

# Journal of the Senate

FIFTY-SIXTH DAY

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SENATE CHAMBER, TOPEKA, KANSAS  
Friday, April 2, 2004—10:00 a.m.

The Senate was called to order by President Dave Kerr.  
The roll was called with forty senators present.  
Invocation by Chaplain Fred S. Hollomon:

Heavenly Father,

Each of us has a gift  
With which we can excel  
Not just as legislators  
But spiritually as well.

It may be so impressive  
People can't believe  
How we are so successful  
In all that we achieve.

Or the gift could be so simple  
We do not have a clue  
We really think that anyone  
Can do the things we do.

So we are very grateful, Lord,  
For the gifts with which we're blessed  
Which help us as we strive  
To give back to You our best.

Do not let us waste our gift  
On things which bring us shame  
And miss the joy that we can have  
To bring honor to Your Name.

I thank You in the Name of Christ,

AMEN.

## PRESENTATION OF PETITIONS

The following petitions were presented, read and filed:

**SP 16**, by Senator Lana Oleen: A petition urging the Kansas Legislature to provide full funding for mandated programs and salary increases and to find a funding formula that can preserve the quality education for which Kansas has been known, signed by Cheryl G. Strecker and 152 others from Manhattan, Kansas Area.

**SP 17**, by Senator Lana Oleen: A petition urging the Kansas Legislature to provide full funding for mandated programs and salary increases and to find a funding formula that can preserve the quality education for which Kansas has been known, signed by Ken Redeker and 129 others from the Olpe, St. George, Ozawkie, Louisburg and Manhattan, Kansas Area.

**SP 18**, by Senator Lana Oleen: A petition urging the Kansas Legislature to provide full funding for mandated programs and salary increases and to find a funding formula that can preserve the quality education for which Kansas has been known, signed by Jan Scruggs 150 others from the Wanego, McFarland, Clay Center, Manhattan and Westmoreland, Kansas Area.

#### CONSIDERATION OF MOTIONS AND SENATE RESOLUTIONS

Senator Journey moved to withdraw **SB 106** from the Committee on Federal and State Affairs and place the bill on the Calendar under the heading of General Orders.

**SB 106**, An act relating to the public health and welfare of all Kansans; identifying major health care issues including public health; objectives and priorities and abortion clinic issues.

On roll call, the vote was: Yeas 21, Nays 16, Present and Passing 3, Absent or Not Voting 0.

Yeas: Barnett, Barone, Brownlee, Bunten, Clark, Donovan, Gilstrap, Huelskamp, Jackson, Jordan, Journey, Lee, Lyon, Morris, O'Connor, Pugh, Salmans, Taddiken, Tyson, Umbarger, Wagle.

Nays: Adkins, Allen, Betts, Brungardt, Buhler, Corbin, Haley, Helgerson, Hensley, Kerr, Oleen, Schmidt, Schodorf, Steineger, Teichman, Vratil.

Present and Passing: Downey, Emler, Goodwin.

Having not received 24 votes the motion failed.

#### EXPLANATION OF VOTE

I vote no on the motion to withdraw **SB 106** from the Federal and State Affairs Committee and move it directly to the Senate floor. I stand in opposition for two reasons.

First, the Senate has already spoken on this issue. In 2003 I voted in favor and the full Senate approved the measure as **HB 2176**. The bill set minimum standards of care and might have reduced the risk of complications and death from abortions performed in our state. At that time, the House agreed in passage of the bill, however, a new governor chose to veto the bill. There is no point in sending the same language to the governor again.

In addition, this motion short circuits the committee process. The legislative process relies on experienced and knowledgeable committee chairmen, thorough committee discussion and public input to make good policy. By approving this motion we would deny the process that is our rule.

There is no reason to believe that by-passing the tried and true committee process to quickly move a bill to the Senate floor, and to the governor will meet with a different outcome than the issue received in the 2003 session.—Dave Kerr

#### INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senators O'Connor, Adkins, Barone, Betts, Buhler, Bunten, Corbin, Emler, Gilstrap, Jackson, Jordan, Journey, Kerr, Morris, Schmidt, Schodorf, Steineger, Taddiken, Tyson, Umbarger, Vratil and Wagle introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1845—

A RESOLUTION in support of Falun Dafa.

WHEREAS, Falun Dafa, which is also known as Falun Gong, has earned distinction as a self-improvement practice with deep roots in the culture of ancient China; and

WHEREAS, The foundation of the United States and Kansas constitutions are freedom and justice; and

WHEREAS, Falun Dafa is a peaceful and nonviolent practice with millions of people in the People's Republic of China and some 60 other countries and regions; and

WHEREAS, Falun Dafa consists of meditation and gentle exercises, emphasizing the principles of truthfulness, compassion and forbearance, which help practitioners to become healthier and better people; and

WHEREAS, Truthfulness, compassion and forbearance are consistent with a peaceful world; and

WHEREAS, Persecution of Falun Dafa violates the constitution of the People's Republic of China as well as the international covenant on civil and political rights and the universal declaration of human rights; and

WHEREAS, The number of known deaths of Falun Dafa practitioners from torture by Jiang Zemin's followers has reached 901, with hundreds of thousands tortured or being tortured in the People's Republic of China; and

WHEREAS, Dozens of United States citizens and permanent residents have been subjected to arbitrary detention, imprisonment and torture in the People's Republic of China: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That it is the sense of the Kansas Senate that:

Jiang Zemin's followers should immediately cease its persecution of Falun Dafa practitioners and other persecuted groups in the People's Republic of China; and

The People's Republic of China and its representatives in the United States should cease their harassment of Falun Dafa practitioners in the United States; and

The Kansas Senate supports Falun Dafa practitioners' right to practice their beliefs; and

*Be it further resolved:* That the Kansas Senate urges the Jiang Zemin followers to abide by the constitution of the People's Republic of China, the international covenant on civil and political rights and the universal declaration of human rights by lifting the ban on Falun Dafa and other persecuted groups; and

That the United States government should send a clear message to Jiang Zemin and his followers that the persecution of Falun Dafa and other persecuted groups is a crime against humanity.

On emergency motion of Senator O'Connor **SR 1845** was adopted unanimously.

Senator Salmans introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1846—

A RESOLUTION memorializing the Secretary of the Department of Veterans Affairs to determine that various ailments warrant a presumption of service connection because of service in the armed forces of our nation during the Persian Gulf War.

WHEREAS, Nearly 700,000 members of the United States armed forces, including 7,500 Kansans, deployed to the Persian Gulf region during 1990 and 1991 to participate in Operation Desert Shield and Operation Desert Storm to liberate Kuwait; and

WHEREAS, These Gulf War veterans have been, and continue to be, afflicted by an abnormally high rate of unexplained health problems. The Kansas Persian Gulf War Veterans Health Initiative, a project of the Kansas Commission on Veterans Affairs, completed a scientific study of 2,000 Kansas Gulf War veterans. A pattern of chronic symptoms, Gulf War illness, was identified. Thirty-four percent of Kansas Gulf War veterans report a pattern of chronic symptoms that include joint pain, respiratory problems, neuropsychologic difficulties, diarrhea, skin rashes, and fatigue. Veterans with Gulf War illness experience a pattern of multiple types of symptoms that can persist for years, problems that can be severe and disabling for some veterans; and

WHEREAS, These veterans have been afflicted with the following diseases and conditions at indicated rates higher than non-Gulf War veterans: Skin conditions, 3.83; intestinal problems, 2.13; depression, 1.99; arthritis, 1.99; migraine headaches, 2.25; bronchitis, 2.61; asthma, 2.08; heart disease, 1.56; lung diseases, 4.77; thyroid conditions, 2.32 and seizures, 4.17; and

WHEREAS, The Secretary of the Department of Veterans Affairs is authorized by Title 38, United States Code, section 1118, to presume a service connection for illnesses associated with service in the Persian Gulf during the Persian Gulf War: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That we memorialize the Secretary of the Department of Veterans Affairs to presume that the above listed diseases and conditions be incurred in or aggravated by service in the Persian Gulf during the Persian Gulf War; and

*Be it further resolved:* That the Secretary of the Senate provide an enrolled copy of this resolution to Anthony J. Principi, Secretary, Department of Veterans Affairs, 810 Vermont Avenue, N.W., Washington D.C. 20420; each member of the Kansas Legislative delegation;

Veterans Information Network, 1703 S.W. 66th Street, Topeka, KS 66619; and National Gulf War Resource Center, 800 Cameron Street, Suite 400, Silver Spring, MD 20910.

On emergency motion of Senator Salmans **SR 1846** was adopted unanimously.

Senator Hensley introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1847—

A RESOLUTION congratulating and commending the Highland Park High School boys basketball team and Coach Ken Darting for winning the boys Class 5A State Basketball Championship.

WHEREAS, The Highland Park High School boys basketball team won the 2004 Kansas State High School Activities Association Class 5A State Basketball Championship with a thrilling 53 to 46 victory over Bishop Miege High School in the state championship game at Topeka on March 13; and

WHEREAS, The Highland Park High School “Scots” basketball team finished the season with a record of 19 wins and 6 losses. To get to the championship game the Scots defeated Blue Valley in the quarter final and Kansas City Washington in the semifinal games. The team’s championship was particularly sweet in that the team lost last year in a double overtime 5A State Championship game to McPherson; and

WHEREAS, James Williams was named to the All State second team, All Class 5A first team, All Centennial League first team and All City first team; Hank Harris was named to the All Class 5A second team, All Centennial League first team and All City second team; Theron Wilson was named to the All Class 5A third team, All Centennial League honorable mention and All City second team; Joe Kingcannon was named All Centennial League honorable mention and All City honorable mention; B.J. Spann, Jr. was named All City honorable mention and Lamont Austin was named All Centennial League honorable mention, all as honored by the Topeka Capital-Journal; and

WHEREAS, In three seasons at Highland Park, Coach Ken Darting has led the Scots to three straight state tournament appearances and back-to-back state championship games and was named All State and All City Coach of the Year for 2004 by the Topeka Capital-Journal; and

WHEREAS, The members of this Championship team were Lamont Austin, Ryan Arnold, Joe Kingcannon, David Parham, Kyle Weems, Hank Harris, Jordan Bradberry, Dante Redmond, B.J. Spann, Theron Wilson, Quentin Fields, Quinton Taylor and James Williams. The head coach was Ken Darting; the assistant coaches were Jim Bauersfeld, Hank Harris, Aaron Terry and Mike Calhoun; and the team managers were Jasmine Phelps and Brandi Green; and

WHEREAS, The members of this outstanding basketball team have received statewide recognition for their fine sportsmanship and athletic abilities; and

WHEREAS, The success of this team was due to its excellent teamwork, strong competitive spirit and determination to win. The team also had the enthusiastic support of the school’s administrators, the faculty, the students, the players’ parents and many area citizens: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That the Highland Park High School boys basketball team and Coach Darting be congratulated and commended for winning the 2004 Kansas State High School Activities Association Class 5A State Basketball Championship; and

*Be it further resolved:* That the Secretary of the Senate provide 21 enrolled copies of this resolution to Dale Cushimberry, Principal, Highland Park High School, 2424 SE California Avenue, Topeka, KS 66605-1797.

On emergency motion of Senator Hensley **SR 1847** was adopted unanimously.

Senator Hensley and members of the Senate congratulated and welcomed Coach Ken Darting and team members.

Senator Clark introduced the following Senate resolution, which was read:

## SENATE RESOLUTION No. 1848—

A RESOLUTION congratulating and commending the Scott Community High School wrestling team.

WHEREAS, The Scott Community High School wrestling team was the surprise winner of the 2004 Class 4A state wrestling championship, and head coach Jon Lippelmann was named the Class 4A Coach of the Year by the Kansas Wrestling Coaches Association; and

WHEREAS, Although ranked eighth prior to the tournament, the Beavers did it as a team. They qualified 13 wrestlers for the state meet. Twelve wrestlers advanced after the first round of elimination matches and six advanced to the consolation quarter finals. Ultimately the team earned medals in seven weight classes; and

WHEREAS, Scott City medalists at the state tournament were: Lakin Dreiling (112 pounds), third; Logan Dreiling (119 pounds), fifth; Zach Conine (130 pounds), sixth; Rees McKinney (140 pounds), fourth; Brice Eisenhour (145 pounds), second; Garrett Huck (171 pounds), sixth and Wyatt Green (275 pounds), sixth. Other team members were Nick Kough, Todd Kendrick, Ben Mettlen, Tanner Stucky, Lucas Fox, Patrick Kirk and Kale Katt. Assistant coaches were Kelly Conine and Chris Wolkenstorfer. Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That we congratulate and commend the Scott Community High School wrestling team for being the 2004 Class 4A state wrestling champion and Coach Lippelmann upon being named Class 4A Coach of the Year; and

*Be it further resolved:* That the Secretary of the Senate provide 18 enrolled copies of this resolution to Mike Norstrom, Principal, Scott Community High School, 712 Main, Scott City, KS 67871.

