptive prison term in reducing the risk of offender recidivism; and

(2) the recommended treatment program is available and the offender can be admitted to such program within a reasonable period of time; or

(3) the nonprison sanction will serve community safety interests by promoting offender reformation.

Any decision made by the court regarding the imposition of an optional nonprison sentence if the offense is classified in grid blocks 3-E, 3-F, 3-G, 3-H, 3-I, 4-E or 4-F shall not be considered a departure and shall not be subject to appeal.

Sec. 4. On and after July 1, 1997, K.S.A. 22-3212 is hereby amended to read as follows: 22-3212. (a) Upon request, the prosecuting attorney shall permit the defendant to inspect and copy or photograph the following, if relevant: (1) Written or recorded statements or confessions made by the defendant, or copies thereof, which are or have been in the possession, custody or control of the prosecution, the existence of which is known, or by the exercise of due diligence may become known, to the prosecuting attorney; (2) results or reports of physical or mental examinations, and of scientific tests or experiments made in connection with the particular case, or copies thereof, the existence of which is known, or by the exercise of due diligence may become known, to the prosecuting attorney; (3) recorded testimony of the defendant before a grand jury or at an inquisition; and (4) memoranda of any oral confession made by the defendant and a list of the witnesses to such confession, the existence of which is known, or by the exercise of due diligence may become known to the prosecuting attorney.

(b) Upon request, the prosecuting attorney shall permit the defendant to inspect and copy or photograph books, papers, documents, tangible objects, buildings or places, or copies, or portions thereof, which are or have been within the possession, custody or control of the prosecution, and which are material to the case and will not place an unreasonable burden upon the prosecution. Except as provided in subsections (a)(2) and (a)(4), this section does not authorize the discovery or inspection of reports, memoranda or other internal government documents made by officers in connection with the investigation or prosecution of the case, or of statements made by state witnesses or prospective state witnesses, other than the defendant, except as may be provided by law.

(c) If the defendant seeks discovery and inspection under subsection (a)(2) or subsection (b), the defendant shall permit the attorney for the prosecution to inspect and copy or photograph scientific or medical reports, books, papers, documents, tangible objects, or copies or portions

thereof, which the defendant intends to produce at the trial any hearing, and which are material to the case and will not place an unreasonable burden on the defense. Except as to scientific or medical reports, this subsection does not authorize the discovery or inspection of reports, memoranda or other internal defense documents made by the defendant, or the defendant's attorneys or agents in connection with the investigation or defense of the case, or of statements made by the defendant or by prosecution or defense witnesses, or by prospective prosecution or defense witnesses, to the defendant, the defendant's agents or attorneys.

(d) The prosecuting attorney and the defendant shall cooperate in discovery and reach agreement on the time, place and manner of making the discovery and inspection permitted, so as to avoid the necessity for court intervention.

(e) Upon a sufficient showing the court may at any time order that the discovery or inspection be denied, restricted or deferred or make such other order as is appropriate. Upon motion, the court may permit either party to make such showing, in whole or in part, in the form of a written statement to be inspected privately by the court. If the court enters an order granting relief following such a private showing, the entire text of the statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal.

(f) Discovery under this section must be completed no later than 20 days after arraignment or at such reasonable later time as the court may permit.

(g) If, subsequent to compliance with an order issued pursuant to this section, and prior to or during trial, a party discovers additional material previously requested or ordered which is subject to discovery or inspection under this section, the party shall promptly notify the other party or the party's attorney or the court of the existence of the additional material. If at any time during the course of the proceedings it is brought to the attention of the court that a party has failed to comply with this section or with an order issued pursuant to this section, the court may order such party to permit the discovery or inspection of materials not previously disclosed, grant a continuance, or prohibit the party from introducing in evidence the material not disclosed, or it may enter such other order as it deems just under the circumstances.

(h) For crimes committed on or after July 1, 1993, the prosecuting attorney shall provide all prior convictions of the defendant known to the prosecuting attorney that would affect the determination of the defendant's criminal history for purposes of sentencing under a presumptive sentencing guidelines system as provided in K.S.A. 21-4701 *et seq.* and amendments thereto.

(i) The prosecuting attorney and defendant shall be permitted to inspect and copy any juvenile files and records of the defendant for the purpose of discovering and verifying the criminal history of the defendant.

Sec. 5. On and after July 1, 1997, K.S.A. 22-4505 is hereby amended to read as follows: 22-4505. (a) When a defendant has been convicted in the district court of any felony, the court shall inform the defendant of such defendant's right to appeal the conviction to the appellate court having jurisdiction and that if the defendant is financially unable to pay the costs of such appeal such defendant may request the court to appoint an attorney to represent the defendant on appeal and to direct that the defendant be supplied with a transcript of the trial record.

(b) If the defendant files an affidavit stating that the defendant intends to take an appeal in the case and if the court determines, as provided in K.S.A. 22-4504 and amendments thereto, that the defendant is not financially able to employ counsel, the court shall appoint counsel from the panel for indigents' defense services or otherwise in accordance with the applicable system for providing legal defense services for indigent persons prescribed by the state board of indigents' defense services; to represent the defendant and to perfect and handle the appeal. If the defendant files a verified motion for transcript stating that a transcript of the trial record is necessary to enable the defendant to prosecute the appeal and that the defendant is not financially able to pay the cost of procuring such transcript, and if the court finds that the statements contained therein are true, the court shall order that such transcript be supplied to the defendant as provided in K.S.A. 22-4509 and amendments thereto and paid for by the state board of indigents' defense services pursuant to claims submitted therefor.

(c) Upon an appeal or petition for certiorari addressed to the supreme court of the United States, if the defendant is without means to pay the

(continued)

cost of making and forwarding the necessary records, the supreme court of Kansas may by order provide for the furnishing of necessary records.

(d) (1) *The state board of indigents' defense services shall provide by rule and regulation for: (A) The assignment of attorneys to the panel for indigents' defense services to represent indigent persons who have been convicted of capital murder and are under sentence of death, in the direct review of the judgment;*

(B) *standards of competency and qualification for the appointment of counsel in capital cases under this section; and*

(C) *the reasonable compensation of counsel appointed to represent individuals convicted of capital murder and under a sentence of death in the appeal of such cases and for reasonable and necessary litigation expense associated with such appeals.*

(2) *If a defendant has been convicted of capital murder and is under a sentence of death, the district court shall make a determination on the record whether the defendant is indigent. Upon a finding that the defendant is indigent and accepts the offer of representation or is unable competently to decide whether to accept or reject the offer, the court shall appoint one or more counsel, in accordance with subsection (d)(1), to represent the defendant. If the defendant rejects the offer of representation, the court shall find on the record, after a hearing if necessary, whether the defendant rejected the offer of representation with the understanding of its legal consequences. The court shall deny the appointment of counsel upon a finding that the defendant is competent and not indigent.*

(3) *Counsel appointed to represent the defendant, under this section, shall not have represented the defendant at trial unless the defendant and counsel expressly request continued representation.*

Sec. 6. On and after July 1, 1997, K.S.A. 22-4506 is hereby amended to read as follows: 22-4506. (a) Whenever any person who is in custody under a sentence of imprisonment upon conviction of a felony files a petition for writ of habeas corpus or a motion attacking sentence under K.S.A. 60-1507 and files with such petition or motion such person's affidavit stating that the petition or motion is filed in good faith and that such person is financially unable to pay the costs of such action and to employ counsel therefor, the court shall make a preliminary examination of the petition or motion and the supporting papers.

(b) If the court finds that the petition or motion presents substantial questions of law or triable issues of fact and if the petitioner or movant has been or is thereafter determined to be an indigent person as provided in K.S.A. 22-4504 and amendments thereto, the court shall appoint counsel from the panel for indigents' defense services or otherwise in accordance with the applicable system for providing legal defense services for indigent persons prescribed by the state board of indigents' defense services, to assist such person and authorize the action to be filed without a deposit of security for costs. If the petition or motion in such case raises questions shown by the trial record, the court shall order that the petitioner or movant be supplied with a transcript of the trial proceedings, or so much thereof as may be necessary to present the issue, without cost to such person.

(c) If an appeal is taken in such action and if the trial court finds that the petitioner or movant is an indigent person, the trial court shall appoint counsel to conduct the appeal, order that the appellant be supplied with a record of the proceedings or so much thereof as such counsel determines to be necessary and order that the deposit of security for costs be waived.

(d) (1) *The state board of indigents' defense services shall provide by rule and regulation for: (A) The assignment of attorneys to the panel for indigents' defense services to represent indigent persons, who have been convicted of capital murder and are under sentence of death, upon a filing of a petition for writ of habeas corpus or a motion attacking sentence under K.S.A. 60-1507 and amendments thereto;*

(B) *standards of competency and qualification for the appointment of counsel in capital cases under this section; and*

(C) *the reasonable compensation of counsel appointed to represent individuals convicted of capital murder and under a sentence of death, during proceedings conducted pursuant to subsection (a), (b) or (c) and for reasonable and necessary litigation expense associated with such proceedings.*

(2) *If a petitioner or movant, who has been convicted of capital murder and is under a sentence of death, files a petition for writ of habeas corpus or a motion attacking sentence under K.S.A. 60-1507 and amendments thereto, the district court shall make a determination on the record whether the petitioner or movant is indigent. Upon a finding that the*

petitioner or movant is indigent and accepts the offer of representation or is unable competently to decide whether to accept or reject the offer, the court shall appoint one or more counsel, in accordance with subsection (d) (1), to represent the petitioner or movant. If the petitioner or movant rejects the offer of representation, the court shall find on the record, after a hearing if necessary, whether the petitioner or movant rejected the offer of representation with the understanding of its legal consequences. The court shall deny the appointment of counsel upon a finding that the petitioner or movant is competent and not indigent.

(3) *Counsel appointed to represent the petitioner or movant shall not have represented the petitioner or movant at trial or on direct appeal therefrom unless the petitioner or movant and counsel expressly request continued representation.*

Sec. 7. On and after July 1, 1997, K.S.A. 22-4901 is hereby amended to read as follows: 22-4901. K.S.A. 22-4901 through 22-4910; and amendments thereto; shall be known and may be cited as the *Kansas sex offender registration act*.

Sec. 8. On and after July 1, 1997, K.S.A. 22-4902 is hereby amended to read as follows: 22-4902. As used in this act, unless the context otherwise requires:

(a) "Offender" means: (1) *A sex offender as defined in subsection (b); (2) a violent offender as defined in subsection (d); (3) any person who, on and after the effective date of this act, is convicted of any of the following crimes when the victim is less than 18 years of age:*

(A) *Kidnapping as defined in K.S.A. 21-3420 and amendments thereto, except by a parent;*

(B) *aggravated kidnapping as defined in K.S.A. 21-3421 and amendments thereto; or*

(C) *criminal restraint as defined in K.S.A. 21-3424 and amendments thereto, except by a parent;*

(4) *any person convicted of any of the following criminal sexual conduct if one of the parties involved is less than 18 years of age:*

(A) *Adultery as defined by K.S.A. 21-3507, and amendments thereto;*

(B) *criminal sodomy as defined by subsection (a)(1) of K.S.A. 21-3505, and amendments thereto;*

(C) *promoting prostitution as defined by K.S.A. 21-3513, and amendments thereto;*

(D) *patronizing a prostitute as defined by K.S.A. 21-3515, and amendments thereto;*

(E) *lewd and lascivious behavior as defined by K.S.A. 21-3508, and amendment thereto; or*

(F) *unlawful sexual relations as defined by K.S.A. 21-3520, and amendments thereto;*

(5) *any conviction for an offense in effect at any time prior to the effective date of this act, that is comparable to any crime defined in subsection (3) or (4), or any federal or other state conviction for an offense that under the laws of this state would be an offense defined in subsection (3) or (4); or*

(6) *an attempt, conspiracy or criminal solicitation, as defined in K.S.A. 21-3301, 21-3302 or 21-3303 and amendments thereto, of an offense defined in subsection (3) or (4).*

Upon such conviction, the court shall certify that the person is an offender subject to the provisions of K.S.A. 22-4901 et seq. and amendments thereto and shall include this certification in the order of commitment. Convictions which result from or are connected with the same act, or result from crimes committed at the same time, shall be counted for the purpose of this section as one conviction. Any conviction set aside pursuant to law is not a conviction for purposes of this section. A conviction from another state shall constitute a conviction for purposes of this section.

(b) "Sex offender" includes any person who, after the effective date of this act, is convicted of any sexually violent crime set forth in subsection (b) (c). Upon such conviction, the court shall certify that the person is a sex offender and shall include this certification in the order of commitment. Convictions which result from or are connected with the same act, or result from crimes committed at the same time, shall be counted for the purpose of this section as one conviction. Any conviction set aside pursuant to law is not a conviction for purposes of this section. A conviction from another state shall constitute a conviction for purposes of this section.

(b) (c) "Sexually violent crime" 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 by K.S.A. 21-3510 and amendments thereto;

(7) aggravated indecent solicitation of a child as defined by K.S.A. 21-3511 and amendments thereto;

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

(9) sexual battery as defined by K.S.A. 21-3517 and amendments thereto;

(10) aggravated sexual battery as defined by K.S.A. 21-3518 and amendments thereto; or

(11) aggravated incest as defined by K.S.A. 21-3603 and amendments thereto; or

(12) 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 crime as defined in subparagraphs (1) through (11), or any federal or other state conviction for a felony offense that under the laws of this state would be a sexually violent crime as defined in this section;

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

(14) any act which at the time of sentencing for the offense has been determined beyond a reasonable doubt to have been sexually motivated. As used in this subparagraph, "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.

(d) "Violent offender" includes any person who, after the effective date of this act, is convicted of any of the following crimes:

(1) Capital murder as defined by K.S.A. 21-3439 and amendments thereto;

(2) murder in the first degree as defined by K.S.A. 21-3401 and amendments thereto;

(3) murder in the second degree as defined by K.S.A. 21-3402 and amendments thereto;

(4) voluntary manslaughter as defined by K.S.A. 21-3403 and amendments thereto;

(5) involuntary manslaughter as defined by K.S.A. 21-3404 and amendments thereto; or

(6) any conviction for an offense in effect at any time prior to the effective date of this act, that is comparable to any crime defined in this subsection, or any federal or other state conviction for an offense that under the laws of this state would be an offense defined in this subsection; or

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

Upon such conviction, the court shall certify that the person is an offender subject to the provisions of K.S.A. 22-4901 et seq. and amendments thereto and shall include this certification in the order of commitment. Convictions which result from or are connected with the same act, or result from crimes committed at the same time, shall be counted for the purpose of this section as one conviction. Any conviction set aside pursuant to law is not a conviction for purposes of this section. A conviction from another state shall constitute a conviction for purposes of this section.

(e) "Law enforcement agency having jurisdiction" means the sheriff of the county in which the offender expects to reside upon the offender's discharge, parole or release.

Sec. 9. On and after July 1, 1997, K.S.A. 1996 Supp. 22-4904 is hereby amended to read as follows: 22-4904. (a) (1) Except as provided in subsection (a)(2), within 15 days of the sex offender coming into any county in which the sex offender resides or is temporarily domiciled for more than 15 days, the sex offender shall register with the sheriff of the county.

(2) Within 15 days of the offender coming into any county in which the offender resides or temporarily resides for more than 15 days, any

offender who has provided the information and completed and signed the registration form as required in K.S.A. 22-4905 and amendments thereto, shall verify with the sheriff of the county that the sheriff has received such offender's information and registration form.

(3) For persons required to register as provided in subsection (a)(1), the sheriff shall: (A) Explain the duty to register and the procedure for registration;

(B) obtain the information required for registration as provided in K.S.A. 22-4907 and amendments thereto;

(C) inform the offender that the offender must give written notice of any change of address within 10 days of a change in residence to the law enforcement agency where last registered and the Kansas bureau of investigation;

(D) inform the offender that if the offender changes residence to another state, the offender must inform the law enforcement agency where last registered of such change in residence and must register in the new state within 10 days of such change in residence; and

(E) require the offender to read and sign the registration form which shall include a statement that the requirements provided in this subsection have been explained to the offender.

(4) Such sheriff, within three days of receipt of the initial registration shall forward this information to the Kansas bureau of investigation.

(5) Notwithstanding any other provision of law, if a diversionary agreement or probation order, either adult or juvenile, requires registration under the Kansas sex offender registration act then all provisions of that act shall apply, except that the term of registration shall be controlled by such diversionary agreement or probation order. The sex offender shall thereafter update the registration annually until liability to register expires pursuant to K.S.A. 22-4906, and amendments thereto.

(b) (1) If any person required to register as provided in this act changes the address of their the person's residence, the sex offender shall, within 10 days, shall inform in writing the law enforcement agency Kansas bureau of investigation where last registered of the new address.

(2) The law enforcement agency shall, within three days of receipt of the initial registration or change of address, forward this information to the Kansas bureau of investigation and, if applicable, after receipt of the change of address, the Kansas bureau of investigation shall forward this information to the law enforcement agency having jurisdiction of the new place of residence within 10 days of such receipt of the change of address.

(c) For any person required to register as provided in this act, every 90 days after the person's initial registration date during the period the person is required to register, the following applies:

(1) The Kansas bureau of investigation shall mail a nonforwardable verification form to the last reported address of the person.

(2) The person shall mail the verification form to the Kansas bureau of investigation within 10 days after receipt of the form.

(3) The verification form shall be signed by the person, and shall state that the person still resides at the address last reported to the Kansas bureau of investigation.

(4) If the person fails to mail the verification form to the Kansas bureau of investigation within 10 days after receipt of the form, the person shall be in violation of the Kansas offender registration act.

(5) Nothing contained in this section shall be construed to alleviate any person required to register as provided in this act from meeting the requirements prescribed in subsection (a)(1), (a)(2) and (b)(1).

Sec. 10. On and after July 1, 1997, K.S.A. 22-4905 is hereby amended to read as follows: 22-4905. (a) (1) Any sex offender, who is discharged or paroled from a prison, hospital or other institution or facility involving a violation of a sexually violent crime pursuant to any crime as provided in subsection (a), (b) or (d) of K.S.A. 22-4902; and amendments thereto, prior to discharge, parole or release, shall be informed by the staff of the facility in which the sex offender was confined of the duty to register as provided in this act.

(2) (A) The staff of the facility shall: (i) Explain the duty to register and the procedure for registration and require the person to sign a form prepared by the Kansas bureau of investigation stating that the duty and procedure have been explained to the person.

(B) The staff of the facility shall obtain the address where the person expects to reside upon discharge, parole or release and shall report the address to the Kansas bureau of investigation.

(continued)

(c);

(ii) obtain the information required for registration as provided in K.S.A. 22-4907 and amendments thereto;

(iii) inform the offender that the offender must give written notice of any change of address within 10 days of a change in residence to the law enforcement agency where last registered and the Kansas bureau of investigation;

(iv) inform the offender that if the offender changes residence to another state, the offender must inform the law enforcement agency where last registered of such change in residence and must register in the new state within 10 days of such change in residence; and

(v) require the offender to read and sign the registration form which shall include a statement that the requirements provided in this subsection have been explained to the offender.

(B) The staff of the facility shall give one copy of the form to the person, within three days, and shall send two copies of the form provided by subsection (2)(A)(v) to the Kansas bureau of investigation, which shall then forward one copy to the law enforcement agency having jurisdiction where the person expects to reside upon discharge, parole or release. The Kansas bureau of investigation must immediately ensure that such information is entered in the state law enforcement record system. The Kansas bureau of investigation shall transmit such conviction data and fingerprints to the federal bureau of investigation.

(b) (1) Any sex offender who is released on probation, receives a suspended sentence, sentenced to community corrections or released on postrelease supervision because of the commission of one of the sexually violent crimes defined in any crime as provided in subsection (a), (b) or (d) of K.S.A. 22-4902, and amendments thereto, prior to release, shall be informed of the offenders duty to register as provided in this act by the court in which the offender is convicted.

(2) (A) The court shall require the person to read and sign a form prepared by the Kansas bureau of investigation stating that the duty to register and the procedure for registration has been explained to such sex offender.

(B) The court shall obtain the address where the person expects to reside upon release and shall report the address to the Kansas bureau of investigation.

(C) (i) Explain the duty to register and the procedure for registration;

(ii) obtain the information required for registration as provided in K.S.A. 22-4907 and amendments thereto;

(iii) inform the offender that the offender must give written notice of any change of address within 10 days of a change in residence to the law enforcement agency where last registered and the Kansas bureau of investigation;

(iv) inform the offender that if the offender changes residence to another state, the offender must inform the law enforcement agency where last registered of such change in residence and must register in the new state within 10 days of such change in residence; and

(v) require the offender to read and sign the registration form which shall include a statement that the requirements provided in this subsection have been explained to the offender.

(B) The court shall give one copy of the form to the person and, within three days, shall send two copies of the form provided by subsection (2)(A)(v) to the Kansas bureau of investigation which shall then forward one copy to the law enforcement agency having jurisdiction where the person expects to reside upon release. The Kansas bureau of investigation must immediately ensure that such information is entered in the state law enforcement record system. The Kansas bureau of investigation shall transmit such conviction data and fingerprints to the federal bureau of investigation.

Sec. 11. On and after July 1, 1997, K.S.A. 22-4906 is hereby amended to read as follows: 22-4906. (a) Any person required to register as provided in this act shall be required to register: (1) Upon the first conviction of a sexually violent crime as defined in subsection (c) of K.S.A. 22-4902 and amendments thereto, any offense as defined in subsection (a) of K.S.A. 22-4902 and amendments thereto or any offense as defined in subsection (d) of K.S.A. 22-4902 and amendments thereto, if not confined, for a period of 10 years after conviction, or, if confined, for a period of 10 years after paroled, discharged or released; or (2) upon a second or subsequent conviction for such person's lifetime.

(b) Upon the first conviction, liability for registration terminates, if not confined, at the expiration of 10 years from the date of conviction,

or, if confined, at the expiration of 10 years from the date of parole, discharge or release, if the convicted sex offender does not again become liable to register as provided by this act during that period.

Sec. 12. On and after July 1, 1997, K.S.A. 1996 Supp. 22-4907 is hereby amended to read as follows: 22-4907. (a) Registration as required by this act shall consist of a statement in writing, on a form prepared by the Kansas bureau of investigation, which shall include a statement that the requirements provided in this section have been explained to the person, and shall be signed by the person. The information such registration form shall include the following:

- (1) Name;
- (2) date and place of birth;
- (3) offense or offenses committed, date of conviction or convictions obtained;
- (4) city or county of conviction or convictions obtained;
- (5) sex and age of victim;
- (6) current address;
- (7) social security number;
- (8) identifying characteristics such as race, sex, age, hair and eye color, scars and blood type;
- (9) occupation and name of employer; and
- (10) drivers license and vehicle information;

(11) documentation of any treatment received for a mental abnormality or personality disorder of the offender; for purposes of documenting the treatment received, sheriffs, prison officials and courts may rely on information that is readily available to them from existing records and the offender.

(12) anticipated future residence;

(13) a photograph; and

(14) fingerprints.

(b) (1) The sex offender shall also provide to the registering law enforcement agency: DNA exemplars, unless already on file.

(1) A photograph;

(2) fingerprints; and

(3) DNA exemplars, unless already on file.

(e) (2) If the exemplars to be taken require the withdrawal of blood, such withdrawal may be performed only by: (1) (A) A person licensed to practice medicine and surgery or a person acting under the supervision of any such licensed person;

(2) (B) a registered nurse or a licensed practical nurse;

(3) (C) any qualified medical technician; or

(4) (D) a licensed phlebotomist.

(d) Unless the person has provided the information and completed and signed the registration form as provided in K.S.A. 22-4905 and amendments thereto within three days, the registering law enforcement agency shall forward the statement and any other required information registration form to the Kansas bureau of investigation.

Sec. 13. On and after July 1, 1997, K.S.A. 22-4908 is hereby amended to read as follows: 22-4908. (a) Any sex offender registered as provided in this act may apply to the sentencing court in this state having jurisdiction over the county in which the sex offender resides for an order relieving the sex offender of the duty of registration, except that no offender may apply as provided in this section for an order relieving the offender of the duty of registration until such offender has registered for a period of at least 10 years for each conviction for which an offender must register as provided by this act. The court shall hold a hearing on the application at which the applicant and any interested persons may present witnesses and other evidence.

(b) At such hearing, if the person is a person who is required to register due to a conviction of a sexually violent crime as defined in K.S.A. 22-4902 and amendments thereto, the court shall receive and consider a report by a board composed of experts in the field of the behavior and treatment of sexual offenders. Such board shall be appointed as provided by rules and regulations promulgated by the attorney general. If, after the hearing involving such person, the court finds by a preponderance of the evidence that the sex offender is rehabilitated and that the sex offender, does not suffer from a mental abnormality or personality disorder that would make the person likely to engage in a predatory sexually violent crime, the court shall grant an order relieving the offender of the duty of further registration under this act. For purposes of this act, "mental abnormality" means a congenital or acquired condition affecting the emotional or volitional capacity which predisposes the person to commit a

sexually violent crime in a degree constituting such person a menace to the health and safety of others.

(c) If, after the hearing involving a person who is an offender who was not required to register due to a conviction of a sexually violent crime as defined in K.S.A. 22-4902 and amendments thereto, the court finds by a preponderance of the evidence that the sex offender is rehabilitated, the court shall grant an order relieving the offender of the duty of further registration under this act.

(d) Any person registered as provided in this act may apply to the sentencing court for an order relieving such person of the duty of registration for any conviction which has been set aside. The court shall hold a hearing on the application at which the applicant shall present evidence verifying that such applicant's conviction was set aside. If the court finds that the person's conviction was set aside, the court shall grant an order relieving the person of the duty of further registration under this act for any conviction which has been set aside. Such court granting such an order shall forward a copy of such order to the sheriff of the county in which such person has registered, and to the Kansas bureau of investigation. Upon receipt of such copy of the order, such sheriff and the Kansas bureau of investigation shall remove such person's name from the registry for any conviction which has been set aside. Nothing contained in this subsection shall relieve any person of the duty to register or any other duty prescribed under this act for any conviction which has not been set aside.

Sec. 14. On and after July 1, 1997, K.S.A. 22-4909 is hereby amended to read as follows: 22-4909. The statements or any other information required by this act shall be open to inspection in the sheriff's office by the public and specifically are subject to the provisions of the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto, except that the name, address, telephone number, or any other information which specifically and individually identifies the victim of any offender required to register as provided in this act shall not be disclosed other than to law enforcement agencies.

Sec. 15. On and after July 1, 1997, K.S.A. 1996 Supp. 45-221, as amended by section 44 of 1997 House Bill No. 2105, is hereby amended to read as follows: 45-221. (a) Except to the extent disclosure is otherwise required by law, a public agency shall not be required to disclose:

(1) Records the disclosure of which is specifically prohibited or restricted by federal law, state statute or rule of the Kansas supreme court or the disclosure of which is prohibited or restricted pursuant to specific authorization of federal law, state statute or rule of the Kansas supreme court to restrict or prohibit disclosure.

(2) Records which are privileged under the rules of evidence, unless the holder of the privilege consents to the disclosure.

(3) Medical, psychiatric, psychological or alcoholism or drug dependency treatment records which pertain to identifiable patients.

(4) Personnel records, performance ratings or individually identifiable records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such.

(5) Information which would reveal the identity of any undercover agent or any informant reporting a specific violation of law.

(6) Letters of reference or recommendation pertaining to the character or qualifications of an identifiable individual.

(7) Library, archive and museum materials contributed by private persons, to the extent of any limitations imposed as conditions of the contribution.

(8) Information which would reveal the identity of an individual who lawfully makes a donation to a public agency, if anonymity of the donor is a condition of the donation.

(9) Testing and examination materials, before the test or examination is given or if it is to be given again, or records of individual test or examination scores, other than records which show only passage or failure and not specific scores.

(10) Criminal investigation records, except that the district court, in an action brought pursuant to K.S.A. 45-222, and amendments thereto, may order disclosure of such records, subject to such conditions as the court may impose, if the court finds that disclosure:

(A) Is in the public interest;

(B) would not interfere with any prospective law enforcement action;

(C) would not reveal the identity of any confidential source or undercover agent;

(D) would not reveal confidential investigative techniques or procedures not known to the general public;

(E) would not endanger the life or physical safety of any person; and

(F) would not reveal the name, address, phone number or any other information which specifically and individually identifies the victim of any sexual offense in article 35 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto.

(11) Records of agencies involved in administrative adjudication or civil litigation, compiled in the process of detecting or investigating violations of civil law or administrative rules and regulations, if disclosure would interfere with a prospective administrative adjudication or civil litigation or reveal the identity of a confidential source or undercover agent.

(12) Records of emergency or security information or procedures of a public agency, or plans, drawings, specifications or related information for any building or facility which is used for purposes requiring security measures in or around the building or facility or which is used for the generation or transmission of power, water, fuels or communications, if disclosure would jeopardize security of the public agency, building or facility.

(13) The contents of appraisals or engineering or feasibility estimates or evaluations made by or for a public agency relative to the acquisition of property, prior to the award of formal contracts therefor.

(14) Correspondence between a public agency and a private individual, other than correspondence which is intended to give notice of an action, policy or determination relating to any regulatory, supervisory or enforcement responsibility of the public agency or which is widely distributed to the public by a public agency and is not specifically in response to communications from such a private individual.

(15) Records pertaining to employer-employee negotiations, if disclosure would reveal information discussed in a lawful executive session under K.S.A. 75-4319, and amendments thereto.

(16) Software programs for electronic data processing and documentation thereof, but each public agency shall maintain a register, open to the public, that describes:

(A) The information which the agency maintains on computer facilities; and

(B) the form in which the information can be made available using existing computer programs.

(17) Applications, financial statements and other information submitted in connection with applications for student financial assistance where financial need is a consideration for the award.

(18) Plans, designs, drawings or specifications which are prepared by a person other than an employee of a public agency or records which are the property of a private person.

(19) Well samples, logs or surveys which the state corporation commission requires to be filed by persons who have drilled or caused to be drilled, or are drilling or causing to be drilled, holes for the purpose of discovery or production of oil or gas, to the extent that disclosure is limited by rules and regulations of the state corporation commission.

(20) Notes, preliminary drafts, research data in the process of analysis, unfunded grant proposals, memoranda, recommendations or other records in which opinions are expressed or policies or actions are proposed, except that this exemption shall not apply when such records are publicly cited or identified in an open meeting or in an agenda of an open meeting.

(21) Records of a public agency having legislative powers, which records pertain to proposed legislation or amendments to proposed legislation, except that this exemption shall not apply when such records are:

(A) Publicly cited or identified in an open meeting or in an agenda of an open meeting; or

(B) distributed to a majority of a quorum of any body which has authority to take action or make recommendations to the public agency with regard to the matters to which such records pertain.

(22) Records of a public agency having legislative powers, which records pertain to research prepared for one or more members of such agency, except that this exemption shall not apply when such records are:

(A) Publicly cited or identified in an open meeting or in an agenda of an open meeting; or

(B) distributed to a majority of a quorum of any body which has authority to take action or make recommendations to the public agency with regard to the matters to which such records pertain.

(23) Library patron and circulation records which pertain to identifiable individuals.

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(24) Records which are compiled for census or research purposes and which pertain to identifiable individuals.

(25) Records which represent and constitute the work product of an attorney.

(26) Records of a utility or other public service pertaining to individually identifiable residential customers of the utility or service, except that information concerning billings for specific individual customers named by the requester shall be subject to disclosure as provided by this act.

(27) Specifications for competitive bidding, until the specifications are officially approved by the public agency.

(28) Sealed bids and related documents, until a bid is accepted or all bids rejected.

(29) Correctional records pertaining to an identifiable inmate or releasee, except that:

(A) The name; photograph and other identifying information; sentence data; parole eligibility date; custody or supervision level; disciplinary record; custody level and location of an inmate; supervision violations; conditions of supervision, excluding requirements pertaining to mental health or substance abuse counseling; location of facility where incarcerated or location of parole office maintaining supervision and address of a releasee whose crime was committed after the effective date of this act shall be subject to disclosure to any person other than another inmate or releasee, except that the disclosure of the location of an inmate transferred to another state pursuant to the interstate corrections compact shall be at the discretion of the secretary of corrections;

(B) the ombudsman of corrections, the attorney general, law enforcement agencies, counsel for the inmate to whom the record pertains and any county or district attorney shall have access to correctional records to the extent otherwise permitted by law;

(C) the information provided to the law enforcement agency pursuant to the sex offender registration act, K.S.A. 22-4901, et seq., and amendments thereto, shall be subject to disclosure to any person, except that the name, address, telephone number or any other information which specifically and individually identifies the victim of any offender required to register as provided by the Kansas offender registration act, K.S.A. 22-4901 et seq. and amendments thereto, shall not be disclosed; and

(D) records of the department of corrections regarding the financial assets of an offender in the custody of the secretary of corrections shall be subject to disclosure to the victim, or such victim's family, of the crime for which the inmate is in custody as set forth in an order of restitution by the sentencing court.

(30) Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.

(31) Public records pertaining to prospective location of a business or industry where no previous public disclosure has been made of the business' or industry's interest in locating in, relocating within or expanding within the state. This exception shall not include those records pertaining to application of agencies for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.

(32) The bidder's list of contractors who have requested bid proposals for construction projects from any public agency, until a bid is accepted or all bids rejected.

(33) Engineering and architectural estimates made by or for any public agency relative to public improvements.

(34) Financial information submitted by contractors in qualification statements to any public agency.

(35) Records involved in the obtaining and processing of intellectual property rights that are expected to be, wholly or partially vested in or owned by a state educational institution, as defined in K.S.A. 76-711, and amendments thereto, or an assignee of the institution organized and existing for the benefit of the institution.

(36) Any report or record which is made pursuant to K.S.A. 65-4922, 65-4923 or 65-4924, and amendments thereto, and which is privileged pursuant to K.S.A. 65-4915 or 65-4925, and amendments thereto.

(37) Information which would reveal the precise location of an archeological site.

(38) Any financial data or traffic information from a railroad company, to a public agency, concerning the sale, lease or rehabilitation of the railroad's property in Kansas.

(39) Risk-based capital reports, risk-based capital plans and corrective orders including the working papers and the results of any analysis filed

with the commissioner of insurance in accordance with K.S.A. 1996 Supp. 40-2c20, and amendments thereto.

(40) Memoranda and related materials required to be used to support the annual actuarial opinions submitted pursuant to subsection (b) of K.S.A. 40-409, and amendments thereto.

(41) Disclosure reports filed with the commissioner of insurance under subsection (a) of K.S.A. 1996 Supp. 40-2,156, and amendments thereto.

(42) All financial analysis ratios and examination synopses concerning insurance companies that are submitted to the commissioner by the national association of insurance commissioners' insurance regulatory information system.

(43) Any records the disclosure of which is restricted or prohibited by a tribal-state gaming compact.

