



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 12-20. Requests for accommodation to participate in committee meetings should be made at least two working days in advance of the meeting by contacting Legislative Administrative Services at (785) 296-2391 or TTY (785) 296-8430. When available, agendas can be found at <http://kslegislature.org/klrd>.

Date	Room	Time	Committee	Agenda
June 12	313-S	9:30 a.m.	Kansas Autism Task Force	Agenda not available.
June 17	313-S	10:00 a.m.	Joint Committee on Pensions, Investments and Benefits	Review of interim topics: a.m. — COLAs and other post-retirement benefits. p.m. — Working after retirement; membership in KP&F.

Jeffrey M. Russell
Director of Legislative
Administrative Services

Doc. No. 035841

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State of Kansas

Kansas State University—Salina

Notice to Bidders

Kansas State University at Salina is selling by sealed bid miscellaneous aircraft parts to include C-150 and Sundowner parts. For details, bid sheet, bid deadline and contact information see K-State at Salina’s Web site, <http://www.sal.ksu.edu/campusoffices/business/bid-items/index.html>.

Rhonda Riffel
Fiscal Affairs

Doc. No. 035675

State of Kansas

Kansas Judicial Council

Notice of Meetings

The Kansas Judicial Council, its Advisory Committees and the Commission on Judicial Performance will meet according to the following schedule at the Kansas Judicial Center, 301 S.W. 10th Ave., Topeka, unless otherwise designated:

Date	Committee	Time	Location
June 6	Judicial Council	9:00 a.m.	Suite 140
June 13	Administrative Procedure	9:30 a.m.	Suite 140
June 13 & 14	Commission on Judicial Performance	TBA	Room 269
June 20	Guardian & Conservatorship	9:30 a.m.	Suite 140
June 27	Juvenile Offender/Child in Need of Care	9:30 a.m.	Suite 140
July 11	Family Law	9:30 a.m.	Suite 140
July 11 & 12	Commission on Judicial Performance	TBA	Room 269
July 25	Guardian & Conservatorship	9:30 a.m.	Suite 140
July 25	PIK-Criminal	9:30 a.m.	Room 269
July 25	Juvenile Offender/Child in Need of Care	9:30 a.m.	Suite 140

Hon. Robert E. Davis
Chair

Doc. No. 035835

State of Kansas

State Conservation Commission

Notice to Contractors

Sealed bids for the construction of a 122,000 cubic yard detention dam, Site No. 2 in McPherson County, will be received by the Upper Little Arkansas River Watershed Joint District No. 95, P.O. Box 95, 265 Main St., Little River, 67457, until 2 p.m. July 1, at which time and place bids will be publicly opened and read aloud.

Description of Work

Construct an earth dam having a maximum height of approximately 26 feet and consisting of approximately 122,000 cubic yards of earthfill. Install a principal spillway consisting of a 48-inch diameter reinforced concrete pipe riser and a 30-inch diameter reinforced concrete pipe. Install other pipe conduits and appurtenant structures. Construct an earth auxiliary spillway for the dam. Complete seeding, fencing, and other work shown on the con-

struction drawings and described in the construction specifications.

Install constructed wetlands requiring approximately 50,000 cubic yards of excavation, approximately 1,700 cubic yards of earthfill and approximately 22 acres of topsoil spreading.

Work Timing

The work is to commence within 15 calendar days after the Notice to Proceed is issued. Completion of the work is desired within 220 days after such notice.

A copy of the invitation for bids and the plans and specifications can be reviewed and/or obtained from KLA Environmental Services, Inc., 1700 E. Iron Ave, Salina, 67401, (785) 823-0097. Please submit a check or money order in the amount of \$70 to cover the cost of reproduction and handling. This fee is nonrefundable.

A site showing will be conducted by KLA Environmental Services, Inc. from 1:30 to 3:30 June 16 at the site.

All bids must be accompanied by a certified check, cashier’s check or a bid bond for not less than 5 percent of the total bid price (including alternates), made payable to Upper Little Arkansas River Watershed Joint District No. 95.

Greg A. Foley
Executive Director

Doc. No. 035842

State of Kansas

Kansas Water Authority

Notice of Meetings

The Kansas Water Authority will meet Thursday and Friday, June 12-13, at the Atchison Heritage Conference Center, 710 S. Ninth St., Atchison. The Authority will meet as the committee of the whole on Thursday and as the full Authority on Friday. The meetings begin at 9 a.m. both days and are scheduled to end by 3:30 p.m. Thursday and by noon Friday.

Kansas Water Office staff will present draft revisions to six of the river basin sections of the State Water Plan and draft policy proposals for sediment and surface water management. Other topics include legislative and budgetary updates and financial aspects of the Water Marketing and Water Assurance programs. Contracts for sediment monitoring and stream gaging will be considered.

At 3:30 p.m. Thursday, Authority members will take part in a tour of the Benedictine Bottoms, a 2,112-acre wildlife area in the Missouri River flood plain.

Complete meeting information, including a site map, agenda and other materials, is available on the Kansas Water Office Web page at www.kwo.org. Interested parties without Web access may call the Kansas Water Office at (785) 296-3185 or toll free at (888) KAN-WATER (526-9283) to request meeting materials.

Anyone needing special accommodations at the meeting site should contact the Kansas Water Office at least two days before the meeting.

Steve Irsik
Chairman

Doc. No. 035804

(Published in the Kansas Register June 5, 2008.)

City of Wichita, Kansas

Retraction of Notice to Bidders

Bid opening for the following project, notice of which was published in the May 22, 2008 Kansas Register, has been deferred until further notice:

Midtown Bike Path from Central Avenue and
Wichita Street to 15th Street North and Broadway Avenue
KDOT #TE-0234-01
Project #472-84592
OCA# 706968

Originally Scheduled to Bid: June 20, 2008

For more information, contact Marty Strayer at (316) 268-4488.

Marty Strayer
Administrative Aide
City of Wichita—Engineering

Doc. No. 035840

State of Kansas

Department of Transportation

Notice to Contractors

Sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the Bureau of Construction and Maintenance, KDOT, Topeka, or at the Eisenhower State Office Building, fourth floor west wing, 700 S.W. Harrison, Topeka, until 1 p.m. June 18 and then publicly opened:

District One — Northeast

Shawnee—89 KA-0922-01 — I-470 off ramp at Huntoon/Arvonina in Topeka, traffic signals. (State Funds)

District Two — Northcentral

Cloud—81-15 KA-1284-01 — U.S. 81 from the Ottawa-Cloud county line north to the Cloud-Republic county line, 24 miles, pavement marking. (Federal Funds)

Jewell—36-45 K-7407-02 — U.S. 36 from the west junction of K-128 east to the four-lane west of Mankato, 6.4 miles, seeding and sodding. (Federal Funds)

Jewell—36-45 KA-0553-01 — U.S. 36 culvert 2.9 miles east of K-112, culvert construction. (State Funds)

Mitchell—24-62 KA-0552-01 — U.S. 24 culvert 24.1 miles east of the Osborne-Mitchell county line, culvert construction. (State Funds)

Republic—81-79 KA-1285-01 — U.S. 81 from the Cloud-Republic county line north to the Nebraska state line, 24.7 miles, pavement marking. (Federal Funds)

District Three — Northwest

Rooks—82 K-1659-06 — Webster State Park, state park road improvements. (State Funds)

Trego—98 K-2830-05 — Cedar Bluff Park, state park road improvements. (State Funds)

District Four — Southeast

Crawford—19 C-4133-01 — County road 3 miles west of Pittsburg and 0.5 mile south of K-126, 0.3 mile, grading, bridge and surfacing. (Federal Funds)

Neosho—59-67 K-9528-01 — U.S. 59 from the junction of K-146 north to west junction of K-39, 5.5 miles, overlay. (State Funds)

Labette—160-50 K-9529-01 — U.S. 160 from the east junction of U.S. 59 east to the Labette-Cherokee county line, 1.9 miles, overlay. (State Funds)

Wilson—400-103 KA-0484-01 — U.S. 400 and K-47 east of Fredonia, 0.5 mile, grading and surfacing. (State Funds)

District Five — Southcentral

Barton—5 C-4358-01 — County road 1 mile east and 1 mile south of Hoisington, 0.3 mile, grading, bridge and surfacing. (Federal Funds)

District—106 KA-1289-01 — Rush, Barton, Rice, Barber, Sumner and Cowley counties, milling. (State Funds)

Harvey—196-40 KA-1282-01 — K-196, 0.2 mile east of the I-135 overpass east to the Butler County line, 9.4 miles, seal. (State Funds)

District Six — Southwest

Ford—29 U-2116-01 — Wyatt Earp Boulevard from 14th Avenue west to the west city limits of Dodge City, 1 mile, grading and surfacing. (Federal Funds)

Haskell—41 C-3832-01 — County road 8 miles north and 6 miles west of Sublette, 6 miles, surfacing. (Federal Funds)

Seward—88 C-4373-01 — County road from the junction of U.S. 160 and U.S. 83 then west and south 4.5 miles, surfacing. (Federal Funds)

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

Each bidder shall file a sworn statement executed by or on behalf of the person, firm, association or corporation submitting the bid, certifying that such person, firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid.

This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of 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.

Deb Miller
Secretary of Transportation

Doc. No. 035809

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 2008-2011 by adding the following project:

Project C-4475-01, Grading, Bridge Replacement and Seeding, Local Road over Tributary to Sand Creek .5 mile south and 1.6 miles west of Hoxie, Sheridan County

The amendment of the STIP requires a 30-day public comment period. To receive more information on any of these projects or to make comments on the STIP amendment, contact the Kansas Department of Transportation, Bureau of Program and Project Management, 2nd Floor Tower, Eisenhower State Office Building, 700 S.W. Harrison, Topeka, 66603-3754, (785) 296-3526, fax (785) 368-6664.

This information is available in alternative accessible formats. To obtain an alternative format, contact the KDOT Bureau of Transportation Information, (785) 296-3585 (Voice/TTY). The comment period regarding the STIP amendment will conclude July 7.

Deb Miller
Secretary of Transportation

Doc. No. 035844

State of Kansas

Social and Rehabilitation Services

Notice of Hearing

Kansas Rehabilitation Services (KRS) invites individuals and organizations interested in employment services for people with disabilities to provide input on the FFY 2009 Update to the State Plan for Vocational Rehabilitation and Supported Employment Services.

KRS will conduct a public hearing on the state plan update from 1:30 to 3 p.m. Tuesday, June 17. The hearing will be an interactive Web cast facilitated by Michael Donnelly, KRS director. The Web cast will use technology to connect people in 12 Kansas communities through a live audio and video broadcast. In addition, participants in each location will be able to share their comments or questions, which will be broadcast live to all locations.

The locations for the interactive Web cast are as follows:

Emporia

Myers Conference Room
SRS Service Center
1701 Wheeler

Hays

Gray Room
SRS Service Center
300 Broadway

Hutchinson (South)

Prairie Room
SRS Service Center
600 Andrew

Garden City

Bunker Conference Room
SRS Service Center
1710 Palace Drive

Kansas City

5th Floor Conference Room
SRS Service Center
400 State, Gateway I

Lawrence

Conference Room 1
SRS Service Center
1901 Delaware

Manhattan

Kanza Room
SRS Service Center
2709 Amherst

Overland Park

Sunflower Room
SRS Service Center
8915 Lenexa Drive

Parsons

SRS Service Center
300 N. 17th

Topeka (2 locations)

SRS Learning Center (originating site)
2nd and MacVicar

or

SRS Service Center
Rooms 147 and 148
500 S.W. Van Buren

Salina

Kansas Room
SRS Service Center
901 Westchester

Wichita

Conference Room 5082
SRS Service Center
Finney State Office Building
230 E. William

Prior to the hearing, individuals may review the draft state plan update at http://www.srskansas.org/rehab/text/State_Plan/2009.htm.

The entire FFY 2008-2010 State Plan for Vocational Rehabilitation and Supported Employment Services may be reviewed at http://www.srskansas.org/rehab/text/state_plan.htm.

Written comments on the draft state plan update will be accepted until June 20. Comments may be e-mailed to krsstateplan@srs.ks.gov.

To request a sign language interpreter or other accommodation for the hearing, e-mail krsstateplan@srs.ks.gov or call toll free (866) 213-9079 or toll free TDD (800) 432-0698 not later than June 9. All hearing sites are accessible locations.

Don Jordan
Secretary of Social and
Rehabilitation Services

Doc. No. 035836

State of Kansas

Secretary of State

Code Mortgage Rate for June

Pursuant to the provisions of K.S.A. 16a-1-301, Section 11, the code mortgage rate during the period of June 1, 2008 through June 30, 2008, is 12 percent.

Ron Thornburgh
Secretary of State

Doc. No. 035826

State of Kansas

Secretary of State

Usury Rate for June

Pursuant to the provisions of K.S.A. 16-207, the maximum effective rate of interest per annum for notes secured by all real estate mortgages and contracts for deed for real estate (except where the note or contract for deed permits adjustment of the interest rate, the term of the loan or the amortization schedule) executed during the period of June 1, 2008 through June 30, 2008, is 7.59 percent.

Ron Thornburgh
Secretary of State

Doc. No. 035825

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. A complete listing of Kansas state agencies, boards and commissions, and county officials are included in the Kansas Directory, which is available on the Secretary of State's Web site at www.kssos.org. The following appointments were recently filed with the Secretary of State:

State Representative, 49th District

Scott Schwab, 1493 W. 140th Terrace, Olathe, 66062. Succeeds Benjamin Hodge, resigned.

State Representative, 81st District

Peter J. DeGraaf, 1545 E. 119th St., Mulvane, 67110. Succeeds Ted Powers, deceased.

Barton County Commissioner

Kirby Krier, 1043 N.E. 80 Road, Claflin, 67525. Succeeds Rick Scheufler, resigned.

Kiowa County Register of Deeds

Marilyn Brown, 706 E. Grant, Greensburg, 67054. Succeeds Sharren Thach, resigned.

Rush County Register of Deeds

Debi Wherry, 317 Columbia St., La Crosse, 67548. Succeeds Carol Armstrong, resigned.

Dairy Marketing Advisory Board

George Blush, Kansas Department of Agriculture, 109 S.W. 9th, 3rd Floor, Topeka, 66612. Term expires March 15, 2009.

Kerri Ebert, 10015 Flush Road, St. George, 66535. Term expires March 15, 2009.

Jerald Grey, Hiland Dairy Foods, 700 E. Central, Wichita, 68201. Term expires March 15, 2010.

Steve Ohlde, 898 Quivira Road, Linn, 66953. Term expires March 15, 2011.

Ronald Reed, 573 Highway 36, Esbon, 66941. Term expires March 15, 2010.

Emergency Medical Services Board

Bob A. Boaldin, 605 Sunset Drive, Elkhart, 67950. Term expires May 13, 2012. Reappointed.

State Holocaust Commission

Rabbi Debbie Stiel, 13836 Craig St., Overland Park, 66223. Serves at the pleasure of the Governor. Reappointed.

Kansas-Nebraska Big Blue River Compact

David W. Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, 109 S.W. 9th, 2nd Floor, Topeka, 66612. Succeeds David Pope (ex officio).

Rep. Sharon J. Schwartz, 2051 20th Road, Washington, 66968. Term expires April 25, 2012. Reappointed.

State Library of Kansas Board

Marisa C. Lewis, 9000 E. Lincoln St., #310, Wichita, 67207. Term expires June 30, 2012. Reappointed.

Marion K. Renner, 1207 Riley Ave., Haysville, 67060. Term expires June 30, 2012. Reappointed.

Gail M. Stucky, 256 22nd Ave., Moundridge, 67107. Term expires June 30, 2012. Reappointed.

Kansas Sports Hall of Fame
Board of Trustees

Rita J. Bicknell, 714 E. 510 Ave., Pittsburg, 66762. Term expires April 30, 2012. Reappointed.

Howard Sherwood, 3219 May St., Wichita, 67213. Term expires April 12, 2012. Succeeds George Fahnestock.

Ron Slaymaker, 1123 Drury Lane, Emporia, 66801. Term expires April 30, 2012. Reappointed.

Kansas Volunteer Commission

Bernard Mayse, 11139 Eby, Overland Park, 66210. Term expires March 24, 2011. Reappointed.

Jolene Niernberger, 605 Washington, Ellis, 67637. Term expires March 24, 2011. Reappointed.

Aaron A. Otto, 5200 Catalina St., Roeland Park, 66205. Term expires March 24, 2011. Reappointed.

Patricia Sweeney, 805 Spruceway, Abilene, 67410. Term expires March 24, 2011. Reappointed.

Ron Thornburgh
Secretary of State

Doc. No. 035839

State of Kansas

Department of Health and Environment

Notice Concerning Kansas/Federal Water Pollution Control Permits and Applications

In accordance with Kansas Administrative Regulations 28-16-57 through 63, 28-18-1 through 15, 28-18a-1 through 32, 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, various draft water pollution control documents (permits, notices to revoke and reissue, notices to terminate) have been prepared and/or permit applications have been received for discharges to waters of the United States and the state of Kansas for the class of discharges described below.

The proposed actions concerning the draft documents are based on staff review, applying the appropriate standards, regulations and effluent limitations of the state of Kansas and the Environmental Protection Agency. The final action will result in a Federal National Pollutant Discharge Elimination System Authorization and/or a Kansas Water Pollution Control permit being issued, subject to certain conditions, revocation and reissuance of the designated permit or termination of the designated permit.

Public Notice No. KS-AG-08-194/206
Pending Permits for Confined Feeding Facilities

Name and Address of Applicant	Legal Description	Receiving Water
Curtis Lowry Route 1, Box 57 Almena, KS 67622	W/2 of Section 32, T01S, R21W, Norton County	Upper Republican River Basin

Kansas Permit No. A-URNT-B009

This is a new permit for a new facility for 999 head (999 animal units) of beef cattle weighing more than 700 pounds. A new sedimentation basin and a new earthen wastewater retention structure are to be constructed to collect runoff from 7.7 acres of new confinement pens at this facility.

Name and Address of Applicant	Legal Description	Receiving Water
Syracuse Dairy, LLC Algene Jay Houtsma 751 S.E. County Road 36 Syracuse, KS 67878	E/2 of Section 36, T26S, R41W & NW/ 4 of Section 31, T26S, R40W, Hamilton County	Cimarron River Basin

Kansas Permit No. A-CIHM-D001 Federal Permit No. KS0090638

This is an expansion permit for an expanding facility for 9,000 head (12,600 animal units) of mature dairy cattle and 3,000 head (3,000 animal units) of dairy heifers, for a total of 12,000 head (15,600 animal units). The facility is proposing to construct one dairy parlor, 73.4 acres of confinement area, 45.8 acres of extraneous area, two diversion ditches, two sediment basins, and one retention control structure (RCS). An existing sediment basin will be removed. Additionally, the facility is proposing to increase the number of mature dairy cattle by 3,000 head while reducing the number of dairy heifers by 3,000 head. The construction will result in a facility consisting of two milking parlors, 147.4 acres of confinement area, 102.9 acres of extraneous area, two diversion ditches, four sediment basins, and five RCSs.

Name and Address of Applicant	Legal Description	Receiving Water
AviPath, LLC Gary Leonard 18354 E 1100 Rd Pleasanton, KS 66075 Kansas Permit No. A-MCLN-F001	SW/4 of Section 27 & SE/4 of Section 28, T21S, R24E, Linn County	Marais des Cygnes River Basin

This is an expansion permit for an existing facility for 29,000 laying hens and 24,000 pullets for a total of 53,000 chickens. The facility currently consists of two layer buildings (each with a capacity for 8,000 layers), an egg storage/hatchery building, two pullet buildings (each with a capacity of 6,500 pullets), and uses and incinerator for mortality disposal. The facility is proposing to increase the density of each pullet building to 12,000 pullets, to construct a layer building with a capacity of 8,000 layers, and to construct a layer building with a capacity of 5,000 layers. The proposed changes will increase the facility capacity by 24,000 chickens, bringing the total facility capacity from 29,000 chickens to 53,000 chickens.

Name and Address of Applicant	Legal Description	Receiving Water
Scanlan Farms, Inc. Daniel Scanlan 2410 Indy Road Abilene, KS 67410 Kansas Permit No. A-SHDK-M012	SW/4 of Section 02, T13S, R02E, Dickinson County	Smoky Hill River Basin

This permit is being reissued for an existing facility with a maximum capacity of 20 head (20 animal units) of dry dairy cattle, 30 head (15 animal units) of dairy calves and 90 head (126 animal units) of mature dairy cattle, for a total of 161 animal units. This represents an increase in animal units from the last permit due to dry dairy cows and dairy calves that were not counted in the previous permit.

Name and Address of Applicant	Legal Description	Receiving Water
Virgil Knudson Hog Farm Eileen Knudson 1856 E. U.S. 73 Hwy. Horton, KS 66439 Kansas Permit No. A-MOBR-S012	NE/4 of Section 11, T04S, R17E, Brown County	Missouri River Basin

This permit is being reissued for an existing facility with a maximum capacity of 600 head (240 animal units) of swine more than 55 pounds and 200 head (20 animal units) of swine 55 pounds or less, for a total of 260 animal units. There is no change in the permitted animal units.

Name and Address of Applicant	Legal Description	Receiving Water
Sagebrush Feeders, Inc. Joe Jury 10505 N Road Ingalls, KS 67853 Kansas Permit No. A-UAGY-C009	NE/4 of Section 10, T26S, R29W, Gray County	Upper Arkansas River Basin

Federal Permit No. KS0086941
This is a reissuance of a permit for an existing facility for 4,995 head (4,995 animal units) of cattle weighing greater than 700 pounds.

Name and Address of Applicant	Legal Description	Receiving Water
Bartels Kennels Richard and/or Martha Bartels 730 13th Road Marysville, KS 66508 Kansas Permit No. A-BBMS-K001	NW/4 of Section 06, T02S, R08E, Marshall County	Big Blue River Basin

This is a reissuance of a permit for an existing kennel for 410 dogs.

Name and Address of Applicant	Legal Description	Receiving Water
Unruh Farms Ronald Unruh 455 320 Road Durham, KS 67438 Kansas Permit No. A-NEMN-B027	NE/4 of Section 34, T17S, R01E, Marion County	Neosho River Basin

This permit is being reissued for an existing facility with a maximum capacity of 55 head (55 animal units) of beef cattle more than 700

(continued)

pounds and 55 head (27.5 animal units) of beef cattle 700 pounds or less, for a total of 82.5 animal units. There is no change in the permitted animal units.

Name and Address of Applicant	Legal Description	Receiving Water
Carroll Shields Farm Kenneth Shields 2828 300 St. Lincolnville, KS 66858	SW/4 of Section 06, T18S, R05E, Marion County	Neosho River Basin

Kansas Permit No. A-NEMN-B016

This is a reissuance of a permit for an existing facility for 150 head (150 animal units) of cattle weighing greater than 700 pounds and 300 head (150 animal units) of cattle weighing less than 700 pounds, for a total of 450 head (300 animal units) of cattle.

Name and Address of Applicant	Legal Description	Receiving Water
Fred Shields Kenneth Shields 2828 300 St. Lincolnville, KS 66858	SW/4 of Section 03, T18S, R05E, Marion County	Neosho River Basin

Kansas Permit No. A-NEMN-B017

This is a reissuance of a permit for an existing facility for 100 head (100 animal units) of cattle weighing greater than 700 pounds and 100 head (100 animal units) of cattle weighing less than 700 pounds, for a total of 300 head (200 animal units) of cattle.

Name and Address of Applicant	Legal Description	Receiving Water
Gary Streit Farm 140 W. Hwy. 181 Tipton, KS 67485	NE/4 of Section 03,T09S, R11W, Osborne County	Solomon River Basin

Kansas Permit No. A-SOQB-B008

This is a reissuance of a permit for an existing facility for 300 head (150 animal units) of cattle weighing less than 700 pounds, 290 head (116 animal units) of swine weighing greater than 55 pounds and 100 head (10 animal units) of swine weighing 55 pounds or less, for a total of 276 animal units of cattle and swine.

Name and Address of Applicant	Legal Description	Receiving Water
C & M Starters Chris & Mindy Harting Route 3, Box 54 Norton, KS 67654	SE/4 of Section 11, T04S, R23W, Norton County	Solomon River Basin

Kansas Permit No. A-SONT-B004

This is a reissuance of a permit for an existing facility for 600 head (300 animal units) of cattle weighing less than 700 pounds.

Name and Address of Applicant	Legal Description	Receiving Water
KWWS Feeders Mindy Harting Route 3, Box 54 Norton, KS 67654	SW/4 of Section 18, T04S, R22W, Norton County	Solomon River Basin

Kansas Permit No. A-SONT-B002

This is a reissuance of a permit for an existing facility for 999 head (499.5 animal units) of cattle weighing less than 700 pounds.

Notice of Intent to Terminate

Pursuant to the requirements of K.A.R. 28-16-60 and K.A.R. 28-16-62, the Kansas Department of Health and Environment hereby provides notice of intent to terminate the following KDHE-issued permits:

Project Name	Project City	Permit No.
Hedgocreek Estates	Andale	S-AR03-0005
KDOT 76 K-9680-01 - 30th Street Reconstruction	Pratt	S-AR73-0008
Clear Creek Addition	Wichita	S-AR94-0114
Reed's Cove - 3rd Addition	Wichita	S-AR94-0224
Cedar Falls Estates	Basehor	S-KS04-0018

Hollingworth Estates	Basehor	S-KS04-0019
Prairie Gardens - 2nd Plat	Basehor	S-KS04-0032
Jones & Jones Development	Bonner Springs	S-KS06-0013
Lakeview Addition	Eudora	S-KS17-0016
Fairfield	Gardner	S-KS20-0009
North 300 Road	Lawrence	S-KS31-0078
Reserve - 6th Plat	Lenexa	S-KS34-0108
Gleason Glen - 6th Plat	Lenexa	S-KS34-0141
KSU Boathouse	Manhattan	S-KS38-0014
Transportation Center	Olathe	S-KS52-0092
Mahaffie Business Park Lot 19	Olathe	S-KS52-0138
The Villages of Sunnybrook Estates 13th Plat	Olathe	S-KS52-0144
Crystal Court Townhomes, LLC	Overland Park	S-KS55-0116
Attic Business Park - Lot 10	Shawnee	S-KS68-0129
City of Topeka L.S.S.D. No. 40920-01	Topeka	S-KS72-0133
Frontier Farm Credit - Pottawatomie Co.	Wamego	S-KS74-0006
Tumbleweed Estates Addition	Valley Center	S-LA16-0010
Wheatley Place	Overland Park	S-MO28-0090
Fuqua RAMP Site	Pittsburg	S-NE57-0002
Newman/Rathbone Office Park	Andover	S-WA01-0022

Persons wishing to comment on the draft documents and/or permit applications must submit their comments in writing to the Kansas Department of Health and Environment if they wish to have the comments considered in the decision-making process. Comments should be submitted to the attention of the Livestock Waste Management Section for agricultural-related draft documents or applications, or to the Technical Services Section for all other permits, at the Kansas Department of Health and Environment, Division of Environment, Bureau of Water, 1000 S.W. Jackson, Suite 420, Topeka, 66612-1367.

All comments regarding the draft documents or application notices received on or before July 5 will be considered in the formulation of the final determinations regarding this public notice. Please refer to the appropriate Kansas document number (KS-AG-08-194/206) and name of the applicant/permittee when preparing comments.

After review of any comments received during the public notice period, the Secretary of Health and Environment will issue a determination regarding final agency action on each draft document/application. If response to any draft document/application indicates significant public interest, a public hearing may be held in conformance with K.A.R. 28-16-61 (28-46-21 for UIC).

All draft documents/applications and the supporting information including any comments received are on file and may be inspected at the offices of the Kansas Department of Health and Environment, Bureau of Water. These documents are available upon request at the copying cost assessed by KDHE. Application information and components of plans and specifications for all new and expanding swine facilities are available on the Internet at <http://www.kdhe.state.ks.us/feedlots>. Division of Environment offices are open from 8 a.m. to 5 p.m. Monday through Friday, excluding holidays.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 035838

(Published in the Kansas Register June 5, 2008.)

Summary Notice of Bond Sale
City of Wellington, Kansas
\$1,505,000*
General Obligation Bonds, Series 2008
(General obligation bonds payable from
unlimited ad valorem taxes)

Bids

Subject to the notice of bond sale dated May 20, 2008, written and electronic bids will be received on behalf of the clerk of the city of Wellington, Kansas (the issuer), in the case of written bids, at the address set forth below, and in the case of electronic bids, through PARITY, until 3 p.m. June 17, 2008, for the purchase of the above-referenced bonds. 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 15, 2008, and will become due on October 1 in the years as follows:

Year	Principal Amount
October 1, 2009	\$ 85,000
October 1, 2010	95,000
October 1, 2011	105,000
October 1, 2012	105,000
October 1, 2013	85,000
October 1, 2014	85,000
October 1, 2015	90,000
October 1, 2016	95,000
October 1, 2017	95,000
October 1, 2018	100,000
October 1, 2019	105,000
October 1, 2020	110,000
October 1, 2021	110,000
October 1, 2022	115,000
October 1, 2023	125,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning April 1, 2009.

Adjustment of Issue Size

The issuer reserves the right to increase or decrease the total principal amount of the bonds, depending on the prepayment of special assessments in respect to the improvements. The principal amount of any maturity may be adjusted by the Issuer in order to properly size the bond issue based on the prepaid special assessments. The successful bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the bonds or principal of any maturity as described herein. If there is a decrease in the final aggregate principal amount of the bonds or the schedule of principal payments as described above, the issuer will notify the successful bidder by means of telephone or facsimile transmission, subsequently confirmed in writing,

not later than 2 p.m. central daylight time on the business day immediately following the sale date.

Book-Entry-Only System

The bonds shall 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 or a qualified financial surety bond in the amount of \$30,100* (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 about July 15, 2008, to DTC for the account of the successful bidder.

Assessed Valuation and Indebtedness

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 2007 is \$47,267,701. The total general obligation indebtedness of the issuer as of the dated date, including the bonds being sold, is \$7,300,000.

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 when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from the undersigned or from the financial advisor at the addresses set forth below.

Issuer Address:

Rose Miller, Clerk
 317 S. Washington
 Wellington, KS 67152
 (620) 326-2811
 Fax (620) 326-8506
 E-mail: rosemiller@cityofwellington.net

Financial Advisor - Facsimile Bid and Good Faith

Deposit Delivery Address:

Ranson Financial Advisors L.L.C.
 200 W. Douglas, Suite 600
 Wichita, KS 67202
 Attn: John Haas
 (316) 264-3400
 Fax (316) 265-5403
 E-mail: jhaas@ransonfinancial.com

Dated May 20, 2008.

City of Wellington, Kansas

* Subject to change.

Doc. No. 035843

State of Kansas

Fort Hays State University

Notice to Bidders

Fort Hays State University encourages interested vendors to visit the Fort Hays State University Purchasing Web site, <http://www.fhsu.edu/adminfin/purchasing/bids/>, for a complete list of all goods and services currently out for bid. Paper postings of all open bids may be reviewed at Purchasing, Room 318, Sheridan Hall, 601 Park St., Hays. Copies of open bids also may be requested by contacting Purchasing at (785) 628-4251, by fax at (785) 628-4046, or by e-mail at purchasing@fhsu.edu.

Kathy Herrman
Purchasing Director

Doc. No. 035828

(Published in the Kansas Register June 5, 2008.)