On emergency motion of Senator Clark **SR 1848** was adopted unanimously.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **Senate Substitute for Substitute for HB 2647**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with amendments by Senate Committee of the Whole, as follows:

On page 1, in line 18, by striking “and” where it appears the second time and inserting a comma; also in line 18, after “52” by inserting “and 54”;

On page 2, after line 40, by inserting the following:

(e) “Bioscience development project” means an approved project to implement a project plan in a bioscience development district.”;

And by relettering the remaining subsections accordingly;

Also on page 2, in line 41, by striking “original”;

On page 3, in line 16, by striking “and garnering”; by striking all in lines 17 through 20; in line 21, by striking “organizations” and inserting “, achievements and ability to garner significant federal funding on an annual basis. Eminent scholars are recognized for their scientific knowledge and entrepreneurial spirit to enhance the innovative research that leads to economic gains. Eminent scholars are either members of or likely candidates for the national academy of sciences or other prominent national academic science organizations”;

after line 35, by inserting the following:

“(s) “Qualified company” means a Kansas company conducting bioscience research and development that may be granted a funding voucher.”;

And by relettering the remaining subsections accordingly;

Also on page 3, in line 37, by striking “active and”; by striking all in lines 38 through 40; in line 41, by striking all before the period and inserting “who are active and demonstrate leadership in their associated professional societies, and who attract significant federal research grant support. Rising star scholars would be likely candidates for the national academy of sciences or other prominent national academic science organizations in the future”;

On page 4, after line 4, by inserting the following:

“(w) “State universities” includes state educational institutions as defined in K.S.A. 76-711, and amendments thereto, and the municipal university as defined in K.S.A. 74-3201b, and amendments thereto.”;

And by relettering the remaining subsections accordingly;

Also on page 4, in line 42, after “nine” by inserting “voting”; also in line 42, by striking “rep-”; in line 43, by striking all before the comma;

On page 5, in line 2, by striking “Kansas univer-”; in line 3, by striking “sities” and inserting “state universities”; in line 5, after “nine” by inserting “voting”; also in line 5, by striking “representing the general public”; in line 15, after the period by inserting “Members of the first board shall be appointed by August 1, 2004.”; in line 23, by striking “general public” and inserting “voting”; in line 24, by striking all after the period; by striking all in lines 25 and 26; in line 28, by striking “member or”; by striking all in line 29; in line 30, by striking all before “shall” and inserting “voting member or members of the board, such voting member or members”;

On page 6, in line 17, by striking “number”; in line 41, by striking “seven” and inserting “six”;

On page 7, in line 13, by striking “for” and inserting “appointed by”; in line 32, by striking “state university or college” and inserting “bioscience research institutions or both”;

On page 9, in line 18, by striking “state universities or colleges” and inserting “bioscience research institutions”; in line 43, by striking “state universities” and inserting “bioscience research institutions”;

On page 10, in line 1, by striking “state univer-”; in line 2, by striking “sities” and inserting “bioscience research institutions”; in line 3, by striking “state university campuses” and inserting “bioscience research institutions”; in line 5, by striking “state universities” and inserting “bioscience research institutions”; in line 8, by striking “state universities” and inserting “bioscience research institutions”; in line 11, by striking “state universities” and inserting “bioscience research institutions”; in line 12, by striking “state university campuses” and inserting “bioscience research institutions”; in line 18, by striking “state universities” and inserting “bioscience research institutions”; in line 26, by striking all after “the”; in line 27, by striking all before “to” and inserting “bioscience research institutions”;

On page 11, in line 1, by striking “state universities or”; in line 2, by striking “bioscience companies” and inserting “bioscience research institutions or Kansas companies conducting bioscience research and development”;

On page 13, in line 7, by striking all after “(h)”; by striking all in lines 8 through 27 and inserting “In accordance with subsection (i) below, the authority shall direct and manage the commercialization of bioscience intellectual property created by eminent scholars and rising star scholars who are employed by bioscience research institutions or the authority or both. Prior to the authority providing any financial support or funding to the bioscience research institutions, the authority and the bioscience research institutions must enter into an agreement that will govern each party’s respective duties and responsibilities with respect to technology transfer and commercialization of any such bioscience intellectual property. Such agreements between the authority and the bioscience research institutions shall address the sharing of revenue from any such bioscience intellectual property, the technology transfer of such bioscience intellectual property, patent application filing and maintenance fees, assumption of risks and the terms of ownership of such bioscience intellectual property. The authority and the bioscience research institutions shall have authority to freely negotiate. If conflicts arise, all terms and provisions of such agreement shall prevail and govern over any policy of a bioscience research institution or the Kansas board of regents.”;

On page 15, in line 25, by striking “and”; in line 26, after “velopment” by inserting “and”;

On page 22, in line 12, by striking “state educational institution” and inserting “bioscience research institution”; in line 15, by striking “state”; in line 16, by striking “educational institution” and inserting “bioscience research institution”;

On page 23, in line 22, by striking “of any”; in line 23, by striking “state educational institution” and inserting “bioscience research institution”;

On page 24, in line 11, after “2003” by inserting “state”; in line 12, by striking all after “companies”; by striking all in lines 13 through 15; in line 16, by striking all before “in” where it appears the second time and inserting “, state universities and 95% of withholding of bioscience employees currently located in or operating”; in line 39, by striking all after “employed”; in line 40, by striking “act” and inserting “in the 2003 tax year or after Decem-

ber 31, 2003”; in line 41, by striking all after “research”; in line 42, by striking “act” and inserting “in the 2003 tax year or after December 31, 2003”;

On page 25, by striking all in lines 5 and 6;

And by relettering the remaining subsections accordingly;

Also on page 25, after line 38, by inserting the following:

“(q) “State universities” includes state educational institutions as defined in K.S.A. 76-711, and amendments thereto, and the municipal university as defined in K.S.A. 74-3201b, and amendments thereto.

(r) “Subsequent year taxation” means all state taxes payable by bioscience companies that commence operating in the state after December 31, 2003, and 95% of withholding associated with new bioscience employees added to bioscience companies and state universities and associated with growth of the existing bioscience employee withholding base after December 31, 2003.”;

And by relettering the remaining subsections accordingly;

On page 26, in line 12, by striking “associated”; in line 13, by striking all before the period; in line 16, after “the” by inserting “increase from the”; by striking all in lines 39 through 43;

On page 27, by striking all in lines 1 through 3; in line 4, by striking “legislature.”;

On page 28, after line 5, by inserting the following:

“New Sec. 22. On and after January 1, 2006, it shall be the duty of the department of revenue to prepare an annual report evaluating the cost effectiveness of the various income tax credits and sales tax exemptions enacted to encourage economic development within this state and submit the same to the standing committees on taxation and economic development of the house and assessment and taxation and commerce of the senate at the beginning of each regular session of the legislature.”;

On page 29, in line 28, by striking all after the comma where it appears the second time; by striking all in lines 29 and 30; in line 31, by striking all before the period and inserting “and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district”;

On page 30, in line 32, before the period by inserting “, pursuant to K.S.A. 72-6431, and amendments thereto”; in line 36, before the comma where it appears the first time by inserting “or a bioscience development project plan”;

On page 41, in line 5, after “schools” by inserting “pursuant to K.S.A. 72-6431, and amendments thereto.”;

On page 43, in line 38, by striking “original”; after line 42, by inserting the following:

“(d) “Bioscience research institutions” means all universities and colleges located in the state of Kansas conducting bioscience research.”;

And by relettering the remaining subsections accordingly;

On page 44, in line 24, by striking “Kansas universities” and inserting “bioscience research institutions”; in line 42, by striking all after “with”; in line 43, by striking “the state” and inserting “bioscience research institutions”;

On page 45, in line 12, by striking “universities in”; in line 13, by striking “the state” and inserting “bioscience research institutions”;

On page 46, in line 7, by striking “university in”; in line 8, by striking “the state” and inserting “bioscience research institution”; in line 25, by striking “state universities”; in line 26, by striking “and colleges” and inserting “bioscience research institutions”;

On page 47, in line 2, by striking “original”; after line 6, by inserting the following:

“(e) “Bioscience research institutions” means all universities and colleges located in the state of Kansas conducting bioscience research.”;

And by relettering the remaining subsections accordingly;

Also on page 47, in line 21, by striking “universities in the state” and inserting “bioscience research institutions”; in line 24, by striking all after “a” and inserting “bioscience research institution. Bioscience research institutions”; in line 32, by striking “university in the state” and inserting “bioscience research institution”; in line 36, by striking “university in the state” and inserting “bioscience research institution”;

On page 48, in line 10, by striking “universities in the state” and inserting “bioscience research institutions”; after line 23, by inserting the following:

“(9) the department of homeland security;”;

And by renumbering the remaining subsections accordingly;

Also on page 48, in line 29, by striking “university” and inserting “bioscience research institution”; in line 33, by striking “university” and inserting “bioscience research institution”; in line 35, by striking “university” and inserting “bioscience research institution”; in line 42, by striking “institutions” and inserting “bioscience research institutions”;

On page 49, in line 9, by striking “bioscience com-”; in line 10, by striking “panies” and inserting “qualified companies”; in line 11, by striking “Kansas universities” and inserting “bioscience research institutions”; in line 23, by striking “(a)”; also in line 23, after “company” by inserting “or qualified company”; in line 31, after “company” by inserting “or qualified company”; also in line 31, after “operations” by inserting “, in which the authority invested,”; in line 32, after “company” by inserting “or qualified company”; by striking all in lines 35 through 39;

On page 50, in line 2, by striking “new economy” and inserting “economic development”;

On page 51, after line 10, by inserting the following:

“New Sec. 54. The authority is exempt from the provisions of K.S.A. 12-1675 through 12-1677, 45-401 through 45-413, 75-2925 through 75-2975, 75-3701 through 75-37,119, 75-4363, 75-4701 through 75-4744, and 77-501 through 77-550 and 75-4362, and amendments thereto.

New Sec. 55. Sections 55 through 65, and amendments thereto, shall be known and may be cited as the center for entrepreneurship act.

New Sec. 56. As used in this act, unless the context clearly requires otherwise:

- (a) “Banking industry” means banks, savings and loan associations and credit unions;
- (b) “cash donation” means money or its equivalent contributed to the Kansas community entrepreneurship fund;
- (c) “center” means the Kansas center for entrepreneurship;”;
- (d) “department” means the department of commerce;
- (e) “distressed community” means an area in which 20% or more of the population of all ages for each census tract located within the area has an income below poverty level as reported in the most recently completed decennial census published by the United States bureau of the census;
- (f) “fund” means the Kansas community entrepreneurship fund;
- (g) “investor” means a person making a cash donation in the Kansas community entrepreneurship fund in an amount of \$250 or more;
- (h) “Kansas business” means any business owned by an individual, any partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Kansas or does substantially all of its production in Kansas;
- (i) “member” means a member of the board of directors;
- (j) “qualified entrepreneur” means an entrepreneur who has exhibited a financial commitment to the business and who has proven business experience or who possesses either a bachelor or master of business administration degree or who has completed course work as directed by the Kansas center for entrepreneurship that certifies the individual as a qualified entrepreneur;
- (k) “regional and community organization” means a not-for-profit organization properly organized under Kansas statutes to provide funds to start-up entrepreneurs through loans, grants or agreements with financial institutions;
- (l) “rural community” means any city having a population of fewer than 50,000 or except as otherwise provided, any unincorporated area. Unincorporated areas within any county having a population of more than 100,000 are not eligible;
- (m) “secretary” means the secretary of the department of commerce; and
- (n) “seed capital” means financing that is provided for the development, refinement and commercialization of a product, process or innovation whether for the startup of a new firm, the expansion or the restructuring of a small firm.

New Sec. 57. (a) There is hereby created a body politic and corporate to be known as the Kansas center for entrepreneurship. The secretary of commerce, after consulting with the board of directors, shall enter into a contractual agreement for the operation of the

center. The center's exercise of all the rights, powers and privileges conferred by this act and shall be deemed and held to be the performance of an essential government function.

(b) The center shall be governed by a board of 11 directors. The board of directors shall be appointed by the secretary of commerce and shall be comprised of individuals who have demonstrated entrepreneurial success, including one member from each of the following organizations:

- (1) Three at-large entrepreneurs,
- (2) An agricultural entrepreneur knowledgeable in biosciences,
- (3) banking industry,
- (4) travel/tourism industry,
- (5) enterprise facilitation,
- (6) Kansas chamber of commerce and industry,
- (7) Kansas small business development centers,
- (8) Kansas technology enterprise corporation and
- (9) national federation of independent businesses.

(c) (1) Members shall serve for a term of four years and until such members' successors are appointed, except that, of the members first appointed, three shall serve for a term of two years, three shall serve for a term of three years and two shall serve for a term of four years.