(44) *Market research, market plans, business plans and the terms and conditions of managed care or other third party contracts, developed or entered into by the university of Kansas medical center in the operation and management of the university hospital which the chancellor of the university of Kansas or the chancellor's designee determines would give an unfair advantage to competitors of the university of Kansas medical center.*

(b) Except to the extent disclosure is otherwise required by law or as appropriate during the course of an administrative proceeding or on appeal from agency action, a public agency or officer shall not disclose financial information of a taxpayer which may be required or requested by a county appraiser or the director of property valuation to assist in the determination of the value of the taxpayer's property for ad valorem taxation purposes; or any financial information of a personal nature required or requested by a public agency or officer, including a name, job description or title revealing the salary or other compensation of officers, employees or applicants for employment with a firm, corporation or agency, except a public agency. Nothing contained herein shall be construed to prohibit the publication of statistics, so classified as to prevent identification of particular reports or returns and the items thereof.

(c) As used in this section, the term "cited or identified" shall not include a request to an employee of a public agency that a document be prepared.

(d) If a public record contains material which is not subject to disclosure pursuant to this act, the public agency shall separate or delete such material and make available to the requester that material in the public record which is subject to disclosure pursuant to this act. If a public record is not subject to disclosure because it pertains to an identifiable individual, the public agency shall delete the identifying portions of the record and make available to the requester any remaining portions which are subject to disclosure pursuant to this act, unless the request is for a record pertaining to a specific individual or to such a limited group of individuals that the individuals' identities are reasonably ascertainable, the public agency shall not be required to disclose those portions of the record which pertain to such individual or individuals.

(e) The provisions of this section shall not be construed to exempt from public disclosure statistical information not descriptive of any identifiable person.

(f) Notwithstanding the provisions of subsection (a), any public record which has been in existence more than 70 years shall be open for inspection by any person unless disclosure of the record is specifically prohibited or restricted by federal law, state statute or rule of the Kansas supreme court or by a policy adopted pursuant to K.S.A. 72-6214, and amendments thereto.

New Sec. 16. The court may impose an administrative fee in the amount of \$35 against any defendant entitled to counsel pursuant to K.S.A. 22-4503, and amendments thereto. If it appears to the satisfaction of the court that payment of the administrative fee will impose manifest hardship on the defendant, the court may waive payment of all or part of the administrative fee. All moneys received pursuant to this section shall be remitted to the state treasurer at least monthly, and the state treasurer shall deposit the same in the state treasury to the credit of the indigents' defense services fund. If the defendant is acquitted or the case is dismissed, any administrative fee paid pursuant to this section shall be remitted to the defendant. The provisions of this section shall take effect on and after July 1, 1997.

Sec. 17. On and after July 1, 1997, K.S.A. 21-4603 is hereby amended to read as follows: 21-4603. (a) Whenever any person has been

found guilty of a crime and the court finds that an adequate presentence investigation cannot be conducted by resources available within the judicial district, including mental health centers and mental health clinics, the court may require that a presentence investigation be conducted by the Topeka correctional facility or by the state security hospital. If the offender is sent to the Topeka correctional facility or the state security hospital for a presentence investigation under this section, the correctional facility or hospital may keep the offender confined for a maximum of 60 days, except that an inmate may be held for a longer period of time on order of the secretary, or until the court calls for the return of the offender. While held at the Topeka correctional facility or the state security hospital the defendant may be treated the same as any person committed to the secretary of corrections or secretary of social and rehabilitation services for purposes of maintaining security and control, discipline, and emergency medical or psychiatric treatment, and general population management except that no such person shall be transferred out of the state or to a federal institution or to any other location unless the transfer is between the correctional facility and the state security hospital. The correctional facility or the state security hospital shall compile a complete mental and physical evaluation of such offender and shall make its findings and recommendations known to the court in the presentence report.

(b) Except as provided in subsection (c), whenever any person has been found guilty of a crime, the court may adjudge any of the following:

(1) Commit the defendant to the custody of the secretary of corrections or, if confinement is for a term less than one year, to jail for the term provided by law;

(2) impose the fine applicable to the offense;

(3) release the defendant on probation subject to such conditions as the court may deem appropriate, including orders requiring full or partial restitution. In felony cases, the court may include confinement in a county jail not to exceed 30 days, which need not be served consecutively, as a condition of probation;

(4) suspend the imposition of the sentence subject to such conditions as the court may deem appropriate, including orders requiring full or partial restitution. In felony cases, the court may include confinement in a county jail not to exceed 30 days, which need not be served consecutively, as a condition of suspension of sentence;

(5) assign the defendant to a community correctional services program subject to such conditions as the court may deem appropriate, including orders requiring full or partial restitution;

(6) assign the defendant to a conservation camp for a period not to exceed 180 days;

(7) assign the defendant to a house arrest program pursuant to K.S.A. 21-4603b and amendments thereto;

(8) order the defendant to attend and satisfactorily complete an alcohol or drug education or training program as provided by subsection (3) of K.S.A. 21-4502 and amendments thereto; or

(9) order the defendant to pay the administrative fee authorized by section 16, unless waived by the court; or

(10) impose any appropriate combination of subsections (b)(1) through (b)(9).

In addition to or in lieu of any of the above, the court shall order the defendant to submit to and complete an alcohol and drug evaluation, and pay a fee therefor, when required by subsection (4) of K.S.A. 21-4502 and amendments thereto.

In addition to any of the above, the court shall order the defendant to reimburse the state general fund for all or a part of the expenditures by the state board of indigents' defense services to provide counsel and other defense services to the defendant. In determining the amount and method of payment of such sum, the court shall take account of the financial resources of the defendant and the nature of the burden that payment of such sum will impose. A defendant who has been required to pay such sum and who is not willfully in default in the payment thereof may at any time petition the court which sentenced the defendant to waive payment of such sum or any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may waive payment of all or part of the amount due or modify the method of payment. The amount of attorney fees to be included in the court order for reimbursement shall be the amount claimed by appointed counsel on the payment voucher for indigents' defense services or the amount prescribed by the board of indigents' defense services reimbursement tables

as provided in K.S.A. 22-4522, and amendments thereto, whichever is less.

In imposing a fine the court may authorize the payment thereof in installments. In releasing a defendant on probation, the court shall direct that the defendant be under the supervision of a court services officer. If the court commits the defendant to the custody of the secretary of corrections or to jail, the court may specify in its order the amount of restitution to be paid and the person to whom it shall be paid if restitution is later ordered as a condition of parole or conditional release.

The court in committing a defendant to the custody of the secretary of corrections shall fix a maximum term of confinement within the limits provided by law. In those cases where the law does not fix a maximum term of confinement for the crime for which the defendant was convicted, the court shall fix the maximum term of such confinement. In all cases where the defendant is committed to the custody of the secretary of corrections, the court shall fix the minimum term within the limits provided by law.

(c) Whenever any juvenile felon, as defined in K.S.A. 38-16,112, and amendments thereto, has been found guilty of a class A or B felony, the court shall commit the defendant to the custody of the secretary of corrections and may impose the fine applicable to the offense.

(d) (1) Except when an appeal is taken and determined adversely to the defendant as provided in subsection (d)(2), at any time within 120 days after a sentence is imposed, after probation or assignment to a community correctional services program has been revoked, the court may modify such sentence, revocation of probation or assignment to a community correctional services program by directing that a less severe penalty be imposed in lieu of that originally adjudged within statutory limits and shall modify such sentence if recommended by the Topeka correctional facility unless the court finds and sets forth with particularity the reasons for finding that the safety of members of the public will be jeopardized or that the welfare of the inmate will not be served by such modification.

(2) If an appeal is taken and determined adversely to the defendant, such sentence may be modified within 120 days after the receipt by the clerk of the district court of the mandate from the supreme court or court of appeals.

(e) The court shall modify the sentence at any time before the expiration thereof when such modification is recommended by the secretary of corrections unless the court finds and sets forth with particularity the reasons for finding that the safety of members of the public will be jeopardized or that the welfare of the inmate will not be served by such modification. The court shall have the power to impose a less severe penalty upon the inmate, including the power to reduce the minimum below the statutory limit on the minimum term prescribed for the crime of which the inmate has been convicted. The recommendation of the secretary of corrections, the hearing on the recommendation and the order of modification shall be made in open court. Notice of the recommendation of modification of sentence and the time and place of the hearing thereon shall be given by the inmate, or by the inmate's legal counsel, at least 21 days prior to the hearing to the county or district attorney of the county where the inmate was convicted. After receipt of such notice and at least 14 days prior to the hearing, the county or district attorney shall give notice of the recommendation of modification of sentence and the time and place of the hearing thereon to any victim of the inmate's crime who is alive and whose address is known to the county or district attorney or, if the victim is deceased, to the victim's next of kin if the next of kin's address is known to the county or district attorney. Proof of service of each notice required to be given by this subsection shall be filed with the court.

(f) After such defendant has been assigned to a conservation camp but prior to the end of 180 days, the chief administrator of such camp shall file a performance report and recommendations with the court. The court shall enter an order based on such report and recommendations modifying the sentence, if appropriate, by sentencing the defendant to any of the authorized dispositions provided in subsection (b), except to reassign such person to a conservation camp as provided in subsection (b)(6).

(g) Dispositions which do not involve commitment to the custody of the secretary of corrections and commitments which are revoked within 120 days shall not entail the loss by the defendant of any civil rights.

(h) This section shall not deprive the court of any authority conferred by any other Kansas statute to decree a forfeiture of property, suspend

(continued)

or cancel a license, remove a person from office, or impose any other civil penalty as a result of conviction of crime.

(i) An application for or acceptance of probation, suspended sentence or assignment to a community correctional services program shall not constitute an acquiescence in the judgment for purpose of appeal, and any convicted person may appeal from such conviction, as provided by law, without regard to whether such person has applied for probation, suspended sentence or assignment to a community correctional services program.

(j) When it is provided by law that a person shall be sentenced pursuant to K.S.A. 21-4628, and amendments thereto, the provisions of this section shall not apply.

(k) The provisions of this section shall apply to crimes committed before July 1, 1993.

Sec. 18. On and after July 1, 1997, K.S.A. 1996 Supp. 21-4603d, as amended by section 1 of 1997 House Bill No. 2049, is hereby amended to read as follows: 21-4603d. (a) Whenever any person has been found guilty of a crime, the court may adjudge any of the following:

(1) Commit the defendant to the custody of the secretary of corrections if the current crime of conviction is a felony and the sentence presumes imprisonment, or the sentence imposed is a dispositional departure to imprisonment; or, if confinement is for a misdemeanor, to jail for the term provided by law;

(2) impose the fine applicable to the offense;

(3) release the defendant on probation if the current crime of conviction and criminal history fall within a presumptive nonprison category or through a departure for substantial and compelling reasons subject to such conditions as the court may deem appropriate. In felony cases except for violations of K.S.A. 8-1567 and amendments thereto, the court may include confinement in a county jail not to exceed 30 days, which need not be served consecutively, as a condition of probation or community corrections placement;

(4) assign the defendant to a community correctional services program in presumptive nonprison cases or through a departure for substantial and compelling reasons subject to such conditions as the court may deem appropriate, including orders requiring full or partial restitution;

(5) assign the defendant to a conservation camp for a period not to exceed 180 days as a condition of probation followed by a 180-day period of follow-up through adult intensive supervision by a community correctional services program, if the offender successfully completes the conservation camp program. If the defendant was classified in grid blocks 3-G, 3-H or 3-I of the sentencing guidelines grid for drug crimes, the court may impose a nonprison sanction on the condition that the offender complete the program at the Labette correctional conservation camp. Such a placement decision shall not be considered a departure and shall not be subject to appeal;

(6) assign the defendant to a house arrest program pursuant to K.S.A. 21-4603b and amendments thereto;

(7) order the defendant to attend and satisfactorily complete an alcohol or drug education or training program as provided by subsection (3) of K.S.A. 21-4502 and amendments thereto;

(8) order the defendant to repay the amount of any reward paid by any crime stoppers chapter, individual, corporation or public entity which materially aided in the apprehension or conviction of the defendant; or repay the amount of any public funds utilized by a law enforcement agency to purchase controlled substances from the defendant during the investigation which leads to the defendant's conviction. Such repayment of the amount of any public funds utilized by a law enforcement agency shall be deposited and credited to the same fund from which the public funds were credited to prior to use by the law enforcement agency;

(9) order the defendant to pay the administrative fee authorized by section 16 and amendments thereto, unless waived by the court;

(10) impose any appropriate combination of (1), (2), (3), (4), (5), (6), (7) and (8) and (9); or

(11) suspend imposition of sentence in misdemeanor cases.

In addition to or in lieu of any of the above, the court shall order the defendant to pay restitution, which shall include, but not be limited to, damage or loss caused by the defendant's crime, unless the court finds compelling circumstances which would render a plan of restitution unworkable. If the court finds a plan of restitution unworkable, the court shall state on the record in detail the reasons therefor.

If the court orders restitution, the restitution shall be a judgment against the defendant which may be collected by the court by garnishment

or other execution as on judgments in civil cases. If, after 60 days from the date restitution is ordered by the court, a defendant is found to be in noncompliance with the plan established by the court for payment of restitution, and the victim to whom restitution is ordered paid has not initiated proceedings in accordance with K.S.A. 60-4301 et seq. and amendments thereto, the court shall assign an agent procured by the attorney general pursuant to K.S.A. 1996 Supp. 75-719 and amendments thereto to collect the restitution on behalf of the victim. The administrative judge of each judicial district may assign such cases to an appropriate division of the court for the conduct of civil collection proceedings.

In addition to or in lieu of any of the above, the court shall order the defendant to submit to and complete an alcohol and drug evaluation, and pay a fee therefor, when required by subsection (4) of K.S.A. 21-4502 and amendments thereto.

In addition to any of the above, the court shall order the defendant to reimburse the county general fund for all or a part of the expenditures by the county to provide counsel and other defense services to the defendant. Any such reimbursement to the county shall be paid only after any order for restitution has been paid in full. In determining the amount and method of payment of such sum, the court shall take account of the financial resources of the defendant and the nature of the burden that payment of such sum will impose. A defendant who has been required to pay such sum and who is not willfully in default in the payment thereof may at any time petition the court which sentenced the defendant to waive payment of such sum or any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may waive payment of all or part of the amount due or modify the method of payment.

In imposing a fine the court may authorize the payment thereof in installments. In releasing a defendant on probation, the court shall direct that the defendant be under the supervision of a court services officer. If the court commits the defendant to the custody of the secretary of corrections or to jail, the court may specify in its order the amount of restitution to be paid and the person to whom it shall be paid if restitution is later ordered as a condition of parole or conditional release.

When a new felony is committed while the offender is incarcerated and serving a sentence for a felony or while the offender is on probation, assignment to a community correctional services program, parole, conditional release, or postrelease supervision for a felony, a new sentence shall be imposed pursuant to the consecutive sentencing requirements of K.S.A. 21-4608, and amendments thereto, and the court may sentence the offender to imprisonment for the new conviction, even when the new crime of conviction otherwise presumes a nonprison sentence. In this event, imposition of a prison sentence for the new crime does not constitute a departure.

Prior to imposing a dispositional departure for a defendant whose offense is classified in the presumptive nonprison grid block of either sentencing guideline grid, prior to sentencing a defendant to incarceration whose offense is classified in grid blocks 5-H, 5-I or 6-G of the sentencing guidelines grid for nondrug crimes, or prior to revocation of a nonprison sanction of a defendant whose offense is classified in the presumptive nonprison grid block of either sentencing guideline grid or grid blocks 5-H, 5-I or 6-G of the sentencing guidelines grid for nondrug crimes, the court shall consider placement of the defendant in the Labette correctional conservation camp. Pursuant to this paragraph the defendant shall not be sentenced to imprisonment if space is available in the conservation camp and the defendant meets all of the conservation camp's placement criteria unless the court states on the record the reasons for not placing the defendant in the conservation camp.

The court in committing a defendant to the custody of the secretary of corrections shall fix a term of confinement within the limits provided by law. In those cases where the law does not fix a term of confinement for the crime for which the defendant was convicted, the court shall fix the term of such confinement.

In addition to any of the above, the court shall order the defendant to reimburse the state general fund for all or a part of the expenditures by the state board of indigents' defense services to provide counsel and other defense services to the defendant. In determining the amount and method of payment of such sum, the court shall take account of the financial resources of the defendant and the nature of the burden that payment of such sum will impose. A defendant who has been required to pay such sum and who is not willfully in default in the payment thereof may at any time petition the court which sentenced the defendant to waive payment

of such sum or any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may waive payment of all or part of the amount due or modify the method of payment. The amount of attorney fees to be included in the court order for reimbursement shall be the amount claimed by appointed counsel on the payment voucher for indigents' defense services or the amount prescribed by the board of indigents' defense services reimbursement tables as provided in K.S.A. 22-4522, and amendments thereto, whichever is less.

(b) Dispositions which do not involve commitment to the custody of the secretary of corrections shall not entail the loss by the defendant of any civil rights.

(c) This section shall not deprive the court of any authority conferred by any other Kansas statute to decree a forfeiture of property, suspend or cancel a license, remove a person from office, or impose any other civil penalty as a result of conviction of crime.

(d) An application for or acceptance of probation or assignment to a community correctional services program shall not constitute an acquiescence in the judgment for purpose of appeal, and any convicted person may appeal from such conviction, as provided by law, without regard to whether such person has applied for probation, suspended sentence or assignment to a community correctional services program.

(e) The secretary of corrections is authorized to make direct placement to the Labette correctional conservation camp of an inmate sentenced to the secretary's custody if the inmate: (1) Has been sentenced to the secretary for a probation revocation or as a departure from the presumptive nonimprisonment grid block of either sentencing grid; and (2) otherwise meets admission criteria of the camp. If the inmate successfully completes the 180-day conservation camp program, the secretary of corrections shall report such completion to the sentencing court and the county or district attorney. The inmate shall then be assigned by the court to 180 days of follow-up supervision conducted by the appropriate community corrections services program. The court may also order that supervision continue thereafter for the length of time authorized by K.S.A. 21-4611 and amendments thereto.

(f) When it is provided by law that a person shall be sentenced pursuant to K.S.A. 1993 Supp. 21-4628, prior to its repeal, the provisions of this section shall not apply.

Sec. 19. On and after July 1, 1997, K.S.A. 21-4610 is hereby amended to read as follows: 21-4610. (a) Except as required by subsection (d), nothing in this section shall be construed to limit the authority of the court to impose or modify any general or specific conditions of probation, suspension of sentence or assignment to a community correctional services program, except that the court shall condition any order granting probation, suspension of sentence or assignment to a community correctional services program on the defendant's obedience of the laws of the United States, the state of Kansas and any other jurisdiction to the laws of which the defendant may be subject.

(b) The court services officer or community correctional services officer may recommend, and the court may order, the imposition of any conditions of probation, suspension of sentence or assignment to a community correctional services program. For crimes committed on or after July 1, 1993, in presumptive nonprison cases, the court services officer or community correctional services officer may recommend, and the court may order, the imposition of any conditions of probation or assignment to a community correctional services program. The court may at any time order the modification of such conditions, after notice to the court services officer or community correctional services officer and an opportunity for such officer to be heard thereon. The court shall cause a copy of any such order to be delivered to the court services officer and the probationer or to the community correctional services officer and the community corrections participant, as the case may be.

(c) The court may impose any conditions of probation, suspension of sentence or assignment to a community correctional services program that the court deems proper, including but not limited to requiring that the defendant:

(1) Avoid such injurious or vicious habits, as directed by the court, court services officer or community correctional services officer;

(2) avoid such persons or places of disreputable or harmful character, as directed by the court, court services officer or community correctional services officer;

(3) report to the court services officer or community correctional services officer as directed;

(4) permit the court services officer or community correctional services officer to visit the defendant at home or elsewhere;

(5) work faithfully at suitable employment insofar as possible;

(6) remain within the state unless the court grants permission to leave;

(7) pay a fine or costs, applicable to the offense, in one or several sums and in the manner as directed by the court;

(8) support the defendant's dependents;

(9) reside in a residential facility located in the community and participate in educational, counseling, work and other correctional or rehabilitative programs;

(10) perform community or public service work for local governmental agencies, private corporations organized not for profit, or charitable or social service organizations performing services for the community;

(11) perform services under a system of day fines whereby the defendant is required to satisfy fines, costs or reparation or restitution obligations by performing services for a period of days determined by the court on the basis of ability to pay, standard of living, support obligations and other factors;

(12) participate in a house arrest program pursuant to K.S.A. 21-4603b, and amendments thereto; or

(13) order the defendant to pay the administrative fee authorized by section 16, unless waived by the court; or

~~(13)~~ (14) in felony cases, except for violations of K.S.A. 8-1567 and amendments thereto, be confined in a county jail not to exceed 30 days, which need not be served consecutively.

(d) In addition to any other conditions of probation, suspension of sentence or assignment to a community correctional services program, the court shall order the defendant to comply with each of the following conditions:

(1) Make reparation or restitution to the aggrieved party for the damage or loss caused by the defendant's crime, in an amount and manner determined by the court and to the person specified by the court, unless the court finds compelling circumstances which would render a plan of restitution unworkable. If the court finds a plan of restitution unworkable, the court shall state on the record in detail the reasons therefor;

(2) pay the probation or community correctional services fee pursuant to K.S.A. 21-4610a, and amendments thereto; and

(3) reimburse the state general fund for all or a part of the expenditures by the state board of indigents' defense services to provide counsel and other defense services to the defendant. In determining the amount and method of payment of such sum, the court shall take account of the financial resources of the defendant and the nature of the burden that payment of such sum will impose. A defendant who has been required to pay such sum and who is not willfully in default in the payment thereof may at any time petition the court which sentenced the defendant to waive payment of such sum or of any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may waive payment of all or part of the amount due or modify the method of payment. The amount of attorney fees to be included in the court order for reimbursement shall be the amount claimed by appointed counsel on the payment voucher for indigents' defense services or the amount prescribed by the board of indigents' defense services reimbursement tables as provided in K.S.A. 22-4522, and amendments thereto, whichever is less.

Sec. 20. On and after July 1, 1997, K.S.A. 1996 Supp. 22-3717, as amended by section 5 of 1997 House Bill No. 2211, is hereby amended to read as follows: 22-3717. (a) Except as otherwise provided by this section, K.S.A. 1993 Supp. 21-4628 prior to its repeal and K.S.A. 21-4635 through 21-4638 and amendments thereto, an inmate, including an inmate sentenced pursuant to K.S.A. 21-4618 and amendments thereto, shall be eligible for parole after serving the entire minimum sentence imposed by the court, less good time credits.

(b) (1) Except as provided by K.S.A. 21-4635 through 21-4638 and amendments thereto, an inmate sentenced to imprisonment for the crime of capital murder, or an inmate sentenced for the crime of murder in the first degree based upon a finding of premeditated murder, committed on or after July 1, 1994, shall be eligible for parole after serving 25 years of confinement, without deduction of any good time credits.

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(2) Except as provided by subsection (b)(1) or (b)(4), K.S.A. 1993 Supp. 21-4628 prior to its repeal and K.S.A. 21-4635 through 21-4638, and amendments thereto, an inmate sentenced to imprisonment for an off-grid offense committed on or after July 1, 1993, shall be eligible for parole after serving 15 years of confinement, without deduction of any good time credits.

(3) Except as provided by K.S.A. 1993 Supp. 21-4628 prior to its repeal, an inmate sentenced for a class A felony committed before July 1, 1993, including an inmate sentenced pursuant to K.S.A. 21-4618 and amendments thereto, shall be eligible for parole after serving 15 years of confinement, without deduction of any good time credits.

(4) An inmate sentenced to imprisonment for a violation of subsection (a) of K.S.A. 21-3402 and amendments thereto committed on or after July 1, 1996, shall be eligible for parole after serving 10 years of confinement without deduction of any good time credits.

(c) Except as provided in subsection (e), if an inmate is sentenced to imprisonment for more than one crime and the sentences run consecutively, the inmate shall be eligible for parole after serving the total of:

(1) The aggregate minimum sentences, as determined pursuant to K.S.A. 21-4608 and amendments thereto, less good time credits for those crimes which are not class A felonies; and

(2) an additional 15 years, without deduction of good time credits, for each crime which is a class A felony.

(d) Persons sentenced for crimes, other than off-grid crimes, committed on or after July 1, 1993, will not be eligible for parole, but will be released to a mandatory period of postrelease supervision upon completion of the prison portion of their sentence as follows:

(A) Except as provided in subparagraphs (C) and (D), persons sentenced for nondrug severity level 1 through 6 crimes and drug severity levels 1 through 3 crimes must serve 36 months, plus the amount of good time earned and retained pursuant to K.S.A. 21-4722 and amendments thereto, on postrelease supervision.

(B) Except as provided in subparagraphs (C) and (D), persons sentenced for nondrug severity level 7 through 10 crimes and drug severity level 4 crimes must serve 24 months, plus the amount of good time earned and retained pursuant to K.S.A. 21-4722 and amendments thereto, on postrelease supervision.

(C) (i) The sentencing judge shall impose the postrelease supervision period provided in subparagraph (d)(1)(A) or (d)(1)(B), unless the judge finds substantial and compelling reasons to impose a departure based upon a finding that the current crime of conviction was sexually violent or sexually motivated. In that event, departure may be imposed to extend the postrelease supervision to a period of up to 60 months.

(ii) If the sentencing judge departs from the presumptive postrelease supervision period, the judge shall state on the record at the time of sentencing the substantial and compelling reasons for the departure. Departures in this section are subject to appeal pursuant to K.S.A. 21-4721 and amendments thereto.

(iii) In determining whether substantial and compelling reasons exist, the court shall consider:

(a) Written briefs or oral arguments submitted by either the defendant or the state;

(b) any evidence received during the proceeding;

(c) the presentence report, the victim's impact statement and any psychological evaluation as ordered by the court pursuant to subsection (e) of K.S.A. 21-4714 and amendments thereto; and

(d) any other evidence the court finds trustworthy and reliable.

(iv) The sentencing judge may order that a psychological evaluation be prepared and the recommended programming be completed by the offender. The department of corrections or the parole board shall ensure that court ordered sex offender treatment be carried out.

(v) In carrying out the provisions of subparagraph (d)(1)(C), the court shall refer to K.S.A. 21-4718 and amendments thereto.

(vi) Upon petition, the parole board may provide for early discharge from the postrelease supervision period upon completion of court ordered programs and completion of the presumptive postrelease supervision period, as determined by the crime of conviction, pursuant to subparagraph (d)(1)(A) or (B). Early discharge from postrelease supervision is at the discretion of the parole board.

(vii) Persons convicted of crimes deemed sexually violent or sexually motivated, shall be registered according to the habitual sex offender registration act, K.S.A. 22-4901 through 22-4910 and amendments thereto.

(D) The period of postrelease supervision provided in subparagraphs

(A) and (B) may be reduced by up to 12 months based on the offender's compliance with conditions of supervision and overall performance while on postrelease supervision. The reduction in the supervision period shall be on an earned basis pursuant to rules and regulations adopted by the secretary of corrections.

(E) In cases where sentences for crimes from more than one severity level have been imposed, the highest severity level offense will dictate the period of postrelease supervision. Supervision periods will not aggregate.

(2) As used in this section, "sexually violent crime" means:

(A) Rape, K.S.A. 21-3502, and amendments thereto;

(B) indecent liberties with a child, K.S.A. 21-3503, and amendments thereto;

(C) aggravated indecent liberties with a child, K.S.A. 21-3504, and amendments thereto;

(D) criminal sodomy, subsection (a)(2) and (a)(3) of K.S.A. 21-3505 and amendments thereto;

(E) aggravated criminal sodomy, K.S.A. 21-3506, and amendments thereto;

(F) indecent solicitation of a child, K.S.A. 21-3510, and amendments thereto;

(G) aggravated indecent solicitation of a child, K.S.A. 21-3511, and amendments thereto;

(H) sexual exploitation of a child, K.S.A. 21-3516, and amendments thereto;

(I) aggravated sexual battery, K.S.A. 21-3518, and amendments thereto;

(J) 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 crime as defined in subparagraphs (A) through (I), or any federal or other state conviction for a felony offense that under the laws of this state would be a sexually violent crime as defined in this section;

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

(L) any act which at the time of sentencing for the offense has been determined beyond a reasonable doubt to have been sexually motivated. As used in this subparagraph, "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) If an inmate is sentenced to imprisonment for a crime committed while on parole or conditional release, the inmate shall be eligible for parole as provided by subsection (c), except that the Kansas parole board may postpone the inmate's parole eligibility date by assessing a penalty not exceeding the period of time which could have been assessed if the inmate's parole or conditional release had been violated for reasons other than conviction of a crime.

(f) If a person is sentenced to prison for a crime committed on or after July 1, 1993, while on probation, parole, conditional release or in a community corrections program, for a crime committed prior to July 1, 1993, and the person is not eligible for retroactive application of the sentencing guidelines and amendments thereto pursuant to K.S.A. 21-4724 and amendments thereto, the new sentence shall not be aggregated with the old sentence, but shall begin when the person is paroled or reaches the conditional release date on the old sentence. If the offender was past the offender's conditional release date at the time the new offense was committed, the new sentence shall not be aggregated with the old sentence but shall begin when the person is ordered released by the Kansas parole board or reaches the maximum sentence expiration date on the old sentence, whichever is earlier. The new sentence shall then be served as otherwise provided by law. The period of postrelease supervision shall be based on the new sentence, except that those offenders whose old sentence is a term of imprisonment for life, imposed pursuant to K.S.A. 1993 Supp. 21-4628 prior to its repeal, or an indeterminate sentence with a maximum term of life imprisonment, for which there is no conditional release or maximum sentence expiration date, shall remain on postrelease supervision for life or until discharged from supervision by the Kansas parole board.

(g) Subject to the provisions of this section, the Kansas parole board may release on parole those persons confined in institutions who are eligible for parole when: (1) The board believes that the inmate should be released for hospitalization, for deportation or to answer the warrant or other process of a court and is of the opinion that there is reasonable probability that the inmate can be released without detriment to the com-

munity or to the inmate; or (2) the secretary of corrections has reported to the board in writing that the inmate has satisfactorily completed the programs required by any agreement entered under K.S.A. 75-5210a and amendments thereto, or any revision of such agreement, and the board believes that the inmate is able and willing to fulfill the obligations of a law abiding citizen and is of the opinion that there is reasonable probability that the inmate can be released without detriment to the community or to the inmate. Parole shall not be granted as an award of clemency and shall not be considered a reduction of sentence or a pardon.

(h) The Kansas parole board shall hold a parole hearing at least the month prior to the month an inmate will be eligible for parole under subsections (a), (b) and (c). At least the month preceding the parole hearing, the county or district attorney of the county where the inmate was convicted shall give written notice of the time and place of the public comment sessions for the inmate to any victim of the inmate's crime who is alive and whose address is known to the county or district attorney or, if the victim is deceased, to the victim's family if the family's address is known to the county or district attorney. Except as otherwise provided, failure to notify pursuant to this section shall not be a reason to postpone a parole hearing. In the case of any inmate convicted of a class A felony the secretary of corrections shall give written notice of the time and place of the public comment session for such inmate at least one month preceding the public comment session to any victim of such inmate's crime or the victim's family pursuant to K.S.A. 74-7338 and amendments thereto. If notification is not given to such victim or such victim's family in the case of any inmate convicted of a class A felony, the board shall postpone a decision on parole of the inmate to a time at least 30 days after notification is given as provided in this section. 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 section. If granted parole, the inmate may be released on parole on the date specified by the board, but not earlier than the date the inmate is eligible for parole under subsections (a), (b) and (c). At each parole hearing and, if parole is not granted, at such intervals thereafter as it determines appropriate, the Kansas parole board shall consider: (1) Whether the inmate has satisfactorily completed the programs required by any agreement entered under K.S.A. 75-5210a and amendments thereto, or any revision of such agreement; and (2) all pertinent information regarding such inmate, including, but not limited to, the circumstances of the offense of the inmate; the presentence report; the previous social history and criminal record of the inmate; the conduct, employment, and attitude of the inmate in prison; the reports of such physical and mental examinations as have been made; comments of the victim and the victim's family; comments of the public; official comments; and capacity of state correctional institutions.

(i) In those cases involving inmates sentenced for a crime committed after July 1, 1993, the parole board will review the inmates proposed release plan. The board may schedule a hearing if they desire. The board may impose any condition they deem necessary to insure public safety, aid in the reintegration of the inmate into the community, or items not completed under the agreement entered into under K.S.A. 75-5210a and amendments thereto. The board may not advance or delay an inmate's release date. Every inmate while on postrelease supervision shall remain in the legal custody of the secretary of corrections and is subject to the orders of the secretary.

(j) Before ordering the parole of any inmate, the Kansas parole board shall have the inmate appear before either in person or via a video conferencing format and shall interview the inmate unless impractical because of the inmate's physical or mental condition or absence from the institution. Every inmate while on parole shall remain in the legal custody of the secretary of corrections and is subject to the orders of the secretary. Whenever the Kansas parole board formally considers placing an inmate on parole and no agreement has been entered into with the inmate under K.S.A. 75-5210a and amendments thereto, the board shall notify the inmate in writing of the reasons for not granting parole. If an agreement has been entered under K.S.A. 75-5210a and amendments thereto and the inmate has not satisfactorily completed the programs specified in the agreement, or any revision of such agreement, the board shall notify the inmate in writing of the specific programs the inmate must satisfactorily complete before parole will be granted. If parole is not granted only because of a failure to satisfactorily complete such programs, the board shall grant parole upon the secretary's certification that the inmate has successfully completed such programs. If an agreement has been entered under K.S.A. 75-5210a and amendments thereto and the secretary of

corrections has reported to the board in writing that the inmate has satisfactorily completed the programs required by such agreement, or any revision thereof, the board shall not require further program participation. However, if the board determines that other pertinent information regarding the inmate warrants the inmate's not being released on parole, the board shall state in writing the reasons for not granting the parole. If parole is denied for an inmate sentenced for a crime other than a class A or class B felony or an off-grid felony, the board shall hold another parole hearing for the inmate not later than one year after the denial unless the parole board finds that it is not reasonable to expect that parole would be granted at a hearing if held in the next three years or during the interim period of a deferral. In such case, the parole board may defer subsequent parole hearings for up to three years but any such deferral by the board shall require the board to state the basis for its findings. If parole is denied for an inmate sentenced for a class A or class B felony or an off-grid felony, the board shall hold another parole hearing for the inmate not later than three years after the denial unless the parole board finds that it is not reasonable to expect that parole would be granted at a hearing if held in the next 10 years or during the interim period of a deferral. In such case, the parole board may defer subsequent parole hearings for up to 10 years but any such deferral shall require the board to state the basis for its findings.

(k) Parolees and persons on postrelease supervision shall be assigned, upon release, to the appropriate level of supervision pursuant to the criteria established by the secretary of corrections.

(l) The Kansas parole board shall adopt rules and regulations in accordance with K.S.A. 77-415 *et seq.*, and amendments thereto, not inconsistent with the law and as it may deem proper or necessary, with respect to the conduct of parole hearings, postrelease supervision reviews, revocation hearings, orders of restitution, *reimbursement of expenditures by the state board of indigents' defense services* and other conditions to be imposed upon parolees or releasees. Whenever an order for parole or postrelease supervision is issued it shall recite the conditions thereof.