Summary Notice of Bond Sale

City of Rose Hill, Kansas

\$762,000

General Obligation Bonds, Series 2008

(General obligation bonds payable from unlimited ad valorem taxes)

Bids

Subject to the notice of bond sale dated May 19, 2008, written and electronic bids will be received on behalf of the clerk of the city of Rose Hill, Kansas (the issuer), in the case of written bids, at the address set forth below, and in the case of electronic bids, through PARITY, until 2 p.m. June 16, 2008, for the purchase of the above-referenced bonds. 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, except one bond in the denomination of \$2,000, or any integral multiple thereof. The bonds will be dated July 1, 2008, and will become due on October 1 in the years as follows:

Year	Principal Amount
2009	\$27,000
2010	40,000
2011	40,000
2012	40,000
2013	45,000
2014	45,000
2015	50,000
2016	50,000
2017	55,000
2018	55,000
2019	55,000
2020	60,000
2021	65,000
2022	65,000
2023	70,000

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 semian-

nually on April 1 and October 1 in each year, beginning April 1, 2009.

Book-Entry-Only System

The bonds shall 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 or a qualified financial surety bond in the amount of \$15,240 (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 about July 1, 2008, to DTC for the account of the successful bidder or at such bank or trust company in the contiguous United States as may be specified by the successful bidder, or elsewhere at the expense of the successful bidder.

Assessed Valuation and Indebtedness

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 2007 is \$21,700,462. The total general obligation indebtedness of the issuer as of the dated date, including the bonds being sold, is \$5,720,000.

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 when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from the undersigned or from the financial advisor at the addresses set forth below.

Written Bid and Good Faith Deposit

Delivery Address:

Kathy A. Raney, Clerk
City Hall
125 W. Rosewood
Rose Hill, KS 67133
(316) 776-2712
Fax (316) 776-2769
E-mail: kathy@cityofrosehill.com

Financial Advisor - Facsimile Bid and Good Faith

Deposit Delivery Address:

George K. Baum & Company
100 N. Main, Suite 810
Wichita, KS 67202
Attn: Charles M. Bouilly
(316) 264-9351
Fax (316) 264-9370
E-mail: bouilly@gkbaum.com

Dated May 19, 2008.

City of Rose Hill, Kansas

Doc. No. 035837

State of Kansas

University of Kansas

Notice to Bidders

The University of Kansas encourages interested vendors to visit the University of Kansas Purchasing Services Web site at <http://www.purchasing.ku.edu/> for a complete listing of all transactions for which KU Purchasing Services, or one of the consortia commonly utilized by KU, are seeking competitive bids. Paper postings of KU Purchasing Services bid transactions may be viewed at the Purchasing Services office located at 1246 W. Campus Road, Room 7, Lawrence, 66045, or persons may contact Purchasing Services at (785) 864-3790, by fax at (785) 864-3454 or by e-mail at purchasing@ku.edu to request a copy of a current bid.

Barry K. Swanson
Associate Comptroller/
Director of Purchasing Services

Doc. No. 035827

State of Kansas

Department of Administration
Division of Purchases

Notice to Bidders

Sealed bids for items listed will be received by the Director of Purchases until 2 p.m. on the date indicated. For more information, call (785) 296-2376:

06/16/2008	11423	Bakery Products
06/17/2008	11412	Turnkey Metabolic Testing System
06/17/2008	11425	Utility Trailers
06/23/2008	11397	Security Guard Services
06/26/2008	11339	Consulting Services, Branding Strategy and Web Site Redesign

The above-referenced bid documents can be downloaded at the following Web site:

<http://www.da.ks.gov/purch/>

Additional files may be located at the following Web site (please monitor this Web site on a regular basis for any changes/addenda):

<http://da.state.ks.us/purch/adds/default.htm>

Contractors wishing to bid on the projects listed below must be prequalified. Information regarding prequalification, projects and bid documents can be obtained at by calling (785) 296-8899 or by visiting www.da.ks.gov/fp/.

06/24/2008	A-010514	Tuckpoint, Clean and Seal — Murphy Hall, University of Kansas, Lawrence
06/24/2008	A-010799	Roof Replacement — Marlatt Hall, Kansas State University, Manhattan
06/26/2008	A-010048 Revised	Armory Renovation, Adjutant General's Department, Russell

Chris Howe
Director of Purchases

Doc. No. 035845

State of Kansas

Pooled Money Investment Board

Notice of Investment Rates

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

Effective 6-2-08 through 6-8-08

Term	Rate
1-89 days	2.04%
3 months	1.89%
6 months	1.93%
1 year	2.26%
18 months	2.46%
2 years	2.63%

Daniel J. Nackley
Director of Investments

Doc. No. 035824

State of Kansas

Department of Revenue

Permanent Administrative
Regulations

Article 12.—INCOME TAX

92-12-114. Determining transportation income within a unitary group. If a unitary group of corporations consists of one or more corporations engaged in railroad or interstate motor carrier operations, including the interstate transport of persons or property for hire by rail or motor carrier, and one or more corporations not engaged in railroad or interstate motor carrier operations, the following method shall be used to determine the apportionable income of the group members engaged in railroad or interstate motor carrier operations.

(a) A three-factor formula consisting of property, payroll, and sales shall be used to divide the apportionable business income of the unitary group between each corporation engaged in railroad or interstate motor carrier operations and all other members of the unitary group. The apportionment factor numerators shall consist of the property, payroll, and sales of each corporation engaged in railroad or interstate motor carrier operations. The apportionment factor denominators shall consist of the property, payroll, and sales of the entire unitary group. For purposes of this subsection, the property, payroll, and sales factors shall be as defined in the uniform division of income for tax purposes act, K.S.A. 79-3271 et seq., and amendments thereto, and the regulations promulgated under this act.

(b) The apportionable business income of each corporation engaged in railroad or interstate motor carrier operations shall be determined by multiplying the apportionable business income of the unitary group by the fraction computed according to subsection (a).

(c) The apportionable business income of each corporation engaged in railroad or interstate motor carrier operations as determined according to subsection (b) shall

(continued)

then be apportioned to this state by using the single-factor mileage formula set forth in K.S.A. 79-3279(a), and amendments thereto.

(d) The apportionable business income of each corporation in the unitary group that is not engaged in railroad or interstate motor carrier operations shall be determined by subtracting the amount determined in subsection (b) from the apportionable business income of the unitary group.

(e) The apportionable business income of each corporation in the unitary group that is not engaged in railroad or interstate motor carrier operations, as determined in subsection (d), shall be apportioned to this state by using the applicable apportionment formula specified in K.S.A. 79-3279(b), and amendments thereto. (Authorized by K.S.A. 2007 Supp. 75-5155; implementing K.S.A. 79-32,141; effective June 20, 2008.)

92-12-140. Definitions. (a) "Contribution" shall include the donation of cash, stocks and bonds, personal property, or real estate.

(1) Stocks and bonds shall be valued at the stock market price on the date of the transfer.

(2) Personal property shall be valued at the lesser of its fair market value or cost to the donor. The value may be inclusive of costs incurred in making the contribution but shall not include sales tax. If the donor received the personal property as a gift or inheritance and the item is considered a rare and valuable antique or work of art, an independent appraisal may be necessary in determining fair market value.

(3) Contributions of real estate shall be allowable for credit if title to the real estate is in fee simple absolute and is clear of any encumbrances. The amount of credit allowable for contributions of real estate shall be based upon the lesser of two current independent appraisals conducted by state licensed appraisers.

(4) Contributions of stocks and bonds shall be converted into cash and deposited within 14 days of receipt of the donation into the capital outlay fund of a community college, the deferred maintenance fund or a technology and equipment fund of a technical college, or the deferred maintenance support fund of a postsecondary educational institution.

(5) Contributions of personal property shall be converted into cash and deposited within six months of the donation into the capital outlay fund of a community college, the deferred maintenance fund or a technology and equipment fund of a technical college, or the deferred maintenance support fund of a postsecondary educational institution.

(6) Contributions of real property shall be converted into cash and deposited within 18 months of the donation into the capital outlay fund of a community college, the deferred maintenance fund or a technology and equipment fund of a technical college, or the deferred maintenance support fund of a postsecondary educational institution.

(b) "Contributor" shall mean an individual, business entity, or not-for-profit entity that makes a contribution to an educational institution or the educational institution's endowment association or foundation.

(c) "Educational institution" shall mean any of the following:

(1) A community college as defined in K.S.A. 79-32,261(d)(1) and amendments thereto;

(2) a technical college as defined in K.S.A. 79-32,261(d)(4) and amendments thereto;

(3) a state educational institution as defined in K.S.A. 76-711 and amendments thereto; or

(4) Washburn university of Topeka.

(d) "Endowment association" and "foundation" shall mean either of the following:

(1) An entity designated as the investing agent for a state educational institution pursuant to K.S.A. 76-156a and amendments thereto; or

(2) an entity dedicated to securing financial support for Washburn university of Topeka, any community college as defined in K.S.A. 79-32,261(d)(1) and amendments thereto, or any technical college as defined in K.S.A. 79-32,261(d)(4) and amendments thereto.

(e) "Secretary" shall mean the secretary of revenue or the secretary's designee. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

92-12-141. Tax credit agreement. (a) The chief executive officer of each educational institution for which an allocation of tax credits has been authorized pursuant to K.S.A. 79-32,261, and amendments thereto, shall enter into an annual tax credit agreement with the secretary for the educational institution's allocation of tax credits. The tax credit agreement shall provide the following information:

(1) The name of the educational institution and, if applicable, the name of the educational institution's endowment association or foundation;

(2) the amount of tax credits to be allocated to the institution in the calendar year;

(3) the time period during which donations may be accepted by the educational institution to qualify for tax credits; and

(4) any other relevant information that the secretary requires.

(b) A new tax credit agreement shall be entered into by the secretary with each educational institution for which an allocation of tax credits has been authorized pursuant to K.S.A. 79-32,261, and amendments thereto, at least two months before the beginning of each calendar year for which the tax credits are available. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

92-12-142. Tax credit application. (a) Each contributor making a contribution to an educational institution, or to an endowment association or foundation on behalf of the educational institution, shall complete a tax credit application with the educational institution, endowment association, or foundation on a form furnished by the secretary. The application may be filed by electronic means in a manner approved by the secretary. Each application shall include the following information:

(1) The name, address, and either the employer identification number or the social security number of the contributor;

(2) if the contributor is an S-corporation, a partnership, or a limited liability company, the following information:

(A) The name of each shareholder, partner, or member;

(B) the employer identification number or social security number of each shareholder, partner, or member; and

(C) each shareholder's, partner's, or member's proportionate share of the income or loss of the corporation, partnership, or limited liability company;

(3) the name of the educational institution or the endowment association or foundation to which the contribution is being made and the fund in which the contribution will be deposited;

(4) the amount and form of the contribution;

(5) the date of the contribution; and

(6) any other relevant information that the secretary requires.

(b) The chief executive officer of the educational institution, endowment association, or foundation shall submit the completed tax credit application and supporting documentation to the secretary for review. The educational institution, endowment association, or foundation shall receive written notification from the secretary when the application is approved or denied. The chief executive officer of the educational institution, endowment association, or foundation shall provide a copy of this approval or denial to the contributor that has made the contribution. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

92-12-143. Quarterly reports. The chief executive officer of each educational institution shall submit or cause to be submitted a quarterly report indicating the amount of contributions qualifying for tax credits. This report shall be submitted to the secretary on a form furnished by the secretary. Any quarterly report may be filed by electronic means in a manner approved by the secretary. A quarterly report shall be submitted on or before the tenth day following the end of each calendar quarter even if no qualifying contributions are received in that quarter. Each quarterly report shall include the following information:

(a) The name and either the employer identification number or the social security number of each contributor in that quarter;

(b) the amount and form of each contribution received in that quarter;

(c) the total amount of qualified tax credits based on the contributions received in that quarter;

(d) the total amount of credits that remain from the educational institution's annual allocation; and

(e) any other relevant information that the secretary requires. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

92-12-144. Reallocation of credits. (a) If a community college or technical college does not receive contributions sufficient to generate qualifying tax credits for the full amount of the annual allocation in the tax credit agreement, those remaining tax credits shall not be reallocated to another community college or technical college. All tax credits remaining in the allocation for which contributions have not been received by the college shall be

considered void at the end of the applicable calendar year.

(b) (1) At the end of the third calendar quarter, the tax credits of a state educational institution and Washburn university of Topeka may be reclaimed by the secretary if the secretary determines that there are no anticipated contributors for the institution's remaining tax credits. The chief executive officer of the state educational institution or Washburn university of Topeka shall send a written notice to the secretary with the quarterly report due for the third calendar quarter, indicating the amount of unclaimed tax credits and an anticipated contribution schedule. The anticipated contribution schedule shall indicate the following information:

(A) The name of each anticipated contributor;

(B) the amount of each anticipated contribution; and

(C) the anticipated date on which each contribution is to be made.

(2) Within 30 calendar days after the deadline for response of the state educational institution or Washburn university of Topeka, the tax credits still remaining within an allocation may be reclaimed from the institution by the secretary. These credits may be reallocated to Washburn university of Topeka or another state educational institution by the secretary of revenue and the board of regents.

(c) Each state educational institution or Washburn university of Topeka that receives reallocated tax credits shall be required to receive qualifying contributions for the reallocated tax credits within that same calendar year. All reallocated tax credits for which qualifying contributions were not received by the institution shall be considered void at the end of the applicable calendar year. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

92-12-145. Transfer of tax credits. (a) Any tax credits earned by a contributor not subject to Kansas income, privilege, or premiums tax may be transferred to any taxpayer that is subject to Kansas income, privilege, or premiums tax. These tax credits shall be transferred only one time. The transferee shall claim the tax credit against the transferee's tax liability in the tax year of the transfer.

(b) The transferor and transferee shall execute a written transfer agreement to transfer the tax credit. The agreement shall include the following information:

(1) The name and either the employer identification number or the social security number of the transferor;

(2) the name and either the employer identification number or the social security number of the transferee;

(3) the date of the transfer;

(4) the date the contribution was made by the transferor;

(5) the amount of tax credit transferred;

(6) the amount that will be received by the transferor for the tax credit transferred; and

(7) any other relevant information that the secretary requires.

(c) Each transfer agreement shall be reviewed by the secretary. If the transfer agreement is approved, a certificate of transfer shall be issued to the transferor and trans-

(continued)

freee indicating approval of the transfer. If the transfer agreement is denied, written notification of the denial shall be issued to the transferor and transferee. (Authorized by and implementing K.S.A. 2007 Supp. 79-32,261; effective June 20, 2008.)

Article 19.—KANSAS RETAILERS' SALES TAX

92-19-70. (Authorized by K.S.A. 79-3618, implementing K.S.A. 1986 Supp. 79-3602, K.S.A. 1986 Supp. 3603 as amended by L. 1987, Ch. 182, Sec. 108, K.S.A. 1986 Supp. 79-3606 as amended by L. 1987, Ch. 292, Sec. 32, as further amended by L. 1987, Ch. 64, Sec. 1, effective May 1, 1988; revoked June 20, 2008.)

Joan Wagon
Secretary of Revenue

Doc. No. 035834

State of Kansas

Secretary of State

Certification of New State Laws

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.

Ron Thornburgh
Secretary of State

(Published in the Kansas Register June 5, 2008.)

SENATE Substitute for House BILL No. 2390

AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system and systems thereunder; postretirement benefit payment to certain retirants; amending K.S.A. 2007 Supp. 74-4920 and repealing the existing section.

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

New Section 1. (a) Subject to appropriations, each retirant who is entitled to receive a retirement benefit, pension or annuity payment from a retirement system as of July 1, 2008, shall be entitled to receive a postretirement benefit payment as specified in this section. Such postretirement benefit payment shall be paid in addition to the amount of the retirement benefit, pension or annuity payment to which the retirant is otherwise entitled pursuant to law and shall be paid in the form of an additional payment which shall be made on or after October 1, 2008.

(b) Each such postretirement benefit payment as provided in this section shall be payable to the retirant in an amount equal to \$300.

(c) Each such postretirement benefit payment for retirants other than insured disability benefit recipients shall be paid by the retirement system to such retirants and shall be payable from the Kansas public employees retirement fund. Each such postretirement benefit payment for retirants who are insured disability benefit recipients shall be paid by the retirement system to such retirants and shall be payable from the group insurance reserve fund.

(d) As used in this section:

(1) "Retirant" means (A) any person who is a member of a retirement system and who retired on or before July 1, 1998, and who had at least 10 years or more of service credit, (B) any person who is a member of a retirement system and who began

receiving a benefit under K.S.A. 74-4960a, and amendments thereto, on or before July 1, 1998, (C) any person who is a special member of a retirement system and who retired on or before July 1, 1998, and who had at least 10 years or more of service credit, (D) any person who is a joint annuitant or beneficiary of any member described in clause (A) or (B) or any special member described in clause (C), and (E) any insured disability benefit recipient.

(2) "Retirement system" means the Kansas public employees retirement system, the Kansas police and firemen's retirement system, the state school retirement system and the retirement system for judges.

(3) "Insured disability benefit recipient" means any person receiving an insured disability benefit under K.S.A. 74-4927, and amendments thereto, on or before July 1, 1998.

Sec. 2. K.S.A. 2007 Supp. 74-4920 is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in subsection (3)(a) of K.S.A. 74-4908 and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in subsection (3)(a) of K.S.A. 74-4908 and amendments thereto and shall not be based on any other purpose outside of the needs of the system.

(b) (i) For employers affiliating on and after January 1, 1999, upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908 and amendments thereto, the board shall certify, on or before July 15 of each year to each such employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such employer to pay all of the liabilities which shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be termed the employer's participating service contribution and shall be uniform for all participating employers. Such additional liability shall be amortized as determined by the board. For all participating employers described in this section, the board shall determine the actuarial cost method to be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize all liabilities for prior service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall annually certify to each such employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that employer to pay all of the liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

(2) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services the sum required to satisfy the state's obligation under this act as certified by the board and shall present the same to the legislature for allowance and appropriation.

(3) Each other participating employer shall appropriate and pay to the system a sum sufficient to satisfy the obligation under this act as certified by the board.

(4) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which such contribution is made is paid from or from any other funds available to it for such purpose. Each political subdivision, other than an instrumentality of the state, which is by law authorized to levy taxes for other purposes, may levy annually at the time of its levy of taxes, a tax which may be in addition to all other taxes authorized by law for the purpose of making its contributions under this act and, in the case of cities and counties, to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774 and amendments thereto by cities located in the county, which tax, together with any other fund available, shall be sufficient to enable it to make such contribution. In lieu of levying the tax authorized in this subsection, any taxing subdivision may pay such costs from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102 and amendments thereto. Each participating employer which is not by law authorized to levy taxes as described above, but which prepares a budget for its expenses for the ensuing year and presents the same to a governing body which is authorized by law to levy taxes as described above, may include in its budget an amount sufficient to make its contributions under this act which may be in addition to all other taxes authorized by law. Such governing body to which the budget is submitted for approval, may levy a tax sufficient to allow the participating employer to make its contributions under this act, which tax, together with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) (a) The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation.

(b) (i) Except as specifically provided in this section, for fiscal years commencing in calendar year 1996 and in each subsequent calendar year, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than 0.2% of the amount of compensation upon which members contribute during the period.

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar year 2005, an amount not to exceed more than 0.4% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2006, an amount not to exceed more than 0.5% of the amount of the immediately preceding fiscal year; and (C) for the fiscal year commencing in calendar year 2007 and in each subsequent calendar year, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year.

(iii) Except as specifically provided in this section, for fiscal years commencing in calendar year 1997 and in each subsequent calendar year, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.15% of the amount of compensation upon which members contribute during the period.

(iv) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed the contribution

rate for such employers for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar year 2006, an amount not to exceed more than 0.4% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2007, an amount not to exceed more than 0.5% of the amount of the immediately preceding fiscal year; and (C) for the fiscal year commencing in calendar year 2008 and in each subsequent calendar year, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year.

(v) As part of the annual actuarial valuation, there shall be a separate employer rate of contribution calculated for the state of Kansas, a separate employer rate of contribution calculated for participating employers under K.S.A. 74-4931 and amendments thereto, a combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, and a separate employer rate of contribution calculated for all other participating employers.

(vi) There shall be a separate employer rate of contribution certified to the state of Kansas. There shall be a separate employer rate of contribution certified to participating employers under K.S.A. 74-4931, and amendments thereto. There shall be a separate employer rate of contribution certified to all other participating employers.

(vii) If the combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, is greater than the separate employer rate of contribution for the state of Kansas, the difference in the two rates applied to the actual payroll of the state of Kansas for the applicable fiscal year shall be calculated. This amount shall be certified by the board as additional employer contributions for the participating employers under K.S.A. 74-4931, and amendments thereto, to the division of budget and governor who shall include in the budget each year thereafter provisions for the transfer from the state general fund of sufficient sums to satisfy this obligation. This amount shall be distributed through the same procedure as followed for the employer contribution payments under K.S.A. 74-4939 and K.S.A. 74-4939a, and amendments thereto, and then remitted by the participating employers to the Kansas public employees retirement system for deposit as additional employer contributions to the retirement benefit accumulation reserve for the participating employers under K.S.A. 74-4931, and amendments thereto.

(6) The actuarial cost of any legislation enacted in the 1994 session of the Kansas legislature will be included in the June 30, 1994, actuarial valuation in determining contribution rates for participating employers.

(7) The actuarial cost of the provisions of K.S.A. 74-4950i will be included in the June 30, 1998, actuarial valuation in determining contribution rates for participating employers. The actuarial accrued liability incurred for the provisions of K.S.A. 74-4950i shall be amortized over 15 years.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for the employer contribution rate in the fiscal year immediately following such enactment.

(9) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto shall be first reflected in employer contribution rates effective with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred

(continued)

for the provisions of K.S.A. 74-49,109 et seq., and amendments thereto shall be amortized over 10 years.

(10) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2007 Supp. 74-49,114b, and amendments thereto, for retirants other than local retirants as described in subsection (11) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2007.

(11) The actuarial accrued liability incurred for the provisions of K.S.A. 2007 Supp. 74-49,114b, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(12) *The cost of the postretirement benefit payment provided pursuant to the provisions of section 1, and amendments thereto, for retirants other than local retirants as described in subsection (13) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2008.*

(13) *The actuarial accrued liability incurred for the provisions of section 1, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.*

(14) The board with the advice of the actuary may fix the contribution rates for participating employers joining the system after one year from the first entry date or for employers who exercise the option contained in K.S.A. 74-4912 and amendments thereto at rates different from the rate fixed for employers joining within one year of the first entry date.

~~(13)~~ (15) For employers affiliating on and after January 1, 1999, the rates of contribution certified to the participating employer as provided in this section shall apply during the fiscal year immediately following such certification, but the rate of contribution during the first year following the employer's entry date shall be equal to 7% of the amount of compensation on which members contribute during the year. Any amount of such first year's contribution which may be in excess of the necessary current service contribution shall be credited by the board to the respective employer's prior service liability.

~~(14)~~ (16) Employer contributions shall in no way be limited by any other act which now or in the future establishes or limits the compensation of any member.

~~(15)~~ (17) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under subsection (a) of K.S.A. 16-204 and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

Sec. 3. K.S.A. 2007 Supp. 74-4920 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register and the date 2008 SENATE Substitute for House Bill No. 2946 takes effect.

(Editor's Note: Sections of the following bill were vetoed by the Governor and sustained by the Legislature. The line-item vetoes are indicated in double-strike type. The Governor's line-item veto message is printed immediately following the bill.)

(Published in the Kansas Register June 5, 2008.)

SENATE Substitute for HOUSE BILL No. 2946

AN ACT making and concerning appropriations for the fiscal years ending June 30, 2008, June 30, 2009, June 30, 2010, and June 30, 2011, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing; amending K.S.A. 2007 Supp. 74-99b16 and section 86 of 2008 Senate Bill No. 534 and repealing the existing sections.

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

Section 1. (a) For the fiscal years ending June 30, 2008, June 30, 2009, June 30, 2010, and June 30, 2011, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, 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 2008 and shall constitute the omnibus reconciliation spending limit bill for the 2008 regular session of the legislature for purposes of subsection (a) of K.S.A. 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.

KANSAS DEPARTMENT OF AGRICULTURE

(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, 2009 \$184,962

(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: Food service inspection reimbursement fund

For the fiscal year ending June 30, 2009 No limit
Food inspection fee fund

For the fiscal year ending June 30, 2009 No limit
Provided, That expenditures may be made from the food inspection fee fund for operating expenditures for the food inspection program and other activities for the regulation of food service establishments under the food service and lodging act: *Provided further*, That, notwithstanding the provisions of K.S.A. 36-512, and amendments thereto, to the contrary, all moneys received from fees charged and collected by the secretary of agriculture under the food inspection program and other activities for the regulation of food service establishments under the food service and lodging act shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the food inspection fee fund: *And provided further*, That, on October 1, 2008, and on the first day of each month thereafter, the director of accounts and reports shall transfer from the food inspection fee fund to the food service inspection reimbursement fund an amount equal

to 80% of all fees credited to the food inspection fee fund where food service inspection services are provided by a local agency under contract with the secretary to inspect food service establishments located in a municipality.

(c) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the Kansas department of agriculture is hereby increased from 316.49 to 354.49.

Sec. 3.

KANSAS WATER OFFICE

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 131(b) of 2008 Senate Bill No. 534 on the water conservation projects fund is hereby decreased from \$3,300,000 to \$0.

(b) During the fiscal year ending June 30, 2009, notwithstanding the provisions of section 131(b) of 2008 Senate Bill No. 534 authorizing, directing, limiting or placing conditions on expenditures from the water conservation projects fund of the Kansas water office, as set forth in the provisos to the appropriation of the moneys in such fund, the specific authorization to make expenditures from such fund for the following projects is hereby rescinded: Alternate delivery system for Lake McKinney; capacity storage and control structures at Lake McKinney; lining of the southside ditch; alternate delivery system for the farmers ditch; recharge projects; and check dam and structures: *Provided, however*, That the Kansas water office may make expenditures from the water conservation projects fund for water conservation projects authorized by K.S.A. 82a-1803, and amendments thereto, that are determined feasible by studies and recommended by the director of the Kansas water office in consultation with the chief engineer of the division of water resources of the Kansas department of agriculture: *Provided further*, That all expenditures from this fund for all such water conservation projects shall be within any expenditure limitation imposed on the water conservation projects fund for fiscal year 2009: *And provided further*, That, on July 1, 2008, the provisions of the provisos to the appropriation of the moneys in the water conservation projects fund in section 131(b) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

(c) On July 1, 2008, or as soon thereafter as moneys are available, notwithstanding the provisions of subsection (g) of K.S.A. 79-4804, and amendments thereto, the director of accounts and reports shall transfer \$1,043,985 from the state economic development initiatives fund to the state water plan fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the state economic development initiatives fund to the state water plan fund as prescribed by law.

(d) 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: Reservoir storage beneficial use fund

For the fiscal year ending June 30, 2009	No limit
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Provided, That expenditures may be made by the above agency from the reservoir storage beneficial use fund to call water into service for beneficial uses, subject to the availability of moneys credited to the reservoir storage beneficial use fund.

(e) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: Reservoir storage beneficial use fund

For the fiscal year ending June 30, 2009	\$534,000
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Sec. 4.

STATE CONSERVATION COMMISSION

(a) Any unencumbered balance in excess of \$100 as of June 30, 2008, in each of the following accounts is hereby reappro-

priated for the above agency for fiscal year 2009: Conservation reserve enhancement program.

(b) On and after the effective date of this act, during fiscal year 2008 and fiscal year 2009, all expenditures made by the state conservation commission from the moneys appropriated in the conservation reserve enhancement program account from the state water plan fund for fiscal year 2007, fiscal year 2008 or fiscal year 2009 as authorized by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, by 2008 Senate Bill No. 534, or by this or other appropriation act of the 2008 regular session of the legislature, shall be made by the state conservation commission in accordance with the following: *Provided*, That all expenditures under the conservation reserve enhancement program, referred to as CREP in this subsection, are subject to the following criteria:

(1) The total number of acres enrolled in Kansas in CREP for the three fiscal years 2007, 2008 and 2009 shall not exceed 40,000 acres;

(2) the number of acres eligible for enrollment in CREP in Kansas shall be limited to one-half of the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area, except that if federal law permits the land enrolled in the CREP program to be used for agricultural purposes such as planting of agricultural commodities, including, but not limited to: Grains, cellulosic or biomass materials, alfalfa, grasses, legumes or other cover crops, then the number of acres eligible for enrollment shall be limited to the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area;

(3) lands enrolled in the conservation reserve program as of January 1, 2007, shall not be eligible for enrollment in CREP;

(4) no more than 25% of the acreage in CREP may be in any one county;

(5) no water right that is owned by a governmental entity, except a groundwater management district, shall be purchased or retired by the state or federal government pursuant to CREP; and

(6) only water rights in good standing are eligible for inclusion under CREP: *And provided further*, That to be a water right in good standing the following criteria must be met: (A) At least 50% of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005; (B) in the years 2001 through 2005 the water rights used for the acreage in CREP shall not have exceeded the maximum annual quantity authorized to be diverted and shall not have been the subject of enforcement sanctions by the division of water resources in the last four years; and (C) the water right holder has submitted the required annual water use report required by K.S.A. 82a-732, and amendments thereto, for each of the most recent 10 years: *And provided further*, That the state conservation commission shall submit a CREP report to the senate committee on natural resources and the house committee on agriculture and natural resources at the beginning of the 2009 regular session of the legislature which shall contain a description of program activities and shall include: (i) The total water rights, measured in acre feet, retired in CREP during fiscal year 2008 and fiscal year 2009 to date, (ii) the acreage enrolled in CREP during fiscal year 2008 and in fiscal year 2009 to date, (iii) the dollar amounts received and expended for CREP during fiscal year 2008 and in fiscal year 2009 to date, (iv) the economic impact of the CREP program, (v) the change in groundwater levels in the CREP area during fiscal year 2008 and fiscal year 2009 to date, (vi) the annual amount of water usage in the CREP area during fiscal year 2008 and fiscal year 2009 to date, (vii) an assessment of meeting each of the program objectives identified

(continued)

in the agreement with the farm service agency, and (viii) such other information as the state conservation commission shall specify.

Sec. 5.

GOVERNOR'S DEPARTMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: Domestic violence prevention grants

For the fiscal year ending June 30, 2009 \$500,000

Sec. 6.

DEPARTMENT OF EDUCATION

(a) Any unencumbered balance in excess of \$100 as of June 30, 2008, in the Kansas career pipeline account of the state general fund is hereby reappropriated for fiscal year 2009.

(b) On the effective date of this act, of the \$7,184,835 appropriated for the above agency for the fiscal year ending June 30, 2008, by section 123(a) of chapter 167 of the 2007 session laws of Kansas, from the state general fund in the school district juvenile detention facilities and Flint Hills job corps center grants account, the sum of \$193,722 is hereby lapsed.

(c) On the effective date of this act, notwithstanding the provisions of the proviso to the appropriation for the above agency to the Kansas career pipeline grant account of the state general fund in section 34(a) of chapter 201 of the 2007 session laws of Kansas, the requirement of a \$1 for \$1 match shall not be limited to business and industry as sources of the matching funds during fiscal year 2008.

(d) On July 1, 2008, notwithstanding the provisions of the proviso to the appropriation for the above agency to the Kansas career pipeline grant account of the state general fund in section 34(a) of chapter 201 of the 2007 session laws of Kansas, the requirement of a \$1 for \$1 match shall not be limited to business and industry as sources of the matching funds during fiscal year 2009.

Sec. 7.

DEPARTMENT OF HEALTH AND ENVIRONMENT— DIVISION OF HEALTH

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: Lodging establishment inspections

For the fiscal year ending June 30, 2009 \$61,654

Aid to local units — primary health projects

For the fiscal year ending June 30, 2009 \$2,500,000

Provided, That the secretary of health and environment shall prepare and submit a report to the senate committee on ways and means and the house of representatives committee on appropriations prior to the beginning of the 2009 regular session of the legislature on the allocation of funding among primary care safety net clinics.