(2) In case of a vacancy by a member, a successor shall be appointed in like manner and subject to the same qualifications and conditions as the original appointment of the member creating the vacancy and shall serve the remainder of the unexpired portion of the term.

(d) The secretary of commerce shall organize and schedule the first meeting of the board, at which time the board shall choose a chairperson and may appoint committees from its members as necessary.

(e) The board of directors shall meet at least four times a year and at such other times as it deems appropriate or upon call of the chairperson or upon the written request of a majority of the members of the board.

(f) Members of the board of directors attending board meetings or committee meetings thereof authorized by the center, shall be paid amounts provided in subsection (e) of K.S.A. 75-3223, and amendments thereto.

(g) Members of the board of directors, in their dealings with enterprises that may receive financing through the corporation, shall declare any potential conflict of interest and abstain from voting prior to taking any actions relating to that transaction.

(h) The board of directors shall hold all board meetings within the state of Kansas.

(i) Members of the board of directors may serve multiple terms.

(j) A member appointed to the board of directors may be removed by the secretary for cause, stated in writing, after a hearing thereon.

(k) A majority of the total voting membership of the board shall constitute a quorum for meetings. The board may act by a majority of those at any meeting where a quorum of the board is present.

(l) Before assuming office, each person appointed as a member of the board of directors shall complete and file with the office of the secretary of state a statement containing the information required in a statement of substantial interest pursuant to K.S.A. 46-247, and amendments thereto;

(m) The board of directors shall:

(1) Consult with and make a recommendation to the secretary concerning the awarding of the contract for the Kansas center for entrepreneurship;

(2) make recommendations to the Kansas center for entrepreneurship regarding its policies and procedures;

(3) review and evaluate the Kansas center for entrepreneurship's annual report in light of this act's purpose, policy and procedures and current economic conditions, and, report its conclusions and recommendations to the secretary and the center;

(4) advise the secretary regarding any matter of impropriety involving the Kansas center for entrepreneurship of which it becomes aware; and

(5) carry out any other advisory or oversight function the secretary deems necessary to fulfill and further the purpose and intent of this act.

New Sec. 58. (a) The purpose of the Kansas center for entrepreneurship is to enhance the quality of life for citizens of this state by providing increased availability of an accessibility to capital, particularly at the seed capital investment stage, encouraging wealth creation through new jobs that increase the wage base promoting new business development and encouraging individuals to invest in the Kansas community entrepreneurship fund and to assist regional and community organizations in providing seed funding for entrepreneurs. The Kansas center for entrepreneurship shall:

(1) Create and review policies that support and grow traditional corporate, government, nonprofit and university entrepreneurs in Kansas;

(2) serve as the central portal for entrepreneurs seeking business assistance and financing options in Kansas by providing a seamless resource center clearinghouse and referral source, to include establishment of a website and a toll free telephone number;

(3) lead collaborative efforts between education, research and outreach services to serve potential entrepreneurs across the state;

(4) manage the Kansas community entrepreneurship fund and develop policies and procedures to assure that funds are distributed to qualified entrepreneurs;

(5) organize a summit to recommend policy to foster an economic climate conducive to the development of an agricultural bioscience industry;

(6) work with the board of regents and Kansas board of education to create training and coursework in entrepreneurship for dissemination to elementary, secondary and vocational-technical schools, community colleges and universities; and

(7) prepare an annual report to the governor and the legislature detailing the operational and fund activity of the center and recommending a legislative agenda that will encourage growth in entrepreneurship.

(b) The Kansas center for entrepreneurship shall have all the powers necessary to achieve its purposes including the power to make contracts and execute all instruments necessary or convenient for carrying out its business.

New Sec. 59. (a) The state shall provide an annual appropriation to fund the salaries and operating expenses of the center, as well as research and evaluation activities conducted at the request of the executive or legislative branches. Private funds shall be raised to support the economic development research and education programs and related activities.

(b) The center may use the Kansas community entrepreneurship fund, created in section 63, and amendments thereto, to carry out the purposes of this act by awarding funds to regional and community organizations that provide seed capital to qualified entrepreneurs with an emphasis on those located in distressed and rural communities, as defined in section 56, and amendments thereto. Up to 10% of the fund balance on July 1 of the year may be used for operations of the center. Awards of the remainder of the funds shall be made on a competitive basis.

(c) The Kansas center for entrepreneurship is authorized to enter into contracts with, and to receive donations, contributions and grants from individuals, corporations, private foundations and other governmental and non-governmental entities for the purpose of fulfilling its mission and duties. It may also receive in-kind contributions in the form of personnel, services, equipment or other items of value.

(d) An annual financial report shall be made to the board of directors which itemizes and accounts for the receipt and expenditure of all state and non-state funds and contributions received.

New Sec. 60. (a) All state appropriations to or grants of state appropriations to the Kansas center for entrepreneurship shall remain in the state treasury until expended or transferred to other state agencies pursuant to the Kansas center for entrepreneurship act.

(b) Except as provided in subsection (a), all moneys received by the Kansas center for entrepreneurship from gifts, donations, grants or any other source outside the state treasury shall be remitted to the state treasurer and deposited in the state treasury and credited to the Kansas community entrepreneurship fund until expended or otherwise disposed of pursuant to the Kansas center for entrepreneurship act.

New Sec. 61. (a) The Kansas center for entrepreneurship shall transmit annually to the governor, the secretary, the standing committee on commerce in the senate, the standing committee on economic development in the house of representatives, the joint committee on economic development and Kansas Inc. a report stating what tax credits have been issued during the preceding year and based on information provided by the regional or local community seed capital fund or economic development agency, describing the following: (1) the manner in which the purpose, as described in this act, has been carried out, (2) the total grants given to community seed capital funds or economic development agencies during the preceding year and cumulatively since the inception of this act, (3) the number of companies and jobs created or preserved by the grants given under this act and their location, and (4) an estimate of the multiplier effect on the Kansas economy of the grants made pursuant to this act.

(b) The center shall be subject to an audit by the legislative division of post audit.

New Sec. 62. (a) Officers and employees of the Kansas center for entrepreneurship shall not be considered state employees, as such term is defined in any other statute or regulation, and shall be paid from appropriations to the center and moneys allocated in sections 59 and 60, and amendments thereto, for salaries and operating expenses. Subject to policies established by the Kansas center for entrepreneurship, the president of the Kansas center for entrepreneurship or the president's designee shall be authorized to approve all travel and travel expenses of such officers and employees.

(b) Nothing in this act or the act of which it is amendatory shall be construed as placing any officer of the Kansas center for entrepreneurship in the classified service under the Kansas civil service act.

New Sec. 63. (a) The Kansas community entrepreneurship fund is hereby created in the state treasury to which shall be credited any state or other funds specifically so designated. The secretary may budget moneys to the Kansas community entrepreneurship fund from the economic development initiatives fund subject to appropriations. The secretary also shall credit the fund with gifts, donations, investments or grants received from any source for the center, some of which shall qualify for the income tax credit allowed pursuant to this section and amendments thereto. All expenditures from such fund shall be made upon warrants of the director of accounts and reports pursuant to vouchers approved by the president of the center or by a person or persons designated by the president of the center.

(b) The state treasurer shall credit all revenue collected or received by the center to the fund. On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas community entrepreneurship fund interest earnings based on:

(1) The average daily balance of moneys in the Kansas community entrepreneurship fund for the preceding month; and

(2) the net earnings rate of the pooled money investment portfolio for the preceding month. Expenditures from the fund shall be made only for the purposes of this act. Moneys in the fund shall not be subject to further legislative appropriation acts.

(c) Oversight and management of the fund shall be provided by the Kansas center for entrepreneurship under guidelines developed and implemented with the approval of the secretary.

(d) A credit against the tax imposed by the Article 32, Chapter 79 of the Kansas Statutes Annotated on the Kansas taxable income of an investor and against the tax imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for a cash donation in the Kansas community entrepreneurship fund. The credit shall be a total maximum amount equal to 50% of an investor's cash donation in the Kansas community entrepreneurship fund, subject to the limitation set forth. This tax credit may be used in its entirety in the taxable year in which the cash donation is made, except that, no tax credit shall be allowed in a year prior to 2006. If the amount by which that portion of the credit allowed by this section exceeds the investor's liability in any one taxable year, beginning in the year 2006, the remaining portion of the credit may be carried forward until the total amount of the credit is used. If the investor is a corporation having an election in effect under subchapter S of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed

by the shareholders of these corporations or the partners of a partnership in the same manner as these shareholders or partners account for their proportionate shares of the income or loss of these corporations or partnerships.

(e) The secretary of revenue shall not allow tax credits of more than \$50,000 that are attributable to an individual investor of cash donations in the Kansas community entrepreneurship fund each year. In no event shall the total amount of tax credits allowed under this section exceed \$2,000,000 for any one fiscal year.

(f) The Kansas center for entrepreneurship shall be reimbursed for the reasonable costs of the administration of this act and for the processing, issuance and costs incurred in authorizing tax credits from the Kansas community entrepreneurship fund.

(g) The Kansas center for entrepreneurship, along with the department, shall develop a system for application for registration of an authorization of tax credits authorized pursuant to this act and shall control distribution of all tax credits to investors pursuant to this act. The Kansas center for entrepreneurship, along with the department, shall also develop rules for the administration of and disbursements from the Kansas community entrepreneurship fund.

(h) The Kansas community entrepreneurship fund shall be distributed to regional or local community seed capital funds or economic development agencies based on the following criteria: (1) The organization can provide a 40% match; (2) the organization provides a plan that assures grant funds will be used as seed capital for qualified entrepreneurs; (3) the grant will be used in a distressed or rural community and (4) other criteria as deemed necessary by the Kansas center for entrepreneurship.

New Sec. 64. Three years from the effective date of this act, Kansas, Inc. shall conduct a review of the center for entrepreneurship and the community entrepreneurship fund to determine program and cost effectiveness. A report, including findings and recommendations, shall be submitted to the legislature by January 1, 2008.

New Sec. 65. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the are severable.

Sec. 66. K.S.A. 2003 Supp. 74-50,103 is hereby amended to read as follows: 74-50,103. As used in the IMPACT act unless the context clearly requires otherwise:

(a) "Act" means the Kansas investments in major projects and comprehensive training act.

(b) "Agreement" means the agreement among an employer, an educational institution and the secretary of commerce concerning a SKILL project or a combined SKILL project and major project investment and the agreement between an employer and the secretary of commerce concerning a major project investment.

(c) "Bond" means a public purpose bond issued for IMPACT projects by the Kansas development finance authority.

(d) "Date of commencement of the project" means the date of the agreement.

(e) "Educational institution" means a community college, as defined by K.S.A. 71-701, and amendments thereto, an area vocational school or area vocational-technical school, as defined by K.S.A. 72-4412, and amendments thereto, a university, as defined by K.S.A. 72-6501, and amendments thereto, or a state educational institution, as defined by K.S.A. 76-711, and amendments thereto, or a technical college as established by K.S.A. 72-4468, and amendments thereto.

(f) "Employee" means a person employed in a new or retained job.

(g) "Employer" means a Kansas basic enterprise providing new jobs or retaining existing jobs in conjunction with a project.

(h) "IMPACT program" or "program" means the major project investments and SKILL projects undertaken by the department of commerce in accordance with the provisions of this act for a new or expanding Kansas basic enterprise.

(i) "IMPACT project" or "project" means a SKILL project, major project investment or a combination of the two.

(j) "Kansas basic enterprise" means any enterprise:

- (1) Which is located or principally based in Kansas; and
- (2) which can provide demonstrable evidence that:

- (A) It is primarily engaged in any one or more of the Kansas basic industries; or
  - (B) it is primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or
  - (C) it is primarily engaged in the production of goods or the provision of services which will attract out-of-state buyers or consumers into the state; or
  - (D) it is primarily engaged in the production of raw materials, ingredients, or components for other enterprises which export the majority of their products from the state; or
  - (E) it is a national or regional enterprise which is primarily engaged in interstate commerce or an affiliated management company of such an enterprise; or
  - (F) it is primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the state; or
  - (G) it is the corporate or regional headquarters of a multistate enterprise which is primarily engaged in out-of-state industrial activities.
- (k) "Kansas basic industry" means:
- (1) Agriculture;
  - (2) mining;
  - (3) manufacturing;
  - (4) interstate transportation;
  - (5) wholesale trade which is primarily multistate in activity or which has a major import supplanting effect within the state;
  - (6) financial services which are provided primarily for interstate or international transactions;
  - (7) business services which are provided primarily in out-of-state markets;
  - (8) research and development of new products, processes, or technologies; or
  - (9) tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.
- (l) "Major project investment" or "investment" means financial assistance to an employer to defray business costs including, but not limited to, relocation expenses, building and equipment purchases, labor recruitment and job retention.
- (m) "New job" means a job in a new or expanding Kansas basic enterprise not including jobs of recalled workers, or existing jobs that are vacant or other jobs that formerly existed in the Kansas basic enterprise in Kansas.
- (n) "Primarily engaged" means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.
- (o) "Program costs" means all necessary and incidental costs of providing program services, except that program costs shall not include: (1) Any wages paid to persons receiving education or training under a project, (2) any costs for purchase or lease of training equipment that exceed 50% of total program costs for the project, ~~and~~ (3) any costs for administrative expenses ~~of educational institutions~~ that exceed 10% of total program costs for the project, ~~and~~ (4) *any costs for direct investments in education and related workforce development institutions, for improvements to workforce development, human capital, training expertise and infrastructure that exceed 10% of total program costs.*
- (p) "Program services" means:
- (1) New jobs training, including training development costs, except that the actual training period for any new job shall not exceed 36 months from the date the job is first filled by an employee;
  - (2) adult basic education and job-related instruction;
  - (3) vocational and skill-assessment services and testing;
  - (4) training equipment for education institutions;
  - (5) material and supplies;
  - (6) administrative expenses of educational institutions for new jobs training programs;
  - (7) subcontracted services with other educational institutions, private colleges or universities or other federal, state or local agencies; ~~and~~
  - (8) contracted or professional service;
  - (9) major project investments; *and*

(10) *direct investments in educational and related workforce development institutions, for improvements to workforce development, human capital, training expertise and infrastructure.*

(q) "Retained job" means an existing job which will be lost without participation by the employer under the provisions of the IMPACT program.