(m) Whenever the Kansas parole board orders the parole of an inmate or establishes conditions for an inmate placed on postrelease supervision, the board:

(1) Unless it finds compelling circumstances which would render a plan of payment unworkable, shall order as a condition of parole or postrelease supervision that the parolee or the person on postrelease supervision pay any transportation expenses resulting from returning the parolee or the person on postrelease supervision to this state to answer criminal charges or a warrant for a violation of a condition of probation, assignment to a community correctional services program, parole, conditional release or postrelease supervision;

(2) to the extent practicable, shall order as a condition of parole or postrelease supervision that the parolee or the person on postrelease supervision make progress towards or successfully complete the equivalent of a secondary education if the inmate has not previously completed such educational equivalent and is capable of doing so; and

(3) may order that the parolee or person on postrelease supervision perform community or public service work for local governmental agencies, private corporations organized not-for-profit or charitable or social service organizations performing services for the community;

(4) may order the parolee or person on postrelease supervision to pay the administrative fee imposed pursuant to section 16 unless the board finds compelling circumstances which would render payment unworkable; and

(5) unless it finds compelling circumstances which would render a plan of payment unworkable, shall order that the parolee or person on postrelease supervision reimburse the state for all or part of the expenditures by the state board of indigents' defense services to provide counsel and other defense services to the person. In determining the amount and method of payment of such sum, the parole board shall take account of the financial resources of the person and the nature of the burden that the payment of such sum will impose. Such amount shall not exceed the amount claimed by appointed counsel on the payment voucher for indigents' defense services or the amount prescribed by the board of indigents' defense services reimbursement tables as provided in K.S.A. 22-4522 and amendments thereto, whichever is less, minus any previous payments for such services.

(n) If the court which sentenced an inmate specified at the time of sentencing the amount and the recipient of any restitution ordered as a condition of parole or postrelease supervision, the Kansas parole board

(continued)

shall order as a condition of parole or postrelease supervision that the inmate pay restitution in the amount and manner provided in the journal entry unless the board finds compelling circumstances which would render a plan of restitution unworkable.

(o) Whenever the Kansas parole board grants the parole of an inmate, the board, within 10 days of the date of the decision to grant parole, shall give written notice of the decision to the county or district attorney of the county where the inmate was sentenced.

(p) When an inmate is to be released on postrelease supervision, the secretary, within 30 days prior to release, shall provide the county or district attorney of the county where the inmate was sentenced written notice of the release date.

(q) Inmates shall be released on postrelease supervision upon the termination of the prison portion of their sentence. Time served while on postrelease supervision will vest.

(r) An inmate who is allocated regular good time credits as provided in K.S.A. 22-3725 and amendments thereto may receive meritorious good time credits in increments of not more than 90 days per meritorious act. These credits may be awarded by the secretary of corrections when an inmate has acted in a heroic or outstanding manner in coming to the assistance of another person in a life threatening situation, preventing injury or death to a person, preventing the destruction of property or taking actions which result in a financial savings to the state.

Sec. 21. On and after July 1, 1997, K.S.A. 22-3718, as amended by section 6 of 1997 House Bill No. 2211, is hereby amended to read as follows: 22-3718. Upon release, an inmate who has served the inmate's maximum term or terms, less such work and good behavior credits as have been earned, shall be subject to such written rules and conditions as the Kansas parole board may impose, until the expiration of the maximum term or terms for which the inmate was sentenced or until the inmate is otherwise discharged. If the court which sentenced an inmate specified at the time of sentencing the amount and the recipient of any restitution ordered as a condition of release pursuant to this section, the parole board may set aside restitution as a condition of release payment of restitution, if the board finds compelling circumstances which would render a plan of restitution unworkable. *If the court which sentenced an inmate specified reimbursement of all or part of the expenditures by the state board of indigents' defense services as a condition of release, the parole board may set aside such reimbursement, if the board finds compelling circumstances which would render a plan of reimbursement unworkable.* Prior to the release of any inmate on parole, conditional release or expiration of sentence, if an inmate is released into the community under a program under the supervision of the secretary of corrections, the secretary shall give written notice of such release to any victim or victim's family as provided in K.S.A. 22-3727, and amendments thereto.

Sec. 22. On and after July 1, 1997, K.S.A. 22-4504 is hereby amended to read as follows: 22-4504. (a) When any defendant who is entitled to have the assistance of counsel, under the provisions of K.S.A. 22-4503 and amendments thereto, claims to be financially unable to employ counsel, the court shall require that the defendant file an affidavit containing such information and in the form as prescribed by rules and regulations adopted by the state board of indigents' defense services. *The affidavit filed by the defendant shall become a part of the permanent file of the case.* The court may interrogate the defendant under oath concerning the contents of the affidavit and may direct the county or district attorney, sheriff, marshal or other officer of the county to investigate and report upon the financial condition of the defendant and may also require the production of evidence upon the issue of the defendant's financial inability to employ counsel.

(b) Upon the basis of the defendant's affidavit, the defendant's statements under oath, and such other competent evidence as may be brought to the attention of the court, which shall be made part of the record in the case, the court shall determine whether the defendant is financially unable to employ counsel. In making such determination the court shall consider the defendant's assets and income; the amount needed for the payment of reasonable and necessary expenses incurred, or which must be incurred to support the defendant and the defendant's immediate family; the anticipated cost of effective representation by employed counsel; and any property which may have been transferred or conveyed by the defendant to any person without adequate monetary consideration after the commission of the alleged crime. If the defendant's assets and income are not sufficient to cover the anticipated cost of effective representation by employed counsel when the length and complexity of the

anticipated proceedings are taken fully into account, the defendant shall be determined indigent in full or in part and the court shall appoint an attorney as provided in K.S.A. 22-4503 and amendments thereto. If the court determines that the defendant is financially able to employ counsel, the court shall so advise the defendant and shall give the defendant a reasonable opportunity to employ an attorney of the defendant's own choosing. All determinations by a court as to whether a defendant is financially unable to employ counsel shall be subject to and in accordance with rules and regulations adopted by the state board of indigents' defense services under this act.

(c) The court shall inform the defendant for whom counsel is appointed that the amount expended by the state in providing counsel and other defense services may be entered as a judgment against the defendant if the defendant is convicted and found to be financially able to pay the amount, and that an action to recover such amount may be brought against any person to whom the defendant may have transferred or conveyed any of the defendant's property without adequate monetary consideration after the date of the commission of the alleged crime. A determination by the court that the defendant is financially unable to employ counsel or pay other costs of the defendant's defense may preclude a recovery from the defendant but may not preclude recovery from any person to whom the defendant may have transferred or conveyed any property without adequate monetary consideration after the date of the commission of the alleged crime.

(d) If found to be indigent in part, the defendant shall be promptly informed of the terms under which the defendant may be expected to pay for counsel. Any payments pursuant to such terms shall apply upon any judgment entered pursuant to K.S.A. 22-4513 and amendments thereto. Payments made for services of appointed counsel provided under K.S.A. 22-4503 and amendments thereto shall be paid to the clerk of the district court. The clerk of the district court shall remit all moneys received as payment for services of appointed counsel under this section to the state board of indigents' defense services at least monthly and the board shall remit all moneys received under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury to the credit of the state general fund.

(e) The determination that a defendant is indigent or partially indigent shall be subject to review at any time by any court before whom the cause is then pending.

(f) The state board of indigents' defense services shall adopt rules and regulations in accordance with K.S.A. 77-415 *et seq.*, and amendments thereto, relating to the income, assets and anticipated costs of representation for the purpose of determining whether a defendant is financially able to employ counsel and the ability of a defendant to contribute to the cost of the defendant's legal defense services.

Sec. 23. On and after July 1, 1997, K.S.A. 22-4513 is hereby amended to read as follows: 22-4513. (a) *Within 30 days after any expenditure has been made by the state board of indigents' defense services to provide counsel and other defense services to any defendant and such defendant has been convicted, the state director of indigents' defense services may send to the county or district attorney of the county where the defendant was convicted a notice stating the name of the defendant and the amount of the expenditure. The county or district attorney, in such attorney's discretion, may petition the district court to require the defendant to repay to the state all or a part of the amount expended by the state board of indigents' defense services on behalf of such defendant. Subject to the provisions of subsection (b), the procedure for the filing of the petition and subsequent procedure to be followed in the action shall be the same as in other civil actions pursuant to chapter 60 of the Kansas Statutes Annotated, except that no docket fee shall be charged for the filing of the petition. At the hearing on the petition the court shall determine whether or not the defendant is or will be able to repay all or a part of the expenditures paid by the state board of indigents' defense services on behalf of the defendant. If the defendant is convicted, all expenditures made by the state board of indigents' defense services to provide counsel and other defense services to such defendant or the amount allowed by the board of indigents' defense reimbursement tables as provided in K.S.A. 22-4522, and amendments thereto, whichever is less, shall be taxed against the defendant and shall be enforced as judgments for payment of money in civil cases.*

(b) In determining the amount and method of payment of such sum, the court shall take account of the financial resources of the defendant

and the nature of the burden that payment of such sum will impose. A defendant who has been required to pay such sum and who is not willfully in default in the payment thereof may at any time petition the court which sentenced the defendant to waive payment of such sum or of any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may waive payment of all or part of the amount due or modify the method of payment.

(c) Whenever any expenditure has been made by the state board of indigents' defense services to provide counsel and other defense services to any defendant judgment has been entered pursuant to subsection (a) of this section, a sum equal to such expenditure judgment may be recovered by the state of Kansas for the benefit of the state general fund from any persons to whom the indigent defendant shall have transferred any of the defendant's property without adequate monetary consideration after the commission of the alleged crime, to the extent of the value of such transfer, and such persons are hereby made liable to reimburse the state of Kansas for such expenditures with interest at 6% per annum. Any action to recover judgment for such expenditures shall be prosecuted by the attorney general, who may require the assistance of the county attorney of the county in which the action is to be filed, and such action shall be governed by the provisions of the code of civil procedure relating to actions for the recovery of money. No action shall be brought against any person under the provisions of this section to recover for sums expended on behalf of an indigent defendant, unless such action shall have been filed within two years after the date of the expenditure by the state board of indigents' defense services.

Sec. 24. On and after July 1, 1997, K.S.A. 22-4522 is hereby amended to read as follows: 22-4522. The state board of indigents' defense services shall:

(a) Provide, supervise and coordinate, in the most efficient and economical manner possible, the constitutionally and statutorily required counsel and related services for each indigent person accused of a felony and for such other indigent persons as prescribed by statute;

(b) establish, in each county or combination of counties designated by the board, a system of appointed counsel, contractual arrangements for providing contract counsel or public defender offices, or any combination thereof, on a full- or part-time basis, for the delivery of legal services for indigent persons accused of felonies;

(c) approve an annual operating budget for the board and submit that budget as provided in K.S.A. 75-3717, and amendments thereto;

(d) collect payments from indigent defendants as ordered by the court by methods including, but not limited to, utilization of debt collection procedures authorized by K.S.A. 75-6201 et seq., and amendments thereto;

(e) adopt rules and regulations in accordance with K.S.A. 77-415 et seq., and amendments thereto, which are necessary for the operation of the board and the performance of its duties and for the guidance of appointed counsel, contract counsel and public defenders, including but not limited to:

(1) Standards for entitlement to legal representation at public expense;

(2) standards and guidelines for compensation of appointed counsel and investigative, expert and other services within the limits of appropriations;

(3) criteria for employing contract counsel; and

(4) qualifications, standards and guidelines for public defenders, appointed counsel and contract counsel; and

(5) adopt and maintain reimbursement tables which set forth the cost to the board of indigents' defense services for each separate category of service provided;

(f) prepare and submit to the governor and legislature an annual report on the operations of the board; and

(g) hold a hearing before changing the system for providing legal services for indigent persons accused of felonies in any county or judicial district if such a hearing is requested by two or more members of the board.

Sec. 25. On and after July 1, 1997, K.S.A. 1996 Supp. 75-719 is hereby amended to read as follows: 75-719. (a) The attorney general is authorized to enter into contracts in accordance with this section for collection services for debts owed to courts or restitution owed under an order of restitution.

(b) As used in this section:

(1) "Beneficiary under an order of restitution" means the victim or

victims of a crime to whom a district court has ordered restitution be paid;

(2) "contracting agent" means a person, firm, agency or other entity who contracts hereunder to provide collection services;

(3) "cost of collection" means the fee specified in contracts hereunder to be paid to or retained by a contracting agent for collection services. "Cost of collection" also includes any filing fee required under K.S.A. 60-4303 and amendments thereto or administrative costs prescribed by the attorney general pursuant to rules and regulations; and

(4) "debts owed to courts" means any assessment of court costs, fines, fees, moneys expended by the state in providing counsel and other defense services to indigent defendants or other charges which a district court judgment has ordered to be paid to the court, and which remain unpaid in whole or in part, and includes any interest or penalties on such unpaid amounts as provided for in the judgment or by law. Debts owed to courts also includes the cost of collection when collection services of a contracting agent hereunder are utilized.

(c) (1) Contracts authorized by this section may be entered into with state or federal agencies or political subdivisions of the state of Kansas, including contracts for participation in the collection program authorized by K.S.A. 75-6201 et seq. and amendments thereto. Such contracts also may be entered into with private firms or individuals selected by a procurement negotiation committee in accordance with K.S.A. 75-37,102 and amendments thereto, except that the attorney general shall designate a representative to serve as the chief administrative officer member of such committee and that the other two members of such committee shall be designated by the director of purchases and the judicial administrator.

(2) Prior to negotiating any contract for collection services, this procurement negotiation committee shall advertise for proposals, negotiate with firms and individuals submitting proposals and select among those submitting such proposals the party or parties to contract with for the purpose of collection services.

(3) The attorney general may adopt rules and regulations as deemed appropriate for the administration of this section, including procedures to be used in the negotiation and execution of contracts pursuant to this section and procedures to be followed by those who utilize collection services under such contracts.

(4) For purposes of this section, the agencies, firms or individuals with whom contracts are entered under this section shall be known as contracting agents. The attorney general shall publish a list of the contracting agents for use by courts or beneficiaries under orders of restitution who desire to utilize the collection services of such agents.

(5) Each contract entered pursuant to this section shall provide for a fee to be paid to or retained by the contracting agent for collection services. Such fee shall be designated as the cost of collection hereunder, and shall not exceed 33% of the amount of the debt to be collected. The cost of collection shall be deducted from the amount collected and shall not be in addition to the debts owed to courts or restitution.

(d) Judicial districts of the state of Kansas are authorized to utilize the collection services of contracting agents pursuant to this section for the purpose of collecting all outstanding debts owed to courts. Subject to rules and orders of the Kansas supreme court, each judicial district may establish by local rule guidelines for the compromise of court costs, fines, attorney fees and other charges assessed in district court cases.

(e) Any beneficiary under an order of restitution entered by a court after this section takes effect is authorized to utilize the collection services of contracting agents pursuant to this section for the purpose of collecting all outstanding amounts owed under such order of restitution.

(f) Contracts entered hereunder shall provide for the payment of any amounts collected to the clerk of the district court for the court in which the debt being collected originated. In accounting for amounts collected from any person pursuant to this section, the district court clerk shall credit the person's amount owed in the amount of the gross proceeds collected and shall reduce the amount owed by any person by that portion of any payment which constitutes the cost of collection pursuant to this section.

(g) With the appropriate cost of collection paid to the contracting agent as agreed upon in the contract hereunder, the clerk shall then distribute amounts collected hereunder as follows:

(1) When collection services are utilized pursuant to subsection (d), all amounts shall be applied against the debts owed to the court as specified in the original judgment creating the debt;

(2) when collection services are utilized pursuant to subsection (e),

(continued)

all amounts shall be paid to the beneficiary under the order of restitution designated to receive such restitution, except where that beneficiary has received recovery from the Kansas crime victims compensation board and such board has subrogation rights pursuant to K.S.A. 74-7312 and amendments thereto, in which case all amounts shall be paid to the board until its subrogation lien is satisfied.

(h) Whenever collection services are being utilized against the same debtor pursuant to both subsections (d) and (e), any amounts collected by a contracting agent shall be first applied to satisfy subsection (e) debts, debts pursuant to an order of restitution. Upon satisfaction of all such debts, amounts received from the same debtor shall then be applied to satisfy subsection (d) debts, debts owed to courts.

Sec. 26. K.S.A. 21-4110 is hereby repealed.

Sec. 27. On and after July 1, 1997, K.S.A. 21-4603, 21-4610, 22-3212, 22-3718, as amended by section 6 of 1997 House Bill No. 2211, 22-4504, 22-4505, 22-4506, 22-4513, 22-4522, 22-4901, 22-4902, 22-4905, 22-4906, 22-4908 and 22-4909 and K.S.A. 1996 Supp. 21-4603d, as amended by section 1 of 1997 House Bill No. 2049, 21-4705, 22-3717, as amended by section 5 of 1997 House Bill No. 2211, 22-4904, 22-4907, 45-221, as amended by section 44 of 1997 House Bill No. 2105, 45-221d and 75-719 are hereby repealed.

Sec. 28. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 29, 1997.)

SENATE BILL No. 132

AN ACT concerning depository institutions; amending K.S.A. 9-1401, 9-1403, 9-1406, 9-1407, 12-1676, 17-5002 and 68-2060 and K.S.A. 1996 Supp. 9-1101, 9-1104, 9-1111, 9-1402, 9-1405, 12-1675, 12-1677a, 12-1677b, 12-1677d, 75-4201, 75-4208, 75-4209, 75-4210, 75-4212a, 75-4217, 75-4218, 75-4220 and 75-4263 and repealing the existing sections.

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

New Section 1. (a) The director of investments shall accept requests from banks interested in obtaining investment accounts of state moneys. Such requests may be submitted any business day and shall specify the dollar amount, maturity or maturity range and interest rate. If the interest rate bid by the bank is at or greater than the market rate determined by the director of investments in accordance with subsection (b), the director of investments is authorized to award the investment account to the bidding bank at the market rate. Awards of investment accounts pursuant to this section shall be subject to investment policies of the pooled money investment board. When multiple bids are received and are in excess of the amount available for investment that day for any maturity, awards shall be made available in ascending order from smallest to largest dollar amount bid, subject to investment policies of the board.

(b) The market rate shall be determined each business day by the director of investments, in accordance with any procedures established by the pooled money investment board. Subject to any policies of the board, the market rate shall reflect the highest rate at which state moneys can be invested on the open market in investments authorized by subsection (a) of K.S.A. 75-4209 and amendments thereto for equivalent maturities.

New Sec. 2. As used in article 14 of chapter 9 of the Kansas Statutes Annotated:

(a) "Bank" means any bank incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;

(b) "savings and loan association" means any savings and loan association incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;

(c) "savings bank" means any savings bank organized under the laws of the United States and which has a main office in this state;

(d) "centralized securities depository" means a clearing agency registered with the securities and exchange commission which provides safekeeping and book-entry settlement services to its participants;

(e) "municipal corporation" or "quasi-municipal corporation" includes each investing governmental unit under K.S.A. 12-1675, and amendments thereto;

(f) "main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch;

(g) "branch" means any office, agency or other place of business

within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device;

(h) "securities," "security entitlements," "financial assets," "securities account," "security agreement," "security interest," "perfection" and "control" shall have the meanings given such terms under the Kansas uniform commercial code.

Sec. 3. K.S.A. 9-1401 is hereby amended to read as follows: 9-1401.

(a) The governing body of any municipal corporation or quasi-municipal corporation shall designate by official action recorded upon its minutes the state and national banks, state and federally chartered savings and loan associations and federally chartered savings banks with home offices located in the state of Kansas which shall serve as depositories of its funds and the officer and official having the custody of such funds shall not deposit such funds other than at such designated banks, state or federally chartered savings and loan associations and federally chartered savings banks. The state and national banks, state and federally chartered savings and loan associations and federally chartered savings banks which have main or branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located shall be designated as such official depositories if the municipal or quasi-municipal corporation can obtain satisfactory security therefor; and such official depositories have a home office located in the state of Kansas. For purposes of this subsection, banks, savings and loan associations or savings banks organized under the laws of the United States or another state which do not have a main office in this state, may be designated as depositories of such municipal corporation's or quasi-municipal corporation's funds in accordance with this subsection, if such banks, savings and loan associations and savings banks have branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located, except that such banks, savings and loan associations or savings banks shall not be eligible to receive deposits except in accordance with subsection (c).

(b) Every officer or person depositing public funds shall deposit all such public funds coming into such officer or person's possession in their name and official title as such officer. If the governing body of the municipal corporation or quasi-municipal corporation fails to designate an official depository or depositories, the officer thereof having custody of its funds shall deposit such funds with one or more state or national banks, state or federally chartered savings and loan associations or federally chartered savings banks which have main or branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located if satisfactory security can be obtained therefor and if not then elsewhere, but upon so doing shall serve notice in writing on the governing body showing the names and locations of such banks, state or federally chartered savings and loan associations and federally chartered savings banks where such funds are deposited, and upon so doing the officer having custody of such funds shall not be liable for the loss of any portion thereof except for official misconduct or for the misappropriation of such funds by such officer.

(c) As used in this section and K.S.A. 9-1402, 9-1403 and 9-1405, and amendments thereto, "municipal corporation or quasi-municipal corporation" includes each investing governmental unit under K.S.A. 12-1675, and amendments thereto if eligible banks, savings and loan associations or savings banks under subsections (a) or (b) cannot or will not provide an acceptable bid, which shall include services, for the depositing of public funds under this section, then banks, savings and loan associations or savings banks organized under the laws of the United States or another state which do not have a main office in this state, may receive deposits of such municipal corporation or quasi-municipal corporation, if such banks, savings and loan associations or savings banks have been designated as official depositories under subsection (a), have branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located and the municipal corporation or quasi-municipal corporation can obtain satisfactory security therefor.

Sec. 4. K.S.A. 1996 Supp. 9-1402 is hereby amended to read as follows: 9-1402. (a) Before any deposit of public moneys or funds shall be made by any municipal corporation or quasi-municipal corporation of the state of Kansas with any state or national bank, state or federally chartered savings and loan association or federally chartered savings bank, such municipal or quasi-municipal corporation shall obtain security for such deposit in one of the following manners prescribed by this section.

(b) Such bank, state or federally chartered savings and loan association or federally chartered savings bank may give to the municipal corporation or quasi-municipal corporation a personal bond in double the amount which may be on deposit at any given time.

(c) Such bank, state or federally chartered savings and loan association or federally chartered savings bank may give a corporate surety bond of some surety corporation authorized to do business in this state, which bond shall be in an amount equal to the public moneys or funds on deposit at any given time less the amount of such public moneys or funds which is insured by the federal deposit insurance corporation or its successor and such bond shall be conditioned that such deposit shall be paid promptly on the order of the municipal corporation or quasi-municipal corporation making such deposits.

(d) Any state or national Such bank, state or federally chartered savings and loan association or federally chartered savings bank may deposit, maintain, pledge and, assign, and grant a security interest in, or cause its agent, trustee, wholly-owned subsidiary or an affiliate bank having identical ownership as the bank receiving the deposit of public moneys or funds to deposit, maintain, pledge and, assign, and grant a security interest in, for the benefit of the governing body of the municipal corporation or quasi-municipal corporation in the manner provided in this act, securities, security entitlements, financial assets and securities accounts owned by the depository institution directly or indirectly through its agent or trustee holding securities on its behalf, or owned by the depository institutions wholly-owned subsidiary or by such affiliate bank, the market value of which is equal to 100% of the total deposits at any given time, and such securities, security entitlements, financial assets and securities accounts, may be accepted or rejected by the governing body of the municipal corporation or quasi-municipal corporation and shall consist of the following and security entitlements thereto:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations, including but not limited to letters of credit, and securities of United States sponsored corporations which under federal law may be accepted as security for public funds;

(2) bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America;

(3) bonds of the state of Kansas;

(4) general obligation bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas;

(5) revenue bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas if approved by the state bank commissioner in the case of banks and by the savings and loan commissioner in the case of savings and loan associations or federally chartered savings banks;

(6) temporary notes of any municipal corporation or quasi-municipal corporation of the state of Kansas which are general obligations of the municipal or quasi-municipal corporation issuing the same;

(7) warrants of any municipal corporation or quasi-municipal corporation of the state of Kansas the issuance of which is authorized by the state board of tax appeals and which are payable from the proceeds of a mandatory tax levy;

(8) bonds of either a Kansas not-for-profit corporation or of a local housing authority that are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.;

(9) bonds issued pursuant to K.S.A. 12-1740 *et seq.*, and amendments thereto, that are rated at least MIG-1 or Aa by Moody's Investors Service or AA by Standard & Poor's Corp.;

(10) notes of a Kansas not-for-profit corporation that are issued to provide only the interim funds for a mortgage loan that is insured by the federal housing administration;

(11) bonds issued pursuant to K.S.A. 74-8901 through 74-8916, and amendments thereto;

(12) bonds issued pursuant to K.S.A. 68-2319 through 68-2330, and amendments thereto; or

(13) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm; or

(14) (A) negotiable promissory notes together with first lien

mortgages on one to four family residential real estate located in Kansas securing payment of such notes when such notes or mortgages:

(i) Are underwritten by the federal national mortgage association, the federal home loan mortgage corporation, the federal housing administration or the veterans administration standards; or are valued pursuant to rules and regulations which shall be adopted by both the state bank commissioner and the savings and loan commissioner after having first being submitted to and approved by both the state banking board under K.S.A. 9-1713, and amendments thereto, and the savings and loan board. Such rules and regulations shall be published in only one place in the Kansas administrative regulations as directed by the state rules and regulations board;

(ii) have been in existence with the same borrower for at least two years and with no history of any installment being unpaid for 30 days or more; and

(iii) are valued at not to exceed 50% of the lesser of the following three values: Outstanding mortgage balance; current appraised value of the real estate; or discounted present value based upon current federal national mortgage association or government national mortgage association interest rates quoted for conventional, federal housing administration or veterans administration mortgage loans.

(B) Securities under (A) shall be taken at their value for not more than 50% of the security required under the provisions of this section.

(C) Securities under (A) shall be withdrawn immediately from the collateral pool if any installment is unpaid for 30 days or more.

(D) A status report on all such loans shall be provided to the investing governmental entity by the financial institution on a quarterly basis.

(e) No state or national such bank, state or federally chartered savings and loan association or federally chartered savings bank may deposit and maintain for the benefit of the governing body of a municipal or quasi-municipal corporation of the state of Kansas, any securities which consist of:

(1) Bonds secured by revenues of a utility which has been in operation for less than three years; or

(2) bonds issued under K.S.A. 12-1740 *et seq.*, and amendments thereto, unless such bonds have been refunded in advance of their maturity as provided in subsection (d) or such bonds are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.

(f) Whenever a bond is authorized to be pledged as a security under this section, such bond shall be accepted as a security if

(1) in the case of a certificated bond, it is assigned, delivered or pledged to the holder of the deposit for security;

(2) in the case of an uncertificated bond, registration of a pledge of the bond is authorized by the system and the pledge of the uncertificated bond is registered; or

(3) in a form approved by the attorney general, which assures the availability of the bond proceeds pledged as a security for public deposits.

(g) (f) Any expense incurred in connection with granting approval of revenue bonds shall be paid by the applicant for approval.

Sec. 5. K.S.A. 9-1403 is hereby amended to read as follows: 9-1403.

(a) During the periods of peak deposits occurring at tax paying time and tax distributing time and continuing for a period of not to exceed 60 continuous days at any given time and not to exceed 120 days in any calendar year the amount of security for the deposit of public moneys as required under K.S.A. 9-1402, and amendments thereto, may be reduced by not more than 1/2 in an amount thereof.

(b) The provisions of this section shall apply only to the deposits of all municipal corporations and quasi-municipal corporations, but the custodian of the funds of each of such municipal corporations or quasi-municipal corporations together with an officer of the depository state or national bank, state or federally chartered savings and loan association or federally chartered savings bank may enter into an agreement which designates in writing the beginning of each such sixty-day period, and a copy thereof, fully executed, shall be kept on file in the office of the governing body of such municipal corporation or quasi-municipal corporation and in the files of such bank, state or federally chartered savings and loan association or federally chartered savings bank.

Sec. 6. K.S.A. 1996 Supp. 9-1405 is hereby amended to read as follows: 9-1405. (a) All bonds and securities given by any bank, state or federally chartered savings and loan association or federally chartered savings bank to secure public moneys of the United States or any board,

(continued)

commission or agency thereof, shall be deposited as required by the United States government or any of its designated agencies.

(b) All bonds and securities pledged to secure securities, security entitlements and financial assets securing the deposits of any municipal corporation or quasi-municipal corporation shall be deposited in a securities account with a bank, trust company, or national bank authorized to do business in Kansas having adequate modern facilities for the safekeeping of securities; the federal reserve bank of Kansas City incorporated under the laws of this state, or organized under the laws of the United States or another state and which has a main or branch office in this state, a trust company incorporated under the laws of this state or another state, the federal home loan bank of Topeka or with the state treasurer, pursuant to a written custodial agreement and a joint custody receipt taken therefor with one copy going to the municipal corporation or quasi-municipal corporation making the public deposit and one copy going to the bank, state or federally chartered savings and loan association or federally chartered savings bank which has secured such public deposits. The receipt shall identify the securities, security entitlements and financial assets which are subject to a security interest to secure payment of the deposits of the municipal corporation or quasi-municipal corporation. This section shall not prohibit any custodial bank or trust company receiving securities for safekeeping, security entitlements and financial assets on deposit from issuing a joint custody receipt and placing those depositing securities, security entitlements and financial assets identified in the receipt in such bank's account with any bank chartered in Kansas or any other state, any trust company chartered in Kansas or any other state, any national bank, or any centralized securities depository wherever located within the United States. No bonds or securities pledged to secure, security entitlements and financial assets securing public deposits shall be left for safekeeping deposited in any bank, trust company, or national bank which is owned directly or indirectly by any parent corporation of the depository bank, or with any bank, trust company, or national bank, having common controlling shareholders, having a common majority of the board of directors or having common directors with the ability to control or influence directly or indirectly the acts or policies of the bank, state or federally chartered savings and loan association or federally chartered savings bank securing such public deposits. When bonds and securities, security entitlements and financial assets are deposited with the state treasurer as authorized by this subsection, the state treasurer shall make a charge for such service which is equivalent to the reasonable and customary charge made therefor. Securities, security entitlements and financial assets securing the deposits of any municipal corporation or quasi-municipal corporation may be deposited with the federal reserve bank of Kansas City to be there held in such manner, under regulations and operating letters of the bank, as to secure payment of the deposits of the municipal corporation or quasi-municipal corporation in the depository institution.

(c) All such bonds and securities shall be deposited under a joint custody receipt issued by a bank or trust company within the state of Kansas or the federal reserve bank of Kansas City, the federal home loan bank of Topeka or with the state treasurer. All bonds or securities held by any depository and for which a joint custody receipt has been issued shall be retained by such depository and not released except upon consent of both the municipal corporation or quasi-municipal corporation making the deposit and the bank, state or federally chartered savings and loan association or federally chartered savings bank taking or securing such deposit. In every report required to be published by any bank, state or federally chartered savings and loan association or federally chartered savings bank it shall show in full all of the assets pledged or deposited as security for public moneys. The depository bank, savings and loan association or savings bank and any agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest shall enter into a written agreement with the municipal corporation or quasi-municipal corporation granting the municipal corporation or quasi-municipal corporation a security interest in the securities, security entitlements and financial assets qualified under K.S.A. 9-1402, and amendments thereto, to secure payment of deposits of public moneys of the municipal corporation or quasi-municipal corporation. Such security interests shall be perfected by the depository bank, savings and loan association or savings bank and any agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest causing control of the securities, security entitlements and financial assets under the Kansas uniform commercial code to be given to the municipality or quasi-municipality. The security agreement and the custodial agreement shall be in writing, executed by all parties thereto, maintained as part of

their official records, and except for the municipal corporations or quasi-municipal corporation, approved by their boards of directors or their loan committees, which approvals shall be reflected in the minutes of the boards or committees.

(d) A bank, state or federally chartered savings and loan association or federally chartered savings bank which fails to pay according to its terms any deposit of public moneys of any municipal or quasi-municipal corporation shall immediately take such actions as are required to enable bonds and securities pledged to secure such deposit to be sold to satisfy its obligation to the municipal or quasi-municipal corporation.

(e) As used in this section:

"Centralized securities depository" means a clearing agency registered with the securities and exchange commission which provides safekeeping and book-entry settlement services to its participants.

Sec. 7. K.S.A. 9-1406 is hereby amended to read as follows: 9-1406. No public officer nor the sureties upon such officer's bond shall be liable for any loss sustained by the failure or default of any designated depository or depositories after a deposit or deposits have been made in an officially designated bank, state or federally chartered savings and loan association or federally chartered savings bank as provided in this act. This exemption from liability shall apply even though other statutes shall require the furnishing of a bond or other securities by the designated depositories of public moneys.

Sec. 8. K.S.A. 9-1407 is hereby amended to read as follows: 9-1407. That portion of any deposit of public moneys or funds which is insured by the federal deposit insurance corporation, or its successor, or the federal savings and loan insurance corporation, or its successor, need not be secured as provided in this act.

New Sec. 9. (a) As used in this section:

(1) "Accredited school" means any school operated by a public school district organized under the laws of this state and any nonpublic school accredited by the state board of education.

(2) "Board" means the board of education of a school district and the governing authority of an accredited nonpublic school.

(b) In order to encourage savings among school children, a bank may enter into a written agreement with a board of an accredited school to establish a school savings deposit program. Such program shall be limited to the opening of accounts and the periodic collection, by bank employees or school personnel, of deposits from school children for deposit in such bank accounts. No such program shall be implemented until the executed agreement and any information deemed necessary has been submitted to the Kansas state bank commissioner. If the commissioner determines the agreement and proposed program primarily promote educational objectives and the purpose of this section, the commissioner shall provide the bank with written approval to implement the program. Any bank participating in such school savings deposit program shall have its main or branch office located in the same county as the participating school, or if no bank in the county wants to participate in such program, then banks in any contiguous county may participate. The school savings deposit program may be conducted in any elementary or secondary school.