Coordinated school health program

For the fiscal year ending June 30, 2009 \$550,000

(b) On July 1, 2008, of the \$4,588,103 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 95(a) of 2008 Senate Bill No. 534 from the state general fund in the operating expenditures (including official hospitality) — health account, the sum of \$74,949 is hereby lapsed.

(c) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Infants and toddlers program

For the fiscal year ending June 30, 2009 \$4,500,000

(d) On July 1, 2008, of the \$3,771,305 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 95(a) of 2008 Senate Bill No. 534 from the state general fund in the infant and toddler program account, the sum of \$3,500,000 is hereby lapsed.

(e) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the department of health and environment — division of health is hereby increased from 374.90 to 407.90.

Sec. 8.

ATTORNEY GENERAL

(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: Tobacco master settlement agreement compliance fund

For the fiscal year ending June 30, 2008 No limit

For the fiscal year ending June 30, 2009 No limit

Sexually violent predator expense fund

For the fiscal year ending June 30, 2009 No limit

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by section 32(e) of 2008 Senate Bill No. 534 on the crime victims compensation fund for state operations is hereby increased from \$351,278 to \$392,354.

(c) In addition to the other purposes for which expenditures may be made by the attorney general from the interstate water litigation fund for the fiscal year ending June 30, 2009, as authorized by section 73(b) of 2008 Senate Bill No. 534, expenditures may be made by the above agency from the interstate water litigation fund for fiscal year 2009 for internal operating expenditures: Provided, That expenditures for internal operating expenses from the interstate water litigation fund for fiscal year 2009 shall not exceed \$188,790.

(d) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the attorney general is hereby increased from 102.00 to 104.00.

Sec. 9.

ATTORNEY GENERAL—KANSAS BUREAU OF INVESTIGATION

(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, 2009 \$6,000

Provided, That, if 2008 House Bill No. 2727 is not passed by the legislature during the 2008 regular session and enacted into law, then, on July 1, 2008, the \$6,000 appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, by this subsection in the operating expenditures account is hereby lapsed.

Sec. 10.

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, 2009 \$252,066

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by section 49(e) of 2008 Senate Bill No. 534 on the juvenile detention facilities fund is hereby increased from \$3,993,635 to \$4,300,000.

(c) On July 1, 2008, the \$2,793,099 appropriated for the above agency for fiscal year ending June 30, 2009, by section 157(a), of the 2008 Senate Bill No. 534 from the state institutions building fund in the renovate Kansas juvenile correctional complex administration building account is hereby lapsed.

Sec. 11.

DEPARTMENT OF CORRECTIONS

(a) On the effective date of this act, of the \$51,700,791 appropriated for the above agency for the fiscal year ending June 30,

2008, by section 139(a) of chapter 167 of the 2007 Session Laws of Kansas from the state general fund in the treatment and programs account, the sum of \$74,819 is hereby lapsed.

(b) On July 1, 2008, of the \$54,717,573 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 117(a) of 2008 Senate Bill No. 534 from the state general fund in the treatment and programs account, the sum of \$74,819 is hereby lapsed.

(c) 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: Department of corrections victim assistance fund

For the fiscal year ending June 30, 2009 No limit

(d) (1) On the effective date of this act, notwithstanding the provisions of chapter 167 or 201 of the 2007 Session Laws of Kansas, 2008 Senate Bill No. 534, or this or any other appropriation act or any other act of the 2008 regular session or any other statute and notwithstanding the provisions of state finance council resolution no. 07-572, the approval of the state finance council for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for capital improvement projects to expand prison capacity, as set forth in state finance council resolution no. 07-572 pursuant to subsection (d) of section 185 of chapter 167 of the 2007 Session Laws of Kansas, and the authority of the Kansas development finance authority to issue any bonds on or after the effective date of this act to finance the cost of such capital improvement projects to expand prison capacity pursuant to such approval, are hereby modified as follows: (A) The limitation on the aggregate amount of revenue bonds authorized to be issued for capital improvement projects to expand prison capacity pursuant to subsection (d) of section 185 of chapter 167 of the 2007 Session Laws of Kansas is hereby decreased from \$39,525,000 to \$19,525,000, and (B) no moneys appropriated for the department of corrections or any correctional institution by chapter 167 or 201 of the 2007 Session Laws of Kansas, 2008 Senate Bill No. 534, or by this or any other appropriation act or any other act of the 2008 regular session of the legislature for the fiscal years ending June 30, 2008, or June 30, 2009, shall be expended to authorize or enter into any contract or other agreement to initiate, implement or administer any actual construction work for any such capital improvement project to expand prison capacity prior to July 1, 2009, or to authorize any expenditure of any bond proceeds for any actual construction work for any such capital improvement project to expand prison capacity prior to July 1, 2009, or to authorize, request or otherwise provide for the issuance of any revenue bonds to finance any actual construction work for any such capital improvement project to expand prison capacity to commence, prior to July 1, 2009: *Provided*, That no bonds shall be issued by the Kansas development finance authority to finance any actual construction work for any such capital improvement project to expand prison capacity prior to July 1, 2009, and no money received as proceeds for any such revenue for any actual construction work for any such capital improvement project to expand prison capacity bonds shall be expended prior to July 1, 2009: *Provided further*, That no such limitation on expenditures for any such capital improvement project to expand prison capacity or any provision of this subsection shall limit (i) any expenditures prior to July 1, 2009, for any planning, land or soil surveys or investigations, or other preparation for any such capital improvement project to expand prison capacity, or (ii) the authority to issue any bonds prior to July 1, 2009, to provide financing for the expenses of any planning, land or soil surveys or investigations, or other preparation for any such capital improvement project to expand prison capacity.

(2) The provisions of subsections (h) and (i) of section 185 of chapter 167 of the 2007 Session Laws of Kansas and subsection (c) of section 61 of chapter 201 of the 2007 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 12.

KANSAS HIGHWAY PATROL

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the Kansas highway patrol operations fund is hereby decreased from \$19,573,674 to \$19,187,149.

(b) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 122(b) of 2008 Senate Bill No. 534 on the Kansas highway patrol operations fund is hereby increased from \$19,061,033 to \$19,611,033.

Sec. 13.

STATE FIRE MARSHAL

(a) During the fiscal year ending June 30, 2009, if the resources are insufficient to meet in full the estimated expenditures as they become due to meet the financial obligations imposed by law on the fire marshal fee fund of the state fire marshal as a result of a cash flow shortfall, the director of the budget is authorized and directed to loan the state fire marshal a sufficient amount or amounts of moneys from the state general fund to maintain the cash flow of the fire marshal fee fund upon approval of each such loan by the director of the budget. No such loan shall be made unless the terms thereof have been approved by the director of the budget. A copy of the terms of each such loan shall be submitted to the director of legislative research. Each loan shall be repaid without interest within one year from the date of the loan: *Provided*, That the aggregate amount of such loans for the fiscal year ending June 30, 2009, shall not exceed \$500,000.

(b) On the effective date of this act, the expenditure limitation established by section 120(a) of 2008 Senate Bill No. 534 on the fire marshal fee fund is hereby increased from \$3,692,839 to \$3,834,146.

Sec. 14.

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, 2009 \$13,502

~~(b) There is hereby appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:~~

~~Unmanned aerial vehicles and systems procurement~~

~~For the fiscal year ending June 30, 2009 \$500,000~~

~~*Provided*, That expenditures from the unmanned aerial vehicles and system procurement account shall be made for the unmanned aerial vehicle (UAV) TEC program for procurement of unmanned aerial systems (UAS), payloads and support equipment to conduct the necessary research and flight testing of advanced technologies.~~

(c) On July 1, 2008, of the \$38,974,435 appropriated for the above agency for the fiscal year ending June 30, 2009 by section 119(a) of 2008 Senate Bill No. 534 from the state general fund in the disaster relief account, the sum of \$26,934,000 is hereby lapsed.

(d) 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: National guard museum assistance fund

(continued)

For the fiscal year ending June 30, 2008 \$0
 For the fiscal year ending June 30, 2009 No limit
Provided, That all expenditures from the national guard museum assistance fund shall be made for an expansion of the 35th infantry division museum and education center facility: *Provided further*, That, if 2008 Senate Substitute for House Bill No. 2923 is not passed by the legislature during the 2008 regular session and enacted into law, then, on July 1, 2008, the appropriation of all moneys lawfully credited to and available in the national guard museum assistance fund for the above agency for the fiscal year ending June 30, 2009, is hereby lapsed, and the national guard museum assistance fund is hereby abolished.

Sec. 15.

EMERGENCY MEDICAL SERVICES BOARD

(a) (1) During the fiscal year ending June 30, 2009, if any EMS regional council enters into a grant agreement with the emergency medical service board, such council shall be required to submit pursuant to such grant agreement a written report detailing and accounting for all expenditures and receipts of such council during such fiscal year. The emergency medical services board shall prepare a written report specifying and accounting for all moneys received by and expended by each individual council that has reported to the emergency medical services board pursuant to such grant agreement and submit such report to the house of representatives committee on appropriations and the senate committee on ways and means on or before February 1, 2009.

(2) During the fiscal year ending June 30, 2009, the emergency medical services board shall not prepare a written report specifying and accounting for all moneys received by and expended by each individual organization that has reported to the emergency medical services board pursuant to a grant agreement in accordance with section 124(f) of 2008 Senate Bill No. 534 and shall not submit such report to the house of representatives committee on appropriations and the senate committee on ways and means in accordance with section 124(f) of 2008 Senate Bill No. 534. On July 1, 2008, the provisions of section 124(f) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

Sec. 16.

BOARD OF HEALING ARTS

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 24(b) of 2008 Senate Bill No. 534 on the healing arts fee fund is hereby increased from \$3,126,800 to \$3,156,500: *Provided*, That, if 2008 House Bill No. 2620 is not passed by the legislature during the 2008 regular session and enacted into law, then, on July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by this subsection on the healing arts fee fund is hereby decreased from \$3,156,500 to \$3,126,800.

Sec. 17.

BOARD OF NURSING

(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: Criminal background and fingerprinting fund

For the fiscal year ending June 30, 2009 No limit
 Sec. 18.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

(a) On June 30, 2008, the director of accounts and reports shall transfer all moneys credited to the senior services trust fund of the Kansas public employees retirement system from the senior service trust fund to the state general fund and all liabilities of the senior services trust fund of the Kansas public employees

retirement system are hereby transferred to and imposed on the state general fund.

(b) On the effective date of this act or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$7,276,628 from the Kansas endowment for youth fund of the Kansas public employees retirement system to the children's initiatives fund for the purpose of recognizing additional tobacco settlement revenue.

(c) On the effective date of this act or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$500,000 from the Kansas endowment for youth fund of the Kansas public employees retirement system to the tobacco master settlement agreement compliance fund of the attorney general for the purpose of conducting enforcement activities related to the tobacco settlement agreement.

(d) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Retiree one-time \$300 payment

For the fiscal year ending June 30, 2009 \$7,060,000

Sec. 19.

DEPARTMENT OF ADMINISTRATION

(a) Any unencumbered balance in the capitol area plaza authority planning account in excess of \$100 as of June 30, 2008, is hereby reappropriated for fiscal year 2009.

(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: Capitol area plaza authority planning fund

For the fiscal year ending June 30, 2008 No limit

For the fiscal year ending June 30, 2009 No limit

Provided, That the secretary of administration may accept gifts, donations and grants of money, including payments from local units of city and county government, for the development of a new master plan for the capitol plaza and the extended state zoning area described in K.S.A. 75-3619, and amendments thereto: *Provided further*, That all such gifts, donations and grants shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, to the credit of the capitol area plaza authority planning fund.

(c) During the fiscal year ending June 30, 2009, the pooled money investment board is authorized and directed to loan money for digital equipment acquisition to the following public television stations affiliated with the Kansas public broadcasting council: KTWU — Topeka, KPTS — Wichita, KCPT — Kansas City, and Smoky Hills public television. The aggregate amount loaned under such loan program during fiscal year 2009 shall not exceed \$2,298,503. No such loan shall be made unless the terms have been approved by the director of the budget. A copy of the terms of each such loan shall be submitted to the director of legislative research. The pooled money investment board is authorized and directed to use any moneys in the operating accounts, investment accounts or other investments of the state of Kansas to provide the funds for each such loan. Each such loan shall be repaid, with interest, within 10 years from the date of the loan. The secretary of administration is hereby authorized to implement and administer the loan program under this subsection within the budget authorized and the aggregate limitation established therefor and to establish the application guidelines, interest rate or rates, other terms and conditions and loan amounts to be awarded to each of such public television stations, in accordance with policies which are hereby authorized to be adopted by the secretary of administration for such loan program.

(d) (1) On July 1, 2008, or as soon thereafter as moneys are available therefor, the director of accounts and reports shall

transfer \$7,060,000 from the expanded lottery act revenues fund to the state general fund for the purpose of reimbursing the state general fund for a portion of the cost of providing the KPERs bond debt service of \$36,146,303 for fiscal year 2009 as authorized by section 85(a) of 2008 Senate Bill No. 534.

(2) During the fiscal year ending June 30, 2009, in accordance with the provisions of K.S.A. 2007 Supp. 74-8768, and amendments thereto, the moneys transferred pursuant to the provisions of this subsection (d) from the expanded lottery act revenues fund to the state general fund are for the reduction of state debt by reimbursing the state general fund for a portion of the expenditures for the KPERs bond debt service of \$36,146,303 for fiscal year 2009 and paid from the state general fund as provided in section 85(a) of 2008 Senate Bill No. 534.

(3) During the fiscal year ending June 30, 2009, if moneys are not available in the expanded lottery act revenues fund for transfer to the state general fund during the fiscal year ending June 30, 2009, as prescribed by subsection (d)(1), then, effective on July 1, 2008, pursuant to a determination by the director of the budget that such moneys are not available in the expanded lottery act revenues fund for transfer to the state general fund during fiscal year 2009, the \$7,060,000 appropriated for the Kansas public employees retirement system for the fiscal year ending June 30, 2009, by section 18(d) from the state general fund in the retiree one-time \$300 payment account, is hereby lapsed.

~~(c) During fiscal year 2009 and fiscal year 2010, notwithstanding the provisions of any other statute, after making the transfers prescribed by subsection (i) for higher priority uses, whenever any amount of moneys are credited to the expanded lottery act revenues fund, the director of accounts and reports shall transfer one-third of such amount of moneys from the expanded lottery act revenues fund to the state property tax relief reserve fund, which is hereby established in the state treasury: *Provided*, That all moneys transferred from the expanded lottery act revenues fund to the state property tax relief reserve fund pursuant to this subsection shall be reserved for purposes to be prescribed by law: *Provided further*, That the state finance council shall have no authority to authorize or approve any expenditure of moneys from the state property tax relief reserve fund, or to increase any expenditure limitation on the state property tax relief reserve fund: *And provided further*, That no expenditures shall be authorized or made from the state property tax relief reserve fund by any state agency, except upon specific authorization therefor by appropriation act of the legislature: *Provided, however*, That, 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, except that such approval also may be given while the legislature is in session, the director of accounts and reports shall transfer the amount or amounts specified in such approval from the state property tax relief reserve fund to the fund or funds specified in such approval.~~

~~(f) During fiscal year 2009 and fiscal year 2010, notwithstanding the provisions of any other statute, after making the transfers prescribed by subsection (i) for higher priority uses, whenever any amount of moneys are credited to the expanded lottery act revenues fund, the director of accounts and reports shall transfer one-third of such amount of moneys from the expanded lottery act revenues fund to the state infrastructure reserve fund, which is hereby established in the state treasury: *Provided*, That all moneys transferred from the expanded lottery act revenues fund to the state infrastructure reserve fund pursuant to this subsection shall be reserved for purposes to be prescribed by law: *Provided further*, That the state finance council shall have no authority to authorize or approve any expenditure or transfer of moneys from the state infrastructure reserve fund, or to increase any expenditure limitation on the state infrastructure~~

~~reserve fund: *And provided further*, That no expenditures or transfers shall be authorized or made from the state infrastructure reserve fund by any state agency, except upon specific authorization therefor by appropriation act of the legislature.~~

~~(g) During fiscal year 2009 and fiscal year 2010, notwithstanding the provisions of any other statute, after making the transfers prescribed by subsection (i) for higher priority uses, whenever any amount of moneys are credited to the expanded lottery act revenues fund, the director of accounts and reports shall transfer one-third of such amount of moneys from the expanded lottery act revenues fund to the state debt reduction reserve fund, which is hereby established in the state treasury: *Provided*, That all moneys transferred from the expanded lottery act revenues fund to the state debt reduction reserve fund pursuant to this subsection shall be reserved for purposes to be prescribed by law: *Provided further*, That the state finance council shall have no authority to authorize or approve any expenditure or transfer of moneys from the state debt reduction reserve fund, or to increase any expenditure limitation on the state debt reduction reserve fund: *And provided further*, That no expenditures or transfers shall be authorized or made from the state debt reduction reserve fund by any state agency, except upon specific authorization therefor by appropriation act of the legislature.~~

~~(h) 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 and transfers authorized by law, shall not exceed the following:~~

State property tax relief reserve fund	
— For the fiscal year ending June 30, 2009	\$0
— For the fiscal year ending June 30, 2010	\$0
— For the fiscal year ending June 30, 2011	\$0
State infrastructure reserve fund	
— For the fiscal year ending June 30, 2009	\$0
— For the fiscal year ending June 30, 2010	\$0
— For the fiscal year ending June 30, 2011	\$0
State debt reduction reserve fund	
— For the fiscal year ending June 30, 2009	\$0
— For the fiscal year ending June 30, 2010	\$0
— For the fiscal year ending June 30, 2011	\$0

~~(i) During the fiscal year ending June 30, 2009, notwithstanding the provisions of 2008 Senate Bill No. 534 or this or any other appropriation act or any other act of the 2008 regular session of the legislature, or of any other statute, the director of accounts and reports shall transfer moneys from the expanded lottery act revenue fund strictly in accordance with the following priorities for the use of moneys credited to the expanded lottery act revenues fund:~~

~~FIRST, as prescribed in subsection (d) of this section, moneys shall be transferred from the expanded lottery act revenues fund to the state general fund for state debt reduction by reimbursing the state general fund for a portion of the expenditures for the KPERs bond debt service of \$36,146,303 for fiscal year 2009 and paid from the state general fund as provided in section 85(a) of 2008 Senate Bill No. 534;~~

~~SECOND, as provided in subsection (a) of section 34, moneys shall be appropriated or transferred from the expanded lottery act revenues fund for state debt reduction by payment of bond debt service for fiscal year 2009 for the bonds issued to finance the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas as provided in an appropriation act or acts enacted in 2009;~~

~~THIRD, as provided in subsection (a) of section 34, moneys shall be appropriated or transferred from the expanded lottery act revenues fund for state debt reduction by payment of bond debt service for fiscal year 2010 for the bonds issued to finance~~

(continued)

~~the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas as provided in an appropriation act or acts enacted in 2010;~~

~~FOURTH, as provided in subsection (d) of section 34, moneys in the expanded lottery act revenues fund shall be used for state infrastructure improvements by transferring moneys from the expanded lottery act revenues fund to the school of pharmacy expansion project fund of the university of Kansas for fiscal year 2011 for the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas;~~

~~FIFTH, as provided in subsection (a) of section 34, moneys shall be appropriated or transferred from the expanded lottery act revenues fund for state debt reduction by payment of bond debt service for fiscal year 2010 for the bonds issued to finance the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas as provided in an appropriation act or acts enacted in 2010;~~

~~SIXTH, as provided in subsection (d) of section 34, moneys in the expanded lottery act revenues fund shall be used for state infrastructure improvements by transferring moneys from the expanded lottery act revenues fund to the school of pharmacy expansion project fund of the university of Kansas for fiscal year 2011 for the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas; and~~

~~SEVENTH, as provided in subsections (e), (f), and (g) of this section, any moneys remaining in the expanded lottery act revenues fund during fiscal year 2009, fiscal year 2010 and fiscal year 2011, after transferring the moneys from the expanded lottery act revenues fund in accordance with the preceding priorities, shall be transferred from the expanded lottery act revenues fund to the state property tax relief reserve fund, state infrastructure reserve fund and state property tax relief reserve fund.~~

Sec. 20.

KANSAS RACING AND GAMING COMMISSION

(a) On July 1, 2008, the aggregate limitation established by section 89(h) of 2008 Senate Bill No. 534 on the amount that the pooled money investment board is authorized and directed to loan to the Kansas racing and gaming commission during fiscal year 2009 as needed for the operating expenses of the Kansas racing and gaming commission for the expanded lottery operations under chapter 110 of the 2007 Session Laws of Kansas, which is stated as an aggregate for all such loan amounts provided to the Kansas racing and gaming commission by the pooled money investment board during both fiscal year 2008 and fiscal year 2009, is hereby increased from \$3,000,000 to \$5,000,000.

Sec. 21.

DEPARTMENT OF WILDLIFE AND PARKS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the rehabilitation and repair account of the wildlife fee fund is hereby increased from \$1,284,860.74 to \$1,684,860.74.

(b) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the wildlife fee fund for state operations is hereby increased from \$19,526,062 to \$19,684,161.

(c) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the boating fee fund for state operations is hereby increased from \$1,142,854 to \$1,168,905.

(d) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the parks fee fund for state parks operating expenditures is hereby increased from \$4,828,437 to \$5,011,427.

(e) Notwithstanding the current executive department policy for replacing state agency vehicles that requires one vehicle to be removed from the state fleet in order to acquire a replacement vehicle, the Kansas department of wildlife and parks is hereby authorized and directed to retain up to 31 vehicles that are scheduled to be replaced during the fiscal year ending June 30, 2009: *Provided*, That the secretary of wildlife and parks shall have authority to reallocate any such vehicles to be retained: *Provided further*, That the secretary of wildlife and parks is authorized to make any necessary funding adjustments to offset any potential diversion of federal funds and to subsequently relocate the vehicles to and among the state parks for use by seasonal and temporary staff.

(f) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the department of wildlife and parks is hereby increased from 414.55 to 416.55.

~~(g) During the fiscal year ending June 30, 2009, notwithstanding the provisions of section 132(b) of 2008 Senate Bill No. 534 to this or any other appropriation act of the 2008 regular session, or any other statute, no expenditures shall be made by the department of wildlife and parks from the state agricultural production fund to provide any financial support for the cabin program of the department of wildlife and parks.~~

(h) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated for the fiscal year ending June 30, 2008, or June 30, 2009, from the state general fund or any special revenue fund or funds, the above agency shall make expenditures to purchase from the Kansas Army Ammunition Plant Parsons — Labette Redevelopment Planning Authority (KSAAP-LRPA) an option to purchase any portion of the former United States Army ammunition plant facility located near Parsons, Kansas, on or before December 1, 2008: *Provided*, That such option to purchase shall include a right of first refusal within one year of the date of the offer by KSAAP-LRPA to sell such property to the department of wildlife and parks: *Provided further*, That the purchase price paid for such option to purchase such property shall be \$750,000: *And provided further*, That prior to exercising the option to purchase such property, the secretary of wildlife and parks shall certify that the amount equal to the grant awarded by the department of commerce pursuant to section 13(b) of 2008 Senate Bill No. 534 to the KSAAP-LRPA has been paid to the state and deposited in the state treasury to the credit of the state economic development initiatives fund: *And provided further*, That the department of wildlife and parks is hereby authorized to purchase such property from KSAAP-LRPA for an amount of not to exceed the appraised value of such property: *And provided further*, That, if the department of wildlife and parks does not exercise the option to purchase such property within the allotted time period, then the KSAAP-LRPA may sell such property to another entity.

Sec. 22.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 133(b) of 2008 Senate Bill No. 534 on the state highway fund for state operations is hereby increased from \$269,078,434 to \$271,383,054.

(b) During the fiscal year ending June 30, 2009, notwithstanding the provisions of the state surplus property act, K.S.A. 75-6604, and amendments thereto, or any other statute or the provisions of this or any other appropriation act of the 2008 regular session of the legislature, all moneys received as proceeds from the sale of 123 vehicles of the department of transportation that are scheduled for replacement, including automobiles and light trucks, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and,

upon receipt of each such remittance, shall be credited to the state general fund.

Sec. 23.

KANSAS HOUSING RESOURCES CORPORATION

(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: State housing trust fund

For the fiscal year ending June 30, 2008 No limit
For the fiscal year ending June 30, 2009 No limit

Provided, That all expenditures from the state housing trust fund shall be made by the Kansas housing resources corporation pursuant to 2008 Senate Bill No. 417: Provided further, That, notwithstanding the provisions of K.S.A. 74-8959, and amendments thereto, or any other statute, the Kansas housing resources corporation may make expenditures from the state housing trust fund for the purposes of implementing and administering the provisions of sections 4 through 9, and amendments thereto, of 2008 Senate Bill No. 417, the Kansas rural housing incentive district act.

Sec. 24.

DEPARTMENT OF LABOR

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 93(b) of 2008 Senate Bill No. 534 on the federal indirect cost offset fund is hereby increased from \$203,195 to \$308,517.

Sec. 25.

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 94(b) of 2008 Senate Bill No. 534 on the commission on veterans affairs federal fund is hereby increased from \$127,942 to \$189,672.

(b) 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 from any special revenue fund or funds for fiscal year 2008 or fiscal year 2009 as authorized by 2008 Senate Bill No. 534 or by this or other appropriation act of the 2008 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 or funds for fiscal year 2008 or fiscal year 2009 to raze a cottage at the Kansas soldiers' home at 437 Custer.

Sec. 26.

OFFICE OF THE SECURITIES COMMISSIONER OF KANSAS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by section 29(a) of 2008 Senate Bill No. 534 on the securities act fee fund is hereby increased from \$2,697,137 to \$2,731,776.

(b) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 29(b) of 2008 Senate Bill No. 534 on the securities act fee fund is hereby increased from \$2,679,338 to \$2,782,599.

Sec. 27.

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Operating grant (including official hospitality)
For the fiscal year ending June 30, 2009 \$171,600

(b) On July 1, 2008, the amount of \$1,250,000 authorized by section 90(f) of 2008 Senate Bill No. 534 to be transferred by the director of accounts and reports from the state economic development initiatives fund to the Kansas economic opportunity initiatives fund of the department of commerce on August 15,

2008, and December 15, 2008, or as soon thereafter as moneys are available, is hereby decreased to \$625,000.

(c) The director of accounts and reports shall not make the transfer of \$150,000 from the state economic development initiatives fund to the small employer cafeteria plan development program fund of the department of commerce which was authorized to be made on July 1, 2008, by section 90(g) of 2008 Senate Bill No. 534 and, on July 1, 2008, the provisions of section 90(g) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

(d) The director of accounts and reports shall not make the transfer of \$500,000 from the state economic development initiatives fund to the association assistance plan fund of the department of commerce which was directed to be made on July 1, 2008, by section 90(h) of 2008 Senate Bill No. 534 and, on July 1, 2008, the provisions of section 90(h) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

Sec. 28.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES

(a) On July 1, 2008, of the \$9,600,000 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 79(a) of 2008 Senate Bill No. 534 from the state general fund in the assigned counsel expenditures account, the sum of \$300,000 is hereby lapsed.

Sec. 29.

JUDICIAL BRANCH

(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: Judicial branch nonjudiciary salary adjustment fund

For the fiscal year ending June 30, 2009 \$3,800,000

Sec. 30. On July 1, 2008, section 86 of 2008 Senate Bill No. 534 is hereby amended to read as follows:

Sec. 86.

STATE BOARD COURT OF TAX APPEALS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Operating expenditures \$1,608,780 \$1,773,780

Provided, That any unencumbered balance in the operating expenditures account of the state board of tax appeals, which was abolished by 2008 Substitute for House Bill No. 2018, in excess of \$100 as of June 30, 2008, is hereby reappropriated to the operating expenditures account of the state court of tax appeals for fiscal year 2009.

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2009, 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:

Duplicating fees fund \$5,000
COTA filing fee fund \$496,234

Sec. 31. On July 1, 2008, Section 86 of 2008 Senate Bill No. 534 is hereby repealed.

Sec. 32.

DEPARTMENT OF REVENUE

(a) On July 1, 2008, the amount of \$500,000 authorized by section 87(f)(2) of 2008 Senate Bill No. 534 to be transferred by the director of accounts and reports from the state economic development initiatives fund to the Kansas qualified biodiesel fuel producer incentive fund of the department of revenue on

(continued)

July 1, 2008, October 1, 2008, January 1, 2009, and April 1, 2009, is hereby decreased to \$100,000.

(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, 2009 \$34,969

Sec. 33.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

(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:

Technology innovation federal grant fund
For the fiscal year ending June 30, 2008 No limit
For the fiscal year ending June 30, 2009 No limit

(b) On July 1, 2008, of the \$12,506,811 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 92(a) of 2008 Senate Bill No. 534 from the state economic development initiatives fund in the operations, assistance and grants (including official hospitality) account, the sum of \$500,000 is hereby lapsed.

Sec. 34.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

PEI infrastructure — debt service
For the fiscal year ending June 30, 2009 \$3,180,469

(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:

Postsecondary educational infrastructure finance K DFA 2008A revenue fund
For the fiscal year ending June 30, 2009 No limit

(c) During the fiscal year ending June 30, 2009, notwithstanding any provisions of subsection (f) of K.S.A. 2007 Supp. 66-2010, and amendments thereto, to the contrary, the amount of \$8,000,000 shall be certified before July 1, 2008, by the chief executive officer of the state board of regents to the administrator of the KUSF and the administrator of the KUSF shall pay such amount from the Kansas universal service fund of the state corporation commission to the KAN-ED fund of the state board of regents during fiscal year 2009 in accordance with the provisions of subsections (f)(1) and (f)(2) of K.S.A. 2007 Supp. 66-2010, and amendments thereto.

(d) In addition to the other purposes for which expenditures may be made by the above agency from the KAN-ED operating expenditures account of the state general fund for fiscal year 2009 as authorized by section 116(a) of 2008 Senate Bill No. 534, notwithstanding the provisions of section 116(a) of 2008 Senate Bill No. 534, or any other statute, expenditures shall be made by the above agency from the KAN-ED operating expenditures account of the state general fund for fiscal year 2009 to research and identify alternative funding sources for KAN-ED for the fiscal year ending June 30, 2009, and each year thereafter: *Provided*, That the state board of regents shall send a copy of the report to each member of the joint committee on information technology no later than November 1, 2008, setting forth its recommendation for an alternative funding source for KAN-ED, which shall be reviewed by the joint committee prior to the beginning of the 2009 legislature: *And provided further*, That the joint committee on information technology shall report its recommendation on these matters to the legislature at the beginning of the 2009 regular session.

(e) In addition to the other purposes for which expenditures may be made by the above agency from the postsecondary aid for vocational education account of the state general fund for fiscal year 2009 as authorized by section 116(a) of 2008 Senate Bill No. 534, notwithstanding the provisions of section 116(a) of 2008 Senate Bill No. 534, or any other statute, expenditures shall be made for state aid by the above agency from the postsecondary aid for vocational education account of the state general fund for fiscal year 2009 so that no technical education institution, including technical colleges, receives less state aid in the fiscal year ending June 30, 2009, than it received in the previous fiscal year.