(r) "Secretary" means the secretary of commerce.

(s) "SKILL project" means a training arrangement which is the subject of an agreement entered into between the educational institution and an employer to provide program services.

Sec. 67. K.S.A. 2003 Supp. 74-50,104 is hereby amended to read as follows: 74-50,104.

(a) The secretary of commerce shall administer the provisions of this act and the IMPACT program established thereunder. The secretary of commerce shall encourage Kansas basic enterprises with similar training needs to cooperate in establishing SKILL projects. The secretary of commerce shall coordinate the SKILL program with other job training programs administered by the department of commerce. The secretary of commerce shall provide opportunities for coordination and cooperation of SKILL projects with other job training activities in Kansas. *Subject to the limitation in K.S.A. 74-50,103, the secretary shall be authorized to make direct investments in educational and related workforce development institutions, for the purpose of promoting improvements in workforce development, human capital, training expertise and infrastructure.*

(b) The secretary of commerce shall adopt rules and regulations as follows: (1) Prescribing review standards and priorities for approval of proposed agreements under this act, including appropriate incentives for cooperation among projects, in order to maximize the number of new jobs created with respect to individual Kansas basic enterprises, which will remain in Kansas, and (2) prescribing limits on program costs and on project and program size in relation to the number of new jobs created or the wages of new jobs created. No agreement shall be approved which provides for program costs of a project under the agreement of more than 90% of the amount equal to the estimated rate of withholding tax applied to the estimated amount of gross wages of all the new jobs under the project over a ten-year period.

(c) Notice of the approval of a project or program under the IMPACT act shall be provided to the chairpersons of the senate committee on commerce and the committee on economic development of the house of representatives.

(d) The secretary of commerce may adopt such other rules and regulations as may be required for the implementation and administration of this act.

Sec. 68. K.S.A. 2003 Supp. 74-50,107 is hereby amended to read as follows: 74-50,107.

(a) The secretary of commerce shall determine and from time to time shall redetermine the rate at which moneys shall be credited to the IMPACT program repayment fund in order to satisfy all bond repayment obligations which have been incurred to finance program costs for IMPACT programs (which shall be referred to as the debt service rate) and the rate at which moneys shall be credited to the IMPACT program services fund in order to finance program costs that are not financed by bonds (which shall be referred to as the direct funding rate). The total of the debt service rate and the direct funding rate shall be the combined rate. Each rate so determined shall be certified to the secretary of revenue. ~~On and after July 1, 2003;~~ The combined rate determined under this subsection shall not exceed 1.5%. ~~On and after July 1, 2005,~~ the combined rate determined under this subsection shall not exceed 2%.

(b) Upon receipt of the rates determined and certified under subsection (a), the secretary of revenue shall apply daily the combined rate to that portion of the moneys withheld from the wages of individuals and collected under the Kansas withholding and declaration of estimated tax act K.S.A. 79-3294 *et seq.*, and amendments thereto. The amount so determined shall be credited as follows: (1) The portion attributable to the debt service rate shall be credited to the IMPACT program repayment fund, and (2) the remaining portion shall be credited to the IMPACT program services fund.

~~The aggregate of all amounts credited to the IMPACT program repayment fund under this section during any fiscal year to pay bond repayment obligations on bonds to finance major project investments shall not exceed 10% of the amount which results when the rate~~

~~of 1% is applied to all money withheld from the wages of individuals and received under the Kansas withholding and declaration of estimated tax act.~~

~~On and after July 1, 2003,~~ The aggregate of all amounts credited to the IMPACT program repayment fund under this section during any fiscal year to pay bond repayment obligations on bonds to finance major project investments shall not exceed ~~10%~~ 20% of the amount which results when the rate of 1.5% is applied to all moneys withheld from the wages of individuals and received under the Kansas withholding and declaration of estimated tax act.

On and after July 1, 2005, the aggregate of all amounts credited to the IMPACT program repayment fund under this section during any fiscal year to pay bond repayment obligations on bonds to finance major project investments shall not exceed ~~10%~~ 20% of the amount which results when the rate of 2% is applied to all money withheld from the wages of individuals and received under the Kansas withholding and declaration of estimated tax act.

Sec. 69. K.S.A. 2003 Supp. 74-50,108 is hereby amended to read as follows: 74-50,108. There is hereby created in the state treasury the IMPACT program services fund. The secretary ~~of commerce~~ shall administer the IMPACT program services fund. All moneys credited to the ~~SKLE~~ IMPACT program services fund shall be for all or part of the program costs of projects or major project investments approved by the secretary ~~of commerce~~ under this act, except that moneys in the IMPACT program services fund which are not required to pay program costs or major projects investments may be transferred to the state general fund in accordance with provisions of appropriation acts. All expenditures from the IMPACT program services fund shall be for the purposes of paying program costs and shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary ~~of commerce~~ or the secretary's designee. The secretary ~~of commerce~~ shall remit all moneys received under this act, including the proceeds of bonds issued by the Kansas development finance authority for the purposes of this act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the IMPACT program services fund.

New Sec. 70. (a) As used in this act: (1) "Contributions" means and includes the donation of cash, services or property other than used clothing in an amount or value of \$250 or more. Contributions shall be valued as follows:

(A) Stocks and bonds contributed shall be valued at the stock market price on the date of transfer;

(B) personal property items contributed shall be valued at the lesser of the item's fair market value or cost to the donor and may be inclusive of costs incurred in making the contribution. Such value shall not include sales tax;

(C) contributions of real estate are allowable for credit only when title of such real estate is in fee simple absolute and is clear of any encumbrances; and

(D) the amount of credit allowable shall be based upon the lesser of two current independent appraisals conducted by state licensed appraisers;

(2) "region" means multi-county areas as defined by the secretary of commerce;

(3) "regional foundation" means any organization in Kansas that demonstrates capacity to provide economic development services to regions as defined by this act, and: (A) Has obtained a ruling from the internal revenue service of the United States department of treasury that such organization is exempt from income taxation under the provisions of section 501(c)(3) or 501(c)(6) of the federal internal revenue code;

(B) has been designated as a certified development company by the United States small business administration;

(C) has been designated as an economic development district by the United States department of commerce's economic development administration;

(D) has been organized as a regional planning commission under K.S.A. 12-744 et seq., and amendments thereto, or its predecessor, K.S.A. 12-716 et seq., and amendments thereto; or

(E) is incorporated in the state of Kansas as a nonstock, nonprofit corporation;

(4) "rural community" means any city having a population of fewer than 50,000 or except as otherwise provided, any unincorporated area. Unincorporated areas within any county having a population of more than 100,000 are not eligible; and

(5) "taxpayer" means: (A) Any business entity authorized to do business in the state of Kansas which is subject to the state income tax imposed by the provisions of the Kansas income tax act;

(B) any individual subject to the state income tax imposed by the provisions of the Kansas income tax act;

(C) any national banking association, state bank, trust company or savings and loan association paying an annual tax on its net income pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated; or

(D) any insurance company paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto.

(b) For taxable years commencing after December 31, 2003, any taxpayer contributing to a regional foundation designated by the secretary of commerce, shall be allowed a credit, as provided in this act, against the tax imposed by the Kansas income tax act, the tax on net income of national banking associations, state banks, trust companies or savings and loan associations imposed under article 11 of chapter 79 of the Kansas Statutes Annotated, or the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, if the proposal of the regional foundation is approved pursuant to this act.

(c) (1) The secretary of commerce is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating proposals to designate regional foundations as defined by this act with the assistance of the secretary of revenue.

(2) The proposal shall set forth the program to be conducted, why the program is needed, the estimated amount to be invested in the program, composition of the board that shall be making investment decisions, policies stating the organization shall offer services to all counties in that region and the plans for implementing the program.

(3) The secretary of commerce shall select regional foundations pursuant to rules and regulations promulgated pursuant to subsection (c)(1) to use the sale of credits to establish regional business development funds.

(4) The total amount of credits allowed under this act shall not exceed \$2,500,000 for fiscal year 2005; \$2,500,000 for fiscal year 2006; and \$2,000,000 for fiscal year 2007. Each region as defined by this act shall receive an equal share of this allocation.

(5) Any credits not sold by such regional foundations shall be reclaimed by the secretary from such region and redistributed to other regions that sold all credits previously issued.

(6) The secretary shall annually review and approve or disapprove the proposal of each designated regional foundation for continued eligibility for tax credits. The department of commerce retains that right to reclaim credits in such cases the regional foundation closes or there is demonstrated violation of the organization's policies. Changes to the investment policies of each regional foundation are subject to approval of the secretary.

(d) (1) The amount of credit allowed pursuant to this act, shall not exceed 50% of the total amount contributed during the taxable year by the taxpayer to a regional foundation approved pursuant to this act.

(2) If the amount of the credit allowed by this act, exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

(e) The provisions of this act shall be applicable to all taxable years beginning after December 31, 2003.

Sec. 71. K.S.A. 40-2803 is hereby amended to read as follows: 40-2803. For the purpose of computing the tax imposed upon life insurance companies under the provisions of this act the term "net income" shall mean the net taxable income for the preceding calendar year of such company as determined under the provisions of section 802 of the internal revenue code of 1954, as heretofore or hereafter amended. The term "net income" shall not include dividends received from stock issued by Kansas Venture Capital, Inc. to the extent such dividends are included in the Kansas taxable income of a corporation, interest income on obligations of this state or a political subdivision thereof which is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations. The term "net income" shall include 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. *The term "net income" shall include the amount of any*

*contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to section 70, and amendments thereto.* In case the entire business of such company is not transacted within this state, the net income for the purposes of this act shall be determined by multiplying such net income by a fraction, the numerator of which shall be the premiums received from business transacted within this state and the denominator of which is the amount of premiums received by such company from all its business. Insurance companies connected through stock ownership, which operate under common control and management are hereby authorized to make a consolidated return for the purpose of determining "net income" under the provisions of this section and intercompany transactions shall not be considered or included for the purpose of such determination.

Sec. 72. K.S.A. 40-2804 is hereby amended to read as follows: 40-2804. For the purpose of computing the tax imposed under the provisions of this act the term "net income" as applied to a domestic fire and casualty insurance company shall mean the amount required to be reported as "net income" in the annual statement form required to be filed by such company with the Kansas commissioner of insurance under the provisions of K.S.A. 40-225, and amendments thereto; as applied to a domestic mutual hail insurance company the term "net income" shall mean the amount required to be reported as "net income," annual increase in reserve fund in section VII of the annual statement form required to be filed by such company with the Kansas commissioner of insurance under the provisions of K.S.A. 40-225, and amendments thereto; and as applied to a domestic county mutual fire insurance company the term "net income" shall mean the amount required to be reported as "net income," annual net gain in its combined reserve and general funds in section VII of the annual statement form required to be filed by such company with the Kansas commissioner of insurance under the provisions of K.S.A. 40-225, and amendments thereto. If any such domestic fire and casualty insurance company, domestic mutual hail insurance company, or domestic county mutual fire insurance company does business in states other than Kansas its "net income" shall be determined by the proportion of net premiums (gross premiums less cancellations) received from business written in Kansas compared to total net premiums received from all its business. Insurance companies connected through stock ownership with a common parent corporation, which operate under common control and management are hereby authorized to make a consolidated return for the purpose of determining "net income" under the provisions of this section and intercompany transactions shall not be considered or included for the purpose of such determination. If a domestic insurance company is exempt for any reason from filing an annual statement with the Kansas insurance department, its net income shall be determined in the same manner as herein provided. For the purposes of this section, the term "net income" shall not include dividends received from stock issued by Kansas Venture Capital, Inc. to the extent such dividends are included in the Kansas taxable income of a corporation, interest income on obligations of this state or a political subdivision thereof which is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations. For the purposes of this section, the term "net income" shall include 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. *For the purposes of this section, the term "net income" shall include the amount of any contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to section 70, and amendments thereto.*

Sec. 73. K.S.A. 2003 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. 2003 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. 2003 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 section 70, and amendments thereto.*

(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, 1993, the amount of income earned on contributions deposited to an individual development account under K.S.A. 79-32,117h, 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 stockholder 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, 1999, amounts not exceeding \$2,000, or \$4,000 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 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. 2003 Supp. 75-643, and amendments thereto, and the provisions of such section are hereby incorporated by reference for all purposes thereof.