Sec. 10. K.S.A. 1996 Supp. 9-1101 is hereby amended to read as follows: 9-1101. Any bank hereby is authorized to exercise by its board of directors or duly authorized officers or agents, subject to law, all such powers, including incidental powers, as shall be necessary to carry on the business of banking, and:

(1) To receive deposits and to pay interest thereon at rates which need not be uniform. The state bank commissioner, with approval of the state banking board, may by regulations of general application fix maximum rates of interest to be paid on deposit accounts other than accounts for public moneys;

(2) to buy and sell exchange, gold, silver, foreign coin, bullion, commercial paper, bills of exchange, notes and bonds;

(3) to buy and sell bonds, securities, or other evidences of indebtedness of the United States of America or those fully guaranteed, directly or indirectly, by it, and general obligation bonds of the state of Kansas or any municipality or quasi-municipality thereof, and of other states, and of municipalities or quasi-municipalities in other states of the United States of America. No bank shall invest an amount in excess of 15% of its capital stock paid in, and unimpaired and the unimpaired surplus fund of such bank in bonds, securities or other evidences of indebtedness of any municipality or quasi-municipality of any other state or states of the United States of America: (a) If and when the direct and overlapping indebtedness of such municipality or quasi-municipality is in excess of

10% of its assessed valuation, excluding therefrom all valuations on intangibles and homestead exemption valuation; (b) or if any bond, security, or evidence of indebtedness of any such municipality or quasi-municipality has been in default in the payment of principal or interest within 10 years prior to the time that any bank acquires any such bonds, security or evidence of indebtedness;

(4) to make all types of loans, including loans on real estate, subject to the loan limitations contained in this act. Every real estate loan shall be secured by a mortgage or other instrument constituting a lien, or the full equivalent thereof, upon the real estate securing the loan, according to any lawful or well recognized practice, which is best suited to the transaction. The mortgage may secure future advances. The lien of such mortgage shall attach upon its execution and have priority from time of recording as to all advances made thereunder until such mortgage is released of record. The lien of such mortgage shall not exceed at any one time the maximum amount stated in the mortgage;

(5) to discount and negotiate bills of exchange, negotiable notes and notes not negotiable;

(6) to buy and sell investment securities which are evidences of indebtedness. The buying and selling of investment securities shall be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, copartnership, association, corporation, or state or federal agency, including revenue bonds issued pursuant to K.S.A. 76-6a15, and amendments thereto, or the state armory board in the form of bonds, notes or debentures or both, commonly known as investment securities, under such further definition of the term "investment securities" as prescribed by the board, but the total amount of such investment securities of any one obligor or maker held by such bank shall at no time exceed 15% of the capital stock paid in and unimpaired and the unimpaired surplus fund of such bank except that this limit shall not apply to obligations of the United States government or any agency thereof. If the obligor is a state agency including any agency issuing revenue bonds pursuant to K.S.A. 76-6a15, and amendments thereto, or the state armory board, the total amount of such investment securities shall at no time exceed 25% of the capital stock paid in and unimpaired and the unimpaired surplus fund of such bank;

(7) to subscribe to, buy and own such stock of the federal national mortgage association as required by title 3, section 303 of the federal act known as the national housing act as amended by section 201 of public law No. 560, of the United States (68 Stat. 613-615), known as the housing act of 1954, or amendments thereto;

(8) to subscribe to, buy and own stock in one or more small business investment companies in Kansas as otherwise authorized by federal law, except that in no event shall any bank acquire shares in any small business investment company if, upon the making of that acquisition the aggregate amount of shares in small business investment companies then held by the bank would exceed 5% of its capital and surplus. Nothing in this act contained shall prohibit any bank from holding and disposing of such real estate and other property as it may acquire in the collection of its assets;

(9) to subscribe to, buy and own stock in any agricultural credit corporation or livestock loan company, or its affiliate, organized pursuant to the provisions of the laws of the United States providing for the information and operation of agricultural credit corporations and livestock loan companies, in an amount not exceeding either the undivided profits or 10% of the capital stock and surplus and undivided profits from such bank, whichever is greater;

(10) to subscribe to, buy and own stock in minbank capital corporation, a company formed for the purpose of providing capital to minority-owned banks. No bank's investment in such stock shall exceed 2% of its capital and surplus;

(11) to buy, hold, and sell any type of investment securities not enumerated in this section with approval of the commissioner and upon such conditions and under such regulations as are prescribed by the state banking board;

(12) to act as escrow agent;

(13) to subscribe to, acquire, hold and dispose of stock of a corporation having as its purpose the acquisition, holding and disposition of loans secured by real estate mortgages, and to acquire, hold and dispose of the debentures and capital notes of such corporation. No bank's investment in such stock, debentures and capital notes shall exceed 2% of its capital stock, surplus and undivided profits and such investment shall be carried on the books of the bank as directed by the commissioner;

(14) to purchase and sell securities and stock without recourse solely upon the order, and for the account, of customers;

(15) to subscribe to, acquire, hold and dispose of any class of stock, debentures and capital notes of MABSCO agricultural services, inc. or any similar corporation having as its purpose the acquisition, holding and disposition of agricultural loans originated by Kansas banks. No bank's investment in such stock, debentures and capital notes shall exceed 2% of its capital stock, surplus and undivided profits. Such investment shall be carried on the books of the bank as directed by the commissioner;

(16) to buy, hold and sell mortgages, stock, obligations and other securities which are issued or guaranteed by the federal home loan mortgage corporation under sections 305 and 306 of the federal act known as the federal home loan mortgage corporation act (P.L. 91-351);

(17) to buy, hold and sell obligations or other instruments or securities, including stock, issued or guaranteed by the student loan marketing association created by (P.L. 92-318) of the United States;

(18) to engage in financial future contracts on United States government and agency securities subject to such rules and regulations as the state bank commissioner may prescribe pursuant to K.S.A. 9-1713, and amendments thereto, to promote safe and sound banking practices;

(19) to subscribe to, buy and own stock in a state or federally chartered bankers' bank or a one bank holding company which owns or controls such a bankers' bank, except no bank's investment in such stock shall exceed 10% of its capital stock, surplus and undivided profits;

(20) subject to such rules and regulations as the state bank commissioner may adopt pursuant to K.S.A. 9-1713, and amendments thereto, to promote safe and sound banking practices, upon recorded prior approval by the board of directors of the initial investment in a specific company and pursuant to an investment policy approved by the board of directors which specifically provides for such investments to buy, hold and sell shares of an open-end investment company registered with the federal securities and exchange commission under the federal investment company act of 1940 and the federal securities act of 1933 and of a privately offered company sponsored by an affiliated commercial bank, the shares of which are purchased and sold at par and the assets of which consist solely of securities which may be purchased by the bank for its own account. Such shares may be purchased without limit if the assets of the company consist solely of and are limited to obligations that are eligible for purchase by the bank without limit. If the assets of the company include securities which may be purchased by the bank subject to limitation, such shares may be purchased subject to the limitation applicable to purchase by the bank of such securities;

(21) subject to the prior approval of the state bank commissioner and the state banking board and subject to such rules and regulations as are adopted by the state bank commissioner pursuant to K.S.A. 9-1713, and amendments thereto, to promote safe and sound banking practices, a bank may establish a subsidiary which engages in the following securities activities: (a) selling or distributing stocks, bonds, debentures, notes, mutual funds and other securities; (b) issuing and underwriting municipal bonds; (c) organizing, sponsoring and operating mutual funds; (d) acting as a securities broker-dealer;

(22) to subscribe to, acquire, hold and dispose of stock of any class of the federal agricultural mortgage corporation, a corporation having as its purpose the acquisition, holding and disposition of loans secured by agricultural real estate mortgages. No bank's investment in such corporation shall exceed 5% of its capital stock, surplus and undivided profits and such investment shall be carried on the books of the bank as directed by the commissioner;

(23) to subscribe to, buy and own stock in an insurance company incorporated prior to 1910, under the laws of Kansas, with corporate headquarters in this state, which only provides insurance to financial institutions. The investment in such stock shall not exceed 2% of the bank's capital stock, surplus and undivided profits;

(24) to purchase and hold an interest in life insurance policies on the life of its executive officers and directors, and to purchase life insurance policies for the sole purpose of providing employee deferred compensation and benefit plans subject to the limitations listed herein. If the bank has the authority to direct the investments of the cash surrender value of the policy, those investments shall be limited solely to assets which may be directly purchased by the bank for its own account. The limitations set forth in paragraphs (a) and (b) of this subsection do not apply to any such life insurance policies in place before July 1, 1993. Funding for the payment of employee compensation and benefit plans as well as the benefits derived may be made or split in a joint manner between the bank, employee or bank holding company as in "split dollar" or other insurance plans;

(continued)

(a) Life insurance purchased and held on the life of executive officers and directors are subject to the following limitations:

(i) The cash surrender value of any life insurance policy on an executive officer or director underwritten by any one life insurance company cannot at any time exceed 15% of the bank's capital stock, surplus, undivided profits, loan loss reserve, capital notes and debentures and reserve for contingency, unless the bank has obtained the prior approval of the state bank commissioner;

(ii) the cash surrender value of life insurance policies on executive officers or directors, in the aggregate from all companies, cannot at any time exceed 25% of the bank's capital stock, surplus, undivided profits, loan loss reserve, capital notes and debentures and reserve for contingency, unless the bank has obtained the prior approval of the state bank commissioner;

(iii) the authority to hold life insurance on any executive officer ceases if the executive officer is no longer employed by the bank or no longer meets the definition of an executive officer;

(iv) the authority to hold life insurance on a director ceases when that director is no longer a member of the board of directors;

(v) the bank's board of directors must approve and document the purchase of any life insurance, including the reasonableness of such purchase; and

(vi) except as part of a reasonable compensation or benefit plan, a bank is not authorized to purchase life insurance as an estate management device for the benefit of officers, directors or employees who are also controlling shareholders of the bank.

(b) Life insurance purchased for the sole purpose of providing deferred compensation and benefit plans are subject to the following limitations:

(i) The bank may purchase individual or group policies for the sole purpose of providing deferred compensation agreements entered into with its officers and employees;

(ii) the bank may purchase policies on directors to fund a deferred directors fees program;

(iii) the board of directors must approve and document such deferred plans including the reasonableness of the plans;

(iv) the bank is not authorized to hold the policies unless specifically approved by the state banking board if no liability exists under the deferred compensation plans;

(v) the cash surrender value of any life insurance policy purchased for the sole purpose of providing deferred compensation and benefit plans, underwritten by any one life insurance company, cannot exceed at any time, 15% of the bank's capital stock, surplus, undivided profits, loan loss reserve, capital notes and debentures and reserve for contingency, unless the bank has obtained the prior approval of the state bank commissioner; and

(vi) the cash surrender value of life insurance policies purchased for the sole purpose of providing deferred compensation and benefit plans, in the aggregate from all companies, cannot at any time exceed 25% of the bank's capital stock, surplus, undivided profits, loan loss reserve, capital notes and debentures and reserve for contingency, unless the bank has obtained the prior approval of the state bank commissioner;

(25) subject to such rules and regulations as the state bank commissioner may adopt pursuant to K.S.A. 9-1713 and amendments thereto to promote safe and sound banking practices, to act as an agent and receive deposits, renew time deposits, close loans, service loans, and receive payments on loans and other obligations for any company which is a subsidiary, as defined in subsection (d) of K.S.A. 9-519 and amendments thereto of the bank holding company which owns the bank. Nothing in this subsection shall authorize a bank to conduct activities as an agent which the bank or the subsidiary would be prohibited from conducting as a principal under any applicable federal or state law. Any bank which enters or terminates any agreement pursuant to this subsection shall within 30 days of the effective date of the agreement or termination provide written notification to the commissioner which details all parties involved and services to be performed or terminated;

(26) to make loans to the bank's stockholders or the stockholders of the bank's controlling bank holding company on the security of the shares of the bank or shares of the bank's controlling bank holding company, with the limitation that this may occur only if the bank would have extended credit to such stockholder on exactly the same terms without the shares pledged as collateral, and provided the shares pledged are not a director's qualifying shares per K.S.A. 9-1117, and amendments thereto; and

(27) to make investments in and loans to community development corporations (CDCs) and community development projects (CD projects) as defined in K.S.A. 9-701 and amendments thereto, subject to the limitations prescribed by the comptroller of the currency as interpreted by rules and regulations which shall be adopted by the state bank commissioner as provided by K.S.A. 9-1713 and amendments thereto; and

(28) to participate in a school savings deposit program authorized under section 9.

Sec. 11. K.S.A. 1996 Supp. 9-1104 is hereby amended to read as follows: 9-1104. (a) *Definitions*. As used in this section:

(1) "Borrower" means an individual, sole proprietorship, partnership, joint venture, association, trust, estate, business trust, corporation, limited liability company, not for profit corporation, government unit or agency, instrumentality, or political subdivision thereof, or any similar entity or organization.

(2) "Capital" means the total of capital stock, surplus, undivided profits, 100% of the allowance for loan and lease loss, capital notes and debentures, and reserve for contingencies, intangibles, such as goodwill, shall not be included in the definition of capital when determining lending limits.

(3) "Loan" means:

(A) A bank's direct or indirect advance of funds to or on behalf of a borrower based on an obligation of the borrower to repay the funds;

(B) a contractual commitment to advance funds;

(C) an overdraft;

(D) loans that have been charged off the bank's books in whole or in part, unless the loan is unenforceable by reason of:

(i) Discharge in bankruptcy;

(ii) expiration of the statute of limitations;

(iii) judicial decision; or

(iv) the bank's forgiveness of the debt.

(b) *General Lending Limit Rule*. Subject to the provisions in (d), (e) and (f), loans to one borrower, including any bank officer or employee, shall not exceed 25% of a bank's capital.

(c) *Calculation of the Lending Limit*. (1) The bank's lending limit shall be calculated on the date the loan or written commitment is made. The renewal or refinancing of a loan shall not constitute a new lending limit calculation date unless new funds are advanced.

(2) If the bank's lending limit increases subsequent to the origination date, a bank may use the current lending limit to determine compliance when advancing funds. An advance of funds includes the lending of money or the repurchase of any portion of a participation.

(3) If the bank's lending limit decreases subsequent to the origination date, a bank is not prohibited from advancing on a prior commitment that was legal on the date the commitment was made.

(d) *Exemptions*. That portion of a loan which is continuously secured on a dollar for dollar basis by any of the following will be exempt from any lending limit:

(1) A guaranty, commitment or agreement to take over or to purchase, made by any federal reserve bank or by any department, bureau, board, commission, agency or establishment of the United States of America, including any corporation wholly owned, directly or indirectly by the United States;

(2) a perfected interest in a time deposit account in the lending bank. In the case of a time deposit which may be withdrawn in whole or in part prior to maturity, the bank shall establish written internal procedures to prevent the release of the deposit;

(3) a bonded warehouse receipt issued to the borrower by some other person;

(4) treasury bills, certificates of indebtedness, or bonds or notes of the United States of America or instrumentalities or agencies thereof, or those fully guaranteed by them;

(5) general obligation bonds or notes of the state of Kansas or any other state in the United States of America;

(6) general obligation bonds or notes of any Kansas municipality or quasi-municipality; or

(7) a perfected interest in a repurchase agreement of United States government securities with the lending bank.

(e) *Special Rules*. (1) The total liability of any borrower may exceed the general 25% limit by up to an additional 10% of the bank's capital. To qualify for this expanded limit:

(A) The bank shall have as collateral a first lien or liens on real estate

securing a portion of the liability equal to at least the amount by which the total liability exceeds the 25% limit;

(B) the amount of the recorded lien or liens shall equal at least the amount of the excess liability;

(C) the appraised value of the real estate shall equal at least twice the amount of the excess liability; and

(D) a portion of the loan equal to at least the excess liability shall have installment payments sufficient to amortize that portion within 20 years.

(2) That portion of any loan endorsed or guaranteed by a borrower will not be added to that borrower's liability until the endorsed or guaranteed loan is past due 10 days.

(3) If the total liability of any active bank officer will exceed \$50,000, prior approval from the bank's board of directors shall be noted in the minutes.

(4) To the extent they are insured by the federal deposit insurance corporation, time deposits purchased by a bank from another financial institution shall not be considered a loan to that financial institution and shall not be subject to the bank's lending limit.

(5) Third-party paper purchased by the bank will not be considered a loan to the seller unless and until the bank has the right under the agreement to require the seller to repurchase the paper.

(f) *Combination Rules.*

(1) General Rule. Loans to one borrower will be attributed to another borrower and their total liability will be combined:

(A) When proceeds of a loan are to be used for the direct benefit of the other borrower, to the extent of the proceeds so used; or

(B) when a common enterprise is deemed to exist between the borrowers.

(2) Direct Benefit. The proceeds of a loan to a borrower will be deemed to be used for the direct benefit of another person and will be attributed to the other person when the proceeds, or assets purchased with the proceeds, are transferred to another person, other than in a bona fide arm's length transaction where the proceeds are used to acquire property, goods or services.

(3) Common Enterprise. A common enterprise will be deemed to exist and loans to separate borrowers will be aggregated:

(A) When the expected source of repayment for each loan or extension of credit is the same for each borrower and neither borrower has another source of income from which the loan, together with the borrower's other obligations, may be fully repaid;

(B) when both of the following circumstances are present:

(i) Loans are made to borrowers who are related directly or indirectly through common control, including where one borrower is directly or indirectly controlled by another borrower. Common control means to own, control or have the power to vote 25% or more of any class of voting securities or voting interests or to control, in any manner, the election of a majority of the directors, or to have the power to exercise a controlling influence over the management or policies of another person; and

(ii) substantial financial interdependence exists between or among the borrowers. Substantial financial interdependence is deemed to exist when 50 percent or more of one borrower's gross receipts or gross expenditures (on an annual-basis) are derived from transactions with the other borrower. Gross receipts and expenditures include gross revenues, expenses, intercompany loans, dividends, capital contributions and similar receipts or payments; or

(C) when separate persons borrow from a bank to acquire a business enterprise of which those borrowers will own more than 50% of the voting securities or voting interests, in which case a common enterprise is deemed to exist between the borrowers for purposes of combining the acquisition loan.

(D) An employer will not be treated as a source of repayment for purposes of determining a common enterprise because of wages and salaries paid to an employee.

(4) Special Rules for Loans to a Corporate Group. (A) Loans by a bank to a borrower and the borrower's subsidiaries shall not, in the aggregate, exceed 50% of the bank's capital. At no time shall loans to any one borrower or to any one subsidiary exceed the general lending limit of 25%, except as allowed by other provisions of this section. For purposes of this paragraph, a corporation or a limited liability company is a subsidiary of a borrower if the borrower owns or beneficially owns directly or indirectly more than 50 percent of the voting securities or voting interests of the corporation or company.

(B) Loans to a borrower and a borrower's subsidiaries that do not

meet the test contained in subsection (f)(4)(A) will not be combined unless either the direct benefit or the common enterprise test is met.

(5) Special Rules for Loans to Partnerships, Joint Ventures and Associations. (A) As used in this subpart (5), the term "partnership" shall include a partnership, joint venture or association. The term partner shall include a partner in a partnership or a member in a joint venture or association.

(B) General Partner. Loans to a partnership are considered to be loans to a partner, if by the terms of the partnership agreement that partner is held generally liable for debts or actions of the partnership.

(C) Limited Partner. If the liability of a partner is limited by the terms of the partnership agreement, the amount of the partnership debt attributable to the partner is in direct proportion to that partner's limited partnership interest liability.

(D) Notwithstanding the provisions of subsections (f)(5)(B) and (f)(5)(C), if by the terms of the loan agreement the liability of any partner is different than delineated in the partnership agreement, for the purpose of attributing debt to the partner the loan agreement shall control.

(E) Loans to a partner are not attributed to the partnership unless either the direct benefit or the common enterprise test is met.

(F) Loans to one partner are not attributed to other partners unless either the direct benefit or common enterprise test is met.

(G) When a loan is made to a partner to purchase an interest in a partnership, both the direct benefit and common enterprise tests are deemed to be met, and the loan is attributed to the partnership.

(6) Notwithstanding the provisions of this subsection, the commissioner may determine, based upon an evaluation of the facts and circumstances of a particular transaction, that a loan to one borrower may be attributed to another borrower.

(g) The commissioner may order a bank to correct any loan not in compliance with this section. A violation of this section shall be deemed corrected if that portion of the borrower's liability which created the violation could be legally advanced under current lending limits. Failure to comply with the commissioner's order within 60 days shall be grounds for the proposed removal of a bank officer or director pursuant to K.S.A. 9-1805 and amendments thereto.

Sec. 12. K.S.A. 1996 Supp. 9-1111 is hereby amended to read as follows: 9-1111. The general business of every bank shall be transacted at the place of business specified in its certificate of authority and at one or more branch banks established and operated as provided in this section. Except for the establishment or operation of a trust branch bank or the relocation of an existing trust branch bank pursuant to K.S.A. 1996 Supp. 9-1135 and amendments thereto, it shall be unlawful for any bank to establish and operate any branch bank or relocate an existing branch bank except as hereinafter provided. Notwithstanding the provisions of this section, any location at which a depository institution, as defined by K.S.A. 9-701 and amendments thereto, receives deposits, renews time deposits, closes loans, services loans or receives payments on loans or other obligations, as agent, for a bank pursuant to subsection (28) (25) of K.S.A. 9-1101 and amendments thereto or other applicable state or federal law, or is authorized to open accounts or receive deposits under subsection (28) of K.S.A. 9-1101, and amendments thereto, shall not be deemed to be a branch bank:

(a) For the purposes of this section, the term "branch bank" means any office, agency or other place of business located within this state, other than the place of business specified in the bank's certificate of authority, at which deposits are received, checks paid, money lent or trust authority exercised, if approval has been granted by the state bank commissioner, under K.S.A. 9-1602, and amendments thereto;

(b) after first applying for and obtaining the approval of the state banking board, one or more branch banks may be established and operated anywhere within this state by a bank incorporated under the laws of this state;

(c) an application to establish and operate a branch bank or to relocate an existing branch bank shall be in such form and contain such information as the rules and regulations of the state bank commissioner, adopted pursuant to K.S.A. 9-1713, and amendments thereto, shall provide;

(d) the application shall include estimates of the annual income and expenses of the proposed branch bank, the annual volume of business to be transacted by it, the nature of the banking business to be conducted at the proposed branch bank, the primary geographical area to be served

(continued)

by it and the personnel and office facilities to be provided at the proposed branch bank;

(e) the application shall include the name selected for the proposed branch bank. The name selected for the proposed branch bank shall not be the name of any other bank or branch bank doing business in the same city or town nor shall the name selected be required to contain the name of the applicant bank. If the name selected for the proposed bank does not contain the name of the applicant bank, the branch bank shall provide in the public lobby of such branch bank, a public notice that it is a branch bank of the applicant bank;

(f) the application shall include an affidavit of publication of notice that applicant bank intends to file an application to establish a branch bank or relocate an existing branch bank. The notice shall be published in a newspaper of general circulation in the county where the applicant bank proposes to locate the branch bank. The notice shall be in the form prescribed by the state banking board and at a minimum shall contain, the name and address of the applicant bank, the location of the proposed branch, a solicitation for written comments concerning the proposed branch be submitted to the state banking board, and provide for a comment period of not less than 10 days prior to the board's final consideration of the application;

(g) upon receipt of an application meeting the above requirements, if there is any written objection to the application filed with the board, within 60 days after receipt of the application, the state banking board shall hold a hearing in the county in which the applicant bank seeks to establish and operate a branch bank. If there is no written objection filed with the board within the time period specified under subsection (f), the board may hold a hearing on the application in such county. Notice of the time, date and place of such hearing if one is to be held shall be published in a newspaper of general circulation in such county by the bank seeking to establish and operate the branch bank not less than 10 or more than 30 days prior to the date of the hearing, and an affidavit of publication thereof shall be filed with the commissioner. Not less than 10 days or more than 30 days prior to any such date of the hearing, the commissioner shall give notice of the time, date and place of such hearing by registered or certified mail to all banks and national banking associations having their principal places of business or branch banks in the county wherein the applicant bank seeks to locate a branch bank. At any such hearing, all interested persons shall be allowed to present written and oral evidence to the board in support of or in opposition to the application. Upon completion of a transcript of the testimony given at any such hearing, the transcript shall be filed in the office of the commissioner and copies shall be furnished to the members of the state banking board not less than 14 days prior to the meeting of the board at which the application will be considered;

(h) the state banking board shall approve or disapprove the application, within 90 days after consideration of the application and the evidence gathered during the board's investigation. If the board finds that:

(1) There is or will be at the time the branch bank is opened the need for the same in the community to be served by it;

(2) there is a reasonable probability of usefulness and success of the proposed branch bank;

(3) the applicant bank's financial history and condition is sound; and

(4) the proposed branch bank can be established without undue injury to properly conducted existing banks and national banking associations, the application shall be granted, otherwise, the application shall be denied;

(i) any final action of the board approving or disapproving an application shall be subject to review in accordance with the act for judicial review and civil enforcement of agency actions upon the petition of any adversely affected or aggrieved person who appeared and offered evidence at the hearing upon the application;

(j) any branch bank lawfully established and operating on the effective date of this act may continue to be operated by the bank then operating the branch bank and by any successor bank;

(k) branch banks which have been established and are being maintained by a bank at the time of its merger into or consolidation with another bank or at the time its assets are purchased and its liabilities are assumed by another bank may continue to be operated by the surviving, resulting or purchasing and assuming bank. The surviving, resulting or purchasing and assuming bank, with approval of the state bank commissioner, may establish and operate a branch bank or banks at the site or sites of the merged, constituent or liquidated bank or banks;

(l) any state bank or national banking association having its principal office and main banking house in this state may provide and engage in banking transactions by means of remote service units wherever located, which remote service units shall not be considered to be branch banks authorized herein. Any banking transaction effected by use of a remote service unit shall be deemed to be transacted at a bank and not at a remote service unit;

(m) as a condition to the operation and use of any remote service unit in this state, a state bank or national banking association, each hereinafter referred to as a bank, which desires to operate or enable its customers to utilize a remote service unit must agree that such remote service unit will be available for use by customers of any other bank or banks upon the request of such bank or banks to share its use and the agreement of such bank or banks to share all costs, including a reasonable return on capital expenditures incurred in connection with its development, installation and operation. The owner of the remote service unit, whether a bank or any other person, shall make the remote service unit available for use by other banks and their customers on a nondiscriminatory basis, conditioned upon payment of a reasonable proportion of all costs, including a reasonable return on capital expenditures incurred in connection with the development, installation and operation of the remote service unit. Notwithstanding the foregoing provisions of this subsection, a remote service unit located on the property owned or leased by the bank where the principal place of business of a bank, or an attached auxiliary teller facility or branch bank of a bank, is located need not be made available for use by any other bank or banks or customers of any other bank or banks;

(n) for purposes of this section, "remote service unit" means an electronic information processing device, including associated equipment, structures and systems, through or by means of which information relating to financial services rendered to the public is stored and transmitted, whether instantaneously or otherwise, to a bank and which, for activation and account access, is dependent upon the use of a machine-readable instrument in the possession and control of the holder of an account with a bank. The term shall include "online" computer terminals and "offline" automated cash dispensing machines and automated teller machines, but shall not include computer terminals or automated teller machines or automated cash dispensing machines using systems in which account numbers are not machine read and verified. Withdrawals by means of "offline" systems shall not exceed \$300 per transaction and shall be restricted to individual not corporate or commercial accounts.

New Sec. 13. As used in K.S.A. 12-1675, 12-1676 and 12-1677 and K.S.A. 1996 Supp. 12-1677a and 12-1677b, and amendments thereto:

(a) "Bank" means any bank incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;

(b) "savings and loan association" means any savings and loan association incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;

(c) "savings bank" means any savings bank organized under the laws of the United States and which has a main office in this state;

(d) "municipality" includes each investing governmental unit under K.S.A. 12-1675, and amendments thereto;

(e) "main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch;

(f) "branch" means any office, agency or other place of business within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device; and

(g) "investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the federal reserve system for the previous week.

Sec. 14. K.S.A. 1996 Supp. 12-1675 is hereby amended to read as follows: 12-1675. (a) The governing body of any county, city, township, school district, area vocational-technical school, community college, firemen's relief association, community mental health center, community facility for the mentally retarded or any other governmental entity, unit or subdivision in the state of Kansas having authority to receive, hold and expend public moneys or funds may invest any moneys which are not

immediately required for the purposes for which the moneys were collected or received, and the investment of which is not subject to or regulated by any other statute.

(b) Such moneys shall be invested only:

(1) In temporary notes or no-fund warrants issued by such investing governmental unit;

(2) in time deposit, open accounts or certificates of deposit with maturities of not more than two years: (A) In commercial banks which have offices located in such investing governmental unit; or (B) if the office of no commercial bank is located in such investing governmental unit, then in commercial banks or time certificates of deposit with maturities of not more than two years: (A) In banks, savings and loan associations and savings banks, which have main or branch offices located in such investing governmental unit; or (B) if no main or branch office of a bank, savings and loan association or savings bank is located in such investing governmental unit, then in banks, savings and loan associations and savings banks, which have main or branch offices in the county or counties in which all or part of such investing governmental unit is located;

(3) in time certificates of deposit with maturities of not more than two years: (A) With state or federally chartered savings and loan associations or federally chartered savings banks which have offices located in such investing governmental unit; or (B) if the office of no state or federally chartered savings and loan association or federally chartered savings bank is located in such governmental unit, then with state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or part of such investing governmental unit is located;

(4) (3) in repurchase agreements with: (A) Commercial banks, state or federally chartered savings and loan associations or federally chartered savings banks, savings and loan associations and savings banks, which have main or branch offices located in such investing governmental unit, for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof; or (B) (i) if the office of no commercial bank, state or federally chartered savings and loan association or federally chartered savings bank no main or branch office of a bank, savings and loan association or savings bank, is located in such investing governmental unit; or (ii) if no commercial such bank, state or federally chartered savings and loan association or federally chartered savings bank has an having a main or branch office located in such investing governmental unit is willing to enter into such an agreement with the investing governmental unit at an interest rate equal to or greater than the investment rate, as defined in subsection (4) of K.S.A. 75-4201, and amendments thereto (g) of section 13, then such repurchase agreements may be entered into with commercial banks, state or federally chartered savings and loan associations or federally chartered savings banks which have main or branch offices in the county or counties in which all or part of such investing governmental unit is located; or (C) if no bank, state or federally chartered savings and loan association or federally chartered savings bank which has its, having a main or branch office in such county or counties is willing to enter into such an agreement with the investing governmental unit at an interest rate equal to or greater than the investment rate, as defined in subsection (4) of K.S.A. 75-4201, and amendments thereto (g) of section 13, then such repurchase agreements may be entered into with commercial banks, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the state of Kansas;

(5) (4) in United States treasury bills or notes with maturities as the governing body shall determine, but not exceeding two years. Such investment transactions shall only be conducted with the following, which is doing business within the state of Kansas, any state or national bank, state or federally chartered savings and loan association, or federally chartered savings bank banks, savings and loan associations and savings banks; the federal reserve bank of Kansas City, Missouri; or with primary government securities dealers which report to the market report division of the federal reserve bank of New York, or any broker-dealer engaged in the business of selling government securities which is registered in compliance with the requirements of section 15 or 15C of the securities exchange act of 1934 and registered pursuant to K.S.A. 17-1254, and amendments thereto;

(6) (5) in the municipal investment pool fund established in K.S.A. 1996 Supp. 12-1677a, and amendments thereto;

(7) (6) in the investments authorized and in accordance with the conditions prescribed in K.S.A. 1996 Supp. 12-1677b, and amendments thereto; or

(8) (7) in multiple municipal client investment pools managed by the trust departments of commercial banks which have main or branch offices located in the county or counties where such investing governmental unit is located or with trust companies incorporated under the laws of this state which have contracted to provide trust services under the provisions of K.S.A. 9-2107, and amendments thereto, with commercial banks which have main or branch offices located in the county or counties in which such investing governmental unit is located. Public moneys invested under this paragraph shall be secured in the same manner as provided for under K.S.A. 9-1402, and amendments thereto. Pooled investments of public moneys made by trust departments under this paragraph shall be subject to the same terms, conditions and limitations as are applicable to the municipal investment pool established by K.S.A. 1996 Supp. 12-1677a, and amendments thereto.

(c) The investments authorized in paragraphs (4), (5), (6), or (7) or (8) of subsection (b) shall be utilized only if the appropriate eligible commercial banks, which have offices located in the investing governmental unit or in the county or counties in which all or a part of such investing governmental unit is located if no such bank has an office which is located within such governmental unit, or the appropriate eligible state or federally chartered savings and loan associations or federally chartered savings banks, which have offices located in the investing governmental unit or in the county or counties in which all or a part of such investing governmental unit is located if no such state or federally chartered savings and loan association or federally chartered savings bank has an office which is located within such governmental unit banks, savings and loan associations and savings banks eligible for investments authorized in paragraph (2) of subsection (b), cannot or will not make the investments authorized in paragraph (2) or (3) of subsection (b) available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (4) of K.S.A. 75-4201, and amendments thereto (g) of section 13.

(d) In selecting a depository pursuant to paragraph (2) or (3) of subsection (b), if a commercial bank, state or federally chartered savings and loan association or federally chartered savings bank eligible for an investment deposit thereunder has an office located in the investing governmental unit and such financial institution will make such deposits available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (4) of K.S.A. 75-4201, and amendments thereto (g) of section 13, and such financial institution otherwise qualifies for such deposit, the investing governmental unit shall select one or more of such eligible financial institutions for deposit of funds pursuant to this section. If no such financial institution qualifies for such deposits, the investing governmental unit shall select for such deposits one or more commercial eligible banks, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or a part of such investing governmental unit is located which will make such deposits available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (4) of K.S.A. 75-4201, and amendments thereto (g) of section 13, and which otherwise qualify for such deposits.

(e) (1) All security purchases and repurchase agreements shall occur on a delivery versus payment basis.

(2) All securities, including those acquired by repurchase agreements, shall be perfected in the name of the investing governmental unit and shall be delivered to the purchaser or a third-party custodian which may be the state treasurer.

Sec. 15. K.S.A. 12-1676 is hereby amended to read as follows: 12-1676. Except as otherwise provided in K.S.A. 12-1678a, and amendments thereto, the provisions of this act authorizing the investment of moneys shall not apply to moneys collected or received by a county for apportionment, credit or distribution to the state or any political subdivision thereof. Interest paid by commercial eligible banks, savings and loan associations and savings banks on time deposit, open accounts, time certificates of deposit and certificates of deposit of investing governmental units and by state or federally chartered savings and loan associations or federally chartered savings banks on time certificates of deposit of investing governmental units shall be at rates agreed upon by the governmental units and the eligible banks, state or federally chartered savings and loan associations or federally chartered savings banks.

Sec. 16. K.S.A. 1996 Supp. 12-1677a is hereby amended to read as
(continued)

follows: 12-1677a. (a) Moneys deposited by any municipality with the state treasurer for investment authorized in paragraph (6) (5) of subsection (b) of K.S.A. 12-1675, and amendments thereto, shall be deposited in the municipal investment pool fund which is hereby created in the state treasury. The state treasurer shall provide the board a monthly record of the deposits and withdrawals of municipalities. Such record may include the amount of the deposit, the date of the deposit and such other information as the pooled money investment board may require.

(b) The director of investments may invest and reinvest moneys in the municipal investment pool fund in accordance with investment policies established by the pooled money investment board under K.S.A. 75-4232, and amendments thereto, and in accordance with K.S.A. 1996 Supp. 75-4234 and K.S.A. 75-4209, and amendments thereto.

(c) The director of investments shall apportion earnings and losses among the accounts of the depositors in the various investment options of the municipal investment pool in accordance with policies approved and published by the board. A statement for each municipality participating unit account showing deposits, withdrawals, earnings and losses distributions shall be provided monthly to the municipality. The director of investments shall make comprehensive reports monthly to those municipalities participating in the municipal investment pool fund and to other interested parties requesting such reports. Such reports shall include a summary of transactions for the month, the current market value of the pooled money investment portfolio investments, the weighted average maturity of the portfolio, the original costs of the investments in the portfolio, including any fees associated with such investments and such other relevant information the director of investments may wish to include in such report.