(f) In addition to the other purposes for which expenditures may be made by the above agency from the postsecondary operating grant account of the state general fund for fiscal year 2009, as authorized by section 116(a) of 2008 Senate Bill No. 534, expenditures shall be made by the above agency from the postsecondary operating grant account of the state general fund for fiscal year 2009 for a bioscience summer institute at Emporia state university in an aggregate amount of not less than \$200,581; a professional science masters degree program at Fort Hays state university in an aggregate amount of not less than \$330,000; and a school of construction at Pittsburg state university in an aggregate amount of not less than \$1,393,400: *Provided*, That expenditures shall be made from the postsecondary operating grant account for these three projects equally in a ratio of the allocated amounts before funding any other projects or purposes when funding is available by this act of the 2008 regular session of the legislature: *Provided, however*, That no moneys shall be allocated for any such project unless additional funding is appropriated by this act for postsecondary operating grant funding for fiscal year 2009.

Sec. 35.

PITTSBURG STATE UNIVERSITY

(a) (1) During the fiscal year ending June 30, 2009, no bonds shall be approved by the Kansas development finance authority for the capital improvement project for student health center construction for Pittsburg state university pursuant to section 151(i) of 2008 Senate Bill No. 534 until the conditions of K.S.A. 76-742, and amendments thereto, have been met.

(2) On July 1, 2008, the provisions of the last proviso in section 151(i) of 2008 Senate Bill No. 534 which states that no bonds shall be approved by the Kansas development finance authority until the conditions of K.S.A. 76-142, and amendments thereto, have been met, are hereby declared to be null and void and shall have no force and effect.

Sec. 36.

UNIVERSITY OF KANSAS

(a) In addition to the other purposes for which expenditures may be made by the university of Kansas for the moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2009 or fiscal year 2010 as authorized by 2008 Senate Bill No. 534 or by this or any other appropriation act or any other act of the 2008 regular session of the legislature, expenditures shall be made by the university of Kansas from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2009 or for fiscal year 2010 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to construct and remodel the school of pharmacy: *Provided*, That such capital improvement project is hereby approved for the university of Kansas 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 further*, That the university of Kansas may make expenditures from the mon-

eys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$20,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from the expanded lottery act revenues fund: *And provided further*, That if moneys are not available in the expanded lottery act revenues fund for such debt service, then expenditures shall be made by the university of Kansas for such debt service from moneys appropriated from the state general fund.

(b) On July 1, 2008, the \$5,000,000 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 152(a) of 2008 Senate Bill No. 534 from the state general fund in the school of pharmacy expansion project account, is hereby lapsed.

(c)(1) The director of accounts and reports shall not make the transfer of \$5,000,000 from the state infrastructure reserve fund of the department of administration to the state general fund which was directed to be made on July 1, 2008, by section 152(d)(1) of 2008 Senate Bill No. 534 and, on the effective date of this act, the provisions of section 152(d)(1) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

(2) The director of accounts and reports shall not make the transfer of \$22,500,000 from the state infrastructure reserve fund of the department of administration to the state general fund which was directed to be made on July 1, 2009, by section 152(d)(2) of 2008 Senate Bill No. 534 and, on the effective date of this act, the provisions of section 152(d)(2) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

(3) The director of accounts and reports shall not make the transfer of \$22,500,000 from the state infrastructure reserve fund of the department of administration to the state general fund which was directed to be made on July 1, 2010, by section 152(d)(3) of 2008 Senate Bill No.534 and, on the effective date of this act, the provisions of section 152(d)(3) of 2008 Senate Bill No. 534 are hereby declared to be null and void and shall have no force and effect.

(d)(1) On July 1, 2009, or as soon as moneys are available therefor, the director of accounts and reports shall transfer \$15,000,000 from the expanded lottery act revenues fund to the school of pharmacy expansion project fund.

(2) On July 1, 2010, or as soon as moneys are available therefor, the director of accounts and reports shall transfer \$15,000,000 from the expanded lottery act revenues fund to the school of pharmacy expansion project fund.

(e) On July 1, 2009, the expenditure limitation established for the fiscal year ending June 30, 2010, by section 152(b) of 2008 Senate Bill No. 534 on the school of pharmacy expansion project fund is hereby decreased from \$22,500,000 to \$15,000,000.

(f) On July 1, 2010, the expenditure limitation established for the fiscal year ending June 30, 2011, by section 152(b) of 2008 Senate Bill No. 534 on the school of pharmacy expansion project fund is hereby decreased from \$22,500,000 to \$15,000,000.

Sec. 37.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: Wichita center for graduate medical education

For the fiscal year ending June 30, 2009 \$1,500,000
Provided, That \$7,100,000 has been requested by the Wichita center for graduate medical education from the Kansas bioscience authority for research-oriented grant funding: *Provided further*, That expenditures shall be made from the Wichita center for graduate medical education account for purposes of funding non-research needs such as offsite or rural rotations for which medicare funding has been terminated or for purposes of attaining adequate standards for accreditation of the WCGME residency program: *And provided further*, That, if 2008 Senate Bill No. 81 is passed by the legislature during the 2008 regular session and enacted into law, then, on July 1, 2008, the \$1,500,000 appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, by this subsection in the Wichita center for graduate medical education account is hereby lapsed.

Sec. 38.

GOVERNMENTAL ETHICS COMMISSION

(a) On or after the effective date of this act, during the fiscal year ending June 30, 2008, all expenditures made by the above agency for the fiscal year ending June 30, 2008, for the purpose of conducting the heartland council on governmental ethics laws conference shall be in addition to any expenditure limitation imposed on the governmental ethics commission fee fund for fiscal year 2008.

(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, 2009 \$3,000

(c) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 23(c) of Senate Bill No. 534 on the governmental ethics commission fee fund is hereby decreased from \$161,223 to \$158,223.

Sec. 39.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Other medical assistance	
For the fiscal year ending June 30, 2008	\$4,074,509
Youth services aid and assistance	
For the fiscal year ending June 30, 2009	\$1,901,961
Cash assistance	
For the fiscal year ending June 30, 2008	\$42,154
Community based services	
For the fiscal year ending June 30, 2008	\$1,151,110
For the fiscal year ending June 30, 2009	\$2,939,740
Parsons state hospital and training center — operating expenditures	
For the fiscal year ending June 30, 2008	\$141,019
State operations	
For the fiscal year ending June 30, 2009	\$118,500
Osawatomie state hospital — operating expenditures	
For the fiscal year ending June 30, 2009	\$444,318
Mental health and retardation services aid and assistance	
For the fiscal year ending June 30, 2009	\$2,839,274

(b) On the effective date of this act, of the \$111,985,973 appropriated for the above agency for the fiscal year ending June 30, 2008, by section 121(a) of chapter 167 of the 2007 Session Laws of Kansas from the state general fund in the youth services aid and assistance account, the sum of \$1,163,619 is hereby lapsed.

(c) On July 1, 2008, of the \$98,839,321 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 99(a) of 2008 Senate Bill No. 534 from the state general fund in

(continued)

the other medical assistance account, the sum of \$1,235,354 is hereby lapsed.

(d) On July 1, 2008, of the \$68,326,730 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 99(a) of 2008 Senate Bill No. 534 from the state general fund in the cash assistance account, the sum of \$1,048,779 is hereby lapsed.

(e) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified:

Early childhood block grant

For the fiscal year ending June 30, 2009 \$11,100,000
Early head start

For the fiscal year ending June 30, 2009 \$1,852,779

(f) During the fiscal year ending June 30, 2009, the director of accounts and reports shall transfer the amounts specified by the director of the budget from the LTC — medicaid assistance — NF account of the state general fund of the department on aging to the LTC — medicaid assistance — HCBS/FE account of the state general fund of the department on aging or to the community based services account of the department of social and rehabilitation services: *Provided*, That such amounts to be transferred shall be certified by the director of the budget on December 1, 2008, and on June 1, 2009, to reflect the nursing facility rate paid for persons moving from a nursing facility to the home and community-based services waiver for the physically disabled or the frail elderly for the six months preceding the date of certification: *Provided further*, That each of the individuals transferred must meet the requirements described in a policy jointly developed by the secretary of aging and the secretary of social and rehabilitation services governing the operations of this transfer: *And provided further*, That the director of the budget shall transmit a copy of each such certification to the director of legislative research: *And provided further*, That the department of social and rehabilitation services shall report to the legislature at the beginning of the regular session in 2009 with expenditure data regarding this program.

(g) On the effective date of this act, of the \$10,800,250 appropriated for the above agency for the fiscal year ending June 30, 2008, by section 121(a) of chapter 167 of the 2007 Session Laws of Kansas from the state general fund in the Osawatimie state hospital — operating expenditures account, the sum of \$141,019 is hereby lapsed.

(h) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the Osawatimie state hospital fee fund is hereby increased from \$4,842,397 to \$5,383,416.

(i) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the Parsons state hospital and training center fee fund is hereby decreased from \$1,434,990 to \$1,293,971.

(j) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from the moneys appropriated from the state general fund or from any special revenue fund for the department of social and rehabilitation services for fiscal year 2008 and fiscal year 2009, as authorized by chapter 167 or 201 of the 2007 Session Laws of Kansas or by this or any other appropriation act of the 2008 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or from any special revenue fund for the department of social and rehabilitation services for fiscal year 2008 and fiscal year 2009 to study the feasibility and advantages of providing services and assistance by age groupings instead of providing services and assistance by the kind or category of condition, disability or other need for which service or assistance is provided, including autism: *Provided*, That the department of social and rehabilitation services shall prepare and present a report on the results

of the study to the social services budget committee of the house of representatives and to the appropriate subcommittee of the ways and means committee of the senate at the beginning of the 2009 regular session of the legislature.

(k) (1) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from the moneys appropriated from the state general fund or from any special revenue fund for the department of social and rehabilitation services for fiscal year 2008 and fiscal year 2009, as authorized by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas or by this or any other appropriation act of the 2008 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or from any special revenue fund for the department of social and rehabilitation services for fiscal year 2008 and fiscal year 2009 to recruit and hire new employees to fill existing positions in job classes which provide required patient care or other services at the state hospitals, with the goal of eliminating overtime work hours currently provided by existing staff: *Provided*, That, in administering such recruiting and hiring of new employees, the department of social and rehabilitation services should place a high priority on hiring additional employees providing services for administrative units of each state hospital where the staff members work most overtime hours in order to provide the services required for the care of patients: *Provided further*, That the department of social and rehabilitation services shall prepare and present a report of the actions taken and resulting changes in staffing levels pursuant to this subsection and of the extent of any continued reliance on overtime work at each state hospital to the social services budget committee of the house of representatives and to the appropriate subcommittee of the ways and means committee of the senate at the beginning of the 2009 regular session of the legislature.

(2) As used in this subsection (k), "state hospital" means Larned state hospital, Osawatimie state hospital, Parsons state hospital and training center, Rainbow mental health facility and Kansas neurological institute.

(l) On the effective date of this act, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the Osawatimie state hospital is hereby increased from 478.40 to 491.20.

Sec. 40.

DEPARTMENT ON AGING

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

LTC — medicaid assistance — NF	
For the fiscal year ending June 30, 2008	\$1,211,000
For the fiscal year ending June 30, 2009	\$2,004,000
LTC — medicaid assistance — HCBS/FE	
For the fiscal year ending June 30, 2009	\$519,950
Administration	
For the fiscal year ending June 30, 2009	\$810,000

Provided, That the secretary of aging shall submit to the senate committee on ways and means and the house of representatives committee on appropriations at the beginning of the 2009 regular session of the legislature a report on how the additional funding for area agencies on aging was expended: *Provided further*, That the report shall include information regarding distribution of funding to each of the 11 area agencies on aging.

Nursing facilities regulation

For the fiscal year ending June 30, 2008	\$13,330
Nursing facilities regulation — title XIX	
For the fiscal year ending June 30, 2008	\$9,470
For the fiscal year ending June 30, 2009	\$74,949

(b) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate

Bill No. 534 for the department on aging is hereby increased from 209.00 to 214.00.

(c) (1) During the fiscal years ending June 30, 2008, and June 30, 2009, in addition to other purposes for which expenditures may be made by the department on aging from the moneys appropriated from the state general fund or any special revenue fund for the above agency for fiscal year 2008 or fiscal year 2009 as authorized by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, by 2008 Senate Bill No. 534, or by this or other appropriation act of the 2008 regular session of the legislature, expenditures shall be made by the department on aging from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2008 and fiscal year 2009 to make payments under the state medicaid program to each nursing facility, upon re-opening, as a new nursing facility provider with a nursing facility provider medicaid rate determined under the provisions of K.A.R. 30-10-17(b) and K.A.R. 30-10-18(e)(1)(A).

(2) As used in this subsection, "nursing facility" means a nursing facility which is located within a county designated by the United States federal emergency management agency under major disaster declaration FEMA-1711-DR and which was closed for a period of nine months or more as a result of such 2007 disaster caused by the flooding and other severe weather in Southeast Kansas.

(d) On July 1, 2008, of the \$1,931,200 appropriated for the above agency for the fiscal year ending June 30, 2009, by section 97(a) of 2008 Senate Bill No. 534 from the state general fund in the nursing facilities regulation account, the sum of \$232,650 is hereby lapsed.

Sec. 41.

KANSAS HEALTH POLICY AUTHORITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: Other medical assistance

For the fiscal year ending June 30, 2008 \$14,000,000
 For the fiscal year ending June 30, 2009 \$14,037,000

Provided, That, at the beginning of the 2009 regular session of the legislature, the Kansas health policy authority shall submit to the senate committee on ways and means and the house of representatives committee on appropriations a report of the amount of savings achieved from the implementation of a preferred drug formulary for the MediKan program: *Provided further*, That the Kansas health policy authority shall not require an individual, who is currently prescribed medications for mental health purposes in the MediKan program, to change prescriptions under a preferred drug formulary during the fiscal year ending June 30, 2009: *And provided further*, That all prescriptions paid for by the MediKan program shall be filled pursuant to subsection (a) of K.S.A. 65-1637, and amendments thereto: *And provided further*, That the Kansas health policy authority shall follow the existing prior authorization protocol for reimbursement of prescriptions for the MediKan program for the fiscal year ending June 30, 2009.

Sec. 42.

KANSAS PAROLE BOARD

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Parole from adult correctional institutions..... \$6,729

Sec. 43.

STATE LIBRARY

(a) There is hereby 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, 2009 \$29,000
 Sec. 44.

SECRETARY OF STATE

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following: HAVA match

For the fiscal year ending June 30, 2008 \$55,477

(b) On the effective date of this act, the \$55,477 appropriated for the above agency for the fiscal year ending June 30, 2008, by section 61(a) of 2008 Senate Bill No. 534 from the state general fund in the operating expenditures account, is hereby lapsed.

Sec. 45.

KANSAS LOTTERY

(a) On the effective date of this act, the amount to be transferred from the state gaming revenues fund to the state general fund in section 110 (c) of chapter 167 of the 2007 Session Laws of Kansas, on or before June 15, 2008, is hereby reduced by \$270,000 of the amount certified by the executive director of the Kansas lottery to be transferred from the lottery operating fund to the state gaming revenues fund that is attributed to the special veterans benefits game: *Provided*, That the director of accounts and reports shall transfer \$270,000 from the state gaming revenues fund to the national guard museum assistance fund of the adjutant general's department for the purpose of providing assistance for an expansion of the 35th infantry division museum and education center facility as described in subsection (c)(3) K.S.A. 2007 Supp. 74-8724, as amended by section 6 of 2008 Senate Substitute for House Bill No. 2923.

Sec. 46.

STATE CORPORATION COMMISSION

(a) On July 1, 2008, the aggregate expenditure limitation established for the fiscal year ending June 30, 2009, by section 83(b) of 2008 Senate Bill No. 534, on expenditures from the public service regulation fund, the motor carrier license fees fund and the conservation fee fund, in the aggregate, is hereby increased from \$16,122,496 to \$16,472,496.

~~Sec. 47. (a) No moneys shall be appropriated for any state agency from the state general fund or from any special revenue fund to replace homeland security federal funds in future years.~~

Sec. 48. On the effective date of this act, K.S.A. 2007 Supp. 74-99b16 is hereby amended to read as follows: 74-99b16. (a) As used in this section, unless the context expressly provides otherwise:

(1) "Ancillary technical services" include, but shall not be limited to, geology services and other soil or subsurface investigation and testing services, surveying, adjusting and balancing of air conditioning, ventilating, heating and other mechanical building systems, testing and consultant services that are determined by the bioscience authority to be required for a project;

(2) "architectural services" means those services described by subsection (e) of K.S.A. 74-7003, and amendments thereto;

(3) "construction services" means the work performed by a construction contractor to commence and complete a project;

(4) "construction management at-risk services" means the services provided by a firm which has entered into a contract with the bioscience authority to be the construction manager at risk for the value and schedule of the contract for a project, which is to hold the trade contracts and execute the work for a project in a manner similar to a general contractor and which is required to solicit competitive bids for the trade packages developed for a project and to enter into the trade contracts for a project with the lowest responsible bidder therefor, and may include, but are not limited to, such services as scheduling, value analysis, systems analysis, constructability reviews, progress document reviews, subcontractor involvement and pre-

(continued)

qualification, subcontractor bonding policy, budgeting and price guarantees, and construction coordination;

(5) "division of facilities management" means the division of facilities management of the department of administration;

(6) "engineering services" means those services described by subsection (i) of K.S.A. 74-7003, and amendments thereto;

(7) "firm" means (A) with respect to architectural services, an individual, firm, partnership, corporation, association or other legal entity which is: (i) permitted by law to practice the profession of architecture; and (ii) maintaining an office in Kansas staffed by one or more architects who are licensed by the board of technical professions; or (iii) not maintaining an office in Kansas, but which is qualified to perform special architectural services that are required in special cases where in the judgment of the bioscience authority it is necessary to go outside the state to obtain such services; (B) with respect to engineering services or land surveying, an individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the profession of engineering and provide engineering services or practice the profession of land surveying and provide land surveying services, respectively; (C) with respect to construction management at-risk services, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to perform construction management at-risk services; (D) with respect to ancillary technical services or other services that are determined by the bioscience authority to be required for a project, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the required profession or perform the other required services, as determined by the bioscience authority; and (E) with respect to construction services, a qualified individual, firm, partnership, corporation, association, or other legal entity permitted by law to perform construction services for a project;

(8) "land surveying" means those services described in subsection (j) of K.S.A. 74-7003, and amendments thereto;

(9) "negotiating committee" means the board of directors of the subsidiary corporation formed under K.S.A. 2007 Supp. 76-781, and amendments thereto, *except that for the period of May 1, 2008, through May 1, 2009, the term shall have the meaning set forth in subsection (b) of K.S.A. 75-1251, and amendments thereto;*

(10) "project" means a project undertaken by the Kansas bioscience authority;

(11) "project services" means architectural services, engineering services, land surveying, construction management at-risk services, construction services, ancillary technical services or other construction-related services determined by the bioscience authority to be required for a project; and

(12) "state building advisory commission" means the state building advisory commission created by K.S.A. 75-3780, and amendments thereto.

(b) The bioscience authority, when acting under authority of this act, and each project authorized by the bioscience authority under this act are exempt from the provisions of K.S.A. 75-1269, 75-3738 through 75-3741b, 75-3742 through 75-3744, and 75-3783, and amendments thereto, except as otherwise specifically provided by this act.

(c) Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, or the provisions of any other statute to the contrary, all contracts for any supplies, materials or equipment for a project authorized by the bioscience authority under this act, shall be entered into in accordance with procurement procedures determined by the bioscience authority, subject to the provisions of this section, except that, in the discretion of the bioscience authority, any such contract may be entered into in the manner provided in and subject to the provisions of any such statute otherwise applicable thereto. Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, if the bioscience authority does not

obtain construction management at-risk services for a project, the construction services for such project shall be obtained pursuant to competitive bids and all contracts for construction services for such project shall be awarded to the lowest responsible bidder in accordance with procurement procedures determined and administered by the bioscience authority which shall be consistent with the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto.

(d) When it is necessary in the judgment of the bioscience authority to obtain project services for a particular project by conducting negotiations therefor, the bioscience authority shall publish a notice of the commencement of negotiations for the required project services at least 15 days prior to the commencement of such negotiations in the Kansas register in accordance with K.S.A. 75-430a, and amendments thereto, and in such other appropriate manner as may be determined by the bioscience authority.

(e) (1) Notwithstanding the provisions of subsection (b) of K.S.A. 75-1251, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-1250 through 75-1270, and amendments thereto, with respect to the procurement of architectural services for a project authorized by the bioscience authority under this act, "negotiating committee" shall mean the board of directors of the subsidiary corporation formed under K.S.A. 2007 Supp. 76-781, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required architectural services for the project in accordance with the provisions of K.S.A. 75-1250 through 75-1270, and amendments thereto, except that no limitation on the fees for architectural services for the project shall apply to the fees negotiated by the board of directors for such architectural services, *except that for the period of May 1, 2008, through May 1, 2009, the "negotiating committee" shall have the meaning set forth in subsection (b) of K.S.A. 75-1251, and amendments thereto, and the board of directors of the subsidiary corporation formed under K.S.A. 76-781, and amendments thereto, shall have no role in the procurement of architectural services for a project.*

(2) Notwithstanding the provisions of subsection (e) of K.S.A. 75-5802, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-5801 through 75-5807, and amendments thereto, with respect to the procurement of engineering services or land surveying services for a project authorized by the bioscience authority under this act, "negotiating committee" shall mean the board of directors of the subsidiary corporation formed under K.S.A. 2007 Supp. 76-781, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required engineering services or land surveying services for the project in accordance with the provisions of K.S.A. 75-5801 through 75-5807, and amendments thereto, *except that for the period of May 1, 2008, through May 1, 2009, the "negotiating committee" shall have the meaning set forth in subsection (b) of K.S.A. 75-1251, and amendments thereto, and the board of directors of the subsidiary corporation formed under K.S.A. 76-781, and amendments thereto, shall have no role in the procurement of engineering services or land surveying services for a project.*

(3) In any case of a conflict between the provisions of this section and the provisions of K.S.A. 75-1250 through 75-1270, or 75-5801 through 75-5807, and amendments thereto, with respect to a project authorized by the bioscience authority under this act, the provisions of this section shall govern.

(f) (1) For the procurement of construction management at-risk services for projects under this act, the secretary of administration shall encourage firms engaged in the performance of construction management at-risk services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data. Each statement shall include data relating to (A) the firm's

capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm's personnel, and (C) performance data of all consultants the firm proposes to use.

(2) Whenever the bioscience authority determines that a construction manager at risk is required for a project under this act, the bioscience authority shall notify the state building advisory commission and the state building advisory commission shall prepare a list of at least three and not more than five firms which are, in the opinion of the state building advisory commission, qualified to serve as construction manager at risk for the project. Such list shall be submitted to the negotiating committee, without any recommendation of preference or other recommendation. The negotiating committee shall have access to statements of qualifications of and performance data on the firms listed by the state building advisory commission and all information and evaluations regarding such firms gathered and developed by the secretary of administration under K.S.A. 75-3783, and amendments thereto.

(3) The negotiating committee shall conduct discussions with each of the firms so listed regarding the project. The negotiating committee shall determine which construction management at-risk services are desired and then shall proceed to negotiate with and attempt to enter into a contract with the firm considered to be most qualified to serve as construction manager at risk for the project. The negotiating committee shall proceed in accordance with the same process with which negotiations are undertaken to contract with a firm to be a project architect under K.S.A. 75-1257, and amendments thereto, to the extent that such provisions can be made to apply. Should the negotiating committee be unable to negotiate a satisfactory contract with the firm considered to be most qualified, negotiations with that firm shall be terminated and shall undertake negotiations with the second most qualified firm, and so forth, in accordance with that statute.

(4) The contract to perform construction management at-risk services for a project shall be prepared by the division of facilities management and entered into by the bioscience authority with the firm contracting to perform such construction management at-risk services.

(g) (1) To assist in the procurement of construction services for projects under this act, the secretary of administration shall encourage firms engaged in the performance of construction services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data. Each statement shall include data relating to (A) the firm's capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm's personnel, (C) performance data of all subcontractors the firm proposes to use, and (D) such other information related to the qualifications and capability of the firm to perform construction services for projects as may be prescribed by the secretary of administration.

(2) The construction manager at risk shall publish a construction services bid notice in the Kansas register and in such other appropriate manner as may be determined by the bioscience authority. Each construction services bid notice shall include the request for bids and other bidding information prepared by the construction manager at risk and the state bioscience authority with the assistance of the division of facilities management. The current statements of qualifications of and performance data on the firms submitting bid proposals shall be made available to the construction manager at risk and the bioscience authority by the state building advisory commission along with all information and evaluations developed regarding such firms by the secretary of administration under K.S.A. 75-3783, and amendments thereto. Each firm submitting a bid proposal shall be bonded in accordance with K.S.A. 60-1111, and amendments

thereto, and shall present evidence of such bond to the construction manager at risk prior to submitting a bid proposal. If a firm submitting a bid proposal fails to present such evidence, such firm shall be deemed unqualified for selection under this subsection. At the time for opening the bids, the construction manager at risk shall evaluate the bids and shall determine the lowest responsible bidder. The construction manager at risk shall enter into contracts with each firm performing the construction services for the project and make a public announcement of each firm selected in accordance with this subsection.

(h) The division of facilities management shall provide such information and assistance as may be requested by the bioscience authority or the negotiating committee for a project, including all or part of any project services as requested by the bioscience authority, and (1) shall prepare the request for proposals and publication information for each publication of notice under this section, subject to the provisions of this section, (2) shall prepare each contract for project services for a project, including each contract for construction services for a project, (3) shall conduct design development reviews for each project, (4) shall review and approve all construction documents for a project prior to soliciting bids or otherwise soliciting proposals from construction contractors or construction service providers for a project, (5) shall obtain and maintain copies of construction documents for each project, and (6) shall conduct periodic inspections of each project, including jointly conducting the final inspection of each project.

(i) Notwithstanding the provisions of any other statute, the bioscience authority shall enter into one or more contracts with the division of facilities management for each project for the services performed by the division of facilities management for the project as required by this section or at the request of the bioscience authority. The division of facilities management shall receive fees from the bioscience authority to recover the costs incurred to provide such services pursuant to such contracts.

(j) Design development reviews and construction document reviews conducted by the division of facilities management shall be limited to ensuring only that the construction documents do not change the project description and that the construction documents comply with the standards established under K.S.A. 75-3783, and amendments thereto, by the secretary of administration for the planning, design and construction of buildings and major repairs and improvements to buildings for state agencies, including applicable building and life safety codes and appropriate and practical energy conservation and efficiency standards.

(k) Each project for a bioscience research institution shall receive a final joint inspection by the division of facilities management and the bioscience authority. Each such project shall be officially accepted by the bioscience authority before such project is occupied or utilized by the bioscience research institution, unless otherwise agreed to in writing by the contractor and the bioscience authority as to the satisfactory completion of the work on part of the project that is to be occupied and utilized, including any corrections of the work thereon.

(l) (1) The bioscience authority shall issue monthly reports of progress on each project and shall advise and consult with the joint committee on state building construction regarding each project. Change orders and changes of plans for a project shall be authorized or approved by the bioscience authority.

(2) No change order or change of plans for a project involving either cost increases of \$75,000 or more or involving a change in the proposed use of a project shall be authorized or approved by the bioscience authority without having first advised and consulted with the joint committee on state building construction.

(continued)

(3) Change orders or changes in plans for a project involving a cost increase of less than \$75,000 and any change order involving a cost reduction, other than a change in the proposed use of the project, may be authorized or approved by the bioscience authority without prior consultation with the joint committee on state building construction. The bioscience authority shall report to the joint committee on state building construction all action relating to such change orders or changes in plans.

(4) If the bioscience authority determines that it is in the best interest of the state to authorize or approve a change order, a change in plans or a change in the proposed use of any project that the bioscience authority is required to first advise and consult with the joint committee on state building construction prior to issuing such approval and if no meeting of the joint committee is scheduled to take place within the next 10 business days, then the bioscience authority may use the procedure authorized by subsection (d) of K.S.A. 75-1264, and amendments thereto, in lieu of advising and consulting with the joint committee at a meeting. In any such case, the bioscience authority shall mail a summary description of the proposed change order, change in plans or change in the proposed use of any project to each member of the joint committee on state building construction and to the director of the legislative research department. If the bioscience authority provides notice and information to the members of the joint committee and to such director in the manner required and subject to the same provisions and conditions that apply to the secretary of administration under such statute, and if less than two members of the joint committee contact the director of the legislative research department within seven business days of the date the summary description was mailed and request a presentation and review of any such proposed change order, change in plans or change in use at a meeting of the joint committee, then the bioscience authority shall be deemed to have advised and consulted with the joint committee about such proposed change order, change in plans or change in proposed use and may authorize or approve such proposed change order, change in plans or change in proposed use.

(m) The provisions of this section shall apply to each project authorized by the bioscience authority under this act and shall not apply to any other capital improvement project of the bioscience authority or bioscience research institution that is specifically authorized by any other statute.

Sec. 49. K.S.A. 2007 Supp. 74-99b16 is hereby repealed.

Sec. 50. *Severability.* If any provision or clause of this act or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 51. *Appeals to exceed position limitations.* The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal years ending June 30, 2008, or ending June 30, 2009, made in chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, in 2008 Senate Bill No. 534, or in this act or in any other appropriation act of the 2008 regular session of the legislature may be exceeded upon approval of the state finance council.

Sec. 52. *Appeals to exceed expenditure limitations.* (a) 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.

(b) This section shall not apply to the state economic development initiatives fund, the children's initiatives fund, the state water plan fund or the Kansas endowment for youth fund, or to any account of any of such funds.

Sec. 53. *Savings.* (a) Any unencumbered balance as of June 30, 2008, in any special revenue fund, or account thereof, of any state agency named in this act which is not otherwise specifically appropriated or limited by this or other appropriation act of the 2008 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2009, for the same use and purpose as the same was heretofore appropriated.

(b) Any unencumbered balance as of June 30, 2008, in any special revenue fund, or account thereof, of any state agency named in section 88 of chapter 167 of the 2007 Session Laws of Kansas which is not otherwise specifically appropriated or limited for fiscal year 2009 by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, by 2008 Senate Bill No. 534, or by this or other appropriation act of the 2008 regular session of the legislature, is hereby appropriated for fiscal year 2009 for the same use and purpose as the same was heretofore appropriated.

(c) This section shall not apply to the state economic development initiatives fund, the children's initiatives fund, the state water plan fund, the Kansas endowment for youth fund, the Kansas educational building fund, the state institutions building fund, or the correctional institutions building fund, or to any account of any of such funds.

Sec. 54. During the fiscal year ending June 30, 2009, all moneys which are lawfully credited to and available in any bond special revenue fund, which are not otherwise specifically appropriated or limited by 2008 Senate Bill No. 534 or by this or other appropriation act of the 2008 regular session of the legislature, are hereby appropriated for the fiscal year ending June 30, 2009, for the state agency for which the bond special revenue fund was established for the purposes authorized by law for expenditures from such bond special revenue fund. As used in this section, "bond special revenue fund" means any special revenue fund or account thereof established in the state treasury prior to or on or after the effective date of this act for the deposit of the proceeds of bonds issued by the Kansas development finance authority, for the payment of debt service for bonds issued by the Kansas development finance authority, or for any related purpose in accordance with applicable bond covenants.

Sec. 55. *Federal grants.* (a) During the fiscal year ending June 30, 2009, each federal grant or other federal receipt which is received by a state agency named in this act and which is not otherwise appropriated to that state agency by 2008 Senate Bill No. 534 or by this or other appropriation act of the 2008 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2009, for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom. This subsection shall not apply to any state agency named in section 88 of chapter 167 of the 2007 Session Laws of Kansas.