(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.

New Sec. 74. (a) The purpose of the Kansas angel investor tax credit act is to facilitate the availability of equity investment in businesses in the early stages of commercial development and to assist in the creation and expansion of Kansas businesses, which are job and wealth creating enterprises, by granting tax credits against the Kansas income tax liability of investors investing in these businesses. The Kansas angel investor tax credit act shall be administered by the Kansas technology enterprise corporation with the primary goal of encouraging individuals to provide seed-capital financing for emerging, Kansas businesses engaged in the development, implementation and commercialization of innovative technologies, products and services.

(b) This act shall be known and may be cited as the Kansas angel investor tax credit act.

New Sec. 75. As used in this act:

(a) "Angel investor" and "investor" mean an accredited individual investor of high net worth, as defined in 17 C.F.R. 230.501(a) as in effect on the effective date of this act, who seeks high returns through private investments in start-up companies and may seek active involvement in business, such as consulting and mentoring the entrepreneur;

(b) "cash investment" means money or money equivalent in consideration for qualified securities;

(c) "corporation" means the Kansas technology enterprise corporation, a public instrumentality created pursuant to K.S.A.74-8101, and amendments thereto;

(d) "Kansas business" means any business owned by an individual, any partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Kansas or does substantially all of such businesses' production in Kansas;

(e) "qualified Kansas business" means the Kansas businesses that are approved and certified as qualified Kansas businesses as provided in section 4, and amendments thereto;

(f) "qualified securities" means a cash investment through any one or more forms of financial assistance as provided in this subsection that have been approved in form and substance by the Kansas technology enterprise corporation. Such forms of financial assistance are: (1) Any form of equity, such as: (A) A general or limited, partnership interest; (B) common stock; (C) preferred stock, with or without voting rights, without regard to seniority position, and whether or not convertible into common stock; or (D) any form of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(2) a debt instrument, such as a note or debenture that is secured or unsecured, subordinated to the general creditors of the debtor and requires no payments of principal, other than principal payments required to be made out of any future profits of the debtor, for at least a seven-year period after commencement of such debt instrument's term; and

(g) "secretary" means the secretary of the department of commerce.

New Sec. 76. (a) A credit against the tax imposed by article 32 of chapter 79 of the Kansas Statutes Annotated on the Kansas taxable income of an angel investor and against the tax imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for a cash investment in the qualified securities of a qualified Kansas business. The credit shall be in a total amount equal to 50% of such investors' cash investment in any qualified Kansas business, subject to the limitations set forth in subsection (b). This tax credit may be used in its entirety in the taxable year in which the cash investment is made except that no tax credit shall be allowed in a year prior to January 1, 2005. If the amount by which that portion of the credit allowed by this section exceeds the investors' liability in any one taxable year, beginning in the year 2005, the remaining portion of the credit may be carried forward until the total amount of the credit is used. If the investor is a corporation having an election in effect under subchapter S or limited liability corporation of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed by the shareholders of corporations or the partners of a partnership in the same manner as shareholders or partners account for such shareholder's or partner's proportionate shares of the income or loss of these corporations or partnership.

(b) The secretary of revenue shall not allow tax credits that are attributable to an individual investor of more than \$50,000 of cash investments in the qualified securities of a single Kansas business or for cash investments in the qualified securities of more than five Kansas businesses each year. No tax credits authorized by this act shall be allowed for any cash investments in qualified securities for any year after the year 2016. The cumulative aggregate amount of the tax credits allowed by the secretary of revenue, pursuant to this act, shall not exceed \$20,000,000. The total amount of tax credits which may be allowed under this section shall not exceed \$2,000,000 per tax year.

(c) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the internal revenue code.

(d) No investor shall claim a credit under this section for cash investments in Kansas venture capital, inc. No Kansas venture capital company shall qualify for the tax credit for an investment in a fund created by articles 81, 82, 83 or 84 of chapter 74 of the Kansas Statutes Annotated.

(e) Any investor that is not subject to taxation under the provisions of article 32, chapter 79 of the Kansas Statutes Annotated and that makes a cash investment in a qualified security of a qualified Kansas business shall be deemed to acquire an interest in the nature of a transferable credit limited to an amount equal to 50% of this cash investment. This interest may be transferred to an investor and be claimed by this investor as a credit against the investor's Kansas income tax liability beginning in the year provided in subsection (a). No person shall be entitled to a refund for the interest created under this section. Only the full credit for any one investment may be transferred and this interest may only be transferred one time. A credit acquired by transfer shall be subject to the limitations prescribed in this section. Documentation of any credit acquired by transfer shall be provided by the investor in the manner required by the director of taxation.

(f) The reasonable costs of the administration of this act, the review of applications for certification as qualified Kansas businesses and the issuance of tax credits authorized by this act shall be reimbursed through fees paid by the qualified Kansas businesses and the investors or the transferees of investors, according to a reasonable fee schedule adopted by the corporation.

New Sec. 77. (a) Before an angel investor may be entitled to receive tax credits, as authorized by this act, such investor must have made a cash investment in a qualified security of a qualified Kansas business. This business must have been approved by the corporation as a qualified Kansas business prior to the date on which the cash investment was made. To be designated as a qualified Kansas business, a business must make application to the corporation in accordance with the provisions of this section.

(b) Such application to the corporation shall be in form and substance as required by the corporation, but shall include at least the following:

(1) The name of the business and certified copies of the organizational documents of the business;

(2) a business plan, including a description of the business and the management, product, market and financial plan of business;

(3) a statement of the business innovative and proprietary technology, product or service;

(4) a statement of the potential economic impact of the enterprise, including the number, location and types of jobs expected to be created;

(5) a description of the qualified securities to be issued, the consideration to be paid for the qualified securities, the amount of any tax credits requested and the earliest year in which the tax credits may be redeemed;

(6) a statement of the amount, timing and projected use of the proceeds to be raised from the proposed sale of qualified securities; and

(7) such other information as the corporation may request, such as the names, addresses and taxpayer identification numbers of all investors who may qualify for the tax credit. Such list of investors who may qualify for the tax credits shall be amended as new qualified securities are sold or as any information on the list shall change.

(c) No business shall be designated as a qualified Kansas business unless such business meets all of the following criteria:

(1) The business must not have had annual gross revenues of more than \$5,000,000 in the most recent tax year of the business;

(2) the business must have been in operation for less than five years;

(3) the business must not be engaged primarily in any one or more of the following enterprises: (A) Any service provider set forth in K.S.A. 17-2707, and amendments thereto; (B) the business of banking, savings and loan or lending institutions, credit or finance, or financial brokerage or investments; (C) the provision of professional services, such as legal, accounting or engineering services; (D) governmental, charitable, religious or trade organizations; (E) the ownership, development, brokerage, sales or leasing of real estate; (F) insurance; (G) construction or construction management or contracting; (H) business consulting or brokerage; (I) any business engaged primarily as a passive business, having irregular or non-continuous operations, or deriving substantially all of the income of the business from passive investments that generate interest, dividends, royalties, or capital gains, or any business arrangements the effect of which is to immunize an investor from risk of loss; (J) any Kansas certified capital formation company; and (K) any activity that is in violation of the law.

(4) The business must satisfy all other requirements of this act.

(d) Notwithstanding the requirements of subsection (c), a business may be considered as a qualified Kansas business under the provisions of this act if such business falls within a standard industrial classification code.

(e) The portions of documents and other materials submitted to the corporation that contain trade secrets shall be kept confidential and shall be maintained in a secured environment by the president of the corporation. For the purposes of this act, such portions of documents and other materials means any customer lists, any formula, compound, production data or compilation of information certain individuals within a commercial concern using such portions of documents and other material means to fabricate, produce or compound an article of trade, or, any service having commercial value, which gives the user an opportunity to obtain a business advantage over competitors who do not know or use such service.

(f) A qualified Kansas business shall have the burden of proof to demonstrate to the corporation the qualifications of the business under this section and shall have the obligation to notify the corporation in a timely manner of any changes in the qualifications of the business or in the eligibility of investors to claim a tax credit for cash investment in a qualified security.

New Sec. 78. The designation of a business as a qualified Kansas business shall be made by the corporation. A business shall be so designated if the corporation determines, based upon the application submitted by the business and any additional investigation the staff of the corporation shall make, that the following criteria have been or shall be satisfied:

(1) The business has a reasonable chance of success;

(2) the ability of investors in the business to receive tax credits for cash investments in qualified securities of the business is necessary, because funding otherwise available for the business is not available on commercially reasonable terms;

(3) the business has the reasonable potential to create measurable employment within the state;

(4) the business has an innovative and proprietary technology, product and service;

(5) the existing owners of the business and other founders have made or are committed to make a substantial financial and time commitment to the business;

(6) the securities to be issued and purchased are qualified securities; and

(7) binding commitments have been made by the business to the corporation for adequate reporting of financial data, including a requirement for an annual report, or, if required by the board of directors of the corporation, an annual audit of the financial and operational records of the business, the right of access to the financial records of the business and the right of the corporation to record and publish normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets.

New Sec. 79. (a) Each qualified Kansas business for which tax credits have been issued pursuant to this act shall report to the corporation on an annual basis, the following: (1) The name, address and taxpayer identification number of each angel investor who has made cash investment in the qualified securities of a qualified Kansas business and has received tax credits for this investment during the preceding year and all other preceding years; (2) the amounts of these cash investments by each angel investor and a description of the qualified securities issued in consideration of such cash investments; (3) the name, address and taxpayer identification number of each investor to which tax credits issued pursuant to this act have been transferred by the original angel investor; and (4) any additional information as the corporation may require pursuant to this act.

(b) The corporation shall transmit annually to the governor, the secretary, the standing committee on commerce of the senate, the standing committee on economic development of the house of representatives, the joint committee on economic development, and Kansas, Inc. a report, based upon information received from each qualified Kansas business for which tax credits have been issued during the preceding year, describing the following: (1) The manner in which the purpose, as described in this act, has been carried out; (2) the total cash investments made for the purchase of qualified securities of qualified Kansas businesses during the preceding year and cumulatively since the inception of this act; (3) an estimate of jobs created and jobs preserved by cash investments made in qualified securities of qualified Kansas businesses; and (4) an estimate of the multiplier effect on the Kansas economy of the cash investments made pursuant to this act.

(c) The secretary shall provide the information specified in subsection (b) to the department of revenue on an annual basis. The secretary shall conduct an annual review of the activities undertaken pursuant to this act to ensure that tax credits issued pursuant to this act are issued in compliance with the provisions of this act or rules and regulations promulgated by the department or the corporation with respect to this act. The reasonable costs of the annual review shall be paid by the corporation according to a reasonable fee schedule adopted by the secretary.

(d) Any violation of the reporting requirements set forth in this section shall be grounds for undesignation of a qualified Kansas business under this section.

(e) If the secretary determines that a business is not in substantial compliance with the requirements of this act to maintain its designation, the secretary, by written notice, shall inform the officers of the qualified Kansas business and the business that such business will lose designation as a qualified Kansas business in 120 days from the date of mailing of the notice unless such business corrects the deficiencies and is once again in compliance with the requirements for designation.

(f) At the end of the 120-day period, if the qualified Kansas business is still not in substantial compliance, the secretary shall send a notice of loss of designation to the business, the corporation, the secretary of the department of revenue and to all known investors in the business. Loss of designation of a qualified Kansas business shall preclude the issuance of any additional tax credits with respect to this business and the corporation shall not approve the application of such business as a qualified Kansas business. Upon loss of the designation as a qualified Kansas business or if a business loses its designation as a qualified Kansas business under this act by moving its operations outside Kansas within 10 years after receiving financial assistance under this act, such business shall repay such financial assistance to the corporation, in an amount determined by the corporation. Each qualified Kansas business that loses such designation shall enter into a repayment agreement with the corporation specifying the terms of such repayment obligation.

(g) Angel investors in a qualified Kansas business shall be entitled to keep all of the tax credits claimed under this act.

(h) The department and the corporation may prepare and adopt procedures concerning the performance of the duties placed upon each respective entity by this act.