(d) The municipal investment pool reserve fund is abolished effective July 1, 1996, and any unencumbered balance remaining therein shall be applied to net losses in the municipal investment pool fund. The municipal investment pool fund fee fund is abolished on July 1, 1997, and any unencumbered balance remaining therein shall be transferred to the pooled money investment portfolio fee fund and such amounts shall be applied to net losses, as of July 1, 1996, in the municipal investment pool fund.

(e) The pooled money investment board may adopt rules and regulations necessary for the administration and operation of the municipal investment pool fund and may enter into agreements with any municipality as to methods of deposits, withdrawals and investments.

(f) Deposits in the municipal investment pool fund: (1) May only be made for the same maturity as the maturity which is offered under paragraphs (2) and (3) paragraph (2) of subsection (b) of K.S.A. 12-1675 and amendments thereto; and (2) upon the maturity of such deposits, such moneys shall be offered for investment under paragraphs (2) or (3) paragraph (2) of subsection (b) of K.S.A. 12-1675, and amendments thereto, and may be reinvested in such fund only if the conditions contained in subsection (c) of K.S.A. 12-1675, and amendments thereto, have been satisfied.

(g) Moneys and investments in the municipal investment pool fund shall be managed by the pooled money investment board in accordance with investment policies provided for in K.S.A. 75-4209, and amendments thereto. A copy of such published policies shall be distributed to all municipalities participating in the municipal investment pool fund and to other interested persons requesting a copy of such policies. The pooled money investment board shall not contract for management of investments by a money manager.

(h) For the purpose of this section, "municipality" means those entities specified in subsection (a) of K.S.A. 12-1675, and amendments thereto, and K.S.A. 1996 Supp. 75-4263, and amendments thereto.

Sec. 17. K.S.A. 1996 Supp. 12-1677b is hereby amended to read as follows: 12-1677b. (a) The governing body of any city or county which has a written investment policy approved by the governing body of such city or county and approved by the pooled money investment board may invest and reinvest pursuant to the approved investment policy in the following investments, as authorized under paragraph (7) (6) of subsection (b) of K.S.A. 12-1675, and amendments thereto:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities;

(2) interest-bearing time deposits in any of the following, which is doing business within the state of Kansas; any state or national bank, state or federally chartered savings and loan association; or federally chartered savings bank banks, savings and loan associations and savings banks; or

(3) repurchase agreements with a Kansas bank, savings and loan association; a federally chartered savings bank banks, savings and loan associations and savings banks, 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 and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds.

(b) The investment policy of any city or county approved by the pooled money investment board under this section shall be reviewed and approved at least annually by such board or when such city or county makes changes in such investment policy.

(c) City and county investment policies shall address liquidity, diversification, safety of principal, yield, maturity and quality, and capability of investment management staff.

(d) (1) All security purchases shall occur on a delivery versus payment basis.

(2) All securities shall be perfected in the name of the city or county and shall be delivered to the purchaser or a third party custodian which may be the state treasurer.

(3) Investment transactions shall only be conducted with the following, which is doing business within the state of Kansas; any state or national bank, state or federally chartered savings and loan association; or federally chartered savings bank banks, savings and loan associations and savings banks; or with primary government securities dealers which report to the market report division of the federal reserve bank of New York; or any broker-dealer which is registered in compliance with the requirements of section 15C of the securities exchange act of 1934 and registered pursuant to K.S.A. 17-1254, and amendments thereto.

(4) The maximum maturity for investments under subsection (a) shall be four years.

(e) Investments in securities under paragraph (1) of subsection (a) shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

(f) A city or county which violates subsection (c) or (d) of K.S.A. 12-1675 and amendments thereto or the rules and regulations of the pooled money investment board shall forfeit its rights under this section for a two year period and shall be reinstated only after a complete review of its investment policy as provided for in subsection (b). Such forfeiture shall be determined by the pooled money investment board after notice and opportunity to be heard in accordance with the Kansas administrative procedure act.

Sec. 18. K.S.A. 1996 Supp. 12-1677d is hereby amended to read as follows: 12-1677d. (a) As used in this act:

(1) "Municipality" means any city, county or other political or taxing subdivision of the state.

(2) "Foundation" means any not for profit charitable or eleemosynary corporation established by a municipality which is exempt from taxation pursuant to section 501(c)(3) of the internal revenue code and which has been in existence at least 15 years. Any such foundation is hereby deemed to be a public body.

(b) The board of directors of any foundation shall invest the funds held by such foundation which are not required immediately for the purposes of the foundation in the manner provided by this section:

(1) Any funds in an amount equal to 110% of the average annual expenses of the foundation for the next preceding five years may be invested in the manner provided by K.S.A. 12-1675, and amendments thereto. If funds in the amount required by this paragraph are available from the municipality which established the foundation, the foundation may invest all of its funds in the manner provided in paragraph (2).

(2) Any funds exceeding the amount described in paragraph (1) may be invested in such investments that may be lawful for fiduciaries in this state and also may be invested in such investments as would be lawful for a private corporation or other foundation having purposes similar to the foundation. No moneys derived pursuant to any tax may be invested under this paragraph.

(c) Nothing in this act shall effect the status of the foundation as a municipal entity.

(d) *The provisions of this section shall apply to foundations whether created before or after the effective date of this act. Any investment of funds by a foundation prior to July 1, 1997, which would have complied with the provisions of this section, as amended by this act, are hereby validated.*

Sec. 19. K.S.A. 17-5002 is hereby amended to read as follows: 17-5002. (a) Administrators, executors, conservators, trustees, insurance companies and other financial institutions, charitable, educational, eleemosynary corporations and organizations are authorized, in addition to investments now authorized by law, to invest funds which they are authorized by law to invest, in shares or savings deposits of federally insured savings and loan associations or federally chartered savings banks with *home main or branch offices, as defined in section 13, in the state of Kansas and in credit unions which are, in whole or in part, insured with an insurer or guarantee corporation as required under K.S.A. 17-2246, and amendments thereto, and such investment shall be deemed and held to be legal investments for such funds.*

(b) The governing body of any municipal corporation or quasi-municipal corporation, county, township, school district, area vocational-technical school, community college, firemen's relief association, community mental-health center, community facility for the mentally retarded or any other governmental entity, unit or division in the state of Kansas having authority to receive, hold and expend public moneys or funds may invest the same in *state or federally chartered savings and loan associations or federally chartered savings banks with home offices in the state of Kansas subject to and as provided by K.S.A. 9-1401, 9-1402, 9-1405, 9-1407, 12-1675 and 12-1676 and amendments to such sections thereto.*

Sec. 20. K.S.A. 68-2060 is hereby amended to read as follows: 68-2060. All moneys received pursuant to the authority of this act, whether as proceeds from the sale of bonds or as revenues or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this act. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and the resolution authorizing the bonds or the trust agreement securing such bonds may provide. Trust funds received pursuant to this act may be invested as determined by the authority with banks authorized to do business in Kansas at rates of interest not less than the investment rate, as defined in subsection (1) of K.S.A. 75-4201, and *amendments thereto (g) of section 13 or in direct obligations of the United States or in obligations that are fully guaranteed as to principal and interest by the United States.*

Sec. 21. K.S.A. 1996 Supp. 75-4201 is hereby amended to read as follows: 75-4201. As used in this act, unless the context otherwise requires:

- (a) "Treasurer" means state treasurer.
- (b) "Controller" means director of accounts and reports.
- (c) "Board" means the pooled money investment board.
- (d) "Bank" means a state bank incorporated under the laws of Kansas or a national bank having such bank's home office within the state of Kansas of this state, or organized under the laws of the United States or another state and which has a main or branch office in this state.
- (e) "State moneys" means all moneys in the treasury of the state or coming lawfully into the possession of the treasurer.
- (f) "State bank account" means state moneys or fee agency account moneys deposited in accordance with the provisions of this act.
- (g) "Operating account" means a state bank account which is payable or withdrawable, in whole or in part, on demand.
- (h) "Investment account" means a state bank account which is not payable on demand.
- (i) "Market rate" means the average of the average equivalent yields, with equivalent maturities, of: (1) United States government securities; and (2) debt obligations of the following United States government agencies, federal home loan banks, federal national mortgage association and federal farm credit bank.
- (j) "Investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the federal reserve system for the previous week.

(k) (i) "Fee agency account" means a state bank account of any state agency consisting of fees, tuition or charges authorized by law prior to remittance to the state treasurer.

(j) "Disbursement" means a payment of any kind whatsoever made from the state treasury or from any operating account, except transfer of moneys between or among operating accounts and investment accounts or either or both of them.

(k) "Securities" means, for the purposes of this section and K.S.A. 75-4218, and amendments thereto, *securities, security entitlements, financial assets and securities account consisting of any one or more of the following, and security entitlements thereto, which may be accepted or rejected by the pooled money investment board:*

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations, letters of credit and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds.

(2) Kansas municipal bonds which are general obligations of the municipality issuing the same.

(3) Revenue bonds of any agency or arm of the state of Kansas.

(4) Revenue bonds of any municipality, as defined by K.S.A. 10-101, and amendments thereto, within the state of Kansas or bonds issued by a public building commission as authorized by K.S.A. 12-1761, and amendments thereto, if approved by the state bank commissioner, except (A) bonds issued under the provisions of K.S.A. 12-1740 et seq., and amendments thereto, unless such bonds are rated at least MIG-1 or AA by Moody's Investors Service or AA by Standard & Poor's Corp. and (B) bonds secured by revenues of a utility which has been in operation for less than three years. Any expense incurred in connection with granting approval of revenue bonds shall be paid by the applicant for approval.

(5) Temporary notes of any municipal corporation or quasi-municipal corporation within the state of Kansas which are general obligations of the municipal corporation or quasi-municipal corporation issuing the same.

(6) Warrants of any municipal corporation or quasi-municipal corporation within the state of Kansas the issuance of which is authorized by the state board of tax appeals and which are payable from the proceeds of a mandatory tax levy.

(7) Bonds of any municipal or quasi-municipal corporation of the state of Kansas which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America. A copy of such escrow agreement shall be furnished to the treasurer.

(8) Securities listed in paragraph ~~(13)~~ (14) of subsection (d) of K.S.A. 9-1402 and amendments thereto within limitations of K.S.A. 9-1402 and amendments thereto.

(9) A corporate surety bond guaranteeing deposits in a bank, savings or savings and loan association in excess of federal deposit insurance corporation insurance, underwritten by an insurance company authorized to do business in the state of Kansas.

(10) Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

(11) All of such securities shall be current as to interest according to the terms thereof.

(12) Whenever a bond is authorized to be pledged as a security under this section, such bond shall be accepted as a security if: (i) in the case of a certificated bond, it is assigned, delivered or pledged to the holder of the deposit for security; (ii) in the case of an uncertificated bond, registration of a pledge of the bond is authorized by the system and the pledge of the uncertificated bond is registered; or (iii) in a form approved by the attorney general, which assures the availability of the bond proceeds pledged as a security for public deposits.

(n) (l) "Savings bank" means a federally chartered savings bank organized under the laws of the United States or another state insured by the federal deposit insurance corporation or its successor and doing business within the state of Kansas having a main or branch office in the county in which a state agency making collection of any fees, tuition, or charges is located.

(m) "Savings and loan association" means a state or federally char-

(continued)

tered savings and loan association incorporated under the laws of this state or organized under the laws of the United States or another state, insured by the federal deposit insurance corporation or its successor and doing business within the state of Kansas having a main or branch office in the county in which a state agency making collection of any fees, tuition or charges is located.

(p) (n) "Custodial bank" means a bank designated to keep safely holding on deposit collateral pledged as which is security for state bank accounts.

(q) (o) "Centralized securities depository" means a clearing agency registered with the securities and exchange commission which provides safekeeping and book-entry settlement services to its participants.

(r) (p) "Depository bank" means a bank, savings bank or savings and loan association authorized and eligible to receive state moneys.

(q) "main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch;

(r) "branch" means any office, agency or other place of business within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device;

(s) "securities," "security entitlements," "financial assets," "securities account," "security agreement," "security interest," "perfection" and "control" shall have the meanings given such terms under the Kansas uniform commercial code.

Sec. 22. K.S.A. 1996 Supp. 75-4208 is hereby amended to read as follows: 75-4208. The board shall follow the procedure prescribed in rules and regulations adopted under the provisions of K.S.A. 1996 Supp. 75-4232, in designating banks to receive deposit of state moneys in operating accounts and investment accounts. The board shall determine which banks shall receive state operating and investment accounts and shall designate the types of accounts to be awarded each such bank and the initial amount of each award. Such initial awards which are operating accounts shall be made as provided in K.S.A. 75-4205, and amendments thereto. Such initial awards which are investment accounts shall be apportioned awarded as is provided in K.S.A. 75-4209, and amendments thereto. Upon making the awards provided for above, the board shall notify each bank of its award, and that the same is subject to approval of securities to be pledged as prescribed in this act.

Sec. 23. K.S.A. 1996 Supp. 75-4209 is hereby amended to read as follows: 75-4209. (a) After the director of investments determines the liquidity needs for the state, and determines the varying maturities of the investment accounts to be offered and the amount of state moneys to be invested in each of the maturities offered, in accordance with rules and regulations adopted pursuant to K.S.A. 1996 Supp. 75-4232, and amendments thereto, the director of investments shall make available state moneys eligible for investment accounts in the following manner:

(1) (A) The director of investments shall offer to qualified banks, on a competitive bid basis, state moneys for deposit in investment accounts at maturities of not more than four years and such bids shall be at a rate of at least the market rate, as defined in subsection (k) of K.S.A. 75-4201, and amendments thereto.

(B) As part of the offering under subparagraph (A) the director of investments shall offer to qualified banks, on a twelve-month average, 50% of the amount of state moneys available for investment or \$350,000,000, whichever amount is greater, at maturities of not more than four years and at the investment rate as defined in subsection (1) of K.S.A. 75-4201, and amendments thereto. Such accounts shall be apportioned by the director of investments among the banks which propose to receive such accounts and which qualify therefor on the basis of the ratio of each bank's combined capital, undivided profits and surplus to the total capital, undivided profits and surplus of all such banks.

(C) Qualified banks shall be determined in accordance with requirements established by rules and regulations adopted pursuant to K.S.A. 1996 Supp. 75-4232, and amendments thereto.

(2) The director of investments may invest and reinvest state moneys eligible for investment which are not invested in accordance with paragraph (1) section 1, in the following investments:

(A) (1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of the United States sponsored enterprises which under federal law may be accepted as security for pub-

lic funds, on and after the effective date of this act moneys available for investment under this subsection shall not be invested in mortgage-backed securities of such enterprises and of the government national mortgage association, except that any such mortgage-backed securities held prior to the effective date of this act may be held to maturity;

(B) (2) repurchase agreements with a Kansas bank or 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 and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds;

(C) investments in SKILL act projects and bonds pursuant to K.S.A. 1996 Supp. 74-8920, and amendments thereto, and investments in any state agency bonds or bond project;

(D) until July 1, 1996, in the municipal investment pool fund, created under K.S.A. 1996 Supp. 12-1677a, and amendments thereto, in accordance with the policies adopted by the board on January 30, 1995. Any investment of such state moneys in such fund prior to the effective date of this act are hereby authorized, confirmed and validated. On July 1, 1996, all state moneys invested in the municipal investment pool fund under this paragraph shall be removed from such fund; or

(E) (3) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

(b) At any time moneys are available for deposits or investments for a period of time which is insufficient to permit deposit in investment accounts or to provide for the liquidity needs for the state, the director of investments may invest such moneys in repurchase agreements as authorized in subparagraph (B) of paragraph (2) of subsection (a) When moneys are available for deposit or investments, the director of investments may invest in SKILL act projects and bonds pursuant to K.S.A. 1996 Supp. 74-8920, and amendments thereto, and in state agency bonds and bond projects.

(c) When moneys are available for deposits or investments, the director of investments may invest in preferred stock of Kansas venture capital, inc., under terms and conditions prescribed by K.S.A. 74-8203, and amendments thereto, but such investments shall not in the aggregate exceed a total amount of \$10,000,000.

(d) When moneys are available for deposits or investments, the director of investments may invest in loans pursuant to legislative mandates, except that not more than the lesser of 10% or \$80,000,000 of the state moneys shall be invested.

(e) Interest on investment accounts in banks is to be paid at maturity, but not less than annually.

(f) Investments made by the director of investments under the provisions of this section shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

(g) Investments under subsection (a) or (b) of this section or under section 1 shall be for a period not to exceed four years.

(h) Investments in securities under subparagraph (A) of paragraph (2) paragraph (1) of subsection (a) shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

(i) On and after July 1, 1996, The director of investments shall not invest state moneys eligible for investment under paragraph (2) of subsection (a), in the municipal investment pool fund, created under K.S.A. 1996 Supp. 12-1677a, and amendments thereto.

(j) The director of investments shall not invest moneys in the pooled money investment portfolio in derivatives. As used in this subsection, "derivatives" means a financial contract whose value depends on the value of an underlying asset or index of asset values.

(k) Moneys and investments in the pooled money investment portfolio shall be invested and reinvested by the director of investments in accordance with investment policies developed, approved, published and updated on an annual basis by the board. Such investment policies shall include at a minimum guidelines which identify credit standards, eligible instruments, allowable maturity ranges, methods for valuing the portfolio,

calculating earnings and yields and limits on portfolio concentration for each type of investment. Any changes in such investment policies shall be approved by the pooled money investment board. Such investment policies may specify the contents of reports, methods of crediting funds and accounts and other operating procedures.

(l) The board shall adopt rules and regulations to establish an overall percentage limitation on the investment of moneys in investments authorized under subparagraph (E) of paragraph (2) paragraph (3), of subsection (a), and within such authorized investment, the board shall establish a percentage limitation on the investment in any single business entity.

Sec. 24. K.S.A. 1996 Supp. 75-4210 is hereby amended to read as follows: 75-4210. The director of investments shall calculate the investment rate, as defined in subsection (4) of K.S.A. 75-4201 and amendments thereto (g) of section 13, on Monday of each week and publish such rate that week in the Kansas register. The director of investments shall also calculate the market rate as defined in subsection (4) of K.S.A. 75-4201 and amendments thereto on the day before the offering of moneys to Kansas banks.

Sec. 25. K.S.A. 1996 Supp. 75-4212a is hereby amended to read as follows: 75-4212a. Whenever the balance in operating accounts is insufficient to meet the state's obligations or withdrawals from the municipal investment pool fund, and there are state moneys in authorized investments, the director of investments, with approval of the board, may:

(a) Borrow upon the security of any one or more investment accounts an amount sufficient to meet the state's or the municipal investment pool fund's obligations. Any such loan shall be repaid in full within 60 days or prior to July 1, whichever occurs first. Interest payment by the state for any loan under this section shall be made only by way of setoff from interest obligations to the state from the bank making such loan. The amount borrowed under this section from any bank, shall never exceed an amount equal to the amount of state moneys on deposit in such bank, or

(b) enter into reverse repurchase agreements utilizing securities purchased by the board pursuant to subsection (a)(2)(A) of K.S.A. 75-4209, and amendments thereto. Such reverse repurchase agreements may be entered into with Kansas banks or primary government securities dealers which report to the market reports division of the federal reserve bank of New York. Expenses of reverse repurchase agreements shall be paid by deducting such expenses against other interest income to the state.

Sec. 26. K.S.A. 1996 Supp. 75-4217 is hereby amended to read as follows: 75-4217. Awards of all state bank accounts, aggregating more than \$100,000, shall be made pursuant to a written security agreement between the depository bank and the board, granting the state of Kansas a security interest in securities pledged to secure payment of deposits in state bank accounts. This agreement shall be approved by the board of directors of the depository bank, as and reflected in the minutes of the board of directors. From the time of execution, the security agreement shall remain continuously an official record of the depository bank. Separate security agreements shall be entered into for each class of account in each depository bank.

Sec. 27. K.S.A. 1996 Supp. 75-4218 is hereby amended to read as follows: 75-4218. (a) All state bank accounts shall be secured by pledge of securities as provided in this section.

(b) The bank, savings bank or savings and loan association receiving or having a state bank account shall deposit or cause its affiliate bank to deposit securities acceptable to the board and owned by it or by its affiliate bank, in one of the following ways:

(1) Deposit with the treasurer.

(2) Deposit with a custodial bank having adequate modern facilities for the safekeeping of securities which shall have had the prior approval of the board. Any such custodial bank receiving securities for safekeeping shall be liable to the state for any loss suffered by the state in the event such custodial bank relinquishes the custody of any such securities contrary to the provisions of this act or rules and regulations adopted thereunder. This section shall not prohibit any custodial bank receiving securities for safekeeping from issuing a joint custody receipt and placing those securities in such bank's account with any bank chartered in Kansas or any other state, any trust company chartered in Kansas or any other state, any national bank, or any centralized securities depository wherever located within the United States. No bonds or securities pledged to secure public deposits shall be left for safekeeping in any bank, trust company,

or national bank which is owned directly or indirectly by any parent corporation of the depository bank, or with any bank, trust company, or national bank, having common controlling shareholders, having a common majority of the board of directors or having common directors with the ability to control or influence directly or indirectly the acts or policies of the bank, state or federally chartered savings and loan association or federally chartered savings bank securing such public deposits.

(3) Deposit with the federal reserve bank of Kansas City, Missouri.

(4) Deposit with the federal home loan bank of Topeka, Kansas.

(5) Any combination of (1), (2), (3) and (4).

(c) The depository bank shall obtain a written agreement from its affiliate bank that the affiliate bank grants a security interest to the state of Kansas in securities owned by the affiliate bank which are pledged on behalf of the depository bank to secure payment of deposits made with the depository bank pursuant to this section. Such agreement shall be approved by the board of directors of the affiliate bank and reflected in its minutes. From the time of execution of such agreement, the agreement shall remain continuously an official record of the affiliate bank. Any such deposit of securities, except with the treasurer, shall have a joint custody receipt which shall constitute a perfected security interest taken therefor with one copy going to the treasurer and one copy going to the bank, savings bank or savings and loan association which deposits such securities. In lieu of the initial deposit of securities provided for in this subsection (c), the treasurer or the treasurer's duly authorized deputy, for a period of not to exceed 10 calendar days, may accept the telephone assurance of a bank qualified as provided in (2) or (3) of subsection (b), that the depository bank has requested the issuance of a joint custody receipt with the state of Kansas, specifying the securities pledged, for the purpose of compliance with this section and that such joint custody receipt will be forthcoming.

(d) The depository bank, the board and the custodial bank shall enter into a written agreement for the safekeeping of securities and the agreement shall be maintained in the records of the depository bank.

(e) Securities deposited to comply with this section may be withdrawn on application of the bank, savings bank or savings and loan association depositing the securities, if such application is approved by the treasurer or the treasurer's duly authorized deputy for the reason that such deposit of securities is no longer needed to comply with this section or are required for collection by virtue of their maturity or for exchange. Securities withdrawn for collection by virtue of their maturity or for exchange shall be replaced within 15 calendar days, but until replaced the state shall retain a first lien on the withdrawn security or the proceeds therefrom.

(f) Operating accounts, investment accounts and fee agency accounts shall be secured by pledge of securities, the market value of which is equal to 100% of the amount of the deposits in the account plus accrued interest, less the amount of deposits in the account protected by the federal deposit insurance corporation. Any agency responsible for a fee agency account shall transfer immediately all moneys not so secured to the state treasurer for deposit in the state treasury deposit, maintain, pledge, assign, and grant a security interest in, or cause its agent, trustee, wholly-owned subsidiary, or affiliate having identical ownership to deposit, maintain, pledge, assign, and grant a security interest in, for the benefit of the state of Kansas, in the manner provided in this act, securities owned by the depository bank directly or indirectly through its agent or trustee holding securities on its behalf, or owned by the depository bank's wholly-owned subsidiary or by such affiliate, the market value of which is equal to 100% of the amount of the account plus accrued interest, less that portion of the amount of the account plus accrued interest which is insured by the federal deposit insurance corporation or its successor.

(b) All securities securing state bank accounts shall be deposited in a securities account with a bank having the prior approval of the board, the federal home loan bank of Topeka or with the state treasurer pursuant to a written custodial agreement, and a receipt taken therefor with one copy going to the treasurer and one copy going to the bank, savings bank or savings and loan association which has secured such state bank account. The receipt shall identify the securities which are subject to a security interest to secure payment of the state bank account. This section shall not prohibit any custodial bank receiving securities on deposit from issuing a receipt and depositing securities identified in the receipt in such bank's account with any bank chartered in Kansas or any other state, any trust company chartered in Kansas or any other state, any national bank,

(continued)

(Published in the Kansas Register May 29, 1997.)

SENATE Substitute for HOUSE BILL No. 2576

AN ACT making and concerning appropriations for the fiscal years ending June 30, 1997, June 30, 1998, and June 30, 1999; authorizing certain transfers and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts, disbursements, capital improvements and acts incidental to the foregoing; amending section 106 of 1997 Senate Substitute for House Bill No. 2160 and repealing the existing section; also repealing sections 87, 88, 89, 90 and 91 of 1997 Senate Substitute for House Bill No. 2160.

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

Section 1. (a) For the fiscal years ending June 30, 1997, June 30, 1998, and June 30, 1999, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, fees, receipts, disbursements, and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

(b) The agencies named in this act are hereby authorized to initiate and complete the capital improvement projects specified and authorized by this act or for which appropriations are made by this act, subject to the restrictions and limitations imposed by this act.

(c) This act shall be known and may be cited as the omnibus appropriation act of 1997 and shall constitute the omnibus reconciliation spending limit bill for the 1997 regular session of the legislature for purposes of subsection (a) of K.S.A. 1996 Supp. 75-6702 and amendments thereto.

(d) The appropriations made by this act shall not be subject to the provisions of K.S.A. 46-155 and amendments thereto.

Sec. 2.

DEPARTMENT OF REVENUE

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1997.....	\$100,000
For the fiscal year ending June 30, 1998.....	\$25,924
Corporate tax consultant	
For the fiscal year ending June 30, 1997.....	\$250,000

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1997, in the corporate tax consultant account of the state general fund is hereby reappropriated for fiscal year 1998.

(b) On the effective date of this act, the expenditure limitation established by section 18(c) of 1997 Senate Substitute for House Bill No. 2272 on the division of vehicles operating fund is hereby increased from \$28,367,837 to \$28,867,837.

(c) On July 1, 1997, the expenditure limitation established by section 48(b) of 1997 Senate Substitute for House Bill No. 2160 on the division of vehicles operating fund is hereby increased from \$28,850,255 to \$28,864,978.

(d) On July 1, 1997, the expenditure limitation established by section 48(b) of 1997 Senate Substitute for House Bill No. 2160 on the salaries and wages account of the division of vehicles operating fund is hereby decreased from \$16,830,473 to \$16,780,470.

(e) On July 1, 1997, the position limitation established by section 54(a) of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 1,190.5 to 1,186.5.

(f) On July 1, 1997, the director of accounts and reports shall transfer \$72,329 from the state highway fund of the department of transportation to the division of vehicles operating fund of the department of revenue for the purposes of financing the cost of operation and general expense of the division of vehicles and related operations of the department of revenue.

Sec. 3.

KANSAS DEPARTMENT OF AGRICULTURE

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

Warehouse fee fund	
For the fiscal year ending June 30, 1998.....	\$410,105
Grain inspection fee fund	
For the fiscal year ending June 30, 1998.....	No limit

(b) On July 1, 1997, the position limitation established by section 104

or any centralized securities depository wherever located within the United States. No securities securing state bank accounts shall be deposited in any bank, trust company or national bank which is owned directly or indirectly by any parent corporation of the depository bank, or with any bank, trust company, or national bank having common controlling shareholders, having a common majority of the board of directors or having common directors with the ability to control or influence directly or indirectly the acts or policies of the bank, savings and loan association or savings bank securing such state bank account. Any custodial bank which releases securities securing a state bank account without being authorized to do so under the custodial agreement shall be liable to the state for any loss to the state resulting therefrom.

(c) Securities securing state bank accounts may be deposited with the federal reserve bank of Kansas City to be there held in such manner, under regulations and operating letters of the federal reserve bank, as to secure payment of the state bank account in the depository bank.

(d) The depository bank, and any agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest shall enter into a written agreement with the state of Kansas granting the state of Kansas a security interest in the securities to secure payment of the state bank account. Such security interest shall be perfected by the depository bank and any agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest causing control of the securities under the Kansas uniform commercial code to be given to the state of Kansas. The security agreement and the custodial agreement shall be in writing, executed by all parties thereto, maintained as part of their official records, and, except for the state of Kansas, approved by their boards of directors or their loan committees, which approvals shall be reflected in the minutes of the boards or committees.

Sec. 28. K.S.A. 1996 Supp. 75-4220 is hereby amended to read as follows: 75-4220. (a) Each depository or its affiliate bank pledging securities for such depository bank and its agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest pursuant to K.S.A. 75-4218, and amendments thereto, shall be liable for payment if: (A) (a) The depository bank fails to: (A) (1) Pay any check, draft or warrant drawn by the treasurer and director of accounts and reports; or (B) (2) account for any check, draft, warrant, order, or certificate of deposit, or any money entrusted to such bank by the treasurer; or (B) (b) a conservator or receiver is appointed for the depository bank.

Any loss incurred by the state by reason of failure by any depository bank to safely keep and account for moneys and interest thereon shall be recovered by the state from the depository bank and a sale of the securities pledged securing payment of such moneys under this act. The attorney general is authorized to prosecute in the name of the state any and all actions for recovery of any loss incurred by the state under this act.

In case of default by any depository bank having a state bank account of any type, the securities pledged securing payment of such account under this act, if not in the possession of the treasurer, shall be transferred to the treasurer by the custodial bank to be sold by the treasurer and payment of the proceeds of such sale shall be made to the state to the extent of the state's interest, subject to the provisions of K.S.A. 75-4221, and amendments thereto.

Sec. 29. K.S.A. 1996 Supp. 75-4263 is hereby amended to read as follows: 75-4263. (a) Except as provided in subsection (b), moneys of a state agency or public instrumentality of this state which may be invested by the director of investments in accordance with investment policies established by the pooled money investment board under K.S.A. 75-4232, and amendments thereto, expressly for such agency or instrumentality, or invested directly by the agency or instrumentality, may be invested in the municipal investment pool fund established in K.S.A. 1996 Supp. 12-1677a and amendments thereto. Such agency or instrumentality shall be treated as a municipality for purposes of participation in such fund.

(b) On and after July 1, 1996, state moneys eligible for investment under paragraph (a) of subsection (a) of K.S.A. 75-4209, and amendments thereto, shall not be invested in the municipal investment pool fund.

Sec. 30. K.S.A. 9-1401, 9-1403, 9-1406, 9-1407, 12-1676, 17-5002 and 68-2060 and K.S.A. 1996 Supp. 9-1101, 9-1104, 9-1111, 9-1402, 9-1405, 12-1675, 12-1677a, 12-1677b, 12-1677d, 75-4201, 75-4208, 75-4209, 75-4210, 75-4212a, 75-4217, 75-4218, 75-4220 and 75-4263 are hereby repealed.

Sec. 31. This act shall take effect and be in force from and after its publication in the Kansas register.

of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 305.8 to 316.8.

Sec. 4.

KANSAS STATE GRAIN INSPECTION DEPARTMENT

(a) On July 1, 1997, the \$34,589 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 98(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures account, is hereby lapsed.

(b) On July 1, 1997, the expenditure limitation established by section 98(b) of 1997 Senate Substitute for House Bill No. 2160 on the grain inspection fee fund is hereby decreased from \$4,979,101 to \$829,850.

Sec. 5.

KANSAS ANIMAL HEALTH DEPARTMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures

For the fiscal year ending June 30, 1998..... \$26,675

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

Pseudorabies indemnification fund

For the fiscal year ending June 30, 1998..... \$50,000

(c) On July 1, 1997, the director of accounts and reports shall transfer \$50,000 from the state general fund to the pseudorabies indemnification fund of the Kansas animal health department.

Sec. 6.

KANSAS WATER OFFICE

(a) On July 1, 1997, the expenditure limitation established by section 102(b) of 1997 Senate Substitute for House Bill No. 2160 on the state water plan fund is hereby increased from \$2,449,212 to \$2,499,212.

(b) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state water plan fund for the fiscal year ending June 30, 1998, as authorized by section 102(b) of 1997 Senate Substitute for House Bill No. 2160, or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the moneys appropriated from the state water plan fund for fiscal year 1998 for preparation of a report on the results of the study by the Kansas water office conducted in fiscal year 1998 of the overall direction of programs and activities funded from the state water plan fund: *Provided*, That expenditures shall be made for the purpose of hiring a consultant to work with the Kansas water office to conduct the study: *Provided further*, That such report shall be submitted by the director of the Kansas water office on or before January 23, 1998, to the chairperson of the house committee on appropriations, the chairperson of the senate committee on ways and means, the chairperson of the house committee on environment and the chairperson of the senate committee on energy and natural resources.

Sec. 7.

DEPARTMENT OF HUMAN RESOURCES

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures

For the fiscal year ending June 30, 1998..... \$171,292

(b) On the effective date of this act, the expenditure limitation established by section 23(b) of 1997 Senate Substitute for House Bill No. 2272 on the expenditures for the one stop career center system from the one stop career center system fund is hereby increased from \$70,000 to \$250,000: *Provided*, That the above agency shall collaborate with the state library to develop a plan to place one stop career center systems in libraries throughout the state and that the department of human resources and the state library shall jointly select libraries for placement of one stop career center systems with priority given to those libraries which do not offer computer internet access for patrons: *Provided further*, That the plan shall be reviewed by the joint committee on computers and telecommunications.

(c) On the effective date of this act, the amount of \$430,000 authorized by section 23(c) of 1997 Senate Substitute for House Bill No. 2272 to be transferred by the director of accounts and reports from the one stop career center system fund of the department of human resources to the Kansas economic development endowment account of the state economic development initiatives fund is hereby decreased to \$250,000.

(d) On July 15, 1997, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$50,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the one stop career center system fund of the department of human resources.

(e) On July 1, 1997, the expenditure limitation established by section 56(b) of 1997 Senate Substitute for House Bill No. 2160 on the one stop career center system fund is hereby decreased from No limit to \$50,000: *Provided*, That the above agency shall collaborate with the state library to develop a plan to place one stop career center systems in libraries throughout the state: *Provided further*, That such plan shall be reviewed by the joint committee on computers and telecommunications.

(f) In addition to the other purposes for which expenditures may be made by the above agency from the special employment security fund for fiscal year 1997, as authorized by section 89(b) of chapter 191 of the 1996 Session Laws of Kansas, expenditures may be made by the above agency from the special employment security fund for fiscal year 1997 for mainframe computer merger-related costs: *Provided*, That expenditures from the special employment security fund for fiscal year 1997 for mainframe computer merger-related costs shall not exceed \$140,000: *Provided further*, That all expenditures from the special employment security fund for fiscal year 1997 for mainframe computer merger-related costs shall be in addition to any expenditure limitation imposed on the special employment security fund for fiscal year 1997.