(b) During the fiscal year ending June 30, 2009, each federal grant or other federal receipt which is received by a state agency named in section 88 of chapter 167 of the 2007 Session Laws of Kansas and which is not otherwise appropriated to that state agency for fiscal year 2009 by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, by 2008 Senate Bill No. 534, or by this or other appropriation act of the 2008 regular session of the legislature, is hereby appropriated for fiscal year 2009 for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, for fiscal year 2009, until the governor has authorized the

state agency to make expenditures from such federal grant or other federal receipt for fiscal year 2009.

(c) In addition to the other purposes for which expenditures may be made by any state agency which is named in chapter 167 or chapter 201 of the 2007 Session Laws of Kansas or in 2008 Senate Bill No. 534 or in this or other appropriation act of the 2008 regular session of the legislature and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2009 by 2008 Senate Bill No. 534 or by this or other appropriation act of the 2008 regular session of the legislature to apply for and receive federal grants during fiscal year 2009, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided*, That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 56. (a) Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in 2008 Senate Bill No. 534 or in this or other appropriation act of the 2008 regular session of the legislature, and having an unencumbered balance as of June 30, 2008, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2009, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the correctional institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2007.

Sec. 57. (a) Any Kansas educational building fund appropriation heretofore appropriated to any institution named in 2008 Senate Bill No. 534 or in this or other appropriation act of the 2008 regular session of the legislature and having an unencumbered balance as of June 30, 2008, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2009, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the Kansas educational building fund that was encumbered for any fiscal year commencing prior to July 1, 2007.

Sec. 58. (a) Any state institutions building fund appropriation heretofore appropriated to any state agency named in 2008 Senate Bill No. 534 or in this or other appropriation act of the 2008 regular session of the legislature and having an unencumbered balance as of June 30, 2008, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2009, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the state institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2007.

Sec. 59. Any transfers of money during the fiscal year ending June 30, 2009, from any special revenue fund of any state agency named in this act 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, 2009.

Sec. 60. This act shall take effect and be in force from and after its publication in the Kansas register.

State of Kansas

Office of the Governor

Message to the House of the State of Kansas

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill No. 2946 with my signature approving the bill, except for the items enumerated below.

Department of Administration

Expanded Lottery Act Revenues Fund

Sections 19 (e), (f), (g), (h) and (i) have been line-item vetoed in their entirety.

As I stated in my previous message, current law already defines how new receipts from gaming activity will be administered and how they can be spent. Creating additional funds and further stipulations would limit the flexibility of future Legislatures to target gaming receipts toward the most important and pressing needs of the state. For this reason, I again find it necessary to veto this portion of the bill.

Homeland Security Funds

Use of Federal Funds

Section 47 has been line-item vetoed in its entirety.

This section places unnecessary limits on how the state budgets for homeland security. Restricting how state funds can be used in this area may not serve the best interests of our future security.

Adjutant General

Unmanned Aerial Vehicles

Section 14 (b) has been line-item vetoed in its entirety.

This \$500,000 expenditure was added very late in the appropriations process with little review, and it was financed from the Economic Development Initiatives Fund, which the Legislature has overspent by over \$1 million. The procurement of unmanned aerial vehicles may be a worthy project for future consideration, but should not be done without an adequate source of financing. Eliminating this expenditure in FY 2009 does not completely balance the Economic Development Initiatives Fund. I will work with the economic development agencies and the Division of the Budget to recommend a revised budget for this fund to present to the 2009 Legislature.

Department of Wildlife and Parks

Cabin Program

Section 21 (g) has been line-item vetoed in its entirety.

This provision unnecessarily restricts the authority of the Kansas Department of Wildlife and Parks to provide public services and manage agency resources in the most efficient manner.

Dated May 22, 2008.

Kathleen Sebelius
Governor

(Published in the Kansas Register June 5, 2008.)

SENATE Substitute for HOUSE BILL No. 2434

AN ACT concerning taxation; relating to public utilities; late filing of returns, penalties; exemptions, duties of county appraiser, assessed valuation; property tax exemptions; income tax credits, certain capital investment after disaster emergency and property taxes paid; electronic filing of tax returns; income tax, business income, apportionment and corporation surtax; sales tax exemptions; homestead property tax refund; amending K.S.A. 79-1803, 79-3220 and 79-3285 and K.S.A. 2007 Supp. 75-5151, 79-201a, 79-201b, 79-201j, 79-213, 79-223, 79-5a27, 79-3271, 79-32,110, 79-32,117, 79-3606, 79-3606e and 79-4502 and repealing the existing sections.

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

New Section 1. (a) Any public utility required to make a return in writing to the director of property valuation on forms prescribed by the director showing all the information that the director requires and deems necessary for the appraisal and apportionment of values of such public utility's property that fails to make such return on or before the date prescribed by K.S.A. 79-5a02, and amendments thereto, shall be subject to a penalty as follows:

The director, after having ascertained the assessed value of the property of such public utility, shall add 5%, or \$100,000 of the assessed value, whichever is less, thereto as a penalty for late filing if the failure is not for more than one month, with an additional 5%, or \$100,000 of the assessed value, whichever is less, for each additional month or fraction thereof during which such failure continues, not exceeding 25%, or \$500,000 of the assessed value, whichever is less, in the aggregate.

For good cause shown the director may grant one or more extensions in time, not to exceed 30 days in aggregate, in which to make and file such return. Such request for extension of time must be in writing and shall state just and adequate reasons on which the request may be granted. The request must be received by the director on or prior to the due date of the return. In the event the extension is granted, no penalty shall accrue until the due date of such return. In the event the extension is denied, the public utility shall be notified in writing of such denial and shall file the return within ten days following receipt of such notice of denial. Penalties for late filing of such return shall accrue at the end of such ten-day period.

(b) If, within one year following the date prescribed by K.S.A. 79-5a02, and amendments thereto, any public utility that fails to make a return in writing to the director of property valuation on forms prescribed by the director showing all the information that the director requires and deems necessary for the appraisal and apportionment of values of such public utility's property or fails to make and file a full and complete return for such purposes, the director shall proceed to ascertain the assessed value of the property of such public utility, and for this purpose the director may examine under oath any person or persons whom the director deems to have knowledge of such assessed value of such property. The director, after having ascertained the assessed value of such property, shall add 50%, or \$1,000,000 of the assessed value, whichever is less, thereto as a penalty for failure to file such statement or for failure to file a full and complete statement.

(c) The director of property valuation shall have the authority to abate or reduce any penalty imposed under the provisions of this section for just cause shown. Any public utility may appeal any such decision to the board of tax appeals as provided by K.S.A. 74-2438, and amendments thereto. Notice of such appeal shall be filed with the secretary of the board within 30 days after the director of property valuation has notified the public utility in writing of the director's decision, or within 30 days after the mailing of the notification of the results of the informal conference prescribed by K.S.A. 79-5a05, and amend-

ments thereto, when an informal conference has been requested. The board of tax appeals shall have the authority to abate or reduce any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the public utility required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due.

(d) The provisions of this section shall be effective on and after July 1, 2008.

New Sec. 2. (a) If, the director of property valuation discovers, after the assessed valuation of any public utility's property has been certified to the county clerk, as provided by K.S.A. 79-5a27, and amendments thereto, that the assessed valuation of any real or personal, tangible or intangible property of a public utility subject to taxation was omitted from such certification, the director shall certify to the county clerk of each county the amount of assessed valuation apportioned to each taxing unit therein that was omitted from such certification, including any assessed valuation attributable to any penalties assessed pursuant to section 1, and amendments thereto, and the county clerk shall place such property on the tax roll as an added tax, or if, after one year from the date prescribed by K.S.A. 79-5a02, and amendments thereto, the director discovers that any real or personal, tangible or intangible, property of a public utility which was subject to taxation in any year or years within two years next preceding January 1 of the calendar year in which it was discovered has not been listed or that any listing of such property is incomplete, such property shall be deemed to have escaped taxation. In the case of property which has not been listed, it shall be the duty of the director to list and appraise such property and, for an added tax, add penalties as prescribed in section 1, and amendments thereto, and which shall be designated on the appraisal roll as an added appraisal for that year. In the case of property which has escaped taxation, it shall be the duty of the director to list and appraise such property and add 50%, or \$1,000,000 of the assessed value, whichever is less, thereto as a penalty for escaping taxation for each such year during which such property was not listed, and it shall be designated on the appraisal roll as escaped appraisal for each such preceding year or years. In the case of property which has been listed but which such listing was incomplete, it shall be the duty of the director to list and appraise the property that was not listed and add 50%, or \$1,000,000 of the assessed value, whichever is less, thereto as a penalty for escaping taxation for each such year during which such listing was incomplete, and it shall be designated on the appraisal roll as escaped appraisal for each such preceding year or years. The county clerk, upon receipt of the valuation for such property in either of the aforementioned cases, shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an additional or escaped property tax bill by the county treasurer. Taxes levied pursuant to this section which remain unpaid after such 45-day period shall be deemed delinquent and the county treasurer shall collect and distribute such tax in the same manner as prescribed by law for the collection and distribution of other taxes levied upon property which are delinquent.

(b) The director of property valuation shall have the authority to abate or reduce any penalty imposed under the provisions of this section for just cause shown. Any public utility may appeal any such decision to the board of tax appeals as provided by K.S.A. 74-2438, and amendments thereto. Notice of

such appeal shall be filed with the secretary of the board within 30 days after the director of property valuation has notified the public utility in writing of the director's decision, or within 30 days after the mailing of the notification of the results of the informal conference prescribed by K.S.A. 79-5a05, and amendments thereto, when an informal conference has been requested. The board of tax appeals shall have the authority to abate or reduce any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the public utility required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due.

(c) The provisions of this section shall be effective on and after July 1, 2008.

New Sec. 3. When any taxpayer has filed an application requesting an exemption from the payment of all or a portion of the ad valorem property taxes assessed, or to be assessed, against such taxpayer's property, the county appraiser shall notify the county clerk that the exemption application has been filed and the county clerk shall not be required to include the assessed valuation of such property in the applicable taxing districts until such time as the application is denied by the state board of tax appeals or, if judicial review of board's order is sought, until such time as judicial review is finalized. The provisions of this section shall be effective on and after July 1, 2008.

Sec. 4. On and after July 1, 2008, K.S.A. 2007 Supp. 79-5a27 is hereby amended to read as follows: 79-5a27. On or before June 15, 1989, and on or before June 15 each year thereafter, the director of property valuation shall certify to the county clerk of each county the amount of assessed valuation apportioned to each taxing unit therein for properties valued and assessed under K.S.A. 79-5a01 et seq., and amendments thereto. The county clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before July 1 notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes. If in any year the county clerk has not received the applicable valuations from the director of property valuation, the county clerk shall use the applicable assessed valuations of the preceding year as an estimate for such notification. If the public utility has filed an application for exemption of all or a portion of its property, *the director shall notify the county clerk that the exemption application has been filed and the county clerk shall not be required to include such assessed valuation in the applicable taxing districts until such time as the application is denied by the state board of tax appeals or, if judicial review of the board's order is sought, until such time as judicial review is finalized.*

Sec. 5. On and after July 1, 2008, K.S.A. 79-1803 is hereby amended to read as follows: As soon as the action of the state board of equalization is certified to the county clerk, the county clerk shall change the valuations as directed and shall notify the county appraiser of such change. After all amounts of ad valorem tax levies have been certified to the county clerk, the county clerk shall compute the final tax levy rate to be applied to each tract or lot of real property, in the name of the owner, if known, and upon the amount of personal property in the name of each person, company or corporation, which shall be levied equally upon all real and personal property subject to the same tax, and set down all taxes on the tax roll. The amount of penalties imposed pursuant to K.S.A. 79-332a, 79-1422 and 79-1427a, *sections 1 and 2*, and amendments thereto, shall not be considered in computing the final tax levy rate. The clerk shall complete the

same, and attach a certificate thereto, and deliver it to the county treasurer on or before November 1, and shall charge the treasurer with the amount of the respective taxes assessed on the tax roll.

New Sec. 6. (a) The following described property, to the extent specified by this section, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. Any property classified for property tax purposes pursuant to section 1 of article 11 of the constitution of the state of Kansas in subclass (6) of class 2 which, except for the operation of the provisions of this section, would be required to be listed for the purpose of taxation pursuant to K.S.A. 79-306, and amendments thereto, whose purchase price is \$750 or less.

(b) The provisions of this section shall apply to all taxable years commencing after December 31, 2008.

New Sec. 7. (a) The following described property, to the extent specified by this section, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. Any building constructed on property of the university of Kansas or a related endowment association, or both, owned or operated, or both, by a Kansas not-for-profit entity, for the purpose of a strategic technology acquisition and commercialization incubator, and any personal property located therein.

(b) The provisions of this section shall apply to all tax years commencing after December 31, 2008.

New Sec. 8. (a) Subject to limitations contained herein, for tax years 2008, 2009 and 2010, any taxpayer who makes a capital investment in a business which is located in the city of Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha or Osawatomie, Kansas, or within one mile of the city limits of any such city as long as such business is located in Kansas, when such investment is made within three years of the date of the occurrence of the disaster which is the subject of major disaster declaration DR 1699 or DR 1711 as the case may be shall be allowed a credit not to exceed 10% of such investment against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The total amount of credit allowed pursuant to this section for any one taxpayer shall not exceed \$100,000. In no event shall the total amount of credits or refunds allowed under this section exceed \$5,000,000 for any one fiscal year. The amount of credit allowed under this section shall be reduced by an amount equal to any assistance payment received by the taxpayer pursuant to the provisions of K.S.A. 75-3713e, and amendments thereto, or an assistance payment received by the taxpayer pursuant to the southeast Kansas business restoration assistance program as approved by the state finance council for the same investment as provided in this section. Notwithstanding any other provision of law, no taxpayer shall claim more than one credit allowed under this subsection for the same investment as provided in this section, except that nothing contained in this provision shall prevent a taxpayer from making a claim for and being allowed credit pursuant to this subsection in a subsequent tax year when such taxpayer was not allowed the credit in a previous tax year. If the amount of the tax credit determined under this section exceeds the income, privilege or premium tax liability for the taxpayer for any taxable year in which the qualified investment is made, the amount thereof which exceeds such tax liability may be carried over for deduction from such taxpayer's income, privilege or

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premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability, except that no such credit shall be carried over for deduction after the 10th taxable year succeeding the taxable year in which the qualified investment was made.

(b) (1) For tax years 2008, 2009 and 2010, a taxpayer may receive a refund of tax liability in lieu of the credit provided in this act. The refund shall be in an amount up to 50% of the credit earned by the taxpayer. The amount of refund allowed under this subsection shall be reduced by an amount equal to any assistance payment received by the taxpayer pursuant to the provisions of K.S.A. 75-3713e, and amendments thereto, or an assistance payment received by the taxpayer pursuant to the southeast Kansas business restoration assistance program as approved by the state finance council for the same investment as provided in this section. Notwithstanding any other provision of law, no taxpayer shall claim more than one refund allowed under this subsection for the same investment, except that nothing contained in this provision shall prevent a taxpayer from electing to receive a refund and receiving such refund in a subsequent tax year when such taxpayer was not allowed such refund in a previous tax year.

(2) A claim for refund shall be made prior to the taxpayer claiming any credit on which the refund is based. Should the taxpayer elect to receive the cash in lieu of the credit, the remaining portion of the tax credit shall be lost. Any refund pursuant to this subsection shall be allowed against the tax liability imposed under the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, and the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated in the tax year the qualified investment is placed into service. The amount of such refund which exceeds such tax liability shall be refunded to the taxpayer.

(3) The secretary of revenue shall submit an annual report to the legislature detailing taxpayers that have been allowed a credit and that have made the election to receive a refund in lieu of the credit. The annual report shall provide the aggregate amount of such credits and refunds. Such report shall be due during the legislative session, commencing with the 2009 legislative session.

(c) As used in this section, "capital investment" means an investment in the construction, equipment, reconstruction, maintenance, repair, enlargement, furnishing or remodeling of real property, and the purchase, lease or repair of tangible personal property. A "capital investment" shall not include inventory or property held for sale in the ordinary course of business.

(d) The secretary of revenue shall adopt rules and regulations to carry out the provisions of this act.

New Sec. 9. (a) Subject to the requirements specified in K.S.A. 79-3220, and amendments thereto, the secretary of revenue may require a paid preparer to file some or all of the tax returns by electronic means whenever the department of revenue permits electronic filing.

(b) As used in this act: (1) "Electronic means" means computer generated electronic or magnetic media, web based applications or similar electronic, magnetic or computer based methods or applications;

(2) "paid preparer" means any person or business that prepares tax returns for compensation or employs or authorizes one or more persons to prepare such returns. The number of returns prepared per year shall be determined by including all returns prepared by the person or business, and by all employees or agents of the person or business, whether prepared at one location or multiple locations; and

(3) "tax returns" means returns or reports filed for any tax administered by the department of revenue including, but not

limited to, income tax, sales and use tax, motor fuel tax, mineral tax and other excise taxes.

(c) The provisions of this section shall be effective on and after July 1, 2008.

New Sec. 10. In accordance with the provisions of section 1 of article 11 of the Constitution of the State of Kansas, a bed, body or box that is regularly used predominantly in a business or industry and is attached to a motor vehicle, except for a bed, body or box that is attached to the motor vehicle by the motor vehicle manufacturer, shall be classified for property tax purposes within subclass 5 of class 2 of section 1 of article 11 of the Constitution of the State of Kansas. All such property shall be valued in accordance with the provisions of subsection (b)(2)(E) of K.S.A. 79-1439, and amendments thereto. The provisions of this section shall be effective on and after July 1, 2008.

New Sec. 11. The following shall be exempt from the tax imposed under the Kansas retailers' sales tax act: All sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business facility that was previously located in any county declared or designated by the president to be in a state of disaster emergency pursuant to major disaster declaration DR 1711, and that has been damaged or destroyed by flooding and other severe weather as a result of such disaster, and the sale and installation of machinery and equipment purchased for installation at any such business facility, including any fence, the purpose for which is to enclose land devoted to agricultural use. Any person constructing, reconstructing, remodeling or enlarging a business facility in any such county, who had leased such a facility to a business in any such county prior to the occurrence of such disaster, and that such business has been damaged or destroyed by flooding and other severe weather as a result of such disaster, and which such facility shall be leased in whole or in part, to a business that was previously located in any such county, prior to the occurrence of such disaster and that such business has been damaged by flooding and other severe weather as a result of such disaster, that would be eligible for a sales tax exemption hereunder if such business had constructed, reconstructed, enlarged or remodeled such facility or portion thereof itself shall be entitled to the sales tax exemption under the provisions of this section. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business facility, such person shall obtain from the state prior to June 30, 2009, an exemption certificate for the project involved. The certificate shall be furnished to the contractor to purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the person that obtained the exemption certificate, a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after the occurrence of the disaster provided for in this section, but prior to the effective date of this act upon the gross receipts received from any sale which would

have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee. The provisions of this section shall be part of and supplemental to the Kansas retailers' sales tax act.

New Sec. 12. This act shall be known and may be cited as the selective assistance for effective senior relief (SAFESR). There shall be allowed as a credit against the tax liability of a taxpayer imposed under the Kansas income tax act, the following: (a) For tax years 2008, 2009 and 2010, an amount equal to 45% of the amount of property and ad valorem taxes actually and timely paid as described in this section; and (b) for tax year 2011 and all tax years thereafter, an amount equal to 75% of the amount of property and ad valorem taxes actually and timely paid by a taxpayer who is 65 years of age or older and who has household income equal to or less than 120% of the federal poverty level for two persons if such taxes were paid upon real or personal property used for residential purposes of such taxpayer which is the taxpayer's principal place of residence for the tax year in which the tax credit is claimed. The amount of any such credit for any such taxpayer shall not exceed the amount of property and ad valorem taxes paid by such taxpayer as specified in this section. A taxpayer shall not take the credit pursuant to this section if such taxpayer has received a homestead property tax refund pursuant to K.S.A. 79-4501 et seq., and amendments thereto, for such property for such tax year. Subject to the provisions of this section, if the amount of such tax credit exceeds the taxpayer's income tax liability for the taxable year, the amount of such excess credit which exceeds such tax liability shall be refunded to the taxpayer. The secretary of revenue shall adopt rules and regulations regarding the filing of documents that support the amount of the credit claimed pursuant to this section. For purposes of this section, "household income" means all income, including payments received under the federal social security act, received by persons of a household in a calendar year while members of such household. The provisions of this act shall be part of and supplemental to the homestead property tax refund act.

Sec. 13. On and after July 1, 2008, K.S.A. 2007 Supp. 75-5151 is hereby amended to read as follows: 75-5151. The secretary of revenue may require, consistent with sound cash management policies, that any taxpayer whose total sales tax liability exceeds \$100,000 \$45,000 in any calendar year, any taxpayer whose total withholding tax liability exceeds \$100,000 \$45,000 in any calendar year, and any person owing any taxes or fees in connection with any return, report or document other than for sales tax or withholding tax liability, shall remit their tax liability by electronic funds transfer no later than the date required for such remittance except that the secretary may adopt rules and regulations prescribing alternative filing and payment dates not later than the last day of the month in which the tax was otherwise due. Electronic funds transfers may be made by wire transfers of funds through the federal reserve system or by any other means established by the secretary, with the approval of the state treasurer, which insures the availability of such funds to the state on the date of payment. Evidence of such payment shall be furnished to the secretary on or before the due date of the tax as established by law. Failure to timely make such payment in immediately available funds or failure to provide such

evidence of payment in a timely manner shall subject the taxpayer to penalty and interest as provided by law for delinquent or deficient tax payments. All sales and use tax remittances from model 1, 2 and 3 sellers must be remitted electronically. Any data that accompanies a remittance must be formatted using uniform tax type and payment type codes approved by the secretary.

Sec. 14. On and after July 1, 2008, K.S.A. 2007 Supp. 79-201a is hereby amended to read as follows: 79-201a. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. All property belonging exclusively to the United States, except property which congress has expressly declared to be subject to state and local taxation.

Second. All property used exclusively by the state or any municipality or political subdivision of the state. All property owned, being acquired pursuant to a lease-purchase agreement or operated by the state or any municipality or political subdivision of the state, including property which is vacant or lying dormant, which is used or is to be used for any governmental or proprietary function and for which bonds may be issued or taxes levied to finance the same, shall be considered to be used exclusively by the state, municipality or political subdivision for the purposes of this section. The lease by a municipality or political subdivision of the state of any real property owned or being acquired pursuant to a lease-purchase agreement for the purpose of providing office space necessary for the performance of medical services by a person licensed to practice medicine and surgery or osteopathic medicine by the board of healing arts pursuant to K.S.A. 65-2801 et seq., and amendments thereto, dentistry services by a person licensed by the Kansas dental board pursuant to K.S.A. 65-1401 et seq., and amendments thereto, optometry services by a person licensed by the board of examiners in optometry pursuant to K.S.A. 65-1501 et seq., and amendments thereto, or K.S.A. 74-1501 et seq., and amendments thereto, podiatry services by a person licensed by the board of healing arts pursuant to K.S.A. 65-2001 et seq., and amendments thereto, or the practice of psychology by a person licensed by the behavioral sciences regulatory board pursuant to K.S.A. 74-5301 et seq., and amendments thereto, shall be construed to be a governmental function, and such property actually and regularly used for such purpose shall be deemed to be used exclusively for the purposes of this paragraph. The lease by a municipality or political subdivision of the state of any real property, or portion thereof, owned or being acquired pursuant to a lease-purchase agreement to any entity for the exclusive use by it for an exempt purpose, including the purpose of displaying or exhibiting personal property by a museum or historical society, if no portion of the lease payments include compensation for return on the investment in such leased property shall be deemed to be used exclusively for the purposes of this paragraph. All property leased, other than property being acquired pursuant to a lease-purchase agreement, to the state or any municipality or political subdivision of the state by any private entity shall not be considered to be used exclusively by the state or any municipality or political subdivision of the state for the purposes of this section except that the provisions of this sentence shall not apply to any such property subject to lease on the effective date of this act until the term of such lease expires but property taxes levied upon any such property prior to tax year 1989, shall not be abated or refunded. Any property constructed or purchased with the proceeds of industrial revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 12-1740 to 12-1749, or purchased with proceeds of improvement district bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-2776, or with proceeds of bonds issued prior to July

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1, 1963, as authorized by K.S.A. 19-3815a and 19-3815b, or any property improved, purchased, constructed, reconstructed or repaired with the proceeds of revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 13-1238 to 13-1245, inclusive, or any property improved, reimproved, reconstructed or repaired with the proceeds of revenue bonds issued after July 1, 1963, under the authority of K.S.A. 13-1238 to 13-1245, inclusive, which had previously been improved, reconstructed or repaired with the proceeds of revenue bonds issued under such act on or before July 1, 1963, shall be exempt from taxation for so long as any of the revenue bonds issued to finance such construction, reconstruction, improvement, repair or purchase shall be outstanding and unpaid. Any property constructed or purchased with the proceeds of any revenue bonds authorized by K.S.A. 13-1238 to 13-1245, inclusive, 19-2776, 19-3815a and 19-3815b, and amendments thereto, issued on or after July 1, 1963, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Any property, all or any portion of which is constructed or purchased with the proceeds of revenue bonds authorized by K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, issued on or after July 1, 1963 and prior to July 1, 1981, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased wholly with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation to the extent of the value of that portion of the property financed by the revenue bonds and only for a period of 10 calendar years after the calendar year in which the bonds were issued. The exemption of that portion of the property constructed or purchased with the proceeds of revenue bonds shall terminate upon the failure to pay all taxes levied on that portion of the property which is not exempt and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of revenue bonds issued on or after January 1, 1995, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, and used in any retail enterprise identified under the standard industrial classification codes, major groups 52 through 59, inclusive, except facilities used exclusively to house the headquarters or back office operations of such retail enterprises identified thereunder, shall not be exempt from taxation. For the purposes of the preceding provision "standard industrial classification code" means a standard industrial classification code published in the Standard Industrial Classification manual, 1987, as prepared by the statistical policy division of the office of management and budget of the office of the president of the United States. "Headquarters or back office operations" means a facility from which the enterprise is provided direction, management, administrative services, or distribution or warehousing functions in support of transactions made by the enterprise. Property purchased, constructed, reconstructed, equipped, maintained or repaired with the proceeds of industrial revenue bonds issued under the authority of K.S.A. 12-1740 et seq., and amendments thereto, which is located in a redevelopment project area established under the authority of K.S.A. 12-1770 et seq., shall not be exempt from taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of

revenue bonds issued under authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments thereto for any poultry confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903 and amendments thereto, shall not be exempt from such taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under the authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments thereto, for a rabbit confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903 and amendments thereto, shall not be exempt from such taxation.

Third. All works, machinery and fixtures used exclusively by any rural water district or township water district for conveying or production of potable water in such rural water district or township water district, and all works, machinery and fixtures used exclusively by any entity which performed the functions of a rural water district on and after January 1, 1990, and the works, machinery and equipment of which were exempted hereunder on March 13, 1995.

Fourth. All fire engines and other implements used for the extinguishment of fires, with the buildings used exclusively for the safekeeping thereof, and for the meeting of fire companies, whether belonging to any rural fire district, township fire district, town, city or village, or to any fire company organized therein or therefor.

Fifth. All property, real and personal, owned by county fair associations organized and operating under the provisions of K.S.A. 2-125 et seq., and amendments thereto.

Sixth. Property acquired and held by any municipality under the municipal housing law (K.S.A. 17-2337 et seq.) and amendments thereto, except that such exemption shall not apply to any portion of the project used by a nondwelling facility for profit making enterprise.

Seventh. All property of a municipality, acquired or held under and for the purposes of the urban renewal law (K.S.A. 17-4742 et seq.) and amendments thereto except that such tax exemption shall terminate when the municipality sells, leases or otherwise disposes of such property in an urban renewal area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

Eighth. All property acquired and held by the Kansas armory board for armory purposes under the provisions of K.S.A. 48-317, and amendments thereto.

Ninth. All property acquired and used by the Kansas turnpike authority under the authority of K.S.A. 68-2001 et seq., and amendments thereto, K.S.A. 68-2030 et seq., and amendments thereto, K.S.A. 68-2051 et seq., and amendments thereto, and K.S.A. 68-2070 et seq., and amendments thereto.

Tenth. All property acquired and used for state park purposes by the Kansas department of wildlife and parks.

Eleventh. The state office building constructed under authority of K.S.A. 75-3607 et seq., and amendments thereto, and the site upon which such building is located.

Twelfth. All buildings erected under the authority of K.S.A. 76-6a01 et seq., and amendments thereto, and all other student union buildings and student dormitories erected upon the campus of any institution mentioned in K.S.A. 76-6a01, and amendments thereto, by any other nonprofit corporation.

Thirteenth. All buildings, as the same is defined in subsection (c) of K.S.A. 76-6a13, and amendments thereto, which are erected, constructed or acquired under the authority of K.S.A. 76-6a13 et seq., and amendments thereto, and building sites acquired therefor.

Fourteenth. All that portion of the waterworks plant and system of the city of Kansas City, Missouri, now or hereafter lo-

cated within the territory of the state of Kansas pursuant to the compact and agreement adopted by K.S.A. 79-205, and amendments thereto.

Fifteenth. All property, real and personal, owned by a groundwater management district organized and operating pursuant to K.S.A. 82a-1020, and amendments thereto.

Sixteenth. All property, real and personal, owned by the joint water district organized and operating pursuant to K.S.A. 80-1616 et seq., and amendments thereto.

Seventeenth. All property, including interests less than fee ownership, acquired for the state of Kansas by the secretary of transportation or a predecessor in interest which is used in the administration, construction, maintenance or operation of the state system of highways, regardless of how or when acquired.

Eighteenth. Any building used primarily as an industrial training center for academic or vocational education programs designed for and operated under contract with private industry, and located upon a site owned, leased or being acquired by or for an area vocational school, an area vocational-technical school, a technical college, or a community college, as defined by K.S.A. 72-4412, and amendments thereto, and the site upon which any such building is located.

Nineteenth. For all taxable years commencing after December 31, 1997, all buildings of an area vocational school, an area vocational-technical school, a technical college or a community college, as defined by K.S.A. 72-4412, and amendments thereto, which are owned and operated by any such school or college as a student union or dormitory and the site upon which any such building is located.

Twentieth. For all taxable years commencing after December 31, 1997, all personal property which is contained within a dormitory that is exempt from property taxation and which is necessary for the accommodation of the students residing therein.

Twenty-First. All real property from and after the date of its transfer by the city of Olathe, Kansas, to the Kansas state university foundation, all buildings and improvements thereafter erected and located on such property, and all tangible personal property, which is held, used or operated for educational and research purposes at the Kansas state university Olathe innovation campus located in the city of Olathe, Kansas.

Twenty-Second. All real property, and all tangible personal property, owned by postsecondary educational institutions, as that term is defined in K.S.A. 2007 Supp. 74-3201b, and amendments thereto, or by the board of regents on behalf of the postsecondary educational institutions, which is leased by a for profit company and is actually and regularly used exclusively for research and development purposes so long as any rental income received by such postsecondary educational institution or the board of regents from such a company is used exclusively for educational or scientific purposes. Any such lease or occupancy described in this section shall be for a term of no more than five years.

Except as otherwise specifically provided, the provisions of this section shall apply to all taxable years commencing after December 31, 2000.