New Sec. 80. The state of Kansas shall not be held liable for any damages to any investor that makes an investment in any qualified security of a qualified Kansas business.

New Sec. 81. (a) The purpose of the Kansas downtown redevelopment act is to promote, stimulate and develop the general and economic welfare of the state of Kansas and its rural and low income communities, to encourage the rehabilitation and use of real prop-

erty located in downtown areas that have become vacant or minimally utilized and to assist in the development and redevelopment of eligible areas within cities and counties thereby promoting the general welfare of the citizens of this state, by authorizing cities and counties to apply to the department of commerce to designate downtown redevelopment areas, wherein rebate of real property tax increments collected from real property may apply to properties which have undergone approved improvements.

(b) This act shall be known and may be cited as the Kansas downtown redevelopment act.

New Sec. 82. For the purposes of this act, the following terms shall have the meanings provided herein, unless the context clearly indicates, otherwise:

(a) "Base year appraised value" means the appraised value, as determined by the county appraiser, of the real property located within the boundaries of a downtown redevelopment area for the tax year immediately preceding a twelve-month period in which an investment for improvements to the real property or trade fixtures therein, equal to or exceeding 25% of the appraised value of the real property, was made;

(b) "core commercial district" means an area of a city or unincorporated area of a county characterized by a variety of compact commercial, office, residential and public uses that make it most directly analogous to central business districts commonly identified by zoning regulations;

(c) "distressed community" means an area in which 20% or more of the population of all ages for each census tract located within the area has an income below the poverty level as reported in the most recently completed decennial census published by the U.S. bureau of the census;

(d) "downtown redevelopment area" or "redevelopment area" means an area designated by the secretary of commerce pursuant to this act for the purpose of identifying real property that is eligible to receive tax benefits as provided in section 84, and amendments thereto;

(e) "governing body" means the governing body of a city or county;

(f) "real property taxes" means all taxes levied on an ad valorem basis upon land and the improvements thereon;

(g) "secretary" means the secretary of the department of commerce; and

(h) "tax increment" means all real property taxes assessed pursuant to K.S.A. 79-1439, and amendments thereto, to the amount of the current appraised value of the property in excess of the base year appraised value of the property located within a redevelopment area or proposed redevelopment area.

New Sec. 83. (a) The governing body of a city or of an unincorporated area of a county proposing to establish a downtown redevelopment area shall make a written application to the secretary of the department of commerce for the designation of a downtown redevelopment area. Applications shall be made in a format approved by the secretary.

(b) After a review of the application and after an examination of the facts alleged, the secretary may approve the application based upon one or more of the following criteria:

(1) The city or unincorporated area of a county in which the redevelopment area is proposed has a population of less than 50,000 or the proposed redevelopment area qualifies as a distressed community;

(2) the proposed redevelopment area is located in a well-defined, core commercial district of the city or the unincorporated area of the county;

(3) if the structures located within the proposed redevelopment area have a vacancy rate that exceeds 15%; or

(4) the average appraised valuation of the properties located within the proposed redevelopment area has not increased by more than 15% in the past 10 years.

(c) In the event the secretary denies an application to designate a downtown redevelopment area, the secretary shall, within 90 days of the denial, issue a written statement of the controlling facts relied upon to the governing body of the city or of the unincorporated area of the county that requested the designation.

New Sec. 84. (a) The owner of real property located within a downtown redevelopment area may submit a written application to the governing body of the city or of the unincorporated area of the county in which the redevelopment area is located to request downtown redevelopment area tax benefits. The application for tax benefits shall be made on a form

approved by the governing body of the city or of the unincorporated area of the county or such governing body's designee, and shall be accompanied by copies of dated records that verify the applicant's investment in improvements to the real property or trade fixtures located therein.

(b) After a review of the application for redevelopment tax benefits and after an examination of the facts alleged, the governing body of the city or of the unincorporated area of the county in which the downtown redevelopment area is located shall either approve or deny the application for redevelopment tax benefits based upon the following criteria:

(1) The applicant has made, within a twelve-month period, an investment in improvements to the real property or trade fixtures located therein, the value of which is equivalent to or exceeds 25% of the appraised value of the property, as determined by the county appraiser, for the immediately preceding tax year; and

(2) the real property that is the subject of the application is in full compliance with city ordinances or county resolutions.

New Sec. 85. Real property that has been approved for downtown redevelopment tax benefits pursuant to section 84, and amendments thereto, shall be assessed and taxed for real property tax purposes pursuant to law in the same manner that such property would be assessed and taxed if it had not been approved for downtown redevelopment tax benefits. All real property taxes assessed to the base year appraised value shall be credited to the fund for the purpose of returning all or part of the property tax increment to the taxpayer in the form of a rebate of 100% each year in years one through five, 80% in year six, 60% in year seven, 40% in year eight and 20% in year nine. No rebate shall be paid on or after the tenth year. Upon payment of taxes by the taxpayer, the rebate must be made within 30 days after the next distribution date as specified in K.S.A. 12-1678a, and amendments thereto.”;

Also on page 51, by striking all in lines 11 and 12 and inserting the following:

“Sec. 86. K.S.A. 12-1771, 12-1772, 40-2803, 40-2804, 74-8224, 74-8227, 74-8228 and 74-8229 and K.S.A. 2003 Supp. 12-1770a, 74-50,103, 74-50,104, 74-50,107, 74-50,108, 74-8004, 74-8221, 74-8222, 74-8223, 74-8225, 74-8226 and 79-32,117 are hereby repealed.”;

And by renumbering the remaining section accordingly;

Also on page 1, in the title, in line 11, by striking “bioscience” and inserting “economic development”; in line 13, after the semicolon by inserting “establishing the Kansas center for entrepreneurship; providing for the membership and organization thereof; prescribing powers, duties and functions therefore; providing tax credits for donation in the Kansas community entrepreneurship fund; Kansas investments in major projects and comprehensive training act; rural business development tax credits; tax credits for investment in qualifying businesses; powers and duties of the Kansas technology enterprise corporation; establishing the Kansas downtown redevelopment act; establishing tax benefits for improvements made to real property.”; also in line 13, by striking all after “amending”; by striking all in lines 14 and 15 and inserting: “K.S.A. 12-1771, 12-1772, 40-2803 and 40-2804 and K.S.A. 2003 Supp. 12-1770a, 74-50,103, 74-50,104, 74-50,107, 74-50,108, 74-8004 and 79-32,117 and repealing the existing sections; also repealing K.S.A. 74-8224, 74-8227, 74-8228 and 74-8229 and K.S.A. 2003 Supp. 74-8221, 74-8222, 74-8223, 74-8225 and 74-8226.”;

And your committee on conference recommends the adoption of this report.

KARIN BROWNLEE  
NICK JORDAN  
JIM BARONE  
*Conferees on part of Senate*

KENNY A. WILK  
LANA GORDON  
TOM BURROUGHS  
*Conferees on part of House*

Senator Brownlee moved the Senate adopt the Conference Committee Report on **S Sub for Sub HB 2647**.

On roll call, the vote was: Yeas 38, Nays 2, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Umbarger, Vratil, Wagle.

Nays: Pugh, Tyson.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2871**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, following line 16, by inserting:

“New Section 1. (a) It shall be unlawful for the driver of any motor vehicle to use or cause to be used or operated any compression release engine braking system without such motor vehicle being equipped with a muffler in accordance with K.S.A. 8-1739, and amendments thereto.

(b) As used in this section, “compression release engine braking system” means a hydraulically operated device that converts a power producing diesel engine into a power absorbing retarding mechanism.

(c) This section shall be part of and supplemental to the uniform act regulating traffic on highways.”;

Also on page 1, in line 17, by striking “Section 1.” and inserting “Sec. 2.”;

By renumbering sections accordingly;

On page 11, after line 38, by inserting:

“Improper compression release engine braking system                      section 1                      \$60”;

In the title, in line 11, by striking all following “certain”; in line 12, by striking “trucks” and inserting “equipment on certain motor vehicles”;

And your committee on conference recommends the adoption of this report.

LESLIE D. DONOVAN

LARRY D. SALMANS

GRETA GOODWIN

*Conferees on part of Senate*

GARY K. HAYZLETT

JOHN FABER

MARGARET E. LONG

*Conferees on part of House*

Senator Donovan moved the Senate adopt the Conference Committee Report on **HB 2871**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CHANGE OF CONFERENCE

The President announced the appointment of Senator Downey as a member of the Conference Committee on **SB 304** to replace Senator Hensley.

**COMMITTEE OF THE WHOLE**

On motion of Senator Oleen, the Senate resolved itself into Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Buhler in the chair.

On motion of Senator Buhler the following report was adopted:

Recommended **HB 2748**, **HB 2902** be passed.

The committee report on **HB 2899** recommending a **S Sub for HB 2899** be adopted, and the substitute bill be passed.

**HB 2705**, **HB 2749** be amended by adoption of the committee amendments, and the bills be passed as amended.

**FINAL ACTION OF BILLS AND CONCURRENT RESOLUTIONS**

On motion of Senator Donovan an emergency was declared by a  $\frac{2}{3}$  constitutional majority, and **HB 2705**, **HB 2748**, **HB 2749**; **S Sub HB 2899**; **HB 2902** were advanced to Final Action and roll call.

**HB 2705**, An act concerning water; relating to appropriation of water; providing for a study and recommendations regarding certain matters; relating to the state water plan fund; amending K.S.A. 82a-734 and K.S.A. 2003 Supp. 82a-714 and 82a-953a and repealing the existing sections.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The bill passed, as amended.

**HB 2748**, An act concerning surplus property; transferring certain functions to the secretary of administration; amending K.S.A. 27-311, 27-314, 75-52,125, 75-6601, 75-6602, 75-6603, 75-6604, 75-6606 and 75-6608 and K.S.A. 2003 Supp. 75-6605 and repealing the existing sections; also repealing K.S.A. 75-52,118.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The bill passed.

**HB 2749**, An act concerning the state capitol and surrounding areas; relating to memorials; amending K.S.A. 75-2266 and K.S.A. 2003 Supp. 75-36,104 and 75-36,105 and repealing the existing sections.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The bill passed, as amended.

**S Sub for HB 2899**, An act concerning fees for services provided by the state treasurer's office; establishing the treasurer services reimbursement fund.

On roll call, the vote was: Yeas 28, Nays 10, Present and Passing 2, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Emler, Huelkamp, Jackson, Jordan, Journey, Kerr, Lyon, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Barone, Betts, Brownlee, Gilstrap, Haley, Helgerson, Hensley, Lee, Pugh, Steineger.

Present and Passing: Downey, Goodwin.

The bill passed.

**HB 2902.** An act concerning the Kansas torts claims act; relating to the Kansas guardianship program; amending K.S.A. 2003 Supp. 75-6102 and repealing the existing section.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The bill passed.

On motion of Senator Oleen, the Senate recessed until 1:30 p.m.

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### AFTERNOON SESSION

The Senate met pursuant to recess with President Kerr in the chair.

#### GUESTS

Dr. Gunter Willenborg, along with students touring the United States, visited the Capital today. Accompanying Dr. Willenborg were Ed Haefner, Ann Nemece, Elsie Lampe, Francis and Robert Taphorn, all family members of staff secretary, Thelma Haefner.

#### MESSAGE FROM THE HOUSE

Announcing passage of **HB 2688**.

The House adopts the conference committee report on **SB 299**.

The House adopts the conference committee report on **SB 328**.

The House adopts the conference committee report on **SB 364**.

The House adopts the conference committee report on **SB 384**.

The House adopts the conference committee report on **SB 461**.

The House not adopts the conference committee report on **SB 304**, requests a conference and appoints Representatives Decker, Beggs and Reardon as **second** conferees on the part of the House.

The House announces the appointment of Representative Thull to replace Representative Flaharty as a conferee on **SB 363**.

The House announces the appointment of Representatives O'Neal, Patterson and Pauls to replace Representatives Neufeld, Shultz and Feuerborn as conferees on **SB 552**.

The House announces the appointment of Representatives O'Neal, Tafanelli and Pauls to replace Representatives Loyd, Owens and Ward as conferees on **HB 2621**.

Announcing passage of **HB 2491, HB 2609, HB 2648, HB 2703, HB 2883**.

The House adopts the conference committee report on **Substitute HB 2143**.

The House nonconcurs in Senate amendments to **HB 2705**, requests a conference and has appointed Representatives Neufeld, Shultz and Feuerborn as conferees on the part of the House.

The House nonconcurs in Senate amendments to **HB 2749**, requests a conference and has appointed Representatives Neufeld, Shultz and Feuerborn as conferees on the part of the House.

The House nonconcurs in Senate amendments to **Senate Substitute for HB 2899**, requests a conference and has appointed Representatives Neufeld, Shultz and Feuerborn as conferees on the part of the House.

#### INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS

**HB 2491, HB 2609, HB 2648, 2688, HB 2703, HB 2883** were thereupon introduced and read by title.

**CONSIDERATION OF MOTIONS TO CONCUR OR NONCONCUR**

Senator Betts moved the Senate concur in house amendments to **SB 292**.

**SB 292**, An act concerning fire protection and prevention; authorizing payment for acquisition, installation or maintenance of fire hydrants by fire districts and townships; pertaining to the use of wood shingles and similar materials; relating to fire investigations; amending K.S.A. 31-137 and K.S.A. 2003 Supp. 12-3915, 19-3601a, 19-3612e, 19-3616, 19-3620, 80-1501, 80-1514a, 80-1904, 80-1913, 80-1917 and 80-1921 and repealing the existing sections.

On roll call, the vote was: Yeas 14, Nays 25, Present and Passing 1, Absent or Not Voting 0.

Yeas: Adkins, Betts, Brownlee, Donovan, Downey, Goodwin, Helgerson, Huelskamp, Journey, Lyon, O'Connor, Oleen, Schodorf, Wagle.

Nays: Allen, Barnett, Barone, Brungardt, Buhler, Bunten, Clark, Corbin, Emler, Gilstrap, Haley, Hensley, Jackson, Kerr, Lee, Morris, Pugh, Salmans, Schmidt, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil.

Present and Passing: Jordan.

The motion to concur failed and **SB 292** remains in conference.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 299**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee amendments, as follows:

On page 1, in line 26, after "Any" by inserting "surety or"; in line 30, before "agent" by inserting "surety or"; in line 32, before "agent" by inserting "surety or"; in line 36, before "agent" by inserting "surety or";

On page 2, by striking all in lines 8 through 11; in line 12, by striking "(d)" and inserting "(c)"; in line 15, by striking "(e)" and inserting "(d)"; in line 19, by striking "5." and inserting "2.";

And your committee on conference recommends the adoption of this report.

WARD LOYD  
THOMAS C. OWENS  
JIM WARD  
*Conferees on part of House*

JOHN VRATIL  
DEREK SCHMIDT  
GRETA GOODWIN  
*Conferees on part of Senate*

Senator Vratil moved the Senate adopt the Conference Committee Report on **SB 299**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

## EXPLANATION OF VOTE

MR. PRESIDENT: I vote aye on **SB 299**. Although **SB 299** does not provide many of the protections from unscrupulous bounty hunters I envisioned when bringing this issue to the Legislature, I believe public safety is slightly enhanced by the provision that surety companies first contact local law enforcement before heading out to 'round'em up.

This will, hopefully, provide some oversight; minimizing the lawlessness often associated with many apprehensions of absconders.—DAVID HALEY

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 328**, submits the following report:

The House recedes from all of its amendments to the bill;

And your committee on conference recommends the adoption of this report.

JOHN VRATIL  
BARBARA P. ALLEN  
GRETA GOODWIN  
*Conferees on part of Senate*

JENE VICKREY  
RALPH OSTMEYER  
ROGER TOELKES  
*Conferees on part of House*

Senator Vratil moved the Senate adopt the Conference Committee Report on **SB 328**.

On roll call, the vote was: Yeas 27, Nays 13, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Barnett, Barone, Betts, Brungardt, Buhler, Bunten, Donovan, Downey, Gilstrap, Goodwin, Haley, Helgerson, Huelskamp, Jackson, Jordan, Journey, Kerr, Lyon, Morris, O'Connor, Schmidt, Steineger, Teichman, Umbarger, Vratil, Wagle.

Nays: Allen, Brownlee, Clark, Corbin, Emler, Hensley, Lee, Oleen, Pugh, Salmans, Schodorf, Taddiken, Tyson.

The Conference Committee report was adopted.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 364**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with amendments by House Committee of the Whole, as follows:

On page 2, by striking all in lines 28 through 43;

By striking all on pages 3 through 23;

On page 24, by striking all in lines 1 through 18 and inserting:

“Section 1. K.S.A. 82a-734 is hereby amended to read as follows: 82a-734. (a) An operator will notify the chief engineer ~~of the division of water resources of the state board of agriculture~~ of the location and area extent of any existing or proposed sand and gravel pit to be excavated, expanded or operated by the operator.

(b) ~~Unless the chief engineer determines that it has a substantially adverse impact on the area groundwater supply,~~ The net evaporation of water exposed as the result of the opening or operation of sand and gravel pits shall ~~not~~ be construed to be a beneficial use or diversion of water for the purposes of the Kansas water appropriation act, K.S.A. 82a-701 *et seq.*, and amendments thereto, *if the sand and gravel pit is opened or operated in a township where the average annual potential net evaporation is greater than 18 inches per year, as determined by the chief engineer.*

(c) *If the chief engineer determines that an existing or proposed sand and gravel pit operation is a beneficial use of water, the operator shall apply to the chief engineer for a permit to appropriate water in accordance with the Kansas water appropriation act or otherwise acquire ownership or control of sufficient water rights, or by other methods pursuant to rules and regulations adopted by the chief engineer, or both, to offset net evaporation for the operation.*

(d) (1) *The period of time allowed to complete construction of diversion works pursuant to an approved application to appropriate water for the purpose of net evaporation from a sand and gravel pit operation shall be reasonable and consistent with the proposed use, but not less than five years. The chief engineer may allow extension of such period by not to exceed two five-year extensions if it can be shown that the operation requires the additional time for the operator to satisfy the operator's market demand in the area. The two five-year*

extensions may be granted at the same time, to run consecutively, if the applicant submits to the chief engineer a written development plan.

(2) The period of time allowed to perfect an approved application to appropriate water for the purpose of net evaporation from a sand and gravel pit operation shall be not less than 20 years and, for good cause shown, the chief engineer may allow one or more 10-year extensions of such period. The chief engineer shall consider the time needed until exhaustion of proven reserves, closure in accordance with the surface land reclamation and mining act, K.S.A. 49-601 et seq., and amendments thereto, and the availability of water for the proposed use, but in no case shall allow longer than 60 years for perfection.

(3) Nothing herein shall require an extension of time to construct diversion works or to perfect a water right if there is demonstrable impairment of a use under an existing water right from the same source of supply, as determined pursuant to K.S.A. 82a-711, and amendments thereto.

(e) Evaporation from sand and gravel pits, as calculated by the chief engineer, will be reported as an industrial use to the director of taxation for the purpose of assessing the water protection fee pursuant to K.S.A. ~~92a-954~~ 82a-954, and amendments thereto.

(f) This section shall be part of and supplemental to the Kansas water appropriations act.

New Sec. 2. The chief engineer of the division of water resources of the department of agriculture and the state geological survey shall study and develop recommendations regarding: (a) The use of water banking as it pertains to sand and gravel pits; (b) calculation of evapotranspiration and its effects on consumptive use from sand and gravel pits, with special emphasis on salt cedar (tamarisk); and (c) the pollution control and flood control impacts of diverting water runoff into sand and gravel pits. On or before January 20, 2006, the chief engineer and the state geological survey shall submit a report of the study and recommendations to the house standing committee on environment and the senate standing committee on natural resources.

Sec. 3. K.S.A. 82a-734 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, in line 14, by striking “wildlife;”; by striking all in lines 15 through 19; in line 20, by striking all before the second “and” and inserting “appropriation of water for beneficial use; providing for a study and recommendations regarding certain issues; amending K.S.A. 82a-734”; in line 21, by striking “sections” and inserting “section”;

And your committee on conference recommends the adoption of this report.

JOANN FREEBORN  
LEE TAFANELLI  
VAUGHN L. FLORA  
*Conferees on part of House*

ROBERT TYSON  
PHILIP B. JOURNEY  
JANIS K. LEE  
*Conferees on part of Senate*

Senator Tyson moved the Senate adopt the Conference Committee Report on **SB 364**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 384**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 17 through 43;

On page 2, by striking all in lines 1 through 26 and inserting:

“New Section 1. (a) For the purpose of financing a portion of the comprehensive transportation program, K.S.A. 68-2314a, *et seq.*, and amendments thereto, the Kansas development finance authority is hereby authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 *et seq.*, and amendments thereto, in an amount necessary to provide a deposit or deposits in a total amount not to exceed \$150,000,000 to the state highway fund plus amounts necessary to pay the costs of issuance of the bonds, including any credit enhancement, and provide any required reserves for the bonds. The principal amount, interest rates and final maturity of such revenue bonds and any bonds issued to refund such bonds or parameters for such principal amount, interest rates and final maturity shall be approved by the secretary of transportation and by a resolution of the state finance council. The bonds, and interest thereon, issued pursuant to this section shall be payable from moneys appropriated by the state for such purpose. The bonds and interest thereon, issued pursuant to this section shall be obligations only of the authority and in no event shall such bonds constitute an indebtedness or obligation of the Kansas department of transportation or an indebtedness or obligation for which the faith and credit or any assets of the Kansas department of transportation are pledged.

(b) (1) The authority may pledge the contract or contracts authorized in subsection (c), or any part thereof, for the payment or redemption of the bonds, and covenant as to the use and disposition of money available to the authority for payments of the bonds. The authority is authorized to enter into any agreements necessary or desirable to effectuate the purposes of this section.

(2) The proceeds from the sale of the bonds, other than refunding bonds, issued pursuant to this section, after payment of any costs related to the issuance of such bonds, shall be paid by the authority to the Kansas department of transportation to be applied to the payment, in full or in part, of the construction projects authorized by the comprehensive transportation program.

(3) The state hereby pledges and covenants with the holders of any bonds issued pursuant to the provisions of this section, that it will not limit or alter the rights or powers vested in the authority by this section, nor limit or alter the rights or powers of the authority, the department of administration or the Kansas department of transportation, in any manner which would jeopardize the interest of the holders or any trustee of such holders or inhibit or prevent performance or fulfillment by the authority, the department of administration or the Kansas department of transportation with respect to the terms of any agreement made with the holders of the bonds or agreements made pursuant to this section, except that the failure of the legislature to appropriate moneys for any purpose shall not be deemed a violation of this pledge and covenant. The department of administration is hereby specifically authorized to include this pledge and covenant in any agreement with the authority. The authority is hereby specifically authorized to include this pledge and covenant in any bond resolution, trust indenture or agreement for the benefit of holders of the bonds.

(4) Revenue bonds may be issued pursuant to this section without obtaining the consent of any department, division, commission, board or agency of the state, other than the approvals of the state finance council required by this section, and without any other proceedings or the occurrence of any other conditions or other things other than those proceedings, conditions or things which are specifically required by the Kansas development finance authority act.

(c) The department of administration and the authority are authorized to enter into one or more contracts to implement the payment arrangement that is provided for in this section. The contract or contracts shall provide for payment of the amounts required to be paid pursuant to this section and shall set forth the procedure for the transfer of moneys for the purpose of paying such moneys. The contract or contracts shall contain such terms and conditions including principal amount, interest rates and final maturity as shall be approved

by resolution of the state finance council and shall include, but not be limited to, terms and conditions necessary or desirable to provide for repayment of and to secure any bonds of the authority issued pursuant to this section.

(d) In addition to the bonds authorized under subsection (a), if the incremental increases in the amount of federal funds estimated to be available to fund the comprehensive transportation program projects for state fiscal years 2005 through 2009 by the congressional reauthorization of the federal highway program are less than the anticipated federal receipts, the Kansas development finance authority is authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto. Such bonds shall be in an amount necessary to provide a deposit or deposits in a total amount not to exceed the lesser of the federal shortfall or \$60,000,000 to the state highway fund. The purpose of such bonds shall be to off-set shortfalls in anticipated federal receipts. The issuance of such bonds shall be approved by resolution of the state finance council and shall be issued in accordance with the provisions of this section.

No bonds shall be issued pursuant to this subsection prior to the review and recommendation to the state finance council of such issuance by the legislative budget committee.

(e) The approvals by the state finance council required by subsection (a), (c) and (d) are hereby characterized as matters of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto. Such approvals may be given by the state finance council when the legislature is in session.

(f) Except for bonds authorized under subsection (d), no bonds shall be issued pursuant to this section prior to the review of and recommendation to the state finance council of such issuance by the standing committees on transportation of the house of representatives and the senate.