(g) In addition to the other purposes for which expenditures may be made by the above agency from the special employment security fund for fiscal year 1998, as authorized by section 56(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the special employment security fund for fiscal year 1998 for mainframe computer merger-related costs: *Provided*, That expenditures from the special employment security fund for fiscal year 1998 for mainframe computer merger-related costs shall not exceed \$260,000: *Provided further*, That all expenditures from the special employment security fund for fiscal year 1998 for mainframe computer merger-related costs shall be in addition to any expenditure limitation imposed on the special employment security fund for fiscal year 1998: *And provided further*, That the above agency shall report to the joint committee on computers and telecommunications, on or before October 15, 1997, the status of the mainframe computer merger with the division of information systems and telecommunications of the department of administration and the results of an agency-wide strategic plan for information technology for the department of human resources.

(h) On July 1, 1997, the position limitation established by section 60 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 1,017.5 to 1,015.5.

(i) On July 1, 1997, the expenditure limitation established by section 56(b) of 1997 Senate Substitute for House Bill No. 2160 on the workmen's compensation fee fund is hereby increased from \$7,430,014 to \$7,445,014.

(j) In addition to the other purposes for which expenditures may be made by the above agency from the state workplace health and safety fund for the fiscal year ending June 30, 1998, as authorized by section 56(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the state workplace health and safety fund for fiscal year 1998 for a state workplace health and safety program in accordance with the contract entered into by the secretary of administration and the secretary of human resources for the secretary of human resources to implement and administer the state workplace health and safety program for state employees in accordance with K.S.A. 44-575 and amendments thereto: *Provided*, That the state workplace health and safety program implemented and administered by the secretary of human resources in accordance with and pursuant to such contract with the secretary of administration shall constitute and shall be deemed to be the state workplace health and safety program for state employees implemented and administered in accordance with K.S.A. 44-575 and amendments thereto for all purposes under law.

Sec. 8.

DEPARTMENT ON AGING

(a) In addition to the other purposes for which expenditures may be made by the above agency from the older Americans act—federal fund for the fiscal year ending June 30, 1998, as authorized by section 59(b)

(continued)

of 1997 Senate Substitute for House Bill No. 2160 or this or other appropriation act of the 1997 regular session of the legislature, and notwithstanding any provisions in K.S.A. 1996 Supp. 75-5917 and amendments thereto and related statutes, expenditures may be made by the above agency from the older Americans act—federal fund for fiscal year 1998 pursuant to or for the purposes of any agreement or contract, subject to appropriations therefor, entered into by the secretary of aging with the department of administration or a private not-for-profit organization to administer the office of the state long-term care ombudsman and to carry out the state long-term care ombudsman program: *Provided*, That no such agreement or contract shall be entered into by the secretary of aging with a private not-for-profit organization to administer the office of the state long-term care ombudsman program and no expenditures shall be made from the older Americans act—federal fund pursuant to such agreement or contract except upon approval by 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.

(b) On July 1, 1997, of the \$115,409,383 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 59(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the long term care account, the sum of \$2,569,623 is hereby lapsed.

(c) The secretary of aging and the secretary of social and rehabilitation services are hereby directed to collaborate in the review and, if deemed necessary, the promulgation of appropriate administrative rules and regulations to facilitate the proper administration of home and community based medicaid service programs.

(d) In addition to the other purposes for which expenditures may be made by the above agency from the conferences and workshops attendance and publications fees fund for the fiscal year ending June 30, 1998, as authorized by section 59(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the conferences and workshops attendance and publications fees fund for fiscal year 1998 for costs of creating, publishing, copying, packaging, mailing and delivering publications.

Sec. 9.

STATE LIBRARY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1998.....	\$182,592

(b) On July 1, 1997, the position limitation established by section 70 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 26.0 to 27.0.

Sec. 10.

KANSAS COMMISSION ON VETERANS AFFAIRS

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

Persian Gulf War veterans health initiative fund	
For the fiscal year ending June 30, 1998.....	\$100,000

Provided, That the legislature intends that no state general fund resources are to be approved for the Persian Gulf War veterans health initiative board in future years.

(b) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures—veterans affairs	
For the fiscal year ending June 30, 1998.....	\$25,850

Provided, That the above agency shall report to the legislature during the 1998 regular session regarding the performance of the new veterans benefit software.

Operating expenditures—Winfield veterans' home	
For the fiscal year ending June 30, 1998.....	\$55,000

(c) On July 1, 1997, the position limitation established by section 60 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 188.8 to 190.8.

Sec. 11.

BEHAVIORAL SCIENCES REGULATORY BOARD

(a) Notwithstanding the provisions of any other statute, subsections (a)(2)(C) and (a)(8) of K.A.R. 102-2-7 or any other rules and regulations to the contrary, on and after the effective date of this act, no expenditures shall be made from the behavioral sciences regulatory board fee fund for the fiscal year ending June 30, 1997, for any operating expenditures or

other expenses for any disciplinary action or other disciplinary activity by the behavioral sciences regulatory board or by any officer or employee of the behavioral sciences regulatory board against any person, who is hereinafter referred to in this subsection as a state supervisor, who is licensed by the behavioral sciences regulatory board as a licensed social worker and who is or was employed by the department of social and rehabilitation services in a position with supervisory responsibility over another person who is licensed by the behavioral sciences regulatory board as a licensed social worker, for any failure by such state supervisor to make any report to the behavioral sciences regulatory board regarding the impaired condition of such licensed social worker, who is or was employed by the department of social and rehabilitation services in a position requiring the employee to be a licensed social worker and who was dismissed, demoted or suspended as a direct result of the impaired condition of such licensed social worker in accordance with K.S.A. 75-2949 through 75-2949f, and amendments thereto, under the Kansas civil service act while under the supervisory responsibility of such state supervisor.

(b) Notwithstanding the provisions of any other statute, subsections (a)(2)(C) and (a)(8) of K.A.R. 102-2-7 or any other rules and regulations to the contrary, on and after July 1, 1997, no expenditures shall be made from the behavioral sciences regulatory board fee fund for the fiscal year ending June 30, 1998, for any operating expenditures or other expenses for any disciplinary action or other disciplinary activity by the behavioral sciences regulatory board or by any officer or employee of the behavioral sciences regulatory board against any person, who is hereinafter referred to in this subsection as a state supervisor, who is licensed by the behavioral sciences regulatory board as a licensed social worker and who is or was employed by the department of social and rehabilitation services in a position with supervisory responsibility over another person who is licensed by the behavioral sciences regulatory board as a licensed social worker, for any failure by such state supervisor to make any report to the behavioral sciences regulatory board regarding the impaired condition of such licensed social worker, who is or was employed by the department of social and rehabilitation services in a position requiring the employee to be a licensed social worker and who was dismissed, demoted or suspended as a direct result of the impaired condition of such licensed social worker in accordance with K.S.A. 75-2949 through 75-2949f, and amendments thereto, under the Kansas civil service act while under the supervisory responsibility of such state supervisor.

(c) Notwithstanding the provisions of any other statute, subsections (a)(2)(C) and (a)(8) of K.A.R. 102-2-7 or any other rules and regulations to the contrary, no expenditures shall be made from the behavioral sciences regulatory board fee fund for the fiscal year ending June 30, 1999, for any operating expenditures or other expenses for any disciplinary action or other disciplinary activity by the behavioral sciences regulatory board or by any officer or employee of the behavioral sciences regulatory board against any person, who is hereinafter referred to in this subsection as a state supervisor, who is licensed by the behavioral sciences regulatory board as a licensed social worker and who is or was employed by the department of social and rehabilitation services in a position with supervisory responsibility over another person who is licensed by the behavioral sciences regulatory board as a licensed social worker, for any failure by such state supervisor to make any report to the behavioral sciences regulatory board regarding the impaired condition of such licensed social worker, who is or was employed by the department of social and rehabilitation services in a position requiring the employee to be a licensed social worker and who was dismissed, demoted or suspended as a direct result of the impaired condition of such licensed social worker in accordance with K.S.A. 75-2949 through 75-2949f, and amendments thereto, under the Kansas civil service act while under the supervisory responsibility of such state supervisor.

Sec. 12.

KANSAS HUMAN RIGHTS COMMISSION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1998.....	\$5,368

Sec. 13.

LEGISLATURE

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operations (including official hospitality)	
For the fiscal year ending June 30, 1998.....	\$35,541
House chamber and ceiling mural restoration	
For the fiscal year ending June 30, 1998.....	\$385,000

Sec. 14.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Evaluation of closure of state hospitals
For the fiscal year ending June 30, 1998..... \$49,481

Provided, That any unencumbered balance in the evaluation of closure of state hospitals account in excess of \$100 as of June 30, 1997, is hereby reappropriated for fiscal year 1998.

Sec. 15. (a) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the governor's department from the governor's department account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the governor's department from the governor's department account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the governor equal to \$156.42 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the governor for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(b) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the lieutenant governor from the operations account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the lieutenant governor from the operations account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the lieutenant governor equal to \$44.25 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the lieutenant governor for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(c) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the secretary of state from the operating expenditures account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the secretary of state from the operating expenditures account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the secretary of state equal to \$121.51 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the secretary of state for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(d) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the attorney general from the operating expenditures account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the attorney general from the operating expenditures account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the attorney general equal to \$139.75 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the attorney general for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(e) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the state treasurer from the operating expenditures account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the state treasurer from the operating expenditures account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the state treasurer equal to \$121.51 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the state treasurer for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(f) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the insurance department from the insurance department service regulation fund for the fiscal year ending June 30, 1998, expenditures shall be made by the insurance department from the insurance department service regulation fund for fiscal year 1998 for an additional amount of biweekly compensation for the commissioner of insurance equal to \$121.51 per biweekly pay period: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to the commissioner of insurance for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(g) (1) In addition to the other purposes for which expenditures may be made by each state agency from appropriations made for the fiscal year ending June 30, 1998, expenditures shall be made by each state agency from the appropriations made for fiscal year 1998 for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of a board for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable to such member of a board under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that per diem compensation is payable to such member of a board for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 15, 1997, is payable and which are chargeable to fiscal year 1998.

(2) As used in this subsection (g), (A) "state agency" means any state agency of the executive branch of state government (i) which has appropriations made for the fiscal year ending June 30, 1998, by 1997 Senate Substitute for House Bill No. 2160, this act or any other appropriation act of the 1997 regular session of the legislature, and (ii) which is, or which makes expenditures for, any board; and

(B) "board" means any board, commission, committee, task force, panel or other body in the executive branch of state government, including any advisory body, having one or more members who are entitled to receive per diem compensation for attendance at meetings of such body, or attendance at meetings authorized by such body of a subcommittee or other subsidiary group of such body, as provided in K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto.

(h) In addition to the other purposes for which expenditures may be made by the Kansas turnpike authority for the period commencing June 15, 1997, and ending June 30, 1998, expenditures shall be made by the Kansas turnpike authority for such period for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of Kansas turnpike authority for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable to such member under K.S.A. 68-2003 and amendments thereto who is entitled, in accordance with K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that per diem compensation is payable to such member of the Kansas turnpike authority for the appropriate pay periods for which such per diem compensation for calendar days occurring on or after June 15, 1997, and prior to July 1, 1998, is payable by the Kansas turnpike authority.

(i) In addition to the other purposes for which expenditures may be made by the legislature from the operations (including official hospitality) account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 1998 (1) for an additional amount of per diem compensation equal to \$3.29 per calendar day for service at the regular session or any special session of the legislature occurring on or after June 15, 1997, for each member of the legislature, and (2) for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of the legislature and for any other public officer or person for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable from appropriations for the legislature to such member of the legislature, public officer or person under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto: *Provided*, That expenditures for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislature, public officials and persons for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 15, 1997, is payable and which are chargeable to fiscal year 1998.

(j) On and after June 15, 1997, in addition to the other purposes for which expenditures may be made by the legislature from the operations (including official hospitality) account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 1998 for an additional amount of biweekly compensation for the following legislative officers as follows: (1)

(continued)

For the president of the senate and the speaker of the house of representatives equal to \$20.13 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions, (2) for the speaker pro tem of the house of representatives, the vice president of the senate, the assistant majority leaders of the senate and house of representatives, and the assistant minority leaders of the senate and house of representatives equal to \$10.28 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions, (3) for the chairperson of the senate committee on ways and means and the chairperson of the house of representatives committee on appropriations equal to \$16.19 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions, (4) for the majority leaders of the senate and house of representatives equal to \$18.16 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions, and (5) the minority leaders of the senate and house of representatives equal to \$18.16 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions: *Provided*, That expenditures for such purpose shall be made in the same manner and at the same times that biweekly compensation is payable to such legislative officers under K.S.A. 46-137b and amendments thereto for the biweekly pay periods which commence on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(k) In addition to the other purposes for which expenditures may be made by the legislative coordinating council from the legislative coordinating council-operations account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the legislative coordinating council from the legislative coordinating council-operations account of the state general fund for fiscal year 1998 for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of the legislative coordinating council for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable from appropriations for the legislative coordinating council under K.S.A. 46-1209 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto: *Provided*, That expenditures for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislative coordinating council for the biweekly pay periods for which such per diem compensation is payable for calendar days occurring on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(l) In addition to the other purposes for which expenditures may be made by the division of post audit from the operations (including legislative post audit committee) account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the division of post audit from the operations (including legislative post audit committee) account of the state general fund for fiscal year 1998 (1) for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of the legislative post audit committee for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1104 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and (2) for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of the contract audit committee for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1120 and amendments thereto to such member as provided in K.S.A. 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto: *Provided*, That expenditures for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislative post audit committee or contract audit committee for the biweekly pay periods for which such per diem compensation is payable for calendar days occurring on or after June 15, 1997, and which are chargeable to fiscal year 1998.

(m) In addition to the other purposes for which expenditures may be made by the judicial branch from the judiciary operations account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the judicial branch from the judiciary operations account of the state general fund for fiscal year 1998 (1) for an additional amount of per diem compensation equal to \$3.29 per calendar day for each mem-

ber of the advisory council on dispute resolution for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable to such member of the advisory council on dispute resolution under K.S.A. 5-505 and amendments thereto who is entitled, in accordance with subsection (e) of K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto; and (2) for an additional amount of per diem compensation equal to \$3.29 per calendar day for each retired justice or judge who performs judicial service or duties under K.S.A. 20-2616 and amendments thereto for each calendar day occurring on or after June 15, 1997, for which per diem compensation is payable to such retired justice or judge under K.S.A. 20-2616 and amendments thereto: *Provided*, That expenditures for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the advisory council on dispute resolution or to such retired justices or judges for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 15, 1997, is payable and which are chargeable to fiscal year 1998.

(n) In addition to the other purposes for which expenditures may be made by the judicial council from the operating expenditures account of the state general fund for the fiscal year ending June 30, 1998, expenditures shall be made by the judicial council from the operating expenditures account of the state general fund for fiscal year 1998 for an additional amount of per diem compensation equal to \$3.29 per calendar day for each member of the judicial council and for each regularly appointed member of a special committee of the judicial council who is not a member of the judicial council for any calendar day occurring on or after June 15, 1997, for which per diem compensation is payable to such member of the judicial council or a special committee thereof under K.S.A. 20-2206 and amendments thereto at the rate of compensation as provided in K.S.A. 75-3212 and amendments thereto: *Provided*, That expenditures for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the judicial council or special committees thereof for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 15, 1997, is payable and which are chargeable to fiscal year 1998.

Sec. 16.

DEPARTMENT OF WILDLIFE AND PARKS

(a) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the wildlife fee fund for the fiscal year ending June 30, 1998, as authorized by section 103(b) of 1997 Senate Substitute for House Bill No. 2160, section 24(h) or section 24(i) of 1997 Senate Substitute for House Bill No. 2166, or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the following account or accounts of the wildlife fee fund for fiscal year 1998, subject to the expenditure limitations prescribed therefor:

Implementation of 1997 House Bill No. 2361 \$25,000
Provided, That all expenditures from the implementation of 1997 House Bill No. 2361 account shall be in addition to any expenditure limitation imposed on the wildlife fee fund for fiscal year 1998: *Provided further*, That the secretary of wildlife and parks shall submit a report to the 1998 legislature specifying the expenditures made from this account, or any other moneys available therefor, to implement 1997 House Bill No. 2361 and specifying the recovery plans for threatened and endangered species developed during fiscal year 1998.

(b) On July 1, 1997, of the \$3,855,010 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 103(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures account, the sum of \$3,461 is hereby lapsed.

(c) On July 1, 1997, the expenditure limitation established by section 103(b) of 1997 Senate Substitute for House Bill No. 2160 on the Prairie spirit rails-to-trails fee fund is hereby increased from \$2,000 to No limit.

(d) On the effective date of this act, of the amount of the unencumbered balance in the open exp—land acquisition account of the water plan special revenue fund appropriated for the department of wildlife and parks for the fiscal year ending June 30, 1997, by section 144(j) of chapter 191 of the 1996 Session Laws of Kansas, the sum of \$55,833 is hereby lapsed. On the effective date of this act, the director of accounts and reports shall transfer \$55,833 from the water plan special revenue fund of the department of wildlife and parks to the state water plan fund of the Kansas water office.

(e) In addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from the state

general fund or in one or more special revenue funds for the fiscal year ending June 30, 1998, as authorized by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from such appropriations for fiscal year 1998 for operating expenditures for the issuance of licenses for controlled shooting areas for up to 160 acres in Haskell county licensed as one or more controlled shooting areas in addition to the acreage equal to 2% of the total acreage of the county, which licenses for controlled shooting areas located in Haskell county are hereby authorized notwithstanding the provisions of K.S.A. 32-944 and 32-945 and amendments thereto.

Sec. 17.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1997.....	\$32,101
For the fiscal year ending June 30, 1998.....	\$20,597

Sec. 18.

KANSAS HIGHWAY PATROL

(a) In addition to the other purposes for which expenditures may be made by the above agency from the motor carrier inspection fund for the fiscal year ending June 30, 1997, moneys may be expended by the above agency from the motor carrier inspection fund during fiscal year 1997 for the following capital improvement project or projects, subject to the expenditure limitations prescribed therefor:

Construct freight elevator at KHP training center	\$145,000
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Provided, That all expenditures from each such capital improvement account shall be in addition to any expenditure limitation imposed on the motor carrier inspection fund for fiscal year 1997.

Sec. 19.

KANSAS SENTENCING COMMISSION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1997.....	\$45,770
For the fiscal year ending June 30, 1998.....	\$32,267

(b) On July 1, 1997, the position limitation established by section 95 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 6.0 to 7.0.

Sec. 20.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 1998.....	\$3,240

(b) On the effective date of this act, of the \$250,563 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 31(a) of 1997 Senate Substitute for House Bill No. 2272 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$19,419 is hereby lapsed.

(c) On the effective date of this act, the expenditure limitation established by section 31(b) of 1997 Senate Substitute for House Bill No. 2272 on the general fees fund is hereby increased from \$7,896,991 to \$7,916,410.

Sec. 21.

FORT HAYS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 1997.....	\$155,036
For the fiscal year ending June 30, 1998.....	\$135,568

(b) On the effective date of this act, the expenditure limitation established by section 30(b) of 1997 Senate Substitute for House Bill No. 2272 on the general fees fund is hereby decreased from \$7,957,638 to \$7,802,602.

(c) On July 1, 1997, the expenditure limitation established by section 71(b) of 1997 Senate Substitute for House Bill No. 2160 on the general fees fund is hereby decreased from \$7,813,299 to \$7,677,731.

(d) On the effective date of this act, the \$65,675 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 30(a) of 1997 Senate Substitute for House Bill No. 2272 from the state general fund in the operating expenditures (including official hospitality) account, is hereby lapsed.

(e) There is appropriated for the above agency from the following

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

Sternberg museum—EDIF fund

For the fiscal year ending June 30, 1998.....	\$250,000
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Provided, That all expenditures from the Sternberg museum—EDIF fund shall be matched on a \$1 for \$1 basis from private or other nonstate funding sources: *Provided further*, That, for the purposes of funding the Sternberg museum under the servicing new buildings formula, the university shall develop a report which makes a reasonable division between the amount of gross square footage of the building devoted to academic learning and the amount devoted to tourism: *And provided further*, That only the gross square footage of the building devoted to academic learning shall be used by the university in the budgeting calculation for funding under the servicing new buildings formula: *And provided further*, That the university shall make a presentation to the state finance council on the reasonable division of gross square footage of the building: *And provided further*, That no expenditures shall be made from this fund except upon approval by 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 and acting after receipt of such report.

(f) On July 15, 1997, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$250,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the Sternberg museum—EDIF fund of Fort Hays state university.

Sec. 22.

PITTSBURG STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 1997.....	\$58,875
For the fiscal year ending June 30, 1998.....	\$131,266

(b) On the effective date of this act, the expenditure limitation established by section 32(c) of 1997 Senate Substitute for House Bill No. 2272 on the general fees fund is hereby decreased from \$9,998,736 to \$9,940,061.

(c) On July 1, 1997, the expenditure limitation established by section 76(b) of 1997 Senate Substitute for House Bill No. 2160 on the general fees fund is hereby decreased from \$10,039,191 to \$9,909,269.

Sec. 23.

KANSAS STATE UNIVERSITY—SALINA, COLLEGE OF TECHNOLOGY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 1997.....	\$24,736

(b) On the effective date of this act, the expenditure limitation established by section 34(b) of 1997 Senate Substitute for House Bill No. 2272 on the general fees fund is hereby decreased from \$908,568 to \$883,832.

Sec. 24.

KANSAS STATE UNIVERSITY

(a) On July 1, 1997, of the \$91,502,767 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 72(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$34,732 is hereby lapsed.

(b) On July 1, 1997, the expenditure limitation established by section 72(b) of 1997 Senate Substitute for House Bill No. 2160 on the general fees fund is hereby increased from \$39,658,501 to \$40,517,732.

Sec. 25.

UNIVERSITY OF KANSAS

(a) On July 1, 1997, of the \$110,872,707 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 77(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$21,380 is hereby lapsed.

(b) On July 1, 1997, of the \$5,461,831 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 77(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the geological survey account, the sum of \$32,645 is hereby lapsed.

(c) On July 1, 1997, the expenditure limitation established by section 77(b) of 1997 Senate Substitute for House Bill No. 2160 on the general fees fund is hereby increased from \$71,481,865 to \$71,621,799.

(d) On the effective date of this act, the expenditure limitation established by section 35(d) of 1997 Senate Substitute for House Bill No. 2272

(continued)

on the general fees fund is hereby increased from \$68,658,055 to \$68,764,613.

Sec. 26.

KANSAS STATE UNIVERSITY EXTENSION SYSTEMS
AND AGRICULTURAL RESEARCH PROGRAMS

(a) On the effective date of this act, of the \$14,782,439 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 97(a) of chapter 191 of the 1996 Session Laws of Kansas from the state general fund in the cooperative extension service (including official hospitality) account, the sum of \$340,648 is hereby lapsed.

(b) On July 1, 1997, of the \$15,871,312 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 73(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the cooperative extension service (including official hospitality) account, the sum of \$315,804 is hereby lapsed.

(c) On July 1, 1997, of the \$25,518,587 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 73(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the agricultural experiment stations (including official hospitality) account, the sum of \$57,583 is hereby lapsed.

(d) On the effective date of this act, the expenditure limitation established by section 97(b) of chapter 191 of the 1996 Session Laws of Kansas on the federal extension fund is hereby increased from \$4,108,031 to \$4,448,679.

(e) On July 1, 1997, the expenditure limitation established by section 73(b) of 1997 Senate Substitute for House Bill No. 2160 on the federal extension fund is hereby increased from \$4,108,031 to \$4,448,679.

(f) On July 1, 1997, the expenditure limitation established by section 73(b) of 1997 Senate Substitute for House Bill No. 2160 on the federal experimental station fund is hereby increased from \$3,106,303 to \$3,203,820.

(g) On July 1, 1997, of the \$714,139 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 73(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$21,514 is hereby lapsed.

Sec. 27.

WICHITA STATE UNIVERSITY

(a) On July 1, 1997, of the \$56,049,853 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 79(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$19,110 is hereby lapsed.

Sec. 28.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) On the effective date of this act, the position limitation established by section 117 of chapter 191 of the 1996 Session Laws of Kansas for the above agency is hereby increased from 4,680.7 to 4,694.7.

(b) On July 1, 1997, the position limitation established by section 63(a) of 1997 Senate Substitute for House Bill No. 2160 from the above agency is hereby increased from 4,116.8 to 4,286.8.

(c) On July 1, 1997, the expenditure limitation established by section 61(b) of 1997 Senate Substitute for House Bill No. 2160 on the state operations account of the social services clearing fund is hereby increased from \$232,772,014 to \$237,262,031.

(d) On July 1, 1997, of the \$41,313,123 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 61(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the cash assistance account, the sum of \$720,000 is hereby lapsed.

(e) On July 1, 1997, of the \$154,336,670 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 61(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the other medical assistance account, the sum of \$7,638,869 is hereby lapsed.

(f) On the effective date of this act, of the \$90,601,822 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 115(a) of chapter 191 of the 1996 Session Laws of Kansas from the state general fund in the state operations account, the sum of \$122,961 is hereby lapsed.

(g) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

State operations	
For the fiscal year ending June 30, 1998	\$122,961
State hospital closure	
For the fiscal year ending June 30, 1998	\$279,650
Adult care homes	
For the fiscal year ending June 30, 1998	\$359,497
SB 140 implementation	
For the fiscal year ending June 30, 1998	\$3,819,106

Provided, That no expenditures shall be made from the SB 140 implementation account unless 1997 House Substitute for Senate Bill No. 140 is enacted into law. *Provided, however*, That the moneys in this account shall not be subject to transfers to any other state general fund account as authorized in section 61(e) of 1997 Senate Substitute for House Bill No. 2160 or to pursuant to K.S.A. 75-3726a and amendments thereto. *Provided further*, That, if 1997 House Substitute for Senate Bill No. 140 is enacted into law, then the above agency may make expenditures from this account for the purposes of implementing the provisions of 1997 House Substitute for Senate Bill No. 140 and financing the operations and programs of the above agency for or related to implementing the provisions of such enactment.

Mental health and retardation services aid and assistance and state institutions operations	
For the fiscal year ending June 30, 1998	\$45,961

Any unencumbered balance in excess of \$100 as of June 30, 1997, in each of the following accounts is hereby reappropriated for fiscal year 1998: Community based services.

(h) On July 1, 1997, of the \$10,089,104 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 61(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the community based services account, the sum of \$2,455,503 is hereby lapsed.

(i) On the effective date of this act, the expenditure limitation established by section 22(h) of 1997 Senate Substitute for House Bill No. 2272 on the juvenile detention facilities fund is hereby increased from \$2,727,830 to \$3,127,673.

(j) On July 1, 1997, the expenditure limitation established by section 61(b) of 1997 Senate Substitute for House Bill No. 2160 on the alcohol and drug abuse block grant federal fund is hereby increased from \$9,441,373 to \$10,984,972.

(k) On the effective date of this act, the expenditure limitation established by section 22(g) of 1997 Senate Substitute for House Bill No. 2272 on the social welfare fund is hereby increased from \$45,700,370 to \$47,499,992.

(l) On the effective date of this act, of the \$41,726,664 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 22(a) of 1997 Senate Substitute for House Bill No. 2272 from the state general fund in the mental health and retardation services aid and assistance and state institutions operations account, the sum of \$2,678,821 is hereby lapsed.

(m) In addition to the other purposes for which expenditures may be made by the above agency from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for the fiscal year ending June 30, 1998, as authorized by section 61(a) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for fiscal year 1998 for school district equipment of up to \$5,000 per developmentally disabled child leaving Kansas neurological institute or Parsons state hospital and training center, in addition to those leaving Winfield state hospital and training center. *Provided*, That expenditures from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for fiscal year 1998 for school district equipment for developmentally disabled children leaving state institutions for the mentally retarded shall not exceed \$150,000.

(n) In addition to the other purposes for which expenditures may be made by the above agency from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for the fiscal year ending June 30, 1998, as authorized by section 61(a) of 1997 Senate Substitute for House Bill No. 2160, expenditures shall be made by the above agency from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for fiscal year 1998 in accordance with an allocation adopted for expenditures during the fiscal year ending June 30, 1998, which allocation is hereby authorized and directed to be made by the above agency for fiscal year 1998, which allocation shall be of an amount of not less than \$1,500,000 of the moneys appropriated in such account, and which allocation shall be an allocation among community developmental disability organizations and proportionately based in accordance with the following: The funding shall be distributed among

community developmental disability organizations proportionately by multiplying the amount to be allocated by the result obtained by dividing (1) the aggregate of the number of clients served by the community developmental disability organization, as identified in the consolidated grant agreement between the community developmental disability organization and the department of social and rehabilitation services, and the number of clients served by the community developmental disability organization with funding through the home and community services waiver program for the developmentally disabled, by (2) the aggregate of the number of clients served by all community developmental disability organizations, as identified in the consolidated grant agreement between the community developmental disability organizations and the department of social and rehabilitation services, and the number of clients served by all community developmental disability organizations with funding through the home and community services for the mentally retarded (HCBS/MR) medicaid waiver program: *Provided*, That in addition to other purposes for which such funding may be expended by the community developmental disability organizations, such funding may be expended by the community developmental disability organizations for costs incurred by such organizations as a result of the implementation of the provisions of the developmental disabilities reform act: *Provided further*, That a contingency reserve shall be established by the secretary of social and rehabilitation services of not more than \$600,000 from all funds for fiscal year 1998, including not more than \$250,000 in the mental health and retardation services aid and assistance and state institutions operations account of the state general fund, and shall be used at the discretion of the secretary of social and rehabilitation services, in consultation with the community developmental disability organizations, on an as-needed basis to assist in the financing of the HCBS/MR medicaid waiver program (1) when caseloads exceed consensus estimates, or (2) when individuals require services in excess of that level of services which can be reasonably financed within the existing HCBS/MR medicaid waiver program tier-based rates and individualized special care rates are required: *Provided further*, That the department of social and rehabilitation services shall not require that community developmental disability organizations providing services under the HCBS/MR medicaid waiver program make expenditures of moneys of the community developmental disability organizations derived from other than federal or state sources for support of the HCBS/MR medicaid waiver program: *And provided further*, That all expenditures by the department of social and rehabilitation services from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for fiscal year 1998 for the provision of services for developmentally disabled persons by community developmental disability organizations under the HCBS/MR medicaid waiver program shall be in accordance with the current caseload consensus estimates adopted by the caseload estimating group, which shall include staff members of the division of the budget of the department of administration, staff members of the department of social and rehabilitation services and staff members of the legislative research department: *And provided further*, That the secretary of social and rehabilitation services, in consultation with the community developmental disability organizations, shall develop amendments to the existing HCBS/MR medicaid waiver program and apply for additional federal medicaid waivers to maximize federal participation in the HCBS/MR medicaid waiver program.

(o) On July 1, 1997, the expenditure limitation established by section 61(b) of 1997 Senate Substitute for House Bill No. 2160 on the title XIX fund is hereby increased from \$53,974,305 to \$54,107,873.

(p) On July 1, 1997, the amounts specified in section 61(c) of 1997 Senate Substitute for House Bill No. 2160 as being included in the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for the following institutions are hereby changed to the amounts specified therefor, but expenditures from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for any such institution shall not be limited to or be required to be made in the amount listed for the institution, as follows: (1) The amount for Kansas neurological institute is hereby decreased from \$12,278,329 to \$12,274,002; (2) the amount for Parsons state hospital and training center is hereby decreased from \$10,057,936 to \$10,055,241; (3) the amount for Winfield state hospital and training center is hereby decreased from \$1,422,423 to \$1,420,686; (4) the amount for Larned state hospital is hereby decreased from \$12,093,190 to \$12,089,876; (5) the amount for Osawatomie state hospital is hereby decreased from \$8,226,860 to \$8,223,980; (6) the amount for Rainbow mental health facility is hereby decreased from

\$2,916,018 to \$2,911,722; and (7) the amount for community services aid and assistance is hereby decreased from \$118,563,358 to \$117,628,568.

(q) On the effective date of this act, the amounts specified in section 25(p) of chapter 272 of the 1996 Session Laws of Kansas as being included in the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for the following institutions are hereby changed to the amounts specified therefor, but expenditures from the mental health and retardation services aid and assistance and state institutions operations account of the state general fund for any such institution shall not be limited to or be required to be made in the amount listed for the institution, as follows: (1) The amount for Kansas neurological institute is hereby decreased from \$13,489,102 to \$12,325,545; (2) the amount for Parsons state hospital and training center is hereby increased from \$7,890,228 to \$8,619,081; (3) the amount for Winfield state hospital and training center is hereby decreased from \$12,593,665 to \$8,077,654; (4) the amount for Larned state hospital is hereby increased from \$14,901,674 to \$15,509,017; (5) the amount for Osawatomie state hospital is hereby increased from \$6,265,042 to \$7,072,226; and (6) the amount for Rainbow mental health facility is hereby increased from \$2,919,070 to \$2,995,306.

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

Larned state hospital—motor pool revolving fund	
For the fiscal year ending June 30, 1998.....	No limit
Juvenile justice transition fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That expenditures from this fund shall be in addition to the expenditure limitation on the state operations account of the social services clearing fund:
 Family and children trust account—family and children investment fund
 For the fiscal year ending June 30, 1998..... No limit

Provided, That portion of all moneys transferred from the state general fund to the family and children investment fund pursuant to subsection (e) of K.S.A. 38-1808 and amendments thereto that are attributable to moneys credited to the family and children trust account of the family and children investment fund shall be credited to the family and children trust account—family and children investment fund.

(s) On July 1, 1997, the expenditure limitation established by section 61(b) of 1997 Senate Substitute for House Bill No. 2160 on the Winfield state hospital and training center fee fund is hereby decreased from \$558,627 to \$448,627.

(t) On July 1, 1997, the position limitation established by section 63 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 521.5 to 400.0.

(u) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from special revenue funds for the fiscal year ending June 30, 1998, as authorized by section 61 of 1997 Senate Substitute for House Bill No. 2160 or this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from moneys appropriated from the state general fund or from special revenue funds for fiscal year 1998 to develop and implement a plan to expand health care coverage for children: *Provided*, That such plan may include provision for financial participation on a sliding fee basis in the health care coverage plan by plan participants: *Provided further*, That the above agency shall not implement a plan to expand health care coverage for children until such plan has been reviewed with the SRS transition oversight committee.

Sec. 29.

KANSAS BOARD OF BARBERING

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 1997, by section 5(a) of chapter 224 of the 1995 Session Laws of Kansas on the barber examiner fee fund is hereby increased from \$95,688 to \$100,305.

Sec. 30.

DEPARTMENT OF COMMERCE AND HOUSING

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

State operations	
For the fiscal year ending June 30, 1998.....	\$62,869

(b) On July 1, 1997, the expenditure limitation established by section 51(c) of 1997 Senate Substitute for House Bill No. 2160 on the Kansas

(continued)

economic development endowment account of the state economic development initiatives fund is hereby increased from \$13,995,475 to \$14,440,475.