Sec. 15. On and after July 1, 2008, K.S.A. 2007 Supp. 79-201b is hereby amended to read as follows: 79-201b. The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. All real property, and tangible personal property, actually and regularly used exclusively for hospital purposes by a hospital as the same is defined by K.S.A. 65-425, and amendments thereto, or a psychiatric hospital as the same was defined by K.S.A. 59-2902, and amendments thereto, as in effect on January 1, 1976, which hospital or psychiatric hospital is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in

business in this state as a foreign, not-for-profit corporation, or a public hospital authority; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such a corporation and used exclusively for hospital, psychiatric hospital or public hospital authority purposes. This exemption shall not be deemed inapplicable to property which would otherwise be exempt pursuant to this paragraph because any such hospital, psychiatric hospital or public hospital authority: (a) Uses such property for a nonexempt purpose which is minimal in scope and insubstantial in nature if such use is incidental to the exempt purpose enumerated in this paragraph; or (b) is reimbursed for the actual expense of using such property for the exempt purposes enumerated in this paragraph or paragraph second of K.S.A. 79-201, and amendments thereto; or (c) permits the use of such property for the exempt purposes enumerated in this paragraph or paragraph second of K.S.A. 79-201, and amendments thereto, by more than one agency or organization for one or more of such purposes.

Second. All real property, and tangible personal property, actually and regularly used exclusively for adult care home purposes by an adult care home as the same is defined by K.S.A. 39-923, and amendments thereto, which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corporation, charges to residents for services of which produce an amount which in the aggregate is less than the actual cost of operation of the home or the services of which are provided to residents at the lowest feasible cost, taking into consideration such items as reasonable depreciation, interest on indebtedness, acquisition costs, interest and other expenses of financing acquisition costs, lease expenses and costs of services provided by a parent corporation at its costs and contributions to which are deductible under the Kansas income tax act; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such corporation and used exclusively for adult care home purposes. For purposes of this paragraph and for all taxable years commencing after December 31, 1976, an adult care home which uses its property in a manner which is consistent with the federal internal revenue service ruling 72-124 issued pursuant to section 501(c)(3) of the federal internal revenue code, shall be deemed to be operating at the lowest feasible cost. The fact that real property or real or tangible personal property may be leased from a not-for-profit corporation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the internal revenue code of 1986, and amendments thereto, and which is the parent corporation to the not-for-profit operator of an adult care home, shall not be grounds to deny exemption or deny that such property is actually and regularly used exclusively for adult care home purposes by an adult care home, nor shall the terms of any such lease be grounds for any such denial. For all taxable years commencing after December 31, 1995, such property shall be deemed to be used exclusively for adult care home purposes when used as a not-for-profit day care center for children which is licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto.

Third. All real property, and tangible personal property, actually and regularly used exclusively for private children's home purposes by a private children's home as the same is defined by K.S.A. 75-3329, and amendments thereto, which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corpo-

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ration, charges to residents for services of which produce an amount which in the aggregate is less than the actual cost of operation of the home or the services of which are provided to residents at the lowest feasible cost, taking into consideration such items as reasonable depreciation and interest on indebtedness, and contributions to which are deductible under the Kansas income tax act; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such a corporation and used exclusively for children's home purposes.

Fourth. All real property and tangible personal property, actually and regularly used exclusively for: (a) Housing for elderly and handicapped persons having a limited or lower income, or used exclusively for cooperative housing for persons having a limited or low income, assistance for the financing of which was received under 12 U.S.C.A. 1701 et seq., or under 42 U.S.C.A. 1437 et seq., which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corporation; and (b) for all taxable years commencing after December 31, 2006, temporary housing of 24 months or less for limited or low income, single-parent families in need of financial assistance who are enrolled in a program to receive life training skills, which is operated by a charitable or religious organization; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such a corporation and used exclusively for the purposes of such housing. For the purposes of this subsection, cooperative housing means those not-for-profit cooperative housing projects operating or established pursuant to sections 236 or 221(d)(3), or both, of the national housing act and which have been approved as a cooperative housing project pursuant to applicable federal housing administration and U.S. Department of Housing and Urban Development statutes, and rules and regulations, during such time as the use of such properties are: (1) Restricted pursuant to such act, or rules and regulations thereof; or (2) subject to affordability financing standards established pursuant to the national housing act during such time that such not-for-profit corporation has adopted articles of incorporation or by-laws, or both, requiring such corporation to continue to operate in compliance with the United States department of housing and urban development affordability income guidelines established pursuant to sections 236 or 221(d)(3) of the national housing act or rules and regulations thereof.

Fifth. All real property and tangible personal property, actually and regularly used exclusively for housing for elderly persons, which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corporation, in which charges to residents produce an amount which in the aggregate is less than the actual cost of operation of the housing facility or the services of which are provided to residents at the lowest feasible cost, taking into consideration such items as reasonable depreciation and interest on indebtedness and contributions to which are deductible under the Kansas income tax act; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such corporation and used exclusively for the purpose of such housing. For purposes of this paragraph and for all taxable years commencing after December 31, 1976, an adult care home which uses its property in a manner which is consistent with the federal internal revenue service ruling 72-124 issued pursuant to section 501(c)(3) of the federal internal revenue code, shall be deemed to be operating at the lowest feasible cost. For all taxable years commencing

after December 31, 1995, such property shall be deemed to be used exclusively for housing for elderly persons purposes when used as a not-for-profit day care center for children which is licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto.

Sixth. All real property and tangible personal property actually and regularly used exclusively for the purpose of group housing of mentally ill or retarded and other handicapped persons which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corporation, in which charges to residents produce an amount which in the aggregate is less than the actual cost of operation of the housing facility or the services of which are provided to residents at the lowest feasible cost, taking into consideration such items as reasonable depreciation and interest on indebtedness and contributions to which are deductible under the Kansas income tax act, and which is licensed as a facility for the housing of mentally ill or retarded and other handicapped persons under the provisions of K.S.A. 75-3307b, and amendments thereto, or as a rooming or boarding house used as a facility for the housing of mentally retarded and other handicapped persons which is licensed as a lodging establishment under the provisions of K.S.A. 36-501 et seq., and amendments thereto.

The provisions of this section, except as otherwise specifically provided, shall apply to all taxable years commencing after December 31, 1998.

Sec. 16. On and after July 1, 2008, K.S.A. 2007 Supp. 79-201j is hereby amended to read as follows: 79-201j. The following described property, to the extent specified by this section, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) All farm machinery and equipment. The term "farm machinery and equipment" means that personal property actually and regularly used in any farming or ranching operation. The term "farm machinery and equipment" shall include: (1) Machinery and equipment comprising a natural gas distribution system which is owned and operated by a nonprofit public utility described by K.S.A. 66-104c, and amendments thereto, and which is operated predominantly for the purpose of providing fuel for the irrigation of land devoted to agricultural use; ~~and~~ (2) any bed, body or box that is attached to a motor vehicle and is actually and regularly used in any farming or ranching operation, except for a bed, body or box that is attached to the motor vehicle by the motor vehicle manufacturer; and (3) any greenhouse which is not permanently affixed to real estate and which is used for a farming or ranching operation. The term "farming or ranching operation" shall include the operation of a feedlot, the performing of farm or ranch work for hire and the planting, cultivating and harvesting of nursery or greenhouse products, or both, for sale or resale. The term "farm machinery and equipment" shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as the terms are defined by K.S.A. 8-126 and amendments thereto.

The provisions of this subsection shall apply to all taxable years commencing after December 31, ~~1999~~ 2007.

(b) (1) All aquaculture machinery and equipment. The term "aquaculture machinery and equipment" means that personal property actually and regularly used in any aquaculture operation. The term "aquaculture operation" shall include the feeding out of aquatic plants and animals; breeding, growing or rearing aquatic plants and animals; and selling or transporting aquatic plants and animals. The term "aquaculture machinery and equipment" shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer.

(2) All Christmas tree machinery and equipment. The term "Christmas tree machinery and equipment" means that personal property actually and regularly used in any Christmas tree operation. The term "Christmas tree operation" shall include the planting, cultivating and harvesting of Christmas trees; and selling or transporting Christmas trees. The term "Christmas tree machinery and equipment" shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer.

The provisions of this subsection shall apply to all taxable years commencing after December 31, 1992.

Sec. 17. On and after July 1, 2008, K.S.A. 2007 Supp. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county where such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the county appraiser with the board of tax appeals.

(f) Upon receipt of the request for exemption, the board shall docket the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption, and the county appraiser's recommendation related thereto, the board may fix a time and place for hearing, and shall notify the applicant and the county appraiser of the time and place so fixed. A request for exemption pursuant to: (1) Section 13 of article 11 of the Kansas constitution; or (2) K.S.A. 79-201a *Second*, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, prepared in accordance with instructions and assistance which shall be provided by the department of commerce, shall be deemed approved unless scheduled for hearing within 30 days after the date of receipt of all required information and data relating to the request for exemption, and such hearing shall be conducted within 90 days after such date. Such time periods shall be determined without regard to any extension or continuance allowed to either party to such request. In any case where a party to such request for exemption requests a hearing thereon, the same shall be granted. Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act. In all instances where the board sets a request for exemption for hearing, the county shall be represented by its county attorney or county counselor.

(h) Except as otherwise provided by subsection (g), in the event of a hearing, the same shall be originally set not later than 90 days after the filing of the request for exemption with the board.

(i) During the pendency of a request for exemption, no person, firm, unincorporated association, company or corporation charged with real estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, on the

tax books in the hands of the county treasurer shall be required to pay the tax from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon and the same becomes a final order. In the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question nor shall the unpaid tax be considered delinquent from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon. In the event the board determines an application for exemption is without merit and filed in bad faith to delay the due date of the tax, the tax shall be considered delinquent as of the date the tax would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the board grants the initial request for exemption, the same shall be effective beginning with the date of first exempt use except that, with respect to property the construction of which commenced not to exceed 24 months prior to the date of first exempt use, the same shall be effective beginning with the date of commencement of construction.

(k) In conjunction with its authority to grant exemptions, the board shall have the authority to abate all unpaid taxes that have accrued from and since the effective date of the exemption. In the event that taxes have been paid during the period where the subject property has been determined to be exempt, the board shall have the authority to order a refund of taxes for the year immediately preceding the year in which the exemption application is filed in accordance with subsection (a).

(l) The provisions of this section shall not apply to: (1) Farm machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (2) personal property exempted from ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing apparel, household goods and personal effects exempted from ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all property exempted from ad valorem taxation by K.S.A. 79-201d, and amendments thereto; (6) merchants' and manufacturers' inventories exempted from ad valorem taxation by K.S.A. 79-201m and amendments thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n, and amendments thereto; (8) property exempted from ad valorem taxation by K.S.A. 79-201a *Seventeenth* and amendments thereto, including all property previously acquired by the secretary of transportation or a predecessor in interest, which is used in the administration, construction, maintenance or operation of the state system of highways. The secretary of transportation shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (9) property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*, and amendments thereto, including all property previously acquired by the Kansas turnpike authority which is used in the administration, construction, maintenance or operation of the Kansas turnpike. The Kansas turnpike authority shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (10) aquaculture machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in this section, "aquaculture" has the same meaning ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (12) property used exclusively by the state or any municipality or political subdivision of the state for right-of-way purposes. The state agency or the governing body of the mu-

(continued)

nicipality or political subdivision shall at the time of acquisition of property for right-of-way purposes notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (13) machinery, equipment, materials and supplies exempted from ad valorem taxation by K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the state or by any political or taxing subdivision thereof and used exclusively for governmental purposes; (15) property used for residential purposes which is exempted pursuant to K.S.A. 79-201x from the property tax levied pursuant to K.S.A. 72-6431, and amendments thereto; (16) from and after July 1, 1998, vehicles which are owned by an organization having as one of its purposes the assistance by the provision of transit services to the elderly and to disabled persons and which are exempted pursuant to K.S.A. 79-201 Ninth; (17) from and after July 1, 1998, motor vehicles exempted from taxation by subsection (e) of K.S.A. 79-5107, and amendments thereto; (18) commercial and industrial machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2007 Supp. 79-223, and amendments thereto; and (19) telecommunications machinery and equipment and railroad machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2007 Supp. 79-224, and amendments thereto; and (20) property exempted from property or ad valorem taxation by section 6, and amendments thereto.

(m) The provisions of this section shall apply to property exempt pursuant to the provisions of section 13 of article 11 of the Kansas constitution.

(n) The provisions of subsection (k) as amended by this act shall be applicable to all exemption applications filed in accordance with subsection (a) after December 31, 2001.

Sec. 18. On and after July 1, 2008, K.S.A. 2007 Supp. 79-223 is hereby amended to read as follows: 79-223. (a) It is the purpose of this section to promote, stimulate, foster and encourage new investments in commercial and industrial machinery and equipment in the state of Kansas, to contribute to the economic recovery of the state, to enhance business opportunities in the state, to encourage the location of new businesses and industries in the state as well as the retention and expansion of existing businesses and industries and to promote the economic stability of the state by maintaining and providing employment opportunities, thereby contributing to the general welfare of the citizens of the state, by exempting from property taxation all newly purchased or leased commercial and industrial machinery and equipment, including machinery and equipment transferred into this state for the purpose of expanding an existing business or for the creation of a new business.

(b) The following described property, to the extent specified by this section, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. Commercial and industrial machinery and equipment acquired by qualified purchase or lease made or entered into after June 30, 2006, as the result of a bona fide transaction not consummated for the purpose of avoiding taxation.

Second. Commercial and industrial machinery and equipment transported into this state after June 30, 2006, for the purpose of expanding an existing business or creation of a new business.

(c) Any purchase, lease or transportation of commercial and industrial machinery and equipment consummated for the purpose of avoiding taxation shall subject the property to the penalty provisions of K.S.A. 79-1422 and 79-1427a, and amendments thereto. *The county appraiser shall not reclassify any property that is properly classified for property tax purposes within subclass (5) of class 2 of section 1 of article 11 of the constitution of the state of Kansas.*

(d) As used in this section:

(1) "Acquired" shall not include the transfer of property pursuant to an exchange for stock securities, or the transfer of

assets from one going concern to another due to a merger, reorganization or other consolidation;

(2) "commercial and industrial machinery and equipment" means property classified for property tax purposes within subclass (5) of class 2 of section 1 of article 11 of the constitution of the state of Kansas;

(3) "qualified lease" means a lease of commercial and industrial machinery and equipment for not less than 30 days for fair and valuable consideration where such machinery and equipment is physically transferred to the lessee to be used in the lessee's business or trade; and

(4) "qualified purchase" means a purchase of commercial and industrial machinery and equipment for fair and valuable consideration where such machinery and equipment is physically transferred to the purchaser to be used in the purchaser's business or trade.

(e) The secretary of revenue is hereby authorized to adopt rules and regulations to administer the provisions of this section.

Sec. 19. On and after July 1, 2008, K.S.A. 79-3220 is hereby amended to read as follows: 79-3220. (a) (1) Each individual required to file a federal income tax return and any other individual whose gross income exceeds the sum of such individual's applicable Kansas standard deduction amount and Kansas personal exemption amount shall each make and sign a return or statement stating specifically such items as are required by the forms and rules and regulations of the secretary of revenue. ~~Such return may be filed by electronic means in a manner approved by the secretary of revenue.~~ If any individual is unable to make a return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer. Notwithstanding any provision of the Kansas income tax act to the contrary, all individuals not required to file a Kansas income tax return hereunder shall not be liable for any tax imposed pursuant to such act.

(2) *In accordance with the provisions of section 9, and amendments thereto, an individual who is required to file a return may file such return by electronic means in a manner approved by the secretary of revenue. A paid preparer who prepares 50 or more returns per year shall file by electronic means not less than 90% of such returns eligible for electronic filing. The requirements of this subsection may be waived by the secretary of revenue for a paid preparer if the paid preparer demonstrates a hardship in complying with the requirements of this subsection.*

(b) Every corporation subject to taxation under this act, including, but not limited to, all farmers, fruit growers, or like associations organized and operated on a cooperative basis, except electric cooperative exclusively engaged in the manufacture or distribution of electric power for their members, shall make a return, or statement stating specifically such items as may be required by the forms and regulations of the secretary of revenue. The return shall be signed by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other officer so authorized to act. The fact that an individual's name is signed on a return shall be prima facie evidence that such individual is authorized to sign such return on behalf of such corporation. In cases where receivers, trustees in bankruptcy or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns shall be collected in the same manner as if collected from the corporation for which the return is made.

(c) Every fiduciary, except a receiver appointed by authority of law in possession of part only of the property of an individual shall make and sign a return for each of the individuals, estates, or trusts for which the fiduciary acts, when such returns are

required by the provisions of this act, stating specifically such items as may be required by the forms and regulations of the secretary of revenue. In the case of joint fiduciaries, whether residents or nonresidents, a return may be made by any one and shall be sufficient compliance with the above requirements. Any fiduciary required to make a return under this act shall be subject to all of the provisions of law which apply to individuals.

(d) Every partnership shall make a return for each taxable year, stating specifically such items as may be required by the forms and regulations of the secretary of revenue. The returns shall be signed by any one of the partners.

Sec. 20. On and after July 1, 2008, K.S.A. 2007 Supp. 79-3271 is hereby amended to read as follows: 79-3271. As used in this act, unless the context otherwise requires: (a) *For tax years commencing prior to January 1, 2008, "business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations, except that for taxable years commencing after December 31, 1995, a taxpayer may elect that all income constitutes business income. For tax years commencing after December 31, 2007, "business income" means: (1) Income arising from transactions and activity in the regular course of the taxpayer's trade or business; (2) income arising from transactions and activity involving tangible and intangible property or assets used in the operation of the taxpayer's trade or business; or (3) income of the taxpayer that may be apportioned to this state under the provisions of the Constitution of the United States and laws thereof, except that a taxpayer may elect that all income constitutes business income. The election Any election made under this subsection shall be effective and irrevocable for the taxable tax year of the election and the following nine taxable years. The election in which the election is made and the following nine tax years and shall be binding on all members of a unitary group of corporations.*

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, or any type of insurance company, but such term shall not be deemed to include any business entity, other than those hereinbefore enumerated, whose primary business activity is making consumer loans or purchasing retail installment contracts from one or more sellers.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity which owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, oil, oil products or gas.

(g) "Original return" means the first return filed to report the income of a taxpayer for a taxable year or period, irrespective of whether such return is filed on a single entity basis or a combined basis.

(h) "Sales" means, *except as otherwise provided in K.S.A. 79-3285, and amendments thereto*, all gross receipts of the taxpayer not allocated under K.S.A. 79-3274 through 79-3278, and amendments thereto.

(i) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory

or possession of the United States, and any foreign country or political subdivision thereof.

(j) "Telecommunications company" means any business entity or unitary group of entities whose primary business activity is the transmission of communications in the form of voice, data, signals or facsimile communications by wire or fiber optic cable.

(k) "Distressed area taxpayer" means a corporation which: (1) Is located in a county which has a population of not more than 45,000 persons and which, as certified by the department of commerce, has sustained an adverse economic impact due to the closure of a state hospital in such county pursuant to the recommendations of the hospital closure commission; and (2) which has a total annual payroll of \$20,000,000 or more for employees employed within such county.

(l) For the purposes of this subsection and subsection (b)(5) of K.S.A. 79-3279, and amendments thereto, the following terms are defined:

(1) "Administration services" include clerical, fund or shareholder accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial, internal auditing, legal and tax services performed for an investment company;

(2) "distribution services" include the services of advertising, servicing, marketing, underwriting or selling shares of an investment company, but, in the case of advertising, servicing or marketing shares, only where such service is performed by a person who is, or in the case of a closed end company, was, either engaged in the services of underwriting or selling investment company shares or affiliated with a person who is engaged in the service of underwriting or selling investment company shares. In the case of an open end company, such service of underwriting or selling shares must be performed pursuant to a contract entered into pursuant to 15 U.S.C. §80a-15(b), as in effect on the effective date of this act;

(3) "investment company", means any person registered under the federal Investment Company Act of 1940, as in effect on the effective date of this act, or a company which would be required to register as an investment company under such act except that such person is exempt to such registration pursuant to §80a-3(c)(1) of such act;

(4) "investment funds service corporation" includes any corporation or S corporation headquartered in and doing business in this state which derives more than 50% of its gross income from the provision of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company;

(5) "management services" include the rendering of investment advice to an investment company making determinations as to when sales and purchases of securities are to be made on behalf of the investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed:

(A) Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C. §80a-15(a), in effect on the effective date of this act; or

(B) for a person that has entered into such contract with the investment company;

(6) "qualifying business income" is business income derived from the provision of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company; and

(7) "residence" is the fund shareholder's primary residence address.

(continued)

Sec. 21. On and after July 1, 2008, K.S.A. 79-3285 is hereby amended to read as follows: 79-3285. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period. For taxable years commencing after December 31, 2007, in the case of sales of business assets, other than sales of tangible personal property sold in the ordinary course of the taxpayer's trade or business, only the net gain from such sales shall be included in the sales factor.

Sec. 22. On and after July 1, 2008, K.S.A. 2007 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110. (a) *Resident Individuals*. Except as otherwise provided by subsection (a) of K.S.A. 79-3220, and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

If the taxable income is:	The tax is:
Not over \$30,000	3.5% of Kansas taxable income
Over \$30,000 but not over \$60,000	1,050 plus 6.25% of excess over \$30,000
Over \$60,000	\$2,925 plus 6.45% of excess over \$60,000

(2) *All other individuals.*

(A) For tax year 1997:

If the taxable income is:	The tax is:
Not over \$20,000	4.1% of Kansas taxable income
Over \$20,000 but not over \$30,000	\$820 plus 7.5% of excess over \$20,000
Over \$30,000	\$1,570 plus 7.75% of excess over \$30,000

(B) For tax year 1998, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over \$15,000	3.5% of Kansas taxable income
Over \$15,000 but not over \$30,000	\$525 plus 6.25% of excess over \$15,000
Over \$30,000	\$1,462.50 plus 6.45% of excess over \$30,000

(b) *Nonresident Individuals*. A tax is hereby imposed upon the Kansas taxable income of every nonresident individual, which tax shall be an amount equal to the tax computed under subsection (a) as if the nonresident were a resident multiplied by the ratio of modified Kansas source income to Kansas adjusted gross income.

(c) *Corporations*. A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(1) The normal tax shall be in an amount equal to 4% of the Kansas taxable income of such corporation; and

(2) (A) for tax year 2008, the surtax shall be in an amount equal to 3.1% of the Kansas taxable income of such corporation in excess of \$50,000;

(B) for tax years 2009 and 2010, the surtax shall be in an amount equal to 3.05% of the Kansas taxable income of such corporation in excess of \$50,000; and

(C) for tax year 2011, and all tax years thereafter, the surtax shall be in an amount equal to ~~3.35%~~ 3% of the Kansas taxable income of such corporation in excess of \$50,000.

(d) *Fiduciaries*. A tax is hereby imposed upon the Kansas taxable income of estates and trusts at the rates provided in paragraph (2) of subsection (a) hereof.

Sec. 23. On and after July 1, 2008, K.S.A. 2007 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments to such sections.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2007 Supp. 79-32,204 and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for

any credit allowed pursuant to K.S.A. 79-32,203 and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 2007 Supp. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 2007 Supp. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 2007 Supp. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to paragraph (xiii) of subsection (c), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2007 Supp. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2007 Supp. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2007 Supp. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2007 Supp. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2007 Supp. 79-32,256, and amendments thereto.

(xviii) *For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.*

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. 228b (a) and 228c (a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount of the federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. 280 C. For taxable years ending after December 31, 1978, the amount of the targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. 280 C.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas Venture Capital, Inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249 and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 2007 Supp. 74-50,201, et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stock-

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holder of such corporation and which is not distributed to the stockholders as dividends of the corporation.

(xv) For all taxable years beginning after December 31, 2006, amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary which are contributed to a family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary at an institution of postsecondary education. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 2007 Supp. 75-643, and amendments thereto, and the provisions of such section are hereby incorporated by reference for all purposes thereof.

(xvi) For the tax year beginning after December 31, 2004, an amount not exceeding \$500; for the tax year beginning after December 31, 2005, an amount not exceeding \$600; for the tax year beginning after December 31, 2006, an amount not exceeding \$700; for the tax year beginning after December 31, 2007, an amount not exceeding \$800; for the tax year beginning December 31, 2008, an amount not exceeding \$900; and for all taxable years commencing after December 31, 2009, an amount not exceeding \$1,000 of the premium costs for qualified long-term care insurance contracts, as defined by subsection (b) of section 7702B of public law 104-191.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xviii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section 1 or section 2 of chapter 207 of the 2005 session laws of Kansas, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

(xix) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and for all taxable years beginning after December 31, 2007, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined

under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

Sec. 24. On and after July 1, 2008, K.S.A. 2007 Supp. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes as defined by K.S.A. 79-3301 and amendments thereto, cereal malt beverages and malt products as defined by K.S.A. 79-3817 and amendments thereto, including wort, liquid malt, malt syrup and malt extract, which is not subject to taxation under the provisions of K.S.A. 79-41a02 and amendments thereto, motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A. 65-3424d, and amendments thereto, dry-cleaning and laundry services taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross receipts from regulated sports contests taxed pursuant to the Kansas professional regulated sports act, and amendments thereto;

(b) all sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased directly by the state of Kansas, a political subdivision thereof, other than a school or educational institution, or purchased by a public or private nonprofit hospital or public hospital authority or nonprofit blood, tissue or organ bank and used exclusively for state, political subdivision, hospital or public hospital authority or nonprofit blood, tissue or organ bank purposes, except when: (1) Such state, hospital or public hospital authority is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business, or (2) such political subdivision is engaged or proposes to engage in the business of furnishing gas, electricity or heat to others and such items of personal property or service are used or proposed to be used in such business;

(c) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation;

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, a public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state use and ownership, which would be exempt from taxation under the provisions of this act if purchased directly by such hospital or public hospital authority, school, educational institution or a state correctional institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or district described in subsection (s), the total cost of which is paid from funds of such political subdivision or district and which would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision or district. Nothing in this

subsection or in the provisions of K.S.A. 12-3418 and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or any such district. As used in this subsection, K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities which are to be leased to the donor. When any political subdivision of the state, district described in subsection (s), public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state use and ownership shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or department of corrections concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or the contractor contracting with the department of corrections for a correctional institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United

States, its agencies or instrumentalities, which would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto;

(f) tangible personal property purchased by a railroad or public utility for consumption or movement directly and immediately in interstate commerce;

(g) sales of aircraft including remanufactured and modified aircraft sold to persons using directly or through an authorized agent such aircraft as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government or sold to any foreign government or agency or instrumentality of such foreign government and all sales of aircraft for use outside of the United States and sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft;

(h) all rentals of nonsectarian textbooks by public or private elementary or secondary schools;

(i) the lease or rental of all films, records, tapes, or any type of sound or picture transcriptions used by motion picture exhibitors;

(j) meals served without charge or food used in the preparation of such meals to employees of any restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public if such employees' duties are related to the furnishing or sale of such meals or drinks;

(k) any motor vehicle, semitrailer or pole trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto, or aircraft sold and delivered in this state to a bona fide resident of another state, which motor vehicle, semitrailer, pole trailer or aircraft is not to be registered or based in this state and which vehicle, semitrailer, pole trailer or aircraft will not remain in this state more than 10 days;

(l) all isolated or occasional sales of tangible personal property, services, substances or things, except isolated or occasional

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sale of motor vehicles specifically taxed under the provisions of subsection (o) of K.S.A. 79-3603 and amendments thereto;

(m) all sales of tangible personal property which become an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail within or without the state of Kansas; and any such producer, manufacturer or compounder may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for use as an ingredient or component part of the property or services produced, manufactured or compounded;

(n) all sales of tangible personal property which is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the treating of by-products or wastes derived from any such production process, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, treating, irrigation and in providing such services;

(o) all sales of animals, fowl and aquatic plants and animals, the primary purpose of which is use in agriculture or aquaculture, as defined in K.S.A. 47-1901, and amendments thereto, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber or fur, or the production of offspring for use for any such purpose or purposes;

(p) all sales of drugs dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "drug" means a compound, substance or preparation and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements or alcoholic beverages, recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States or official national formulary, and supplement to any of them, intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease or intended to affect the structure or any function of the body;

(q) all sales of insulin dispensed by a person licensed by the state board of pharmacy to a person for treatment of diabetes at the direction of a person licensed to practice medicine by the board of healing arts;

(r) all sales of oxygen delivery equipment, kidney dialysis equipment, enteral feeding systems, prosthetic devices and mobility enhancing equipment prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry, and in addition to such sales, all sales of hearing aids, as defined by subsection (c) of K.S.A. 74-5807, and amendments thereto, and repair and replacement parts therefor, including batteries, by a person licensed in the practice of dispensing and fitting hearing aids pursuant to the provisions of K.S.A. 74-5808, and amendments thereto. For the purposes of this subsection: (1) "Mobility enhancing equipment" means equipment including repair and replacement parts to same, but does not include durable medical equipment, which is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; is not generally used by persons with normal mobility; and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer; and (2) "prosthetic device" means a replacement, corrective or supportive device including repair and replacement parts for same worn on or in the body to artificially replace a missing

portion of the body, prevent or correct physical deformity or malfunction or support a weak or deformed portion of the body;

(s) except as provided in K.S.A. 2007 Supp. 82a-2101, and amendments thereto, all sales of tangible personal property or services purchased directly or indirectly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 et seq. and amendments thereto, by a rural water district organized or operating under the authority of K.S.A. 82a-612, and amendments thereto, or by a water supply district organized or operating under the authority of K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which property or services are used in the construction activities, operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include a work-site utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, and is equipped with a bed or cargo box for hauling materials, and shall also include machinery and equipment used in the operation of Christmas tree farming but shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto. "Farm machinery and equipment" includes precision farming equipment that is portable or is installed or purchased to be installed on farm machinery and equipment. "Precision farming equipment" includes the following items used only in computer-assisted farming, ranching or aquaculture production operations: Soil testing sensors, yield monitors, computers, monitors, software, global positioning and mapping systems, guiding systems, modems, data communications equipment and any necessary mounting hardware, wiring and antennas. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farming or ranching shall include the operation of a feedlot and farm and ranch work for hire and the operation of a nursery;

(u) all leases or rentals of tangible personal property used as a dwelling if such tangible personal property is leased or rented for a period of more than 28 consecutive days;

(v) all sales of tangible personal property to any contractor for use in preparing meals for delivery to homebound elderly persons over 60 years of age and to homebound disabled persons or to be served at a group-sitting at a location outside of the home to otherwise homebound elderly persons over 60 years of age and to otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization, and all sales of tangible personal property for use in preparing meals for consumption by indigent or homeless individuals whether or not such meals are consumed at a place designated for such purpose, and all sales of food products by or on behalf of any such contractor or organization for any such purpose;

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes: (1) To residential premises for noncommercial use by the occupant of such premises; (2) for agricultural use and also, for such use, all sales of propane gas; (3) for use in the severing of oil; and (4) to any property which is exempt from property taxation pursuant to K.S.A. 79-201b

Second through Sixth. As used in this paragraph, "severing" shall have the meaning ascribed thereto by subsection (k) of K.S.A. 79-4216, and amendments thereto. For all sales of natural gas, electricity and heat delivered through mains, lines or pipes pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions of this subsection shall expire on December 31, 2005;

(x) all sales of propane gas, LP-gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises occurring prior to January 1, 2006;

(y) all sales of materials and services used in the repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States;

(z) all sales of tangible personal property and services purchased directly by a port authority or by a contractor therefor as provided by the provisions of K.S.A. 12-3418 and amendments thereto;

(aa) all sales of materials and services applied to equipment which is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and which is subsequently transported outside the state for use in the transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

(bb) all sales of used mobile homes or manufactured homes. As used in this subsection: (1) "Mobile homes" and "manufactured homes" shall have the meanings ascribed thereto by K.S.A. 58-4202 and amendments thereto; and (2) "sales of used mobile homes or manufactured homes" means sales other than the original retail sale thereof;

(cc) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business which meets the requirements established in K.S.A. 74-50,115 and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto. As used in this subsection, "business" and "retail business" have the meanings respectively ascribed thereto by K.S.A. 74-50,114 and amendments thereto;

(dd) all sales of tangible personal property purchased with food stamps issued by the United States department of agriculture;

(ee) all sales of lottery tickets and shares made as part of a lottery operated by the state of Kansas;

(ff) on and after July 1, 1988, all sales of new mobile homes or manufactured homes to the extent of 40% of the gross receipts, determined without regard to any trade-in allowance, received from such sale. As used in this subsection, "mobile homes" and "manufactured homes" shall have the meanings ascribed thereto by K.S.A. 58-4202 and amendments thereto;

(gg) all sales of tangible personal property purchased in accordance with vouchers issued pursuant to the federal special supplemental food program for women, infants and children;

(hh) all sales of medical supplies and equipment, including durable medical equipment, purchased directly by a nonprofit skilled nursing home or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923, and amendments thereto, for the purpose of providing medical services to residents thereof. This exemption shall not apply to tangible personal property customarily used for human habitation purposes. As used in this subsection, "durable medical equipment" means equipment including repair and replacement parts for such equipment, which can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury and is not worn in or on the body, but does not include mobility enhancing equipment as defined in subsection (r), oxygen delivery equipment, kidney dialysis equipment or enteral feeding systems;

(ii) all sales of tangible personal property purchased directly by a nonprofit organization for nonsectarian comprehensive multidiscipline youth development programs and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based mental retardation facility or mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto, and licensed in accordance with the provisions of K.S.A. 75-3307b and amendments thereto and all sales of tangible personal property or services purchased by contractors during the time period from July, 2003, through June, 2006, for the purpose of constructing, equipping, maintaining or furnishing a new facility for a community-based mental retardation facility or mental health center located in Riverton, Cherokee County, Kansas, which would have been eligible for sales tax exemption pursuant to this subsection if purchased directly by such facility or center. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(kk) (1) (A) all sales of machinery and equipment which are used in this state as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility;

(B) all sales of installation, repair and maintenance services performed on such machinery and equipment; and

(C) all sales of repair and replacement parts and accessories purchased for such machinery and equipment.