Sec. 2. K.S.A. 2003 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 5.3% ~~on and after July 1, 2002, and before July 1, 2004, 5.2% on and after July 1, 2004, and before July 1, 2005, and 5% on and after July 1, 2005, and~~. Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project upon:

(a) The gross receipts received from the sale of tangible personal property at retail within this state;

(b) (1) the gross receipts from intrastate telephone or telegraph services; (2) the gross receipts received from the sale of interstate telephone or telegraph services, which (A) originate within this state and terminate outside the state and are billed to a customer's telephone number or account in this state; or (B) originate outside this state and terminate within this state and are billed to a customer's telephone number or account in this state except that the sale of interstate telephone or telegraph service does not include: (A) Any interstate incoming or outgoing wide area telephone service or wide area transmission type service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telephone service in a specified area which is outside the state in which the station provided this service is located; (B) any interstate private communications service to the persons contracting for the receipt of that service that entitles the purchaser to exclusive or priority use of a communications channel or group of channels between exchanges; (C) any value-added nonvoice service in which computer processing applications are used to act on the form, content, code or protocol of the information to be transmitted; (D) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (E) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001; and (3) the gross receipts from the provision of services taxable under this subsection which are billed on a combined basis with nontaxable services,

shall be accounted for and the tax remitted as follows: The taxable portion of the selling price of those combined services shall include only those charges for taxable services if the selling price for the taxable services can be readily distinguishable in the retailer's books and records from the selling price for the nontaxable services. Otherwise, the gross receipts from the sale of both taxable and nontaxable services billed on a combined basis shall be deemed attributable to the taxable services included therein. Within 90 days of billing taxable services on a combined basis with nontaxable services, the retailer shall enter into a written agreement with the secretary identifying the methodology to be used in determining the taxable portion of the selling price of those combined services. The burden of proving that any receipt or charge is not taxable shall be upon the retailer. Upon request from the customer, the retailer shall disclose to the customer the selling price for the taxable services included in the selling price for the taxable and nontaxable services billed on a combined basis;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities, except that, on and after January 1, 2006, for sales of gas, electricity and heat delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises, and for agricultural use and also, for such use, all sales of propane gas, the state rate shall be 0%; and for 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, the state rate shall be 0%, but such tax shall not be levied and collected upon the gross receipts from: (1) The sale of a rural water district benefit unit; (2) a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or (3) connection or reconnection fees collected by a water supplier;

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

(f) the gross receipts from the operation of any coin-operated device dispensing or providing tangible personal property, amusement or other services except laundry services, whether automatic or manually operated;

(g) the gross receipts from the service of renting of rooms by hotels, as defined by K.S.A. 36-501 and amendments thereto, or by accommodation brokers, as defined by K.S.A. 12-1692, and amendments thereto but such tax shall not be levied and collected upon the gross receipts received from sales of such service to the federal government and any agency, officer or employee thereof in association with the performance of official government duties;

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery, equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

(i) the gross receipts from the rendering of dry cleaning, pressing, dyeing and laundry services except laundry services rendered through a coin-operated device whether automatic or manually operated;

(j) the gross receipts from the rendering of the services of washing and waxing and waxing of vehicles;

(k) the gross receipts from cable, community antennae and other subscriber radio and television services;

(l) (1) except as otherwise provided by paragraph (2), the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen for use by them in erecting structures, or building on, or otherwise improving, altering, or repairing real or personal property.

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

(m) the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, by any organization exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-201, and amendments thereto, or by any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e);

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A. 79-201, and amendments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the operation of a nonprofit zoo;

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; or (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 *et seq.*, and amendments thereto, by an immediate family member to another immediate family member. For the purposes of clause (3), immediate family member means lineal ascendants or descendants, and their spouses. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

(p) the gross receipts received for the service of installing or applying tangible personal property which when installed or applied is not being held for sale in the regular course of business, and whether or not such tangible personal property when installed or applied remains tangible personal property or becomes a part of real estate, except that no tax shall be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence or the construction, reconstruction, restoration, replacement or repair of a bridge or highway.

For the purposes of this subsection:

(1) "Original construction" shall mean the first or initial construction of a new building or facility. The term "original construction" shall include the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building or facility damaged or destroyed by fire, flood, tornado, lightning, explosion or earthquake,

but such term, except with regard to a residence, shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;

(2) "building" shall mean only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

(3) "facility" shall mean a mill, plant, refinery, oil or gas well, water well, feedlot or any conveyance, transmission or distribution line of any cooperative, nonprofit, membership corporation organized under or subject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or of any municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility; and

(4) "residence" shall mean only those enclosures within which individuals customarily live;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property;

(r) the gross receipts from fees or charges made under service or maintenance agreement contracts for services, charges for the providing of which are taxable under the provisions of subsection (p) or (q);

(s) the gross receipts received from the sale of computer software, the sale of the service of providing computer software other than prewritten computer software and the sale of the services of modifying, altering, updating or maintaining computer software, whether the computer software is installed or delivered electronically by tangible storage media physically transferred to the purchaser or by load and leave;

(t) the gross receipts received for telephone answering services, mobile telecommunication services, beeper services and other similar services. On and after August 1, 2002, the provisions of the federal mobile telecommunications sourcing act as in effect on January 1, 2002, shall be applicable to all sales of mobile telecommunication services taxable pursuant to this subsection. The secretary of revenue is hereby authorized and directed to perform any act deemed necessary to properly implement such provisions;

(u) the gross receipts received from the sale of prepaid calling service as defined in K.S.A. 2003 Supp. 79-3673, and amendments thereto; and

(v) the gross receipts received from the sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701, *et seq.*, and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1, 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701 *et seq.*, and amendments thereto, shall be exempt from taxes imposed pursuant to this section.

Sec. 3. K.S.A. 2003 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the credit of the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed \$100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds including refunds authorized under the provisions of K.S.A. 79-3635, and amendments thereto. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the

required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) (1) The state treasurer shall credit  $\frac{5}{98}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) *On July 1, 2006*, the state treasurer shall credit  ~~$\frac{1}{20}$~~   $\frac{19}{265}$  of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of ~~5%~~ 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) *On July 1, 2007*, the state treasurer shall credit  $\frac{13}{106}$  of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project or taxpayers doing business with such entity financed by a special bond project as defined in K.S.A. 12-1770a, and amendments thereto, that was determined by the secretary of commerce and housing to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a special bond project as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3710, and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment or special bond project.

Sec. 4. K.S.A. 2003 Supp. 79-3703 is hereby amended to read as follows: 79-3703. There is hereby levied and there shall be collected from every person in this state a tax or excise for the privilege of using, storing, or consuming within this state any article of tangible personal property. Such tax shall be levied and collected in an amount equal to the consideration paid by the taxpayer multiplied by the rate of 5.3% ~~on and after July 1, 2002, and before July 1, 2006, and 5% on and after July 1, 2006~~. Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax of 2% until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment project undertaken in the district have been paid in full; or (2) the final scheduled maturity of the first series of bonds issued to finance the redevelopment project. All property purchased or leased within or without this state and subsequently used, stored or consumed in this state shall be subject to the compensating tax if the same property or transaction would have been subject to the Kansas retailers' sales tax had the transaction been wholly within this state.

Sec. 5. K.S.A. 2003 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the credit of the state general fund.

(b) A revolving fund, designated as "compensating tax refund fund" not to exceed \$10,000 shall be set apart and maintained by the director from compensating tax collections and estimated tax collections and held by the state treasurer for prompt payment of all compensating tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act.

(c) (1) The state treasurer shall credit  $\frac{5}{98}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) *On July 1, 2006*, the state treasurer shall credit  ~~$\frac{1}{20}$~~   $\frac{19}{265}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of ~~5%~~ 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) *On July 1, 2007*, the state treasurer shall credit  $\frac{13}{106}$  of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce ~~and housing~~ to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

*This subsection shall not apply to a project designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto.*

Sec. 6. K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603, 79-3603c, 79-3620, 79-3620c, 79-3703, 79-3710 and 79-3710a are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, by striking all in lines 12 through 14 and inserting:  
 “AN ACT relating to the comprehensive transportation program; concerning the financing thereof; amending K.S.A. 2003 Supp. 79-3603, 79-3620, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603c, 79-3620c and 79-3710a.”;

And your committee on conference recommends the adoption of this report.

GARY HAYZLETT  
 JOHN FABER  
 MARGARET E. LONG  
*Conferees on part of House*

LESLIE D. DONOVAN  
 NICK JORDAN  
 GRETA GOODWIN  
*Conferees on part of Senate*

Senator Donovan moved the Senate adopt the Conference Committee Report on **SB 384**.

On roll call, the vote was: Yeas 35, Nays 5, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Goodwin, Haley, Helgerson, Hensley, Jackson, Jordan, Journey, Kerr, Lee, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Gilstrap, Huelskamp, Lyon, Pugh, Steineger.  
The Conference Committee report was adopted.

## EXPLANATION OF VOTE

MR. PRESIDENT: While I support **SB 384**, this bill guarantees that the state will have to raise several hundred million of dollars in taxes to pay for this program in future years.—  
HENRY HELGERSON

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 461**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 9, in line 25, by striking “compensation and”; in line 26, after “damages” by inserting “and compensation”;

On page 10, in line 15, before the semicolon by inserting “. Relocation payments shall not be required until title to the real property vests in the condemning authority”; in line 36, after the period by inserting “Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.”;

On page 11, in line 3, after the period, by inserting “Relocation payments shall not be required until title to the real property vests in the condemning authority.”; in line 24, after the period, by inserting “Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.”;

On page 1, in the title, in line 18, by striking “58-2502” and inserting “58-3502”;

And your committee on conference recommends the adoption of this report.

JENE VICKREY  
RALPH OSTMEYER  
JOE SHRIVER  
*Conferees on part of House*

JOHN VRATIL  
EDWARD W. PUGH  
GRETA GOODWIN  
*Conferees on part of Senate*

Senator Vratil moved the Senate adopt the Conference Committee Report on **SB 461**.

On roll call, the vote was: Yeas 39, Nays 0, Present and Passing 1, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Buntten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil.

Present and Passing: Wagle.

The Conference Committee report was adopted.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2201**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 31 through 43;

By striking all on pages 2 though 39;

On page 40, by striking all in lines 1 through 17 and inserting:

“Section 1. K.S.A. 2003 Supp. 60-1111 is hereby amended to read as follows: 60-1111.

(a) *Bond by contractor.* Except as provided in ~~subsection (c)~~ *this section*, whenever any public official, under the laws of the state, enters into contract in any sum exceeding ~~\$40,000~~

\$100,000 with any person or persons for the purpose of making any public improvements, or constructing any public building or making repairs on the same, such officer shall take, from the party contracted with, a bond to the state of Kansas with good and sufficient sureties in a sum not less than the sum total in the contract, conditioned that such contractor or the subcontractor of such contractor shall pay all indebtedness incurred for labor furnished, materials, equipment or supplies, used or consumed in connection with or in or about the construction of such public building or in making such public improvements.

A contract which requires a contractor or subcontractor to obtain a payment bond or any other bond shall not require that such bond be obtained from a specific surety, agent, broker or producer. A public official entering into a contract which requires a contractor or subcontractor to obtain a payment bond or any other bond shall not require that such bond be obtained from a specific surety, agent, broker or producer.

(b) *Filing and limitations.* The bond required under subsection (a) shall be filed with the clerk of the district court of the county in which such public improvement is to be made. When such bond is filed, no lien shall attach under this article, ~~and if when such bond is filed liens have already been filed, such liens.~~ *Any liens which have been filed prior to the filing of such bond shall be discharged.* Any person to whom there is due any sum for labor or material furnished, as stated in ~~the preceding section subsection (a),~~ or such person's assigns, may bring an action on such bond for the recovery of such indebtedness but no action shall be brought on such bond after six months from the completion of such public improvements or public buildings.

(c) In any case of a contract for construction, repairs or improvements for the state or a state agency under K.S.A. 75-3739 or 75-3741, and amendments thereto, a certificate of deposit payable to the state may be accepted in accordance with and subject to K.S.A. 60-1112, and amendments thereto. When such certificate of deposit is so accepted, no lien shall attach under this article, ~~and if when such certificate of deposit is so accepted, liens have already been filed, such liens.~~ *Any liens which have been filed prior to the acceptance of such certificate of deposit shall be discharged.* Any person to whom there is due any sum for labor furnished, materials, equipment or supplies used or consumed in connection with or for such contract for construction, repairs or improvements; shall make a claim therefor with the director of purchases under K.S.A. 60-1112, and amendments thereto.

Sec. 2. K.S.A. 2003 Supp. 60-1111 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, by striking all in lines 17 through 28 and inserting: “AN ACT concerning public improvements and buildings; relating to public works bonds; amending K.S.A. 2003 Supp. 60-1111 and repealing the existing section.”;

And your committee on conference recommends the adoption of this report.

BARBARA P. ALLEN  
RAY O'CONNOR  
DONALD BETTS, JR.  
*Conferees on part of Senate*

JENE VICKREY  
RALPH OSTMEYER  
ROGER E. TOELKES  
*Conferees on part of House*

Senator Allen moved the Senate adopt the Conference Committee Report on **HB 2201**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2545**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 33, by striking all in lines 35 through 43;

By striking all on pages 34 through 38;

On page 39, by striking all in lines 1 through 13;

By renumbering the remaining sections accordingly;

On page 43, by striking all in lines 25 and 26;

By renumbering the remaining section accordingly;

In the title, in line 22, by striking “; also repealing K.S.A. 2003 Supp. 40-428a”;

And your committee on conference recommends the