(c) On July 1, 1997, the expenditure limitation established by section 51(d) of 1997 Senate Substitute for House Bill No. 2160 on the state operations (including official hospitality) subaccount of the Kansas economic development endowment account of the state economic development initiatives fund is hereby increased from \$8,170,875 to \$8,195,875.

(d) On July 1, 1997, the amount to be transferred on August 15, 1997, and December 15, 1997, established by section 51(h) of 1997 Senate Substitute for House Bill No. 2160 on transfers from the Kansas economic development endowment account of the state economic development initiatives fund to the Kansas existing industry expansion program is hereby increased from \$350,000 to \$400,000.

(e) In addition to the purposes for which expenditures may be made by the above agency from the Kansas economic development endowment account of the state economic development initiatives fund for the fiscal year ending June 30, 1998, expenditures may be made by the above agency from the Kansas economic development endowment account of the state economic development initiatives fund during fiscal year 1998 for the following, subject to the expenditure limitation prescribed therefor:

Railroad mitigation grants	\$200,000
Motion picture and television production sales tax reimbursements	\$220,000

Provided, That all expenditures from the motion picture and television production sales tax reimbursements account shall be made to reimburse sales and use taxes paid on sales of tangible personal property purchases by or on behalf of a motion picture or television production company to be used or consumed in association with an eligible production in accordance with administrative policies and procedures adopted by the secretary of commerce and housing, including any necessary forms: *Provided, however*, That all reimbursements from this account shall be based on valid receipts for taxes paid for taxable transactions occurring on or after July 1, 1997: *Provided further*, That, as used in this proviso, eligible production includes feature-length motion pictures intended for theatrical release or for exhibition on national television by a network or through national syndication, television projects for broadcast on a network or through national syndication, direct video and compact disc projects and television commercials.

Sec. 31.

KANSAS, INC.

(a) On July 1, 1997, the amount of \$160,376 authorized by section 52(c) of 1997 Senate Substitute for House Bill No. 2160 to be transferred by the director of accounts and reports from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the EDIF fund of Kansas, Inc., is hereby increased to \$224,376.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the EDIF fund for the fiscal year ending June 30, 1998, as authorized by section 52(b) of 1997 Senate Substitute for House Bill No. 2160 or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency for fiscal year 1998 from the EDIF fund for the school/performance study: *Provided*, That expenditures from the EDIF fund for fiscal year 1998 for the school/performance study shall not exceed \$64,620.

(c) During the fiscal year ending June 30, 1998, no expenditures shall be made by the above agency from the Kansas, Inc. account of the state general fund for the school/performance study.

Sec. 32.

OFFICE OF THE SECURITIES COMMISSIONER OF KANSAS

(a) On July 1, 1997, the expenditure limitation established for the fiscal year ending June 30, 1998, by section 19(a) of 1997 Senate Substitute for House Bill No. 2160 on the securities act fee fund is hereby increased from \$1,683,059 to \$1,742,378.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the securities act fee fund for the fiscal year ending June 30, 1998, as authorized by section 19(a) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the securities act fee fund for fiscal year 1998 for official hospitality: *Provided*, That expenditures from the securities act fee fund for fiscal year 1998 for official hospitality shall not exceed \$600: *Provided further*, That expenditures from the securities act fee fund for fiscal year 1998 for official hospitality are subject to the limitation on total expenditures from the securities act fee fund for fiscal year 1998.

(c) In addition to the other purposes for which expenditures may be made by the office of the securities commissioner of Kansas from moneys appropriated from the state general fund or from any special revenue fund for the fiscal year ending June 30, 1998, and from which expenditures may be made for salaries and wages, as authorized by section 19 of

1997 Senate Substitute for House Bill No. 2160 or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the office of the securities commissioner of Kansas from such moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1998 for director positions in the unclassified service under the Kansas civil service act as necessary to effectively carry out the mission of the office of securities commissioner: *Provided*, That all such additional full-time equivalent positions in the unclassified service under the Kansas civil service act shall be in addition to other positions within the office of the securities commissioner of Kansas in the unclassified service as prescribed by law: *Provided further*, That such director positions shall not be subject to the position limitation established for the office of the securities commissioner of Kansas on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for fiscal year 1998: *And provided further*, That such directors shall serve at the pleasure of the securities commissioner and shall receive such compensation as may be fixed by the securities commissioner and approved by the governor: *Provided, however*, That the authority to establish such additional positions in the unclassified service shall not affect the classified service status of any person who is an employee of the office of the securities commissioner of Kansas in the classified service under the Kansas civil service act on the day immediately preceding the effective date of this act.

(d) On July 1, 1997, the expenditure limitation established for the fiscal year ending June 30, 1999, by section 19(a) of 1997 Senate Substitute for House Bill No. 2160 on the securities act fee fund is hereby increased from \$1,703,069 to \$1,745,254.

(e) On July 1, 1997, the position limitation established for the fiscal year ending June 30, 1998, by section 22 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 26.0 to 27.0.

(f) On July 1, 1997, the position limitation established for the fiscal year ending June 30, 1999, by section 22 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 26.0 to 27.0.

Sec. 33.

ATTORNEY GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures relating to interstate water rights regarding the Republican river and its tributaries	
For the fiscal year ending June 30, 1998	\$200,000

Sec. 34.

STATE BOARD OF TECHNICAL PROFESSIONS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 1997, by section 11(a) of 1997 Senate Substitute for House Bill No. 2272 on the technical professions fee fund is hereby increased from \$370,977 to \$385,977.

(b) On July 1, 1997, the expenditure limitation established for the fiscal year ending June 30, 1998, by section 20(a) of 1997 Senate Substitute for House Bill No. 2160 on the technical professions fee fund is hereby increased from \$402,145 to \$460,145.

(c) On July 1, 1998, the expenditure limitation established for the fiscal year ending June 30, 1999, by section 20(a) of 1997 Senate Substitute for House Bill No. 2160 on the technical professions fee fund is hereby increased from \$412,803 to \$464,303.

(d) On July 1, 1997, the position limitation established for the fiscal year ending June 30, 1998, by section 22 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 5.0 to 6.0.

(e) On July 1, 1998, the position limitation established for the fiscal year ending June 30, 1999, by section 22 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby increased from 5.0 to 6.0.

Sec. 35.

DEPARTMENT OF EDUCATION

(a) On July 1, 1997, of the \$3,346,654 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 64(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$57,729 is hereby lapsed.

(b) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

General state aid	
For the fiscal year ending June 30, 1998.....	\$2,844,000
Supplemental general state aid	
For the fiscal year ending June 30, 1998.....	\$6,628,000

(c) Any unencumbered balance in excess of \$100 as of June 30, 1997, in each of the following accounts is hereby reappropriated for fiscal year 1998: KPERS—employer contributions: *Provided*, That expenditures from such reappropriated balance in the KPERS—employer contributions account shall not exceed \$296,508 except upon approval of the state finance council.

(d) On the effective date of this act, of the \$69,723,333 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 119 of chapter 191 of the 1996 Session Laws of Kansas from the state general fund in the KPERS—employer contributions account, the sum of \$120,860 is hereby lapsed.

(e) Notwithstanding the provisions of the second proviso to the special education services aid account in section 64(a) of 1997 Senate Substitute for House Bill No. 2160, the department of education shall make no deductions from any school district's special education entitlement as the result of that district's balance in the district's special education fund from the prior fiscal year being in excess of 20% of the district's special education entitlement for the year in which the appropriation is being made.

Sec. 36.

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Special food treatment products	
For the fiscal year ending June 30, 1998.....	\$50,000
Adult care homes criminal record checks operating expenditures	
For the fiscal year ending June 30, 1998.....	\$200,000

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

Voluntary cleanup fund	
For the fiscal year ending June 30, 1998.....	\$105,118
EPA voluntary cleanup federal fund	
For the fiscal year ending June 30, 1998.....	\$150,000

Provided, That all expenditures from the EPA voluntary cleanup federal fund during fiscal year 1998 shall be supplemental to fees collected for direct or indirect costs of administering the voluntary cleanup and property redevelopment act established by 1997 Senate Bill No. 276. *Provided, however*, That such expenditures shall be in accordance with the federal agreement entered into by the secretary of the department of health and environment for the grant moneys.

Laboratory Medicaid cost recovery fund	
For the fiscal year ending June 30, 1997.....	\$158,000
For the fiscal year ending June 30, 1998.....	\$158,000

(c) On July 1, 1997, of the \$4,289,347 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 58(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the other operating expenditures (including official hospitality) account, the sum of \$153,500 is hereby lapsed.

(d) On the effective date of this act, the director of accounts and reports shall transfer \$70,000 from the other operating expenditures (including official hospitality) account of the state general fund of the above agency to the salaries and wages account of the state general fund of the above agency.

(e) On the effective date of this act, the expenditure limitation established by section 24(s) of 1997 Senate Substitute for House Bill No. 2272 on the gifts, grants and donations fund is hereby increased from \$1,141,715 to \$1,284,715.

(f) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the gifts, grants and donations fund is hereby increased from \$1,512,739 to \$1,552,739.

(g) On the effective date of this act, the expenditure limitation established by section 24(e) of 1997 Senate Substitute for House Bill No. 2272 on the title XIX fund is hereby decreased from \$3,893,498 to \$3,593,498.

(h) On the effective date of this act, the expenditure limitation established by section 57(m) of chapter 272 of the 1996 Session Laws of Kansas on the medicare fund—federal is hereby increased from \$1,726,390 to \$2,008,454.

(i) On the effective date of this act, the expenditure limitation established by section 91(b) of chapter 191 of the 1996 Session Laws of Kansas

on the federal migrant health program fund is hereby increased from \$325,773 to \$335,773.

(j) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the office of rural health—federal fund is hereby increased from \$0 to \$60,000.

(k) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the AIDS project—education and risk reduction—federal fund is hereby increased from \$1,711,651 to \$1,841,786.

(l) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the state operations account of the AIDS project—education and risk reduction—federal fund is hereby increased from \$603,461 to \$733,596.

(m) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the state operations account of the venereal disease control project fund—federal is hereby increased from \$389,818 to \$480,818.

(n) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the maternal and child health services block grant fund is hereby increased from \$5,077,876 to \$5,147,876.

(o) On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the state operations account of the maternal and child health services block grant fund is hereby increased from \$2,854,734 to \$2,924,734.

(p) On July 1, 1997, the appropriation made by section 58(c) of 1997 Senate Substitute for House Bill No. 2160 from the water plan special revenue fund in the saline study—Ogallala aquifer account of the water plan special revenue fund is hereby lapsed. On July 1, 1997, the expenditure limitation established by section 58(b) of 1997 Senate Substitute for House Bill No. 2160 on the water plan special revenue fund is hereby decreased from \$4,053,398 to \$4,003,398. On July 1, 1997, the amount of \$3,708,562 authorized by section 58(d) of 1997 Senate Substitute for House Bill No. 2160 to be transferred by the director of accounts and reports from the state water plan fund of the Kansas water office to the water plan special revenue fund of the department of health and environment is hereby decreased to \$3,658,562.

(q) In addition to the other purposes for which expenditures may be made by the department of health and environment from moneys appropriated from the state general fund or from any special revenue fund for the fiscal year ending June 30, 1998, and from which expenditures may be made for salaries and wages, as authorized by section 58 of 1997 Senate Substitute for House Bill No. 2160 or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the department of health and environment from such moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1998 for up to four full-time equivalent positions in the unclassified service under the Kansas civil service act: *Provided*, That all such additional full-time equivalent positions in the unclassified service under the Kansas civil service act shall be in addition to other positions within the department of health and environment in the unclassified service as prescribed by law and shall be established by the secretary of health and environment within the position limitation established for the department of health and environment on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for fiscal year 1998 made by section 58 of 1997 Senate Substitute for House Bill No. 2160 or by this or other appropriation act of the 1997 regular session of the legislature or any appropriation act of the 1998 regular session of the legislature: *Provided, however*, That the authority to establish such additional positions in the unclassified service shall not affect the classified service status of any person who is an employee of the department of health and environment in the classified service under the Kansas civil service act on the day immediately preceding the effective date of this act.

Sec. 37.

STATE CORPORATION COMMISSION

(a) On July 1, 1997, the expenditure limitation established by section 43(b) of 1997 Senate Substitute for House Bill No. 2160 on the aggregate expenditures from the public service regulation fund, the motor carrier license fees fund and the conservation fee fund is hereby increased from \$11,984,475 to \$11,997,605.

(continued)

Sec. 38.

STATE HISTORICAL SOCIETY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures
For the fiscal year ending June 30, 1998..... \$38,500

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

EDIF first territorial capitol renovation project fund
For the fiscal year ending June 30, 1998..... \$71,000

Provided, That no expenditures shall be made from the EDIF first territorial capitol renovation project fund except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto: Provided, however, That, if the secretary of the state historical society has entered into a signed agreement with a responsible party that would transfer from the state the future daily operation and maintenance of the first territorial capitol historical site, then the state finance council shall approve expenditures from this fund for the first territorial capitol renovation project.

(c) On July 15, 1997, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$71,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the EDIF first territorial capitol renovation project fund of the state historical society.

Sec. 39.

JUVENILE JUSTICE AUTHORITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures
For the fiscal year ending June 30, 1998..... \$19,575,290

Management information systems
For the fiscal year ending June 30, 1998..... \$125,000

Provided, That no expenditures shall be made from the management information systems account, other than for information systems planning, except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting after receiving a recommendation from the joint committee on computers and telecommunications: Provided further, That the commissioner shall present a management information system plan to the joint committee on computers and telecommunications and the joint committee shall make a recommendation to the state finance council thereon: And provided further, That the commissioner shall report to the joint committee on computers and telecommunications quarterly during the fiscal year on the status of expenditures and development of a strategic plan for information technology.

Community initiatives
For the fiscal year ending June 30, 1998..... \$2,500,000

Provided, That expenditures shall be made from the community initiatives account for community-based initiatives designed to relieve the demands upon juvenile correctional facilities and to provide a community-centered, prevention-focused juvenile justice system which includes diversion, a continuum of community sanctions and post-release, aftercare services: Provided further, That all expenditures made from this account shall be based upon the proportionate needs of the 31 judicial districts in juvenile justice matters: And provided further, That no expenditures shall be made from this account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting after the commissioner of juvenile justice has submitted a plan for the expenditure of the moneys appropriated in this account to the joint committee on corrections and juvenile justice oversight which describes how such expenditures will satisfy the above-stated objectives: And provided further, That the commissioner of juvenile justice shall report on a regular basis to the joint committee on corrections and juvenile justice oversight regarding the expenditures from this account.

Facilities operations
For the fiscal year ending June 30, 1998..... \$23,504,863

Provided, That any unencumbered balance in each of the following accounts in excess of \$100 as of June 30, 1997, is hereby reappropriated to the facilities operations account of the juvenile justice authority for fiscal year 1998: Operating expenditures account of the youth center at Topeka; operating expenditures account of the youth center at Beloit; operating expenditures account of the youth center at Atchison; and operating expenditures account of the Larned state hospital—youth center at Larned: Provided, however, That expenditures from such reappropriated balance shall not exceed \$85,357 except upon approval of the state finance council: Provided further, That expenditures may be made from this account for educational services contracts which are hereby authorized to be negotiated and entered into by the above agency with unified school districts or other public educational services providers: And provided further, That such educational services contracts shall not be subject to the competitive bid requirements of K.S.A. 75-3739 and amendments thereto.

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

Juvenile justice delinquency prevention—federal fund
For the fiscal year ending June 30, 1998..... \$903,544
Juvenile detention facilities fund
For the fiscal year ending June 30, 1998..... \$2,727,830
Juvenile justice fee fund
For the fiscal year ending June 30, 1998..... No limit
Kansas endowment for youth trust fund
For the fiscal year ending June 30, 1998..... No limit
Juvenile justice federal fund
For the fiscal year ending June 30, 1998..... No limit
Juvenile justice community initiative fund
For the fiscal year ending June 30, 1998..... No limit
Juvenile justice community planning fund
For the fiscal year ending June 30, 1998..... No limit
Byrne grant—federal fund
For the fiscal year ending June 30, 1998..... No limit

Provided, That no expenditures shall be made from the Byrne grant—federal fund, other than for information systems planning, except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting after receiving a recommendation from the joint committee on computers and telecommunications: Provided, however, That expenditures for such planning purposes shall not exceed \$125,000: Provided further, That the commissioner shall present a management information system plan to the joint committee on computers and telecommunications and the joint committee shall make a recommendation to the state finance council thereon: And provided further, That the commissioner shall report to the joint committee on computers and telecommunications quarterly during the fiscal year on the status of expenditures and development of a strategic plan for information technology.

Capital facilities planning and projects—federal fund
For the fiscal year ending June 30, 1998..... No limit

Provided, That expenditures may be made from the capital facilities planning and projects—federal fund for purposes of a systemwide facilities review and development of a master plan, including a review of privatization options: Provided, however, That no expenditures shall be made from this fund for any other purpose except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting subsequent to a review of the plan and projects by the joint committee on corrections and juvenile justice oversight and the joint committee on state building construction.

Topeka juvenile correctional facility fee fund
For the fiscal year ending June 30, 1998..... No limit
Topeka juvenile correctional facility improvement fund
For the fiscal year ending June 30, 1998..... No limit
Topeka juvenile correctional facility—elementary and secondary education fund—federal
For the fiscal year ending June 30, 1998..... No limit
Topeka juvenile correctional facility—canteen fund
For the fiscal year ending June 30, 1998..... No limit
Topeka juvenile correctional facility—patient benefit fund
For the fiscal year ending June 30, 1998..... No limit
Atchison juvenile correctional facility fee fund
For the fiscal year ending June 30, 1998..... No limit
Atchison juvenile correctional facility—elementary and secondary education fund—federal
For the fiscal year ending June 30, 1998..... No limit
Atchison juvenile correctional facility—canteen fund
For the fiscal year ending June 30, 1998..... No limit
Atchison juvenile correctional facility—patient benefit fund
For the fiscal year ending June 30, 1998..... No limit
Beloit juvenile correctional facility fee fund
For the fiscal year ending June 30, 1998..... No limit
Beloit juvenile correctional facility—elementary and secondary education fund—federal
For the fiscal year ending June 30, 1998..... No limit
Beloit juvenile correctional facility—canteen fund
For the fiscal year ending June 30, 1998..... No limit
Beloit juvenile correctional facility—patient benefit fund
For the fiscal year ending June 30, 1998..... No limit

(c) There is appropriated for the above agency from the state institutions building fund for the fiscal year or years specified, for the capital improvement project or projects specified as follows:

Capital improvements—rehabilitation, remodeling, renovation and repair of juvenile correctional facilities
For the fiscal year ending June 30, 1998..... \$1,055,200

Provided, That the commissioner of juvenile justice is hereby authorized to transfer moneys during fiscal year 1998 from the capital improvements—rehabilitation, remodeling, renovation and repair of juvenile correctional facilities account of the state institutions building fund to an account or accounts of the state institutions building fund of any institution or facility under the jurisdiction of the commissioner of juvenile justice to be expended during fiscal year 1998 by the institution or facility for capital improvement projects, approved by the commissioner of juvenile justice.

Capital facilities planning and projects—SIBF
For the fiscal year ending June 30, 1998..... \$400,000

Provided, That expenditures may be made from the capital facilities planning and projects—SIBF account for purposes of a systemwide facilities review and development of a master plan, including a review of privatization options: Provided, however, That no expenditures may be made from this account for any other purpose except upon approval of the state

finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting subsequent to a review of the plan and projects by the joint committee on corrections and juvenile justice oversight and the joint committee on state building construction.

(d) On July 1, 1997, on October 1, 1997, on January 1, 1998, and on April 1, 1998, the director of accounts and reports shall transfer \$200,000 from the juvenile detention facilities fund to the juvenile justice community planning fund.

(e) On July 1, 1997, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$90,000 from the alcohol and drug abuse block grant federal fund of the department of social and rehabilitation services to the juvenile justice fee fund of the juvenile justice authority.

(f) On July 1, 1997, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$41,333 from the alcohol and drug abuse block grant federal fund of the department of social and rehabilitation services to the Beloit juvenile correctional facility fee fund of the juvenile justice authority.

(g) During the fiscal year ending June 30, 1998, the superintendent of the Topeka juvenile correctional facility, upon the approval of the director of accounts and reports, shall transfer \$4,000 from the Topeka juvenile correctional facility—canteen fund to the Topeka juvenile correctional facility—patient benefit fund.

(h) During the fiscal year ending June 30, 1998, the superintendent of the Atchison juvenile correctional facility, upon the approval of the director of accounts and reports, shall transfer \$500 from the Atchison juvenile correctional facility—canteen fund to the Atchison juvenile correctional facility—patient benefit fund.

(i) During the fiscal year ending June 30, 1998, the superintendent of the Beloit juvenile correctional facility, upon the approval of the director of accounts and reports, shall transfer \$1,000 from the Beloit juvenile correctional facility—canteen fund to the Beloit juvenile correctional facility—patient benefit fund.

(j) During the fiscal year ending June 30, 1998, the commissioner of the juvenile justice authority, with the governor's approval, may transfer any part of any item of appropriation for the fiscal year ending June 30, 1998, from the state general fund for the juvenile justice authority or any juvenile correctional facility or institution under the general supervision and management of the commissioner of juvenile justice to another item of appropriation for fiscal year 1998 from the state general fund for the juvenile justice authority or any juvenile correctional facility or institution under the general supervision and management of the commissioner of juvenile justice. The commissioner of juvenile justice shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the legislative research department.

(k) The following amounts are included in the facilities operations account of the state general fund for the fiscal year ending June 30, 1998, for the following juvenile correctional facilities and institutions, but expenditures from the facilities operations account shall not be limited to, nor be required to be made in, the amount listed for the juvenile correctional facility:

Topeka juvenile correctional facility	
For the fiscal year ending June 30, 1998.....	\$9,983,596
Beloit juvenile correctional facility	
For the fiscal year ending June 30, 1998.....	\$4,511,968
Atchison juvenile correctional facility	
For the fiscal year ending June 30, 1998.....	\$5,326,391
Larned juvenile correctional facility	
For the fiscal year ending June 30, 1998.....	\$3,768,265

(l) On or after July 1, 1997, during fiscal year 1998, upon notification of the commissioner of the juvenile justice authority and the superintendent of the Larned juvenile correctional facility, the director of accounts and reports shall transfer all moneys identified by the commissioner of the juvenile justice authority and the superintendent of the Larned juvenile correctional facility for the residential substance abuse program at the Larned state hospital—youth center at Larned to the juvenile justice federal fund of the juvenile justice authority.

(m) On July 1, 1997, the position limitation established by section 95 of 1997 Senate Substitute for House Bill No. 2160 for the fiscal year ending June 30, 1998, for the above agency is hereby increased from 151.5 to 590.0: *Provided*, That the limitations on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, established by section 95 of 1997 Senate Substitute

for House Bill No. 2160 for the fiscal year ending June 30, 1998, for the youth center at Atchison, youth center at Beloit, Larned state hospital—youth center at Larned and youth center at Topeka are hereby superseded by the position limitation established for the juvenile justice authority: *Provided further*, That the provisions of section 95 of 1997 Senate Substitute for House Bill No. 2160 which set forth limitations on full-time equivalent positions for the youth center at Atchison, youth center at Beloit, Larned state hospital—youth center at Larned and youth center at Topeka shall not apply to the Atchison juvenile correctional facility, Beloit juvenile correctional facility, Larned juvenile correctional facility or Topeka juvenile correctional facility and shall be of no force or effect.

Sec. 40.

SECRETARY OF STATE

(a) On July 1, 1997, of the \$1,483,967 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 32(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures account, the sum of \$2,604 is hereby lapsed.

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

Franchise fee recovery fund	
For the fiscal year ending June 30, 1998.....	\$80,000

(c) During each month of the fiscal year ending June 30, 1998, the secretary of state shall certify to the director of accounts and reports the amount equal to the product of \$1 multiplied by the number of annual reports received by the secretary of state during the preceding month from professional corporations, domestic or foreign corporations, corporations organized not for profit, domestic or foreign limited liability companies, domestic or foreign limited partnerships or any other entities pursuant to statute, which include the receipt of an annual franchise tax or privilege fee. Upon receipt of each such certification, the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the franchise fee recovery fund of the secretary of state.

Sec. 41.

STATE BOARD OF HEALING ARTS

(a) On July 1, 1997, the expenditure limitation established for the fiscal year ending June 30, 1998, by section 7(a) of 1997 Senate Substitute for House Bill No. 2160 on the healing arts fee fund is hereby increased from \$1,634,945 to \$1,650,663.

(b) On July 1, 1997, the expenditure limitation established for the fiscal year ending June 30, 1999, by section 7(a) of 1997 Senate Substitute for House Bill No. 2160 on the healing arts fee fund is hereby increased from \$1,658,279 to \$1,671,279.

Sec. 42.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 1997, the position limitation established by section 105(h) of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 3,227.5 to 3,139.5.

Sec. 43. On July 1, 1997, section 106 of 1997 Senate Substitute for House Bill No. 2160 is hereby amended to read as follows: Sec. 106. *Kansas quality program.* (a) In addition to other expenditures authorized by law, expenditures may be made from the agency operations account of the state highway fund appropriated by this act for the fiscal year ending June 30, 1998, by the department of transportation, if the agency is participating in the Kansas quality program under 1996 Supp. K.S.A. 75-37,115 and amendments thereto, for the following purposes: (1) Quality awards that are salary bonus payments to permanent full-time or regular part-time employees of the state agency pursuant to subsection (c) of K.S.A. 1996 Supp. 75-37,115 and amendments thereto at the discretion of the agency head, (2) purchase or other acquisition of technology equipment which was included in the budget estimates for fiscal year 1998 submitted by the state agency pursuant to K.S.A. 75-3717 and amendments thereto, and (3) professional development training in support of the Kansas quality program: *Provided*, That all such expenditures from such fund for the fiscal year 1998 shall be in addition to any expenditure limitation imposed on the agency operations account of the state highway fund for fiscal year 1998: *Provided, however*, That the total amount of such expenditures from the agency operations account of the

(continued)

state highway fund for fiscal year 1998 shall not exceed the amount equal to 50% of the unexpended portion of the amount authorized to be expended from the agency operations account of the state highway fund for fiscal year 1997 for agency operations, as determined by the director of accounts and reports: *Provided further*, That, in addition to the limitations prescribed by K.S.A. 1996 Supp. 75-37,115 and amendments thereto, the total net amount of any such salary bonus payments to any individual employee during fiscal year 1998 shall not exceed \$1,000: *And provided further*, That the provisions of this subsection shall apply only to: (1) That portion of the moneys in the agency operations account of the state highway fund from which expenditures may be made for agency operations, and (2) shall not include (A) that portion of moneys which may be expended for other operating expenses in the regular maintenance subprogram and (B) that portion of moneys saved as a result of salary reductions from holding positions vacant and retirements that total \$1,267,692 in the fiscal year ending June 30, 1997.

(b) Any unencumbered balance in excess of \$100 as of June 30, 1997, in any Kansas quality management account or KQM expenditures account of the any special revenue fund of the department of transportation, which was established under the Kansas quality program under K.S.A. 1996 Supp. 75-37,115 and amendments thereto or which was appropriated by subsection (b) of section 125 of chapter 191 of the 1996 Session Laws of Kansas and which is not otherwise specifically appropriated or limited by this or other appropriation act of the 1997 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 1998, for the purposes authorized in subsection (a). All expenditures from any such Kansas quality management account or KQM expenditures account of any such special revenue fund shall be in addition to any expenditure limitation imposed on such special revenue fund for the fiscal year ending June 30, 1998.

(c) No salary bonus payment paid pursuant to this section during fiscal year 1998 shall be compensation, within the meaning of K.S.A. 74-4901 et seq., and amendments thereto, for any purpose under the Kansas public employees retirement system and shall not be subject to deductions for employee contributions thereunder. Each salary bonus payment paid under this section shall be a bonus, as defined by 29 C.F.R. 778, and shall be in addition to the regular earnings which that employee may be entitled or for which the employee may become eligible.

Sec. 44.

KANSAS RACING AND GAMING COMMISSION

(a) On July 1, 1997, the expenditure limitation established by section 50(b) of 1997 Senate Substitute for House Bill No. 2160 on the state racing fund is hereby increased from \$2,003,453 to \$2,013,703.

(b) On July 1, 1997, the expenditure limitation established by section 50(b) of 1997 Senate Substitute for House Bill No. 2160 on the horse fair racing benefit fund is hereby increased from \$400,000 to No limit.

(c) The director of accounts and reports shall not make the transfer of \$200,000 from the horse fair racing benefit fund to the state racing fund which was directed to be made on July 1, 1997, by section 50(h) of 1997 Senate Substitute for House Bill No. 2160.

Sec. 45.

DEPARTMENT OF CORRECTIONS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Capacity expansion planning
For the fiscal year ending June 30, 1997..... \$776,956

Provided, That expenditures may be made from the capacity expansion planning account for planning for new construction at Norton correctional facility: *Provided, however*, That the aggregate of expenditures from the capacity expansion planning account for fiscal year 1997 and fiscal year 1998 shall not exceed \$364,586 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting after the above agency has issued requests for proposals for two 200-bed correctional facilities during fiscal year 1998: *And provided further*, That any unencumbered balance in excess of \$100 as of June 30, 1997, is hereby reappropriated for fiscal year 1998.

Community correctional conservation camp
For the fiscal year ending June 30, 1998..... \$262,500

Community corrections
For the fiscal year ending June 30, 1998..... \$700,000

Provided, That no expenditure shall be made of the \$700,000 appropriated from the state general fund by this section in the community corrections account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto after the review of the agency's project or projects recommendation by the joint committee on corrections and juvenile justice: *Provided further*, That the above agency's project or projects shall target probation violators to reduce prison population.

(b) On July 1, 1997, of the \$120,111,310 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 81(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the facilities operations account, the sum of \$295,652 is hereby lapsed.

(c) On the effective date of this act, the \$51,000 appropriated for the above agency for the fiscal year ending June 30, 1997, by section 39(a) of 1997 Senate Substitute for House Bill No. 2272 from the state general fund in the treatment and programs account, is hereby lapsed.

(d) There is appropriated for the above agency from the correctional institutions building fund for the fiscal year or years specified, for the capital improvement project or projects specified as follows:

Partial construction of Norton correctional facility 200-bed unit
For the fiscal year ending June 30, 1998..... \$780,712

Provided, That no expenditures may be made from the partial construction of Norton correctional facility 200-bed unit account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto after the review of the recommendation by the joint committee on corrections and juvenile justice.

Construction of 32-bed unit at Hutchinson correctional facility south unit
For the fiscal year ending June 30, 1998..... \$227,497

Provided, That no expenditures may be made from the construction of 32-bed unit at Hutchinson correctional facility south unit account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto after the review of the recommendation by the joint committee on corrections and juvenile justice.

(e) In addition to the other purposes for which expenditures may be made by the above agency from the planning for new general housing population units account of the correctional institutions building fund for the fiscal year ending June 30, 1997, as authorized by section 33 of chapter 259 of the 1996 Session Laws of Kansas, and for the fiscal year ending June 30, 1998, as authorized by section 28 of 1997 Senate Substitute for House Bill No. 2166, expenditures may be made by the above agency from the planning for new general housing population units account of the correctional institutions building fund for fiscal year 1997 and fiscal year 1998 for the preparation and issuance of requests for proposals for the design, construction and operation of a 200-bed medium custody adult male correctional facility and a 200-bed low-cost special population unit: *Provided*, That such requests for proposals may be prepared and issued but shall not be awarded until after the annual projections of the Kansas sentencing commission and the resulting department of corrections projections regarding classification of the inmate population have been completed and the department of corrections has advised and consulted with the joint committee on corrections and juvenile justice oversight regarding the sentencing projections and the inmate population classification by the department of corrections and regarding the department of correction's recommendations regarding existing and approved inmate capacity: *Provided further*, That no expenditures shall be made for the awarding of such requests for proposals and such requests for proposals shall not be awarded except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting on this matter after receiving the recommendations of the joint committee on corrections and juvenile justice oversight thereon: *And provided further*, That the annual projections of the Kansas sentencing commission shall be based on participation of the sentencing commission inmate population consensus group which shall include as a member the director of the Kansas legislative research department, or the director's designee: *And provided further*, That bidders responding to the requests for proposals shall not be excluded from submitting combined bids on both requests for proposals if the objectives of both requests for proposals are satisfied: *And provided further*, That the department of corrections shall not be excluded from submitting responses on both requests for proposals: *Provided*, That expenditures for such purposes from the correctional institutions building fund for fiscal year 1997 shall not exceed \$80,000.

(f) In addition to the other purposes for which expenditures may be made by the above agency from the planning for new general housing population units account of the correctional institutions building fund for the fiscal year ending June 30, 1997, as authorized by section 33 of chapter 259 of the 1996 Session Laws of Kansas, and for the fiscal year ending June 30, 1998, as authorized by section 28 of 1997 Senate Substitute for House Bill No. 2166, expenditures may be made by the above agency from the planning for new general housing population units account of the correctional institutions building fund for fiscal year 1997 and for

fiscal year 1998 for the department of corrections to assist the legislature and to develop and adopt a ten-year corrections master plan for the legislature to guide the development and expansion of correctional programs and facilities: *Provided*, That a scope statement of the ten-year corrections master plan shall be presented to the joint committee on corrections and juvenile justice oversight on or before September 1, 1997: *Provided further*, That, after such presentation, the above agency shall advise and consult with such joint committee and shall assist in revising such master plan prior to finalization of such master plan: *And provided further*, That expenditures may be made by the above agency from such account of such fund for fiscal year 1997 and fiscal year 1998 for such experts and consultants as are necessary to develop such master plan: *And provided further*, That the master plan shall include:

- (1) Enhanced or expanded community corrections programs; the plan shall address how such programs will slow the growth of the need for new prison beds or reduce the need for new prison beds; review of community correction programs may include, but not be limited to, intensive supervision, short-term jail sentences, half-way houses and community-based work;
- (2) any future expansion of state correctional facilities;
- (3) a work academy or mobile facility;
- (4) a public-private contract for the building and operation of a correctional facility to house probation and conditional release violators or other special populations;
- (5) a guide for community-based facilities;
- (6) consolidation or centralization of field services;
- (7) correctional bed needs in the future;
- (8) private expansion with specific recommendations on criteria to guide the determination of any program appropriate for privatization, to assist in determining the placement of any such facility and to guide in the selection of any private provider;
- (9) specific programs to deal with specific populations within the existing state facilities that could be served in the community to ease capacity demands on the existing state institutions and the cost basis and effectiveness of such programs;
- (10) contracts with profit or nonprofit corporations which would serve to reduce the demands on the state facilities;
- (11) projected costs of any such plans developed or recommended; and
- (12) identification of any revenue source sufficient to appropriately fund any plans developed or recommended: *And provided further*, That the department of corrections shall meet regularly with the joint committee on corrections and juvenile justice regarding the development of the ten-year corrections master plan and prepare a preliminary report for the 1998 legislature: *And provided further*, That the aggregate of expenditures from such account of such fund for fiscal year 1997 and fiscal year 1998 for such purposes shall not exceed \$80,000.