(2) For purposes of this subsection:

(A) "Integrated production operation" means an integrated series of operations engaged in at a manufacturing or processing plant or facility to process, transform or convert tangible personal property by physical, chemical or other means into a different form, composition or character from that in which it originally existed. Integrated production operations shall include: (i) Production line operations, including packaging operations; (ii) preproduction operations to handle, store and treat raw materials; (iii) post production handling, storage, warehousing and

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distribution operations; and (iv) waste, pollution and environmental control operations, if any;

(B) "production line" means the assemblage of machinery and equipment at a manufacturing or processing plant or facility where the actual transformation or processing of tangible personal property occurs;

(C) "manufacturing or processing plant or facility" means a single, fixed location owned or controlled by a manufacturing or processing business that consists of one or more structures or buildings in a contiguous area where integrated production operations are conducted to manufacture or process tangible personal property to be ultimately sold at retail. Such term shall not include any facility primarily operated for the purpose of conveying or assisting in the conveyance of natural gas, electricity, oil or water. A business may operate one or more manufacturing or processing plants or facilities at different locations to manufacture or process a single product of tangible personal property to be ultimately sold at retail;

(D) "manufacturing or processing business" means a business that utilizes an integrated production operation to manufacture, process, fabricate, finish, or assemble items for wholesale and retail distribution as part of what is commonly regarded by the general public as an industrial manufacturing or processing operation or an agricultural commodity processing operation. (i) Industrial manufacturing or processing operations include, by way of illustration but not of limitation, the fabrication of automobiles, airplanes, machinery or transportation equipment, the fabrication of metal, plastic, wood, or paper products, electricity power generation, water treatment, petroleum refining, chemical production, wholesale bottling, newspaper printing, ready mixed concrete production, and the re-manufacturing of used parts for wholesale or retail sale. Such processing operations shall include operations at an oil well, gas well, mine or other excavation site where the oil, gas, minerals, coal, clay, stone, sand or gravel that has been extracted from the earth is cleaned, separated, crushed, ground, milled, screened, washed, or otherwise treated or prepared before its transmission to a refinery or before any other wholesale or retail distribution. (ii) Agricultural commodity processing operations include, by way of illustration but not of limitation, meat packing, poultry slaughtering and dressing, processing and packaging farm and dairy products in sealed containers for wholesale and retail distribution, feed grinding, grain milling, frozen food processing, and grain handling, cleaning, blending, fumigation, drying and aeration operations engaged in by grain elevators or other grain storage facilities. (iii) Manufacturing or processing businesses do not include, by way of illustration but not of limitation, nonindustrial businesses whose operations are primarily retail and that produce or process tangible personal property as an incidental part of conducting the retail business, such as retailers who bake, cook or prepare food products in the regular course of their retail trade, grocery stores, meat lockers and meat markets that butcher or dress livestock or poultry in the regular course of their retail trade, contractors who alter, service, repair or improve real property, and retail businesses that clean, service or refurbish and repair tangible personal property for its owner;

(E) "repair and replacement parts and accessories" means all parts and accessories for exempt machinery and equipment, including, but not limited to, dies, jigs, molds, patterns and safety devices that are attached to exempt machinery or that are otherwise used in production, and parts and accessories that require periodic replacement such as belts, drill bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick and other refractory items for exempt kiln equipment used in production operations;

(F) "primary" or "primarily" mean more than 50% of the time.

(3) For purposes of this subsection, machinery and equipment shall be deemed to be used as an integral or essential part of an integrated production operation when used:

(A) To receive, transport, convey, handle, treat or store raw materials in preparation of its placement on the production line;

(B) to transport, convey, handle or store the property undergoing manufacturing or processing at any point from the beginning of the production line through any warehousing or distribution operation of the final product that occurs at the plant or facility;

(C) to act upon, effect, promote or otherwise facilitate a physical change to the property undergoing manufacturing or processing;

(D) to guide, control or direct the movement of property undergoing manufacturing or processing;

(E) to test or measure raw materials, the property undergoing manufacturing or processing or the finished product, as a necessary part of the manufacturer's integrated production operations;

(F) to plan, manage, control or record the receipt and flow of inventories of raw materials, consumables and component parts, the flow of the property undergoing manufacturing or processing and the management of inventories of the finished product;

(G) to produce energy for, lubricate, control the operating of or otherwise enable the functioning of other production machinery and equipment and the continuation of production operations;

(H) to package the property being manufactured or processed in a container or wrapping in which such property is normally sold or transported;

(I) to transmit or transport electricity, coke, gas, water, steam or similar substances used in production operations from the point of generation, if produced by the manufacturer or processor at the plant site, to that manufacturer's production operation; or, if purchased or delivered from offsite, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;

(J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil, solvents or other substances that are used in production operations;

(K) to provide and control an environment required to maintain certain levels of air quality, humidity or temperature in special and limited areas of the plant or facility, where such regulation of temperature or humidity is part of and essential to the production process;

(L) to treat, transport or store waste or other byproducts of production operations at the plant or facility; or

(M) to control pollution at the plant or facility where the pollution is produced by the manufacturing or processing operation.

(4) The following machinery, equipment and materials shall be deemed to be exempt even though it may not otherwise qualify as machinery and equipment used as an integral or essential part of an integrated production operation: (A) Computers and related peripheral equipment that are utilized by a manufacturing or processing business for engineering of the finished product or for research and development or product design; (B) machinery and equipment that is utilized by a manufacturing or processing business to manufacture or rebuild tangible personal property that is used in manufacturing or processing operations, including tools, dies, molds, forms and other parts of qualifying machinery and equipment; (C) portable plants for aggregate concrete, bulk cement and asphalt including cement mixing drums to be attached to a motor vehicle; (D) industrial fixtures, devices, support facilities and special foundations necessary for manufacturing and production operations, and materials and other tangible personal property sold for the purpose of fabri-

cating such fixtures, devices, facilities and foundations. An exemption certificate for such purchases shall be signed by the manufacturer or processor. If the fabricator purchases such material, the fabricator shall also sign the exemption certificate; and (E) a manufacturing or processing business' laboratory equipment that is not located at the plant or facility, but that would otherwise qualify for exemption under subsection (3)(E).

(5) "Machinery and equipment used as an integral or essential part of an integrated production operation" shall not include:

(A) Machinery and equipment used for nonproduction purposes, including, but not limited to, machinery and equipment used for plant security, fire prevention, first aid, accounting, administration, record keeping, advertising, marketing, sales or other related activities, plant cleaning, plant communications, and employee work scheduling;

(B) machinery, equipment and tools used primarily in maintaining and repairing any type of machinery and equipment or the building and plant;

(C) transportation, transmission and distribution equipment not primarily used in a production, warehousing or material handling operation at the plant or facility, including the means of conveyance of natural gas, electricity, oil or water, and equipment related thereto, located outside the plant or facility;

(D) office machines and equipment including computers and related peripheral equipment not used directly and primarily to control or measure the manufacturing process;

(E) furniture and other furnishings;

(F) buildings, other than exempt machinery and equipment that is permanently affixed to or becomes a physical part of the building, and any other part of real estate that is not otherwise exempt;

(G) building fixtures that are not integral to the manufacturing operation, such as utility systems for heating, ventilation, air conditioning, communications, plumbing or electrical;

(H) machinery and equipment used for general plant heating, cooling and lighting;

(I) motor vehicles that are registered for operation on public highways; or

(J) employee apparel, except safety and protective apparel that is purchased by an employer and furnished gratuitously to employees who are involved in production or research activities.

(6) Subsections (3) and (5) shall not be construed as exclusive listings of the machinery and equipment that qualify or do not qualify as an integral or essential part of an integrated production operation. When machinery or equipment is used as an integral or essential part of production operations part of the time and for nonproduction purpose at other times, the primary use of the machinery or equipment shall determine whether or not such machinery or equipment qualifies for exemption.

(7) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this subsection;

(II) all sales of educational materials purchased for distribution to the public at no charge by a nonprofit corporation organized for the purpose of encouraging, fostering and conducting programs for the improvement of public health;

(mm) all sales of seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides and fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use;

(nn) except as otherwise provided in this act, all sales of services rendered by an advertising agency or licensed broadcast station or any member, agent or employee thereof;

(oo) all sales of tangible personal property purchased by a community action group or agency for the exclusive purpose of

repairing or weatherizing housing occupied by low income individuals;

(pp) all sales of drill bits and explosives actually utilized in the exploration and production of oil or gas;

(qq) all sales of tangible personal property and services purchased by a nonprofit museum or historical society or any combination thereof, including a nonprofit organization which is organized for the purpose of stimulating public interest in the exploration of space by providing educational information, exhibits and experiences, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(rr) all sales of tangible personal property which will admit the purchaser thereof to any annual event sponsored by a nonprofit organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(ss) all sales of tangible personal property and services purchased by a public broadcasting station licensed by the federal communications commission as a noncommercial educational television or radio station;

(tt) all sales of tangible personal property and services purchased by or on behalf of a not-for-profit corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the sole purpose of constructing a Kansas Korean War memorial;

(uu) all sales of tangible personal property and services purchased by or on behalf of any rural volunteer fire-fighting organization for use exclusively in the performance of its duties and functions;

(vv) all sales of tangible personal property purchased by any of the following organizations which are exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, for the following purposes, and all sales of any such property by or on behalf of any such organization for any such purpose:

(1) The American Heart Association, Kansas Affiliate, Inc. for the purposes of providing education, training, certification in emergency cardiac care, research and other related services to reduce disability and death from cardiovascular diseases and stroke;

(2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of advocacy for persons with mental illness and to education, research and support for their families;

(3) the Kansas Mental Illness Awareness Council for the purposes of advocacy for persons who are mentally ill and to education, research and support for them and their families;

(4) the American Diabetes Association Kansas Affiliate, Inc. for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training;

(5) the American Lung Association of Kansas, Inc. for the purpose of eliminating all lung diseases through medical research, public education including information on coping with lung diseases, professional education and training related to lung disease and other related services to reduce the incidence of disability and death due to lung disease;

(6) the Kansas chapters of the Alzheimer's Disease and Related Disorders Association, Inc. for the purpose of providing assistance and support to persons in Kansas with Alzheimer's disease, and their families and caregivers;

(7) the Kansas chapters of the Parkinson's disease association for the purpose of eliminating Parkinson's disease through medical research and public and professional education related to such disease;

(continued)

(8) the National Kidney Foundation of Kansas and Western Missouri for the purpose of eliminating kidney disease through medical research and public and private education related to such disease;

(9) the heartstrings community foundation for the purpose of providing training, employment and activities for adults with developmental disabilities;

(10) the Cystic Fibrosis Foundation, Heart of America Chapter, for the purposes of assuring the development of the means to cure and control cystic fibrosis and improving the quality of life for those with the disease;

(11) the spina bifida association of Kansas for the purpose of providing financial, educational and practical aid to families and individuals with spina bifida. Such aid includes, but is not limited to, funding for medical devices, counseling and medical educational opportunities;

(12) the CHWC, Inc., for the purpose of rebuilding urban core neighborhoods through the construction of new homes, acquiring and renovating existing homes and other related activities, and promoting economic development in such neighborhoods;

(13) the cross-lines cooperative council for the purpose of providing social services to low income individuals and families;

(14) the Dreams Work, Inc., for the purpose of providing young adult day services to individuals with developmental disabilities and assisting families in avoiding institutional or nursing home care for a developmentally disabled member of their family;

(15) the KSDS, Inc., for the purpose of promoting the independence and inclusion of people with disabilities as fully participating and contributing members of their communities and society through the training and providing of guide and service dogs to people with disabilities, and providing disability education and awareness to the general public;

(16) the lyme association of greater Kansas City, Inc., for the purpose of providing support to persons with lyme disease and public education relating to the prevention, treatment and cure of lyme disease;

(17) the Dream Factory, Inc., for the purpose of granting the dreams of children with critical and chronic illnesses;

(18) the Ottawa Suzuki Strings, Inc., for the purpose of providing students and families with education and resources necessary to enable each child to develop fine character and musical ability to the fullest potential;

(19) the International Association of Lions Clubs for the purpose of creating and fostering a spirit of understanding among all people for humanitarian needs by providing voluntary services through community involvement and international cooperation;

(20) the Johnson county young matrons, inc., for the purpose of promoting a positive future for members of the community through volunteerism, financial support and education through the efforts of an all volunteer organization;

(21) the American Cancer Society, Inc., for the purpose of eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy and service;

(22) the community services of Shawnee, inc., for the purpose of providing food and clothing to those in need; and

(23) the angel babies association, for the purpose of providing assistance, support and items of necessity to teenage mothers and their babies;

(ww) all sales of tangible personal property purchased by the Habitat for Humanity for the exclusive use of being incorporated within a housing project constructed by such organization;

(xx) all sales of tangible personal property and services purchased by a nonprofit zoo which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, or on behalf of such zoo by an entity itself exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986 contracted with to operate such zoo and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo which would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit zoo or the entity operating such zoo. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo. When any nonprofit zoo shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the nonprofit zoo concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the nonprofit zoo concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(yy) all sales of tangible personal property and services purchased by a parent-teacher association or organization, and all sales of tangible personal property by or on behalf of such association or organization;

(zz) all sales of machinery and equipment purchased by over-the-air, free access radio or television station which is used directly and primarily for the purpose of producing a broadcast signal or is such that the failure of the machinery or equipment to operate would cause broadcasting to cease. For purposes of this subsection, machinery and equipment shall include, but not be limited to, that required by rules and regulations of the federal communications commission, and all sales of electricity which are essential or necessary for the purpose of producing a broadcast signal or is such that the failure of the electricity would cause broadcasting to cease;

(aaa) all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization which would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after July 1, 1998, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(bbb) all sales of food for human consumption by an organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, pursuant to a food distribution program which offers such food at a price below cost in exchange for the performance of community service by the purchaser thereof;

(ccc) on and after July 1, 1999, all sales of tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically underserved individuals and families, and which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center which would be exempt from taxation under the provisions of this section if purchased directly by such clinic or center. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center. When any such clinic or center shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such clinic or center concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such clinic or center concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of sales tax which would have been payable except for the operation of this subsection shall be recouped in accordance with rules and regulations adopted for such purpose by the secretary of revenue;

(eee) on and after January 1, 1999, and before January 1, 2001, all sales of materials and services purchased for the original construction, reconstruction, repair or replacement of grain

(continued)

storage facilities, including railroad sidings providing access thereto;

(fff) all sales of material handling equipment, racking systems and other related machinery and equipment that is used for the handling, movement or storage of tangible personal property in a warehouse or distribution facility in this state; all sales of installation, repair and maintenance services performed on such machinery and equipment; and all sales of repair and replacement parts for such machinery and equipment. For purposes of this subsection, a warehouse or distribution facility means a single, fixed location that consists of buildings or structures in a contiguous area where storage or distribution operations are conducted that are separate and apart from the business' retail operations, if any, and which do not otherwise qualify for exemption as occurring at a manufacturing or processing plant or facility. Material handling and storage equipment shall include aeration, dust control, cleaning, handling and other such equipment that is used in a public grain warehouse or other commercial grain storage facility, whether used for grain handling, grain storage, grain refining or processing, or other grain treatment operation;

(ggg) all sales of tangible personal property and services purchased by or on behalf of the Kansas Academy of Science which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and used solely by such academy for the preparation, publication and dissemination of education materials;

(hhh) all sales of tangible personal property and services purchased by or on behalf of all domestic violence shelters that are member agencies of the Kansas coalition against sexual and domestic violence;

(iii) all sales of personal property and services purchased by an organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such personal property and services are used by any such organization in the collection, storage and distribution of food products to nonprofit organizations which distribute such food products to persons pursuant to a food distribution program on a charitable basis without fee or charge, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities used for the collection and storage of such food products for any such organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, which would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have

been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after July 1, 2005, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(jjj) all sales of dietary supplements dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "dietary supplement" means any product, other than tobacco, intended to supplement the diet that: (1) Contains one or more of the following dietary ingredients: A vitamin, a mineral, an herb or other botanical, an amino acid, a dietary substance for use by humans to supplement the diet by increasing the total dietary intake or a concentrate, metabolite, constituent, extract or combination of any such ingredient; (2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap or liquid form, or if not intended for ingestion, in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and (3) is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. § 101.36;

(lll) all sales of tangible personal property and services purchased by special olympics Kansas, inc. for the purpose of providing year-round sports training and athletic competition in a variety of olympic-type sports for individuals with intellectual disabilities by giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other special olympics athletes and the community, and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization;

(mmm) all sales of tangible personal property purchased by or on behalf of the Marillac Center, Inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing psycho-social-biological and special education services to children, and all sales of any such property by or on behalf of such organization for such purpose;

(nnn) all sales of tangible personal property and services purchased by the West Sedgwick County-Sunrise Rotary Club and Sunrise Charitable Fund for the purpose of constructing a

boundless playground which is an integrated, barrier free and developmentally advantageous play environment for children of all abilities and disabilities;

(ooo) all sales of tangible personal property by or on behalf of a public library serving the general public and supported in whole or in part with tax money or a not-for-profit organization whose purpose is to raise funds for or provide services or other benefits to any such public library;

(ppp) all sales of tangible personal property and services purchased by or on behalf of a homeless shelter which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal income tax code of 1986, and used by any such homeless shelter to provide emergency and transitional housing for individuals and families experiencing homelessness, and all sales of any such property by or on behalf of any such homeless shelter for any such purpose;

(qqq) all sales of tangible personal property and services purchased by TLC for children and families, inc., hereinafter referred to as TLC, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of TLC for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by TLC. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC. When TLC contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(rrr) all sales of tangible personal property and services purchased by any county law library maintained pursuant to law and sales of tangible personal property and services purchased by an organization which would have been exempt from taxation under the provisions of this subsection if purchased directly by the county law library for the purpose of providing legal resources to attorneys, judges, students and the general public, and all sales of any such property by or on behalf of any such county law library;

(sss) all sales of tangible personal property and services purchased by catholic charities or youthville, hereinafter referred to as charitable family providers, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of charitable family providers for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for charitable family providers for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by charitable family providers. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for charitable family providers. When charitable family providers contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to charitable family providers a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, charitable family providers shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(ttt) all sales of tangible personal property or services purchased by a contractor for a project for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing,

(continued)

enlarging, furnishing or remodeling a home or facility owned by a nonprofit museum which has been granted an exemption pursuant to subsection (qq), which such home or facility is located in a city which has been designated as a qualified hometown pursuant to the provisions of K.S.A. 75-5071, et seq., and amendments thereto, and which such project is related to the purposes of K.S.A. 75-5071, et seq., and amendments thereto, and which would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit museum. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility for any such nonprofit museum. When any such nonprofit museum shall contract for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such nonprofit museum a sworn statement on a form to be provided by the director of taxation that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in a home or facility or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such nonprofit museum shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(uuu) all sales of tangible personal property and services purchased by Kansas children's service league, hereinafter referred to as KCSL, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing for the prevention and treatment of child abuse and maltreatment as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of KCSL for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for KCSL for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by KCSL. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for KCSL. When KCSL contracts for the purpose of con-

structing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to KCSL a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, KCSL shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(vvv) all sales of tangible personal property or services, including the renting and leasing of tangible personal property or services, *purchased* by Jazz in the Woods, Inc., a Kansas corporation which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, for the purpose of providing Jazz in the Woods, an event benefiting children-in-need and other nonprofit charities assisting such children, and all sales of any such property by or on behalf of such organization for such purpose;

(www) all sales of tangible personal property purchased by or on behalf of the Frontenac Education Foundation, which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, for the purpose of providing education support for students, and all sales of any such property by or on behalf of such organization for such purpose;

(xxx) all sales of personal property and services purchased by the booth theatre foundation, inc., an organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such personal property and services are used by any such organization in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling of the booth theatre, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling the booth theatre for such organization, which would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract

for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after January 1, 2007, but prior to the effective date of this act upon the gross receipts received from any sale which would have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(yyy) all sales of tangible personal property and services purchased by TLC charities foundation, inc., hereinafter referred to as TLC charities, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of encouraging private philanthropy to further the vision, values, and goals of TLC for children and families, inc.; and all sales of such property and services by or on behalf of TLC charities for any such purpose and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC charities for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by TLC charities. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC charities. When TLC charities contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the

state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC charities a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be incorporated into the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC charities shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(zzz) all sales of tangible personal property purchased by the rotary club of shawnee foundation which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, as amended, used for the purpose of providing contributions to community service organizations and scholarships; ~~and~~

(aaa) all sales of personal property and services purchased by or on behalf of victory in the valley, inc., which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, for the purpose of providing a cancer support group and services for persons with cancer, and all sales of any such property by or on behalf of any such organization for any such purpose;

(bbb) *all sales of entry or participation fees, charges or tickets by Guadalupe health foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for such organization's annual fundraising event which purpose is to provide health care services for uninsured workers; and*

(ccc) *all sales of tangible personal property or services purchased by or on behalf of wayside waifs, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing such organization's annual fundraiser, an event whose purpose is to support the care of homeless and abandoned animals, animal adoption efforts, education programs for children and efforts to reduce animal over-population and animal welfare services, and all sales of any such property, including entry or participation fees or charges, by or on behalf of such organization for such purpose.*

Sec. 25. K.S.A. 2007 Supp. 79-3606e is hereby amended to read as follows: 79-3606e. The following shall be exempt from the tax imposed under the Kansas retailers' sales tax act: All sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business facility that was previously located in Kiowa County, Kansas, prior to May 4, 2007, and that

(continued)

has been damaged or destroyed by tornado and other severe weather on May 4, 2007, and the sale and installation of machinery and equipment purchased for installation at any such business facility, including any fence, the purpose for which is to enclose land devoted to agricultural use. Any person constructing, reconstructing, remodeling or enlarging a business facility in Kiowa County, Kansas, who had leased such a facility to a business in Kiowa County, Kansas, prior to May 4, 2007, and that such business has been damaged or destroyed by tornado and other severe weather on May 4, 2007, and which such facility shall be leased in whole or in part, to a business that was previously located in Kiowa County, Kansas, prior to May 4, 2007, and that such business has been damaged by tornado and other severe weather on May 4, 2007, that would be eligible for a sales tax exemption hereunder if such business had constructed, reconstructed, enlarged or remodeled such facility or portion thereof itself shall be entitled to the sales tax exemption under the provisions of this section. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business facility, such person shall obtain from the state prior to June 30, ~~2008~~ 2009, an exemption certificate for the project involved. The certificate shall be furnished to the contractor to purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the person that obtained the exemption certificate, a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. The provisions of this section shall be part of and supplemental to the Kansas retailers' sales tax act.

Sec. 26. On and after July 1, 2008, K.S.A. 2007 Supp. 79-4502 is hereby amended to read as follows: 79-4502. As used in this act, unless the context clearly indicates otherwise:

(a) "Income" means the sum of adjusted gross income under the Kansas income tax act, maintenance, support money, cash public assistance and relief, not including any refund granted under this act, the gross amount of any pension or annuity, including all monetary retirement benefits from whatever source derived, including but not limited to, all payments received under the railroad retirement act, except disability payments, payments received under the federal social security act, except that for determination of what constitutes income such amount shall not exceed 50% of any such social security payments and shall not include any social security payments to a claimant who prior to attaining full retirement age had been receiving disability payments under the federal social security act in an amount not to exceed the amount of such disability payments or 50% of any such social security payments, whichever is greater, all dividends and interest from whatever source derived not included in adjusted gross income, workers compensation and the gross amount of "loss of time" insurance. Income does not include gifts from nongovernmental sources or surplus food or other relief in kind supplied by a governmental agency, nor shall net operating losses and net capital losses be considered in the determination of income. Income does not include veterans disa-

bility pensions. Income does not include disability payments received under the federal social security act.

(b) "Household" means a claimant, a claimant and spouse who occupy the homestead or a claimant and one or more individuals not related as husband and wife who together occupy a homestead.

(c) "Household income" means all income received by all persons of a household in a calendar year while members of such household.

(d) "Homestead" means the dwelling, or any part thereof, whether owned or rented, which is occupied as a residence by the household and so much of the land surrounding it, as defined as a home site for ad valorem tax purposes, and may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built or a manufactured home or mobile home and the land upon which it is situated. "Owned" includes a vendee in possession under a land contract, a life tenant, a beneficiary under a trust and one or more joint tenants or tenants in common.

(e) "Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (1) A person having a disability; (2) a person who is 55 years of age or older or (3) a person other than a person included under (1) or (2) having one or more dependent children under 18 years of age residing at the person's homestead during the calendar year immediately preceding the year in which a claim is filed under this act.

When a homestead is occupied by two or more individuals and more than one of the individuals is able to qualify as a claimant, the individuals may determine between them as to whom the claimant will be. If they are unable to agree, the matter shall be referred to the secretary of revenue whose decision shall be final.

(f) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on a claimant's homestead in 1979 or any calendar year thereafter by the state of Kansas and the political and taxing subdivisions of the state. When a homestead is owned by two or more persons or entities as joint tenants or tenants in common and one or more of the persons or entities is not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead that reflects the ownership percentage of the claimant's household. For purposes of this act, property taxes are "levied" when the tax roll is delivered to the local treasurer with the treasurer's warrant for collection. When a claimant and household own their homestead part of a calendar year, "property taxes accrued" means only taxes levied on the homestead when both owned and occupied as a homestead by the claimant's household at the time of the levy, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead in the year. When a household owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall be the sum of the taxes allocable to those several properties while occupied by the household as its homestead during the year. Whenever a homestead is an integral part of a larger unit such as a multi-purpose or multi-dwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For the purpose of this act, the word "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

(g) "Disability" means:

(1) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental im-

pairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, and an individual shall be determined to be under a disability only if the physical or mental impairment or impairments are of such severity that the individual is not only unable to do the individual's previous work but cannot, considering age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which the individual lives or whether a specific job vacancy exists for the individual, or whether the individual would be hired if application was made for work. For purposes of the preceding sentence (with respect to any individual), "work which exists in the national economy" means work which exists in significant numbers either in the region where the individual lives or in several regions of the country; for purposes of this subsection, a "physical or mental impairment" is an impairment that results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques; or

(2) blindness and inability by reason of blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which the individual has previously engaged with some regularity and over a substantial period of time.

(h) "Blindness" means central visual acuity of $\frac{20}{200}$ or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for the purpose of this paragraph as having a central visual acuity of $\frac{20}{200}$ or less.

(i) "Rent constituting property taxes accrued" means 15% of the gross rent actually paid in cash or its equivalent in 2007 or any taxable year thereafter by a claimant and claimant's household solely for the right of occupancy of a Kansas homestead on which ad valorem property taxes were levied in full for that year. When a household occupies two or more different homesteads in the same calendar year, rent constituting property taxes accrued shall be computed by adding the rent constituting property taxes accrued for each property rented by the household while occupied by the household as its homestead during the year.

(j) "Gross rent" means the rental paid at arm's length solely for the right of occupancy of a homestead or space rental paid to a landlord for the parking of a mobile home, exclusive of charges for any utilities, services, furniture and furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out in the rental agreement. Whenever the director of taxation finds that the landlord and tenant have not dealt with each other at arms length and that the gross rent charge was excessive, the director may adjust the gross rent to a reasonable amount for the purposes of the claim.

Sec. 27. K.S.A. 2007 Supp. 79-3606e is hereby repealed.

Sec. 28. On and after July 1, 2008, K.S.A. 79-1803, 79-3220 and 79-3285 and K.S.A. 2007 Supp. 75-5151, 79-201a, 79-201b, 79-201j, 79-213, 79-223, 79-5a27, 79-3271, 79-32,110, 79-32,117, 79-3606 and 79-4502 are hereby repealed.

Sec. 29. 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. Temporary regulations are designated with a (T) in the Action column. This cumulative index supplements the 2006 Volumes and the 2007 Supplement of the *Kansas Administrative Regulations*.