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

Violent offender incarceration and truth in sentencing incentive grants— federal fund	
For the fiscal year ending June 30, 1998.....	No limit
El Dorado site utilities replacement revenue fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That the department of corrections may make expenditures from the El Dorado site utilities replacement revenue fund for the capital improvement project for replacement of site utilities at the El Dorado correctional facility: *Provided further*, That the capital improvement project for site utilities replacement at the El Dorado correctional facility is hereby approved for the department of corrections for the purpose of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with the statute: *Provided, however*, That expenditures from this fund for such capital improvement project shall not exceed \$5,637,316 plus all amounts required for costs of any bonds issuance, costs of interest on any bond issued or obtained for such capital improvement project and any required reserves for payment of principal and interest on any bond: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited in the state treasury to the credit of this fund.

Correctional facilities expansion projects revenue fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That the department of corrections may make expenditures from the correctional facilities expansion projects revenue fund for the capital improvement projects for expansion of a correctional facility at Hutchinson pending the outcome of the department's requests for proposals for a 200-bed medium custody adult male correctional facility: *Provided further*, That the capital improvement projects for expansion of a correctional facility at Hutch-

inson is hereby approved for the department of corrections for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided, however*, That expenditures from this fund for such capital improvement project shall not exceed \$6,700,345 plus all amounts required for costs of any bond issuance, costs of interest on any bond issued or obtained for such capital improvement project and any required reserves for payment of principal and interest on any bond: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited in the state treasury to the credit of this fund: *And provided further*, That no bonds may be issued until after April 11, 1998: *And provided further*, That no bonds shall be issued for expansion of correctional facilities except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-371c and amendments thereto.

(h) In addition to the other purposes for which expenditures may be made by the above agency from the state of Kansas—department of corrections inmate benefit fund for the fiscal year ending June 30, 1998, as authorized by section 81(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the state of Kansas—department of corrections inmate benefit fund for fiscal year 1998 to fund the operation of visitors centers administration costs and operations at Ellsworth and Norton correctional facilities: *Provided*, That expenditures for such purposes from the state of Kansas—department of corrections inmate benefit fund for fiscal year 1998 shall not exceed \$119,029.

(i) In addition to the other purposes for which expenditures may be made by the above agency from the Hutchinson correctional facility—inmate benefit fund for the fiscal year ending June 30, 1998, as authorized by section 81(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the Hutchinson correctional facility—inmate benefit fund for fiscal year 1998 to fund the operation of the visitors center at the Hutchinson correctional facility: *Provided*, That expenditures for such purposes from the Hutchinson correctional facility—inmate benefit fund for fiscal year 1998 shall not exceed \$47,388.

(j) In addition to the other purposes for which expenditures may be made by the above agency from the Lansing correctional facility—inmate benefit fund for the fiscal year ending June 30, 1998, as authorized by section 81(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the Lansing correctional facility—inmate benefit fund for fiscal year 1998 to fund the operation of the visitors center at Lansing correctional facility: *Provided*, That expenditures for such purposes from the Lansing correctional facility—inmate benefit fund for fiscal year 1998 shall not exceed \$46,657.

(k) On July 1, 1997, the amounts specified in section 81(c) of 1997 Senate Substitute for House Bill No. 2160 as being included in the facilities operations account of the state general fund for the following correctional institutions and facilities are hereby changed to the amounts specified therefor, but expenditures from the facilities operations account of the state general fund shall not be limited to or be required to be made in the amount listed for the correctional institution or facility, as follows: (1) The amount for the Lansing correctional facility is hereby decreased from \$29,593,454 to \$29,532,082; (2) the amount for the Topeka correctional facility is hereby increased from \$11,982,942 to \$12,129,942.

(l) On July 1, 1997, the position limitation established by section 81(f) of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 3,016.5 to 3,007.5.

Sec. 46.

OMBUDSMAN OF CORRECTIONS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Any unencumbered balance in excess of \$100 as of June 30, 1997, in each of the following accounts is hereby reappropriated for fiscal year 1998: Adult corrections oversight.

Sec. 47.

BOARD OF ACCOUNTANCY

(a) In addition to the other purposes for which expenditures may be made by the above agency from the board of accountancy fee fund for the fiscal year ending June 30, 1997, as authorized by section 3(a) of chapter 224 of the 1995 Session Laws of Kansas, section 7 of chapter 191 of the 1996 Session Laws of Kansas, or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the board of accountancy fee fund for fiscal year 1997 for certified public accountant examination services for the administration of the certified public accountant examination in May, 1997: *Provided*, That all expenditures for such certified public accountant

(continued)

examination services shall be in addition to any expenditure limitation imposed upon the board of accountancy fee fund for fiscal year 1997: *Provided, however,* That expenditures from the board of accountancy fee fund for fiscal year 1997 for such certified public accountant examination services shall not exceed \$120,000.

Sec. 48.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

State personnel and payroll system upgrade	
For the fiscal year ending June 30, 1997.....	\$3,800,000
<i>Provided,</i> That any unencumbered balance in the state personnel and payroll system upgrade account in excess of \$100 as of June 30, 1997, is hereby reappropriated for fiscal year 1998.	
Year 2000 computer repair for state agencies	
For the fiscal year ending June 30, 1997.....	\$800,000
For the fiscal year ending June 30, 1998.....	\$4,653,012
<i>Provided,</i> That any unencumbered balance in the year 2000 computer repair for state agencies account in excess of \$100 as of June 30, 1997, is hereby reappropriated for fiscal year 1998.	
Insurance for state buildings	
For the fiscal year ending June 30, 1998.....	\$27,000
Facilities management	
For the fiscal year ending June 30, 1998.....	\$5,014
Cedar Crest repair and renovation	
For the fiscal year ending June 30, 1998.....	\$500,000
For the fiscal year ending June 30, 1999.....	\$500,000
Southeast Kansas public broadcasting study	
For the fiscal year ending June 30, 1998.....	\$20,000

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

Wyandotte county consolidation study fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That, upon certification by the director of the budget, the director of accounts and reports shall transfer the unencumbered balance in the Wyandotte county consolidation study fund to Wyandotte county, to Kansas City, Kansas, and to the strategic action grants subaccount of the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing in the same proportion that each contributed to the Wyandotte county consolidation study fund: *Provided further,* That no unencumbered balance shall be returned to Wyandotte county until \$10,000 has been returned to Kansas City, Kansas, and \$10,000 has been returned to the strategic action grants subaccount of the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing: *And provided further,* That, upon completion of such fund transfers, the Wyandotte county consolidation study fund is hereby abolished.

State capitol dome sculpture fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That, notwithstanding the provisions of K.S.A. 75-2249 and amendments thereto, all expenditures from the state capitol dome sculpture 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 administration, or the secretary's designee: *Provided further,* That all moneys received by the department of administration in the form of grants, gifts, contributions or bequests made for the purpose of financing the cost of acquiring and placing atop the capitol the work of sculpture selected pursuant to statute shall be deposited in the state treasury and credited to this fund and all such grants, gifts, contributions or bequests are hereby authorized to be received by the department of administration.

(c) On July 1, 1997, of the \$2,866,873 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 9(a) of 1997 Senate Substitute for House Bill No. 2166 from the state general fund in the energy conservation improvements—debt service account, the sum of \$44,553 is hereby lapsed.

(d) On July 1, 1997, of the \$2,683,876 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 45(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the accounting and reporting services account, the sum of \$58,168 is hereby lapsed.

(e) On July 1, 1997, the position limitation established by section 46 of 1997 Senate Substitute for House Bill No. 2160 for the above agency is hereby decreased from 851.4 to 847.4.

(f) On the effective date of this act, or as soon thereafter as moneys are available during fiscal year 1997 or fiscal year 1998, the director of accounts and reports shall transfer amounts specified by the secretary of administration of not to exceed a total of \$18,400 from the state capitol dome sculpture fund to the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing; for the purpose of reimbursing the

Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing.

(g) In addition to the other purposes for which expenditures may be made by the above agency from the dependent care assistance program fund for the fiscal years ending June 30, 1997, and June 30, 1998, as authorized by this or other appropriation act of the 1996 or 1997 regular session of the legislature, expenditures may be made by the above agency from the dependent care assistance program fund for fiscal year 1997 and fiscal year 1998 to participate in a demonstration customer satisfaction survey: *Provided,* That expenditures from the dependent care assistance program fund for fiscal year 1997 and fiscal year 1998 to participate in a demonstration customer satisfaction survey shall not exceed \$25,000.

Sec. 49. (a) Except as otherwise provided in this section or as specifically authorized by an act of the legislature enacted during the 1997 or 1998 regular session of the legislature, no expenditures shall be made by any state agency from any moneys appropriated for the fiscal years ending June 30, 1997, or June 30, 1998, by any appropriation act enacted by the legislature during the 1996 regular session, by this act or by any other appropriation act of the 1997 regular session of the legislature, or by any appropriation act enacted during the 1998 regular session of the legislature, for any expenses for the sale, exchange, or other disposition conveying title for any state property, as defined by this section, and no state property, as defined by the section, shall be sold, exchanged or otherwise conveyed or disposed of by any state agency: *Provided, however,* That expenditures may be made by a state agency for the expenses of the sale, exchange, or other disposition conveying title for any such state property upon specific authorization by 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, and such specified state property may be sold, exchanged or otherwise conveyed or disposed of by the state agency in accordance with such authorization by the state finance council: *Provided further,* That the net proceeds from the sale of any Winfield state hospital and training center property shall be deposited in the state treasury to the credit of the Winfield properties special revenue fund of the department of social and rehabilitation services: *And provided further,* That the net proceeds from the sale of any Topeka state hospital property shall be deposited in the state treasury to the credit of the Topeka state hospital transition fund of the department of administration.

(b) (1) As used in this section, "state property" means all Topeka state hospital property and all Winfield state hospital and training center property;

(2) "Topeka state hospital property" means all state-owned land and improvements in the city of Topeka, KS, which is in the area bounded by west sixth street on the south, MacVicar Avenue on the east, Interstate 70 on the north and Oakley Avenue on the west, including the adjacent state-owned land west of Oakley Avenue; and

(3) "Winfield state hospital and training center property" means all state-owned land and improvements in the city of Winfield, KS, and Cowley county located in the southwest quarter of section 14, the southeast quarter of section 15 and part of the northwest quarter of section 15 east of the center of Timber Creek, all located in township 32 south, range 4 east of the 6th P.M.

Sec. 50.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

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

Winfield properties special revenue fund	
For the fiscal year ending June 30, 1997.....	No limit

Provided, That expenditures may be made from the Winfield properties special revenue fund for the fiscal year ending June 30, 1997, for operating expenditures for the operation and maintenance of the Winfield state hospital and training center property, including any expenses for operating heating plants and other facilities and for the security and repair of the state property: *Provided further,* That the secretary of social and rehabilitation services is hereby authorized to fix, charge and collect fees for operating expenses incurred to provide heating services for buildings and facilities on the Winfield state hospital and training center property: *And provided further,* That such fees shall be fixed in order to recover all or part of such operating expenses: *And provided further,* That all moneys received for such fees shall be deposited in the state treasury to the credit of this fund.

For the fiscal year ending June 30, 1998.....	No limit
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Provided, That expenditures may be made from the Winfield properties special revenue fund for the fiscal year ending June 30, 1998, for operating expenditures for the operation and maintenance of the Winfield state hospital and training center property, including any expenses for operating heating plants and other facilities and for the security and repair of the state property: *Provided further*, That the secretary of social and rehabilitation services is hereby authorized to fix, charge and collect fees for operating expenses incurred to provide heating services for buildings and facilities on the Winfield state hospital and training center property: *And provided further*, That such fees shall be fixed in order to recover all or part of such operating expenses: *And provided further*, That all moneys received for such fees shall be deposited in the state treasury to the credit of this fund.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the Winfield properties special revenue fund for the fiscal years ending June 30, 1997, and June 30, 1998, as authorized by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the Winfield properties special revenue fund for fiscal year 1997 and fiscal year 1998 for (1) expenses related to the review and consideration of proposals and other matters relating to the potential disposition of the Winfield state hospital and training center property, including, but not limited to, expenditures for members of the legislature who are members of any advisory committee established therefor by the secretary of social and rehabilitation services for per diem compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3212 or 75-3223 and amendments thereto for attending meetings of such advisory committee, or attending a subcommittee meeting thereof authorized by such advisory committee, and (2) any expenses relating to any sale of any Winfield state hospital and training center property, as defined by this section.

(c) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund for the fiscal year ending June 30, 1997, as authorized by section 115 of chapter 191 or section 25 of chapter 272 of the 1996 Session Laws of Kansas, section 22 of 1997 Senate Substitute for House Bill No. 2272, or by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1997 for the sale to unified school district 501 of capital city high school: *Provided*, That the sale of capital city high school to unified school district 501 is hereby specifically authorized by act of the legislature: *Provided, however*, That unified school district 501 shall not sell or otherwise dispose of capital city high school within 10 years of the sale authorized by this act: *Provided further*, That the sale of capital city high school shall not be subject to the provisions of the state surplus property act, K.S.A. 75-6601 through 75-6608, and amendments thereto, or the competitive bidding requirements of K.S.A. 75-3738 through 75-3744, and amendments thereto: *And provided further*, That the net proceeds from the sale of capital city high school shall be deposited in the state treasury to the credit of the Topeka state hospital transition fund of the department of administration.

(d) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund for the fiscal year ending June 30, 1997, as authorized by section 115 of chapter 191 or section 25 of chapter 272 of the 1996 Session Laws of Kansas or by section 22 of 1997 Senate Substitute for House Bill No. 2272, or for the fiscal year ending June 30, 1998, as authorized by section 61 of 1997 Senate Substitute for House Bill No. 2160, or for each such fiscal year as authorized by this or other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1997 and for fiscal year 1998 for operating expenditures for the operation and maintenance of the Winfield state hospital and training center property, including any expenses for operating heating plants and other facilities and for the security and repair of the state property: *Provided*, That all expenditures from any special revenue fund for such purposes shall be in addition to any expenditure limitation imposed on such special revenue fund for fiscal year 1998: *Provided further*, That any full-time or regular part-time positions established by the above agency for such purposes, approved by the governor and paid from appropriations for fiscal year 1998 shall be in addition to any limitation established for the above agency by this or other appropriation act of the 1997 regular session of the legislature or any appropriation act of the 1998 regular session of the legislature, on the number of full-time or regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for fiscal year 1998.

(e) (1) As used in this section, "state property" means all Topeka state hospital property and all Winfield state hospital and training center property;

(2) "Topeka state hospital property" means all state-owned land and improvements in the city of Topeka, KS, which is in the area bounded by west sixth street on the south, MacVicar avenue on the east, Interstate 70 on the north and Oakley Avenue on the west, including the adjacent state-owned land west of Oakley Avenue;

(3) "capital city high school" means the real and personal property and improvements located on the Topeka state hospital property known as capital city high school and includes the facilities and equipment of capital city high school, the school shop building, the five Erickson buildings and up to approximately 27 acres of land adjacent to the capital city high school building; and

(4) "Winfield state hospital and training center property" means all state-owned land and improvements in the city of Winfield, KS, and Cowley county located in the southwest quarter of section 14, the southeast quarter of section 15 and part of the northwest quarter of section 15 east of the center of Timber Creek, all located in township 32 south, range 4 east of the 6th P.M.

Sec. 51.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Topeka state hospital transition operations	
For the fiscal year ending June 30, 1998.....	\$500,000

Provided, That expenditures may be made from the Topeka state hospital transition operations account for operation and maintenance of the Topeka state hospital property: *Provided, however*, That no expenditures shall be made from the Topeka state hospital transition operations account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

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

Topeka state hospital transition fund	
For the fiscal year ending June 30, 1998.....	No limit

Provided, That expenditures may be made from the Topeka state hospital transition fund for the fiscal year ending June 30, 1998, for consultant services relating to the sale or other disposition of the Topeka state hospital property and operating expenditures for the operation and maintenance of the Topeka state hospital property, including any expenses for operating heating plants and other facilities and for the security and repair of the Topeka state hospital property: *Provided, however*, That, other than expenditures for consultant services relating to the sale or other disposition of the Topeka state hospital property or expenditures for operating expenditures for the operation and maintenance of the Topeka state hospital property, including any expenses for operating heating plants and other facilities and for the security and repair of the Topeka state hospital property, no expenditures shall be made from the Topeka state hospital transition fund except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-3307 and 75-3316 and amendments thereto, the secretary of administration is hereby given temporary custody and control of the Topeka state hospital property and is authorized to permit the use of the Topeka state hospital property by other state agencies, to enter into agreements with such state agencies therefor, to fix and alter charges for use of the Topeka state hospital property in such amounts as the secretary of administration may determine to be beneficial or necessary, and to fix, charge and collect fees for operating expenses incurred to provide heating services for buildings and facilities on the Topeka state hospital property: *And provided further*, That such fees shall be fixed in order to recover all or part of such operating expenses: *And provided further*, That, notwithstanding the provisions of K.S.A. 75-3316 and amendments thereto, all moneys received for such charges or fees shall be deposited in the state treasury to the credit of this fund.

(c) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund for the fiscal year ending June 30, 1998, as authorized by section 45 of 1997 Senate Substitute for House Bill No. 2160 or by this or any other appropriation act of the 1997 regular session of the legislature or by any appropriation act of the 1998 regular session of the legislature, expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1998 for operating expenditures for the operation and maintenance of the Topeka state hospital property, including any expenses for operating heating plants and other facilities and for the security and repair of the Topeka state hospital property:

(continued)

Provided, That all expenditures from any such special revenue fund for such purposes shall be in addition to any expenditure limitation imposed on such special revenue fund for fiscal year 1998.

(d) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund for the fiscal year ending June 30, 1998, as authorized by section 45 of 1997 Senate Substitute for House Bill No. 2160 or by this or any other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 1998 for operating expenditures for a total of 24 additional full-time and regular part-time positions equated to full-time, which full-time equivalent positions shall be in addition to the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, authorized under this or other appropriation act of 1997 regular session of the legislature: *Provided*, That such expenditures for such additional full-time equivalent positions shall be subject to approval by 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: *Provided further*, That any employee, who is transferred from the Topeka state hospital to the department of administration upon assumption of temporary custody and control of Topeka state hospital property by the secretary of administration and who is subsequently laid off from the department of administration due to sale or other disposition of the Topeka state hospital property, shall be provided with the same rights and benefits available to other employees of Topeka state hospital who are laid off upon closure of Topeka state hospital: *And provided further*, That any expenditures for such rights and benefits shall be funded and paid in the same manner as prescribed by law for other employees of Topeka state hospital who are laid off upon closure of Topeka state hospital.

(e) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund, other than the Topeka state hospital transition fund, for the fiscal year ending June 30, 1997, as authorized by section 80 of chapter 191 of the 1996 Session Laws of Kansas, section 14 of 1997 Senate Substitute for House Bill No. 2272 and this or other appropriation act of the 1997 regular session of the legislature, and for the fiscal year ending June 30, 1998, as authorized by section 45 of 1997 Senate Substitute for House Bill No. 2160 or by this or any other appropriation act of the 1997 regular session of the legislature, expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund, other than the Topeka state hospital transition fund, for fiscal year 1998 for (1) expenses related to the review and consideration of proposals and other matters relating to the potential disposition of the Topeka state hospital property, as defined by this section, including, but not limited to, expenditures for members of the legislature who are members of any advisory committee which is hereby authorized to be established for such purposes by the secretary of administration, for per diem compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3212 or 75-3223 and amendments thereto for attending meetings of such advisory committee, or attending a subcommittee meeting thereof authorized by such advisory committee, (2) any expenses relating to any sale of any Topeka state hospital property, as defined by this section, and (3) any expenses incurred to assist the department of social and rehabilitation services with regard to the sale or other disposition of the Winfield state hospital and training center property, as defined by this section.

(f) As used in this section, (1) "Topeka state hospital property" means all state-owned land and improvements in the city of Topeka, KS, which is in the area bounded by west sixth street on the south, MacVicar Avenue on the east, Interstate 70 on the north, and Oakley Avenue on the west, including the adjacent state-owned land west of Oakley Avenue; and

(2) "Winfield state hospital and training center property" means all state-owned land and improvements in the city of Winfield, KS, and Cowley county located in the southwest quarter of section 14, the southeast quarter of section 15 and part of the northwest quarter of section 15 east of the center of Timber Creek, all located in township 32 south, range 4 east of the 6th P.M.

Sec. 52.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES

(a) In addition to the other purposes for which expenditures may be made by the above agency from the indigents' defense services fund for the fiscal year ending June 30, 1998, as authorized by section 38(b) of 1997 Senate Substitute for House Bill No. 2160, expenditures may be made by the above agency from the indigents' defense services fund for fiscal year 1998 for salaries and wages and other operating expenses of the above agency.

(b) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 1998.....	\$250,000
Agency enhancements	
For the fiscal year ending June 30, 1998.....	\$140,000

Sec. 53.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) On July 1, 1997, of the \$87,087,510 appropriated for the above agency for the fiscal year ending June 30, 1998, by section 78(a) of 1997 Senate Substitute for House Bill No. 2160 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$67,900 is hereby lapsed.

Sec. 54.

STATE TREASURER

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

Tax increment financing revenue replacement fund	No limit
For the fiscal year ending June 30, 1998.....	

Sec. 55.

KANSAS ARTS COMMISSION

(a) On July 1, 1997, the appropriation for the Kansas arts commission of all moneys now or hereafter lawfully credited to and available in the state capitol dome sculpture fund for the fiscal year ending June 30, 1998, by section 66(b) of 1997 Senate Substitute for House Bill No. 2160, is hereby lapsed.

Sec. 56.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Judiciary operations	
For the fiscal year ending June 30, 1998.....	\$200,000

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

Permanent families account—family and children investment fund	No limit
For the fiscal year ending June 30, 1998.....	

Provided, That portion of all moneys transferred from the state general fund to the family and children investment fund pursuant to subsection (e) of K.S.A. 38-1808 and amendments thereto that are attributable to moneys credited to the permanent families account of the family and children investment fund shall be credited to the permanent families account—family and children investment fund.

Sec. 57.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

(a) In addition to the other purposes for which expenditures may be made by the Kansas technology enterprise corporation from the operations, assistance and grants (including official hospitality) account of the economic development research and development fund for the fiscal year ending June 30, 1998, as authorized by section 53(a) of 1997 Senate Substitute for House Bill No. 2160 or by this or other appropriation act of the 1997 regular session of the legislature, expenditures shall be made by the Kansas technology enterprise corporation for fiscal year 1998 from the operations, assistance and grants (including official hospitality) account of the economic development research and development fund to prepare and present a report to the joint committee on economic development prior to the 1998 regular session of the legislature setting forth the criteria used to select projects and programs for financing, and setting forth the criteria for return on public investment in such projects and programs, that were financed by the Kansas technology enterprise corporation.

poration during fiscal year 1996 and fiscal year 1997, whether financed directly by the above agency or through programs, funds or entities that are subject to control, supervision or oversight by the Kansas technology enterprise corporation, specifically including the six for-profit investment funds in which the Kansas technology enterprise corporation holds equity interests, during fiscal year 1996 or fiscal year 1997: *Provided*, That such report shall include a review of the extent to which the Kansas technology enterprise corporation has been involved in investment decisions and shall include a review of the procedures used by the Kansas technology enterprise corporation or any such program, fund or other entity to ensure compliance with the provisions of agreements entered into with respect to such financing.

Sec. 58. *Appeals to exceed position limitations.* The limitations imposed by this act on the full-time equivalent number of full-time and regular part-time positions, excluding seasonal and temporary positions, paid from appropriations made in this act or in any appropriation act of the 1996 regular session of the legislature or in any other appropriation act of the 1997 regular session of the legislature may be exceeded upon approval of the state finance council.

Sec. 59. *Appeals to exceed expenditure limitations.* Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

Sec. 60. Any state institutions building fund appropriation heretofore appropriated to any state agency named in this or any other appropriation act of the 1997 regular session of the legislature and having an unencumbered balance as of June 30, 1997, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 1998, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 61. Any Kansas educational building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 1997 regular session of the legislature, and having an unencumbered balance as of June 30, 1997, in excess of \$100 is hereby

reappropriated for the fiscal year ending June 30, 1998, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

Sec. 62. Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 1997 regular session of the legislature, and having an unencumbered balance as of June 30, 1997, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 1998, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

Sec. 63. Any Kansas special capital improvements fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 1997 regular session of the legislature, and having an unencumbered balance as of June 30, 1997, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 1998, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

Sec. 64. *Savings.* Any unencumbered balance in any special revenue fund, or account thereof, which is not otherwise specifically appropriated or limited by this or any other appropriation act of the 1997 regular session of the legislature, is hereby reappropriated for the fiscal year ending June 30, 1998, for the same use and purpose as the same was heretofore appropriated.

Sec. 65. Any transfers of money during the fiscal year ending June 30, 1998, from any special revenue fund of any state agency named in this act or in any other appropriation act of the 1997 regular session of the legislature to the audit services fund of the division of post audit under K.S.A. 46-1121 and amendments thereto shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 1998.

Sec. 66. On July 1, 1997, sections 87, 88, 89, 90, 91 and 106 of 1997 Senate Substitute for House Bill No. 2160 are hereby repealed.

Sec. 67. *Effective date.* This act shall take effect and be in force from and after its publication in the Kansas register.

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 1996 Supplement to the *Kansas Administrative Regulations*.

AGENCY 1: DEPARTMENT OF ADMINISTRATION

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1-1-1	Amended	V. 15, p. 703
1-1-2	Revoked	V. 15, p. 704
1-1-3	Revoked	V. 15, p. 704
1-1-4	Revoked	V. 15, p. 704
1-2-53	Revoked	V. 15, p. 704
1-2-57	Amended	V. 15, p. 704
1-2-72	Amended	V. 15, p. 704
1-2-88	Amended	V. 15, p. 704
1-3-1	Revoked	V. 15, p. 704
1-3-3	Revoked	V. 15, p. 704
1-3-4	Revoked	V. 15, p. 704
1-4-2	Amended	V. 15, p. 704
1-4-6	Revoked	V. 15, p. 704
1-5-1	Amended	V. 15, p. 704
1-5-2	Revoked	V. 15, p. 704
1-5-3	Revoked	V. 15, p. 704
1-5-6	Revoked	V. 15, p. 704
1-5-7	Amended	V. 15, p. 704

1-5-12	Amended	V. 15, p. 705
1-5-15	Amended	V. 15, p. 705
1-5-22	Amended	V. 15, p. 706
1-5-24	Amended	V. 15, p. 706
1-5-26	Amended	V. 15, p. 707
1-6-22a	Amended	V. 15, p. 707
1-6-23	Amended	V. 15, p. 708
1-6-24	Amended	V. 15, p. 708
1-6-31	Amended	V. 15, p. 708
1-8-1	Revoked	V. 15, p. 709
1-8-5	Amended	V. 15, p. 709
1-8-7	Revoked	V. 15, p. 709
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1-9-15	Revoked	V. 15, p. 709
1-9-16	Revoked	V. 15, p. 709
1-9-19a	Amended	V. 15, p. 709
1-9-23	Amended	V. 15, p. 710
1-9-27	New	V. 15, p. 711
1-10-6	Amended	V. 15, p. 713
1-10-8	Revoked	V. 15, p. 713
1-10-9	Revoked	V. 15, p. 713
1-11-1	Amended	V. 15, p. 713
1-13-1a	Amended	V. 15, p. 713
1-13-2	Revoked	V. 15, p. 714
1-13-3	Revoked	V. 15, p. 714
1-13-4	Revoked	V. 15, p. 714
1-14-6	Revoked	V. 15, p. 714
1-14-7	Amended	V. 15, p. 714
1-14-10	Amended	V. 15, p. 715
1-14-11	Amended	V. 15, p. 715
1-14-12a	New	V. 16, p. 170
1-16-18a	Amended	V. 15, p. 317
1-17-10	Amended	V. 15, p. 1706
1-18-1a	Amended	V. 15, p. 1508
1-45-4	Amended	V. 15, p. 1706
1-45-7	Amended	V. 15, p. 1706
1-45-8	Amended	V. 15, p. 1706

AGENCY 5: DEPARTMENT OF AGRICULTURE—DIVISION OF WATER RESOURCES

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5-25-1 through 5-25-10	Amended	V. 15, p. 410-412
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5-50-2	Amended	V. 15, p. 1861
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5-50-4	Amended	V. 15, p. 1862
5-50-5	Amended	V. 15, p. 1862
5-50-6	Amended	V. 15, p. 1863
5-50-7	New	V. 15, p. 1863
5-50-8	New	V. 15, p. 1863

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7-18-2	New	V. 15, p. 1508
7-18-3	New	V. 15, p. 1508
7-19-1	Amended	V. 16, p. 821
7-19-2	Amended	V. 16, p. 821
7-19-3	Amended	V. 16, p. 822
7-19-4	Amended	V. 16, p. 822
7-19-7	New	V. 16, p. 822
7-23-2	Amended	V. 15, p. 1927
7-23-4	Amended	V. 15, p. 1927
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7-38-1	New	V. 15, p. 1927
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9-10-32	New	V. 15, p. 1671
9-18-1	Amended	V. 15, p. 1671

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9-19-1 through 9-19-11 Amended V. 15, p. 1671-1677
 9-25-1 through 9-25-15 New V. 15, p. 1677-1684
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AGENCY 11: STATE CONSERVATION COMMISSION

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 17-16-4 Amended V. 15, p. 1133
 17-16-5 through 17-16-8 Revoked V. 15, p. 1133
 17-16-9 Amended V. 15, p. 1133
 17-17-1 through 17-17-10 Amended V. 15, p. 1133, 1134
 17-18-1 through 17-18-4 Revoked V. 15, p. 1134
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AGENCY 24: KANSAS WHEAT COMMISSION

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AGENCY 25: STATE GRAIN INSPECTION DEPARTMENT

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 25-1-1 Revoked V. 15, p. 138
 25-3-3 Amended V. 15, p. 138
 25-4-1 Revoked V. 15, p. 1380
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AGENCY 26: DEPARTMENT ON AGING

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AGENCY 28: DEPARTMENT OF HEALTH AND ENVIRONMENT

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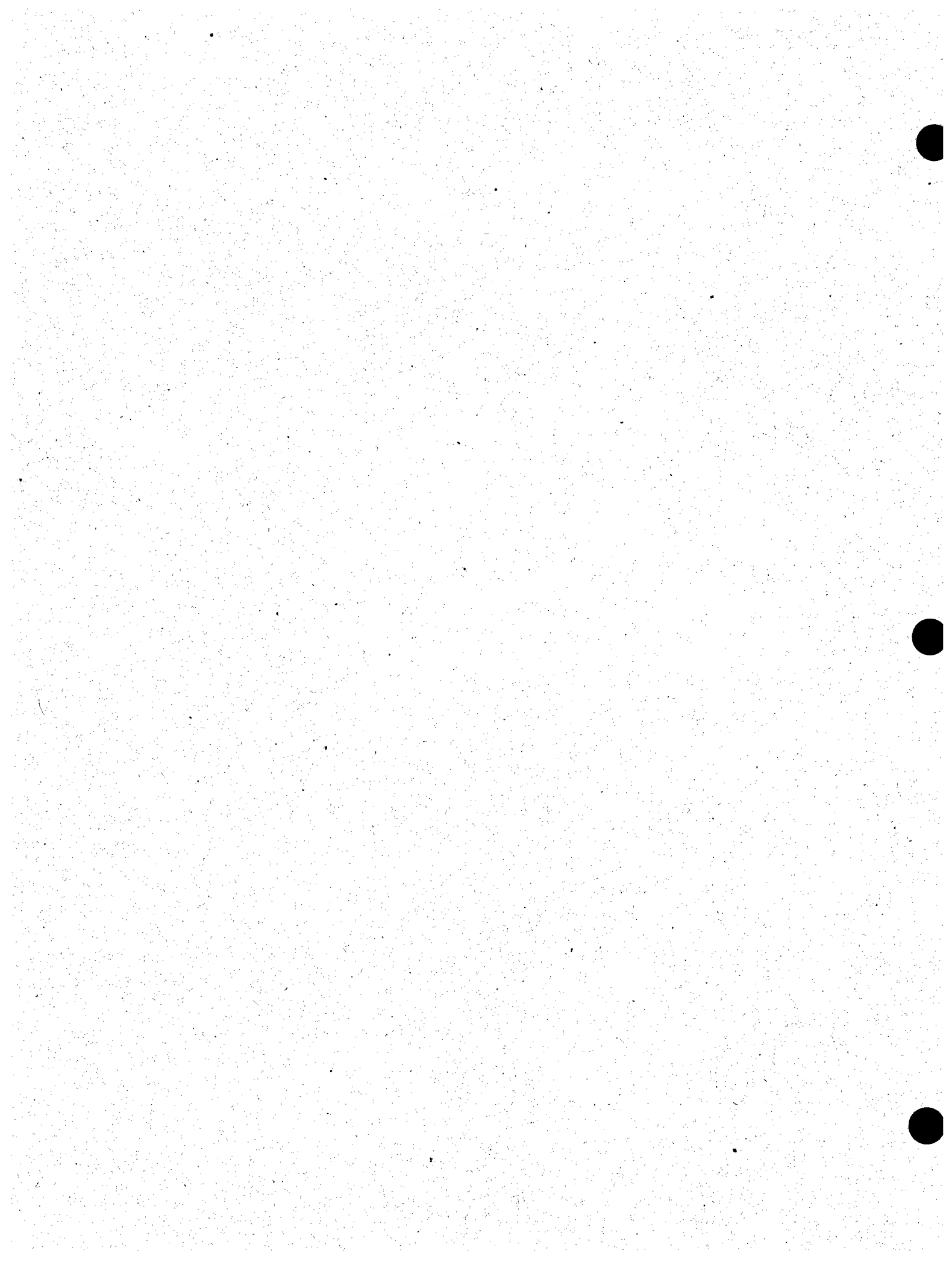
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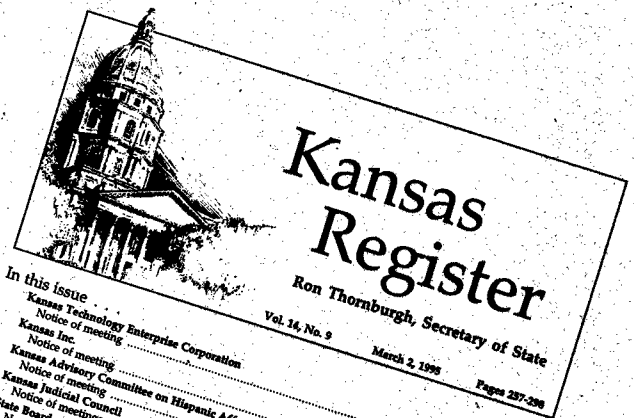
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