AGENCY 1: DEPARTMENT OF ADMINISTRATION

Reg. No.	Action	Register
1-64-1	New	V. 26, p. 1393

AGENCY 3: KANSAS STATE TREASURER

Reg. No.	Action	Register
3-4-1	Amended	V. 26, p. 1045
3-4-2	Amended	V. 26, p. 1045
3-4-4	Amended	V. 26, p. 1045
3-4-5	Amended	V. 26, p. 1045
3-4-6	Amended	V. 26, p. 1045

AGENCY 4: DEPARTMENT OF AGRICULTURE

Reg. No.	Action	Register
4-2-8	Amended	V. 27, p. 16
4-2-20	Amended	V. 27, p. 16
4-3-47	Amended	V. 27, p. 16
4-3-49	Amended	V. 27, p. 16
4-3-51	Amended	V. 27, p. 16
4-8-14a	Amended	V. 26, p. 489
4-8-27	Amended	V. 26, p. 489
4-8-28	Amended	V. 26, p. 489
4-8-29	Amended	V. 26, p. 489
4-8-30	Amended	V. 26, p. 489
4-8-31	Amended	V. 26, p. 489

4-8-33	Amended	V. 26, p. 489
4-8-34	Amended	V. 26, p. 489
4-8-35	Amended	V. 26, p. 489
4-8-39	Amended	V. 26, p. 490
4-8-42	Amended	V. 26, p. 490
4-11-2	Amended	V. 26, p. 100
4-11-3	Amended	V. 26, p. 100
4-11-15	New	V. 26, p. 101
4-13-1	Amended	V. 27, p. 186
4-13-3	Amended	V. 27, p. 187
4-13-9	Amended	V. 27, p. 188
4-13-11	Revoked	V. 27, p. 188
4-13-13	Amended	V. 27, p. 188
4-13-20	Amended	V. 27, p. 190
4-13-21	Amended	V. 27, p. 191
4-13-22	Amended	V. 27, p. 191
4-13-23	Amended	V. 27, p. 191
4-13-24	Amended	V. 27, p. 191
4-13-33	Amended	V. 27, p. 191
4-15-9	Amended	V. 26, p. 81
4-19-1	Amended	V. 26, p. 173
4-28-8		
4-28-16	New	V. 27, p. 191-195

AGENCY 5: DEPARTMENT OF AGRICULTURE—DIVISION OF WATER RESOURCES

Reg. No.	Action	Register
5-40-1	Amended	V. 26, p. 642
5-40-2	Amended	V. 26, p. 644
5-40-2a	New	V. 26, p. 646
5-40-2b	New	V. 26, p. 647
5-40-3	Amended	V. 26, p. 647
5-40-4	Amended	V. 26, p. 647
5-40-5	Amended	V. 26, p. 648
5-40-5a	New	V. 26, p. 648
5-40-8	Amended	V. 26, p. 648
5-40-9	Revoked	V. 26, p. 648
5-40-10	Revoked	V. 26, p. 648
5-40-11	Revoked	V. 26, p. 648
5-40-12	Amended	V. 26, p. 648
5-40-13	Revoked	V. 26, p. 649

5-40-20	New	V. 26, p. 649
5-40-21	New	V. 26, p. 649
5-40-22	New	V. 26, p. 649
5-40-23	New	V. 26, p. 650
5-40-24	New	V. 26, p. 650
5-40-26	New	V. 26, p. 651
5-40-30	New	V. 26, p. 651
5-40-31	New	V. 26, p. 652
5-40-32	New	V. 26, p. 653
5-40-33	New	V. 26, p. 653
5-40-40	New	V. 26, p. 653
5-40-41	New	V. 26, p. 654
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5-40-43	New	V. 26, p. 655
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5-40-46	New	V. 26, p. 655
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5-40-56	New	V. 26, p. 658
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5-40-74	New	V. 26, p. 661
5-40-75	New	V. 26, p. 661
5-40-76	New	V. 26, p. 662
5-40-77	New	V. 26, p. 662
5-40-90	New	V. 26, p. 662
5-40-91	New	V. 26, p. 663
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5-40-93	New	V. 26, p. 663
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5-40-100	New	V. 26, p. 663
5-40-101	New	V. 26, p. 663
5-40-102	New	V. 26, p. 664

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5-40-103	New	V. 26, p. 664
5-40-104	New	V. 26, p. 664
5-40-105	New	V. 26, p. 664
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5-42-5	New	V. 26, p. 665
5-44-7	New	V. 26, p. 666

AGENCY 7: SECRETARY OF STATE

Reg. No.	Action	Register
7-17-22	Amended	V. 26, p. 325
7-44-1 through 7-44-7	New	V. 26, p. 505, 506

AGENCY 10: KANSAS BUREAU OF INVESTIGATION

Reg. No.	Action	Register
10-20-1	Amended	V. 26, p. 507
10-20-2	Amended	V. 26, p. 507
10-20-2a	Amended	V. 26, p. 507
10-20-4	Amended	V. 26, p. 507

AGENCY 11: STATE CONSERVATION COMMISSION

Reg. No.	Action	Register
11-8-3	Amended	V. 26, p. 1543
11-8-4	Amended	V. 26, p. 1543
11-12-1 through 11-12-7	New	V. 26, p. 1184-1187

AGENCY 14: DEPARTMENT OF REVENUE— DIVISION OF ALCOHOLIC BEVERAGE CONTROL

Reg. No.	Action	Register
14-8-2	Amended	V. 26, p. 1906
14-8-3	Amended	V. 26, p. 1906
14-16-23	Revoked	V. 26, p. 1906
14-16-24	Revoked	V. 26, p. 1906
14-24-1 through 14-24-6	New	V. 26, p. 1907

AGENCY 17: OFFICE OF THE STATE BANK COMMISSIONER

Reg. No.	Action	Register
17-25-1	New	V. 27, p. 356

AGENCY 28: DEPARTMENT OF HEALTH AND ENVIRONMENT

Reg. No.	Action	Register
28-1-5	Amended	V. 26, p. 1115
28-1-6	Amended	V. 26, p. 1115
28-4-122	Amended	V. 27, p. 317
28-4-311	Amended	V. 27, p. 317
28-4-312 through 28-4-317	Revoked	V. 27, p. 317, 318
28-4-800 through 28-4-825	New	V. 27, p. 318-334
28-15-35	Amended	V. 26, p. 825
28-15-36	Amended	V. 26, p. 829
28-15-36a	Amended	V. 26, p. 829
28-15-37	Amended	V. 26, p. 830
28-16-28g	Amended	V. 27, p. 779
28-16-56c	Amended	V. 26, p. 283
28-16-56d	Amended	V. 26, p. 284
28-18-1	Amended	V. 26, p. 284
28-18-2	Amended	V. 26, p. 288
28-18-4	Amended	V. 26, p. 289
28-18-8	Amended	V. 26, p. 289
28-18-9	Amended	V. 26, p. 290
28-18-11	Amended	V. 26, p. 1929
28-18-12	Amended	V. 26, p. 290
28-18-13	Amended	V. 26, p. 291
28-18-14	Amended	V. 26, p. 292
28-18-16	New	V. 26, p. 292
28-18-17	New	V. 26, p. 293
28-18a-1	Amended	V. 26, p. 294
28-18a-2	Amended	V. 26, p. 298
28-18a-4	Amended	V. 26, p. 299
28-18a-8	Amended	V. 26, p. 299

28-18a-9	Amended	V. 26, p. 300
28-18a-11	Amended	V. 26, p. 1929
28-18a-12	Amended	V. 26, p. 300
28-18a-19	Amended	V. 26, p. 301
28-18a-21	Amended	V. 26, p. 302
28-18a-22	Amended	V. 26, p. 302
28-18a-26	Amended	V. 26, p. 303
28-18a-32	Revoked	V. 26, p. 303
28-18a-33	New	V. 26, p. 303
28-19-720	Amended	V. 26, p. 951
28-19-728	New	V. 26, p. 951
28-19-728a through 28-19-728f	New	V. 26, p. 951, 952
28-19-735	Amended	V. 26, p. 953
28-19-750	Amended	V. 26, p. 953
28-23-16	Revoked	V. 27, p. 191
28-24-1 through 28-24-14	Amended	V. 26, p. 1510-1514
28-24-15	Revoked	V. 26, p. 1514
28-24-16	Revoked	V. 26, p. 1514
28-24a-1	New	V. 26, p. 1514
28-24a-2	New	V. 26, p. 1514
28-24a-3	New	V. 26, p. 1515
28-29-28	Amended	V. 26, p. 1610
28-29-29	Amended	V. 26, p. 1611
28-29-29a	Amended	V. 26, p. 1611
28-29-29b	New	V. 26, p. 1612
28-29-30	Amended	V. 26, p. 1612
28-29-31	Amended	V. 26, p. 1613
28-29-31a	New	V. 26, p. 1614
28-29-32	Amended	V. 26, p. 1614
28-29-33	Amended	V. 26, p. 1615
28-29-2011	New	V. 26, p. 1615
28-29-2101	Amended	V. 26, p. 1615
28-32-1	Revoked	V. 27, p. 247
28-32-2	Revoked	V. 27, p. 247
28-32-4	Revoked	V. 27, p. 247
28-32-5	Revoked	V. 27, p. 247
28-32-6	Revoked	V. 27, p. 247
28-32-7	Revoked	V. 27, p. 247
28-32-8 through 28-32-14	New	V. 27, p. 247-249
28-35-135a	Amended	V. 26, p. 1142
28-35-135d	Amended	V. 26, p. 1144
28-35-135n	Amended	V. 26, p. 1145
28-35-135p	Amended	V. 26, p. 1145
28-35-135r	Amended	V. 26, p. 1147
28-35-177a	Amended	V. 26, p. 1148
28-35-178a	Amended	V. 26, p. 1149
28-35-178b	Amended	V. 26, p. 1150
28-35-180a	Amended	V. 26, p. 1151
28-35-181d	Amended	V. 26, p. 1152
28-35-181m	Amended	V. 26, p. 1153
28-35-181n	Amended	V. 26, p. 1154
28-35-181o	Amended	V. 26, p. 1155
28-35-182c	Amended	V. 26, p. 1155
28-35-184a	Amended	V. 26, p. 1156
28-35-201	Amended	V. 26, p. 1156
28-35-202	Revoked	V. 26, p. 1158
28-35-203	Amended	V. 26, p. 1158
28-35-216a	Amended	V. 26, p. 1159
28-35-230g	New	V. 26, p. 1159
28-35-289	Amended	V. 26, p. 1160
28-35-292	Amended	V. 26, p. 1162
28-35-308	Amended	V. 26, p. 1162
28-35-349	Amended	V. 26, p. 1162
28-35-450	Amended	V. 26, p. 1162
28-36-33 through 28-36-49	Revoked (T)	V. 26, p. 1682
28-36-33 through 28-36-49	Revoked	V. 27, p. 73
28-36-70 through 28-36-89	New (T)	V. 26, p. 1682-1696
28-36-70 through 28-36-89	New	V. 27, p. 73-87
28-36-101 through 28-36-108	Amended	V. 26, p. 1776-1779

28-36-109	New	V. 26, p. 1780
28-46-2	Revoked	V. 26, p. 214
28-46-2a	New	V. 26, p. 215
28-46-25	Amended	V. 26, p. 215
28-46-26	Revoked	V. 26, p. 215
28-46-26a	New	V. 26, p. 215
28-46-34a	New	V. 26, p. 215
28-46-38	Amended	V. 26, p. 216
28-54-1 through 28-54-7	New	V. 26, p. 1640-1642
28-59-5	Amended	V. 27, p. 462
28-61-11	Amended	V. 27, p. 464

AGENCY 30: SOCIAL AND REHABILITATION SERVICES

Reg. No.	Action	Register
30-4-98	Amended	V. 26, p. 1905
30-5-65	Revoked	V. 26, p. 1091
30-63-32	New	V. 27, p. 664
30-64-24	Revoked	V. 27, p. 665

AGENCY 40: KANSAS INSURANCE DEPARTMENT

Reg. No.	Action	Register
40-1-37	Amended	V. 26, p. 1393
40-1-51	Revoked	V. 26, p. 1364
40-2-20	Amended	V. 26, p. 101
40-2-29	New	V. 27, p. 15
40-2-30	New	V. 26, p. 1545
40-3-25	Amended	V. 27, p. 15
40-3-34	Revoked	V. 26, p. 1423
40-3-52	New	V. 27, p. 133
40-4-41	Amended	V. 27, p. 434
40-4-41a through 40-4-41j	Revoked	V. 27, p. 434, 435
40-7-19	Amended	V. 26, p. 881
40-7-20a	Amended	V. 26, p. 103
40-7-25	Amended	V. 26, p. 488

AGENCY 44: DEPARTMENT OF CORRECTIONS

Reg. No.	Action	Register
44-6-101	Amended	V. 26, p. 817
44-6-125	Amended	V. 26, p. 818
44-6-136	Amended	V. 26, p. 819
44-11-111	Amended	V. 26, p. 819
44-11-113	Amended	V. 26, p. 820
44-11-123	Amended	V. 26, p. 820
44-12-103	Amended	V. 26, p. 1074
44-12-105	Amended	V. 26, p. 1075
44-12-106	Amended	V. 26, p. 1075
44-12-107	Amended	V. 26, p. 1075
44-12-208	Amended	V. 26, p. 1075
44-12-210	Amended	V. 26, p. 1075
44-12-211	New	V. 26, p. 1075
44-12-212	New	V. 26, p. 1075
44-12-304	Amended	V. 26, p. 1075
44-12-306	Amended	V. 26, p. 1076
44-12-308	Amended	V. 26, p. 1076
44-12-312	Amended	V. 26, p. 1076
44-12-315	Amended	V. 26, p. 1076
44-12-320a	New	V. 26, p. 1076
44-12-325	Amended	V. 26, p. 1076
44-12-601	Amended	V. 26, p. 1077
44-12-901	Amended	V. 26, p. 1079
44-12-902	Amended	V. 26, p. 1079
44-12-903	New	V. 26, p. 1079
44-12-1101	Amended	V. 26, p. 1080
44-12-1201	Amended	V. 26, p. 1080
44-12-1301	Amended	V. 26, p. 1080
44-12-1302	Amended	V. 26, p. 1081
44-12-1303	Amended	V. 26, p. 1081
44-12-1306	Amended	V. 26, p. 1081
44-12-1308	Amended	V. 26, p. 1081
44-13-101a	Amended	V. 26, p. 1082
44-13-106	Amended	V. 26, p. 1082
44-13-201	Amended	V. 26, p. 1082
44-13-201a	New	V. 26, p. 1083
44-13-201b	Amended	V. 26, p. 1084
44-13-202	Amended	V. 26, p. 1084
44-13-307	Amended	V. 26, p. 1085
44-13-402	Amended	V. 26, p. 1085

44-13-403	Amended	V. 26, p. 1085
44-13-404	Amended	V. 26, p. 1087
44-13-405a	Amended	V. 26, p. 1088
44-13-406	Amended	V. 26, p. 1089
44-13-408	Amended	V. 26, p. 1089
44-13-603	Amended	V. 26, p. 1089
44-13-610	Amended	V. 26, p. 1089
44-13-701	Amended	V. 26, p. 1090
44-13-703	Amended	V. 26, p. 1090
44-13-704	Amended	V. 26, p. 1090
44-15-101a	Amended	V. 26, p. 820
44-15-102	Amended	V. 26, p. 821
44-15-104	Amended	V. 26, p. 822
44-16-104a	New	V. 26, p. 822

AGENCY 49: DEPARTMENT OF LABOR

Reg. No.	Action	Register
49-45-36	New	V. 26, p. 1647
49-50-6	Amended	V. 26, p. 1647
49-50-20	Amended	V. 26, p. 1647

**AGENCY 50: DEPARTMENT OF LABOR—
DIVISION OF EMPLOYMENT**

Reg. No.	Action	Register
50-3-2	Amended	V. 26, p. 1642

**AGENCY 51: DEPARTMENT OF LABOR—
DIVISION OF WORKERS COMPENSATION**

Reg. No.	Action	Register
51-9-7	Amended	V. 26, p. 1639

AGENCY 60: BOARD OF NURSING

Reg. No.	Action	Register
60-4-101	Amended	V. 26, p. 446
60-7-106	Amended	V. 26, p. 447
60-8-101	Amended	V. 26, p. 448
60-9-106	Amended	V. 26, p. 1112
60-11-119	Amended	V. 26, p. 448
60-17-102	Amended	V. 26, p. 448
60-17-103	Amended	V. 26, p. 449
60-17-104	Amended	V. 26, p. 449
60-17-105	Amended	V. 26, p. 450
60-17-107	Amended	V. 26, p. 450
60-17-108	Amended	V. 26, p. 451
60-17-110	Amended	V. 26, p. 451

AGENCY 63: BOARD OF MORTUARY ARTS

Reg. No.	Action	Register
63-1-1	Amended	V. 26, p. 126
63-2-26	New	V. 27, p. 108
63-4-1	Amended	V. 27, p. 108
63-5-1	Amended	V. 26, p. 126

**AGENCY 66: BOARD OF TECHNICAL
PROFESSIONS**

Reg. No.	Action	Register
66-6-1	Amended	V. 27, p. 315
66-6-4	Amended	V. 27, p. 316
66-9-5	Amended	V. 26, p. 1024
66-10-1	Amended	V. 27, p. 317
66-10-10a	Amended	V. 26, p. 1024
66-11-5	Amended	V. 26, p. 1025

**AGENCY 67: BOARD OF EXAMINERS
IN THE FITTING AND DISPENSING OF
HEARING INSTRUMENTS**

Reg. No.	Action	Register
67-5-3	Revoked	V. 26, p. 692
67-5-4	Amended	V. 26, p. 692
67-5-5	New	V. 26, p. 692

AGENCY 68: BOARD OF PHARMACY

Reg. No.	Action	Register
68-5-16	Amended	V. 26, p. 488
68-7-11	Amended	V. 26, p. 1112
68-7-12	Amended	V. 26, p. 1114
68-7-20	Amended	V. 27, p. 435
68-20-17	Amended	V. 26, p. 488

**AGENCY 69: BOARD OF COSMETOLOGY
(by Dept. of Health and Environment)**

Reg. No.	Action	Register
69-12-6	Revoked	V. 26, p. 1515
69-12-13	Revoked	V. 26, p. 1515

**AGENCY 70: BOARD OF
VETERINARY EXAMINERS**

Reg. No.	Action	Register
70-5-1	Amended	V. 26, p. 1863

AGENCY 74: BOARD OF ACCOUNTANCY

Reg. No.	Action	Register
74-1-2	Amended	V. 26, p. 1954
74-1-3	Amended	V. 26, p. 1954
74-1-6	Amended	V. 26, p. 1955
74-1-8	Amended	V. 26, p. 1955
74-2-7	Amended	V. 26, p. 1955
74-4-1a	Amended	V. 26, p. 126
74-4-7	Amended	V. 27, p. 626
74-4-8	Amended	V. 27, p. 626
74-4-9	Amended	V. 27, p. 627
74-4-10	Amended	V. 27, p. 627
74-5-2	Amended	V. 26, p. 1956
74-5-101	Amended	V. 26, p. 1957
74-5-105	Revoked	V. 26, p. 127
74-5-201	Amended	V. 26, p. 1957
74-5-202	Amended	V. 26, p. 1957
74-5-204	Revoked	V. 26, p. 1957
74-5-403	Amended	V. 26, p. 128
74-5-405a	New	V. 26, p. 1957
74-5-406	Amended	V. 26, p. 1958
74-5-408	New	V. 26, p. 128
74-6-1	Amended	V. 26, p. 1958
74-7-2	Amended	V. 26, p. 1958
74-11-6	Amended	V. 26, p. 128

**AGENCY 82: STATE CORPORATION
COMMISSION**

Reg. No.	Action	Register
82-3-103	Amended	V. 26, p. 1609
82-3-119	Revoked	V. 26, p. 1643
82-3-123	Amended	V. 26, p. 1643
82-3-123a	Amended	V. 26, p. 1644
82-3-124	Amended	V. 26, p. 1644
82-3-131	Amended	V. 26, p. 1645
82-3-140	Amended	V. 26, p. 1645
82-3-300	Amended	V. 26, p. 1645
82-3-303	Amended	V. 26, p. 823
82-3-304	Amended	V. 26, p. 824
82-3-408	Amended	V. 26, p. 1646
82-3-603a	New	V. 26, p. 1610
82-4-30a	Amended (T)	V. 26, p. 1930
82-11-1	Amended	V. 27, p. 43
82-11-3	Amended	V. 27, p. 43
82-11-4	Amended	V. 27, p. 44
82-11-7	Amended	V. 27, p. 49
82-11-8	Amended	V. 27, p. 49

AGENCY 86: REAL ESTATE COMMISSION

Reg. No.	Action	Register
86-1-2	Amended	V. 26, p. 1728
86-1-5	Amended	V. 26, p. 1728
86-1-10	Amended	V. 26, p. 1729
86-1-11	Amended	V. 26, p. 1730
86-1-13	Amended	V. 26, p. 1731
86-1-15	Amended	V. 26, p. 1732
86-1-17	Amended	V. 26, p. 1732
86-1-18	Amended	V. 26, p. 1733
86-1-19	Amended	V. 26, p. 1733
86-1-20	New	V. 26, p. 1734
86-2-3	Revoked	V. 26, p. 1734
86-2-5	Revoked	V. 26, p. 1734
86-2-7	Revoked	V. 26, p. 1734
86-3-3	Revoked	V. 26, p. 1734
86-3-8	Amended	V. 26, p. 1734
86-3-9	Amended	V. 26, p. 1734
86-3-15	Amended	V. 26, p. 1734
86-3-21	Amended	V. 26, p. 1735
86-3-22	Amended	V. 26, p. 1735
86-3-26a	New	V. 26, p. 1736

AGENCY 88: BOARD OF REGENTS

Reg. No.	Action	Register
88-3-8	Revoked	V. 26, p. 1141
88-3-8a	New	V. 26, p. 1141
88-3-12	Amended	V. 26, p. 1141
88-24-1	Amended	V. 26, p. 1142
88-24-2	Amended	V. 26, p. 1142

88-29-1	through		
88-29-19	New		V. 26, p. 216-229
88-30-1	New		V. 26, p. 1544
88-30-2	New		V. 26, p. 1544
88-30-3	New		V. 26, p. 1544

**AGENCY 91: DEPARTMENT OF
EDUCATION**

Reg. No.	Action	Register
91-1-201	Amended	V. 26, p. 1217
91-1-202	Amended	V. 26, p. 1218
91-1-203	Amended	V. 26, p. 1220
91-1-204	Amended	V. 26, p. 1224
91-1-209	Amended	V. 26, p. 1226
91-1-234	New	V. 26, p. 1226
91-40-1	Amended	V. 27, p. 274
91-40-2	Amended	V. 27, p. 279
91-40-3	Amended	V. 27, p. 279
91-40-5	Amended	V. 27, p. 280
91-40-7	through	
91-40-12	Amended	V. 27, p. 281-284
91-40-16	Amended	V. 27, p. 285
91-40-17	Amended	V. 27, p. 285
91-40-21	Amended	V. 27, p. 286
91-40-22	Amended	V. 27, p. 287
91-40-26	through	
91-40-31	Amended	V. 27, p. 287-289
91-40-33	Amended	V. 27, p. 290
91-40-34	Amended	V. 27, p. 290
91-40-35	Amended	V. 27, p. 290
91-40-37	Revoked	V. 27, p. 291
91-40-38	Amended	V. 27, p. 291
91-40-39	Revoked	V. 27, p. 291
91-40-41	Amended	V. 27, p. 291
91-40-42	Amended	V. 27, p. 291
91-40-42a	New	V. 27, p. 292
91-40-43	Amended	V. 27, p. 293
91-40-44	Amended	V. 27, p. 293
91-40-45	Amended	V. 27, p. 293
91-40-46	Amended	V. 27, p. 294
91-40-48	Amended	V. 27, p. 294
91-40-50	Amended	V. 27, p. 294
91-40-51	Amended	V. 27, p. 295

AGENCY 92: DEPARTMENT OF REVENUE

Reg. No.	Action	Register
92-19-16a	Amended	V. 26, p. 408
92-19-16b	New	V. 26, p. 409
92-19-55a	Revoked	V. 26, p. 409
92-19-81	Amended	V. 26, p. 409
92-21-7	Revoked	V. 26, p. 409
92-21-8	Revoked	V. 26, p. 409
92-21-10	Revoked	V. 26, p. 409
92-21-14	Amended	V. 26, p. 409
92-21-16	Revoked	V. 26, p. 409
92-21-17	Revoked	V. 26, p. 409

92-27-5	through		
92-27-5	New		V. 26, p. 1648, 1649

**AGENCY 97: KANSAS COMMISSION ON
VETERANS' AFFAIRS**

Reg. No.	Action	Register
97-6-1	New	V. 26, p. 484
97-6-2	New	V. 26, p. 485
97-6-4	through	
97-6-11	New	V. 26, p. 485-488

**AGENCY 99: DEPARTMENT OF
AGRICULTURE—DIVISION OF
WEIGHTS AND MEASURES**

Reg. No.	Action	Register
99-25-1	Amended	V. 27, p. 108
99-25-9	Amended	V. 27, p. 108
99-25-11	New	V. 27, p. 109

AGENCY 100: BOARD OF HEALING ARTS

Reg. No.	Action	Register
100-11-1	Amended	V. 26, p. 1258
100-15-5	Amended	V. 26, p. 384

(continued)

100-15-6	Amended	V. 26, p. 385
100-22-6	New	V. 26, p. 1642
100-22-7	New	V. 26, p. 1043
100-22-8	New	V. 26, p. 1367
100-22-8	Revoked (T)	V. 26, p. 1929
100-22-8	Revoked	V. 27, p. 357
100-22-8a	New (T)	V. 26, p. 1929
100-22-8a	New	V. 27, p. 357
100-28a-1	Amended	V. 26, p. 1753
100-29-7	Amended	V. 27, p. 209
100-49-4	Amended	V. 26, p. 1258
100-49-10	New	V. 26, p. 1367
100-54-4	Amended	V. 27, p. 209
100-54-7	Amended	V. 26, p. 1043
100-54-8	Amended	V. 26, p. 1044
100-55-4	Amended	V. 27, p. 209
100-73-1	Amended	V. 26, p. 1258
100-73-9	Amended	V. 27, p. 315

AGENCY 102: BEHAVIORAL SCIENCES REGULATORY BOARD

Reg. No.	Action	Register
102-1-7	Revoked	V. 26, p. 881
102-1-12	Amended	V. 27, p. 407
102-1-13	Amended	V. 26, p. 1774
102-2-3	Amended	V. 26, p. 1775
102-2-10	Revoked	V. 26, p. 881
102-3-2	Amended	V. 26, p. 1775
102-3-8a	Revoked	V. 26, p. 881
102-4-2	Amended	V. 26, p. 1775
102-4-8a	Revoked	V. 26, p. 881
102-5-2	Amended	V. 26, p. 1776
102-5-8	Revoked	V. 26, p. 881
102-6-8	Amended	V. 26, p. 881

AGENCY 105: BOARD OF INDIGENTS' DEFENSE SERVICES

Reg. No.	Action	Register
105-11-1	Amended	V. 26, p. 1752

AGENCY 110: DEPARTMENT OF COMMERCE

Reg. No.	Action	Register
110-13-10	Amended	V. 26, p. 1752
110-15-1 through 110-15-4	New	V. 26, p. 1864
110-16-1 through 110-16-4	New	V. 26, p. 1865, 1866
110-17-1 through 110-17-4	New	V. 26, p. 1866, 1867
110-18-1 through 110-18-4	New	V. 26, p. 1867, 1868

AGENCY 111: KANSAS LOTTERY

A complete index listing all regulations filed by the Kansas Lottery from 1988 through 2000 can be found in the Vol. 19, No. 52, December 28, 2000 Kansas Register. A list of regulations filed by the Kansas Lottery from 2001 through 2003 can be found in the Vol. 22, No. 52, December 25, 2003

Kansas Register. A list of regulations filed by the Kansas Lottery from 2004 through 2005 can be found in the Vol. 24, No. 52, December 29, 2005 Kansas Register. A list of regulations filed by the Kansas Lottery from 2006 through 2007 can be found in the Vol. 26, No. 52, December 27, 2007 Kansas Register. The following regulations were filed after January 1, 2008:

Reg. No.	Action	Register
111-4-2645 through 111-4-2656	New	V. 27, p. 436-442
111-5-127	Amended	V. 27, p. 442
111-5-128	Amended	V. 27, p. 443
111-5-132	Amended	V. 27, p. 443

AGENCY 112: RACING AND GAMING COMMISSION

Reg. No.	Action	Register
112-4-9a	Amended	V. 27, p. 19
112-4-14a	Amended	V. 27, p. 19
112-5-1	Amended	V. 27, p. 19
112-6-1	Amended	V. 27, p. 20
112-7-6	Amended	V. 27, p. 20
112-7-8	Amended	V. 27, p. 21
112-7-15a	Amended	V. 27, p. 21
112-7-16	Amended	V. 27, p. 22
112-7-18a	Amended	V. 27, p. 22
112-7-20	Amended	V. 27, p. 23
112-8-9	Amended	V. 27, p. 23
112-10-12	Amended	V. 27, p. 23
112-10-32	Amended	V. 27, p. 23
112-11-10	Amended	V. 27, p. 24
112-11-20	Amended	V. 27, p. 24
112-18-1	Amended	V. 27, p. 26

AGENCY 115: DEPARTMENT OF WILDLIFE AND PARKS

Reg. No.	Action	Register
115-2-1	Amended	V. 26, p. 1722
115-2-3a	Amended	V. 27, p. 570
115-4-4	Amended	V. 27, p. 403
115-4-4a	Amended	V. 27, p. 403
115-4-6	Amended	V. 27, p. 109
115-4-6a	Revoked	V. 27, p. 112
115-4-13	Amended	V. 27, p. 404
115-4-14	Revoked	V. 27, p. 112
115-7-1	Amended	V. 26, p. 1725
115-7-8	Amended	V. 27, p. 405
115-7-9	Amended	V. 27, p. 406
115-8-1	Amended	V. 27, p. 572
115-8-7	Amended	V. 26, p. 1364
115-8-13	Amended	V. 27, p. 112
115-9-9	Amended	V. 26, p. 641
115-18-7	Amended	V. 27, p. 406
115-18-10	Amended	V. 26, p. 1727
115-18-12	Amended	V. 26, p. 1728
115-18-20	Amended	V. 26, p. 1728
115-30-1	Amended	V. 26, p. 1364
115-30-5	Amended	V. 26, p. 1365
115-30-7	Amended	V. 26, p. 1365
115-30-8	Amended	V. 26, p. 1365

115-30-10	Amended	V. 26, p. 1366
115-30-12	New	V. 26, p. 1366

AGENCY 117: REAL ESTATE APPRAISAL BOARD

Reg. No.	Action	Register
117-1-1	Amended	V. 26, p. 1259
117-2-1	Amended	V. 26, p. 1259
117-2-2	Amended	V. 26, p. 1260
117-2-2a	Amended	V. 27, p. 16
117-2-3	Amended	V. 26, p. 1261
117-2-4	Amended	V. 26, p. 1261
117-3-1	Amended	V. 26, p. 1262
117-3-2	Amended	V. 26, p. 1265
117-3-2a	Amended	V. 27, p. 17
117-3-4	Amended	V. 26, p. 1264
117-4-1	Amended	V. 26, p. 1264
117-4-2	Amended	V. 26, p. 1265
117-4-2a	Amended	V. 27, p. 17
117-4-3	Amended	V. 26, p. 1266
117-4-4	Amended	V. 26, p. 1266
117-5-2a	Amended	V. 27, p. 18
117-6-1	Amended	V. 27, p. 357
117-6-2	Amended	V. 26, p. 1267
117-7-1	Amended	V. 27, p. 18
117-8-1	Amended	V. 27, p. 19

AGENCY 118: STATE HISTORICAL SOCIETY

Reg. No.	Action	Register
118-4-4	Amended	V. 26, p. 46

AGENCY 121: DEPARTMENT OF CREDIT UNIONS

Reg. No.	Action	Register
121-2-1	Amended	V. 26, p. 1908
121-3-1	Amended	V. 26, p. 1908
121-5-4	New	V. 26, p. 1909
121-9-1	New	V. 26, p. 1910

AGENCY 128: DEPARTMENT OF COMMERCE—KANSAS ATHLETIC COMMISSION

Reg. No.	Action	Register
128-1-1	New (T)	V. 27, p. 106
128-1-1	New	V. 27, p. 358
128-2-1	New	V. 27, p. 360
128-2-3 through 128-2-13	New	V. 27, p. 360-362
128-2-12	New (T)	V. 27, p. 107
128-3-1	New	V. 27, p. 362
128-4-1 through 128-4-9	New	V. 27, p. 363-367
128-4a-1	New	V. 27, p. 367
128-5-1	New	V. 27, p. 367
128-5-2	New	V. 27, p. 368
128-6-1	New	V. 27, p. 368
128-6-2	New	V. 27, p. 371
128-6-4	New	V. 27, p. 374

AGENCY 129: KANSAS HEALTH POLICY AUTHORITY

Reg. No.	Action	Register
129-5-1	Amended	V. 27, p. 628
129-5-65	New	V. 26, p. 1091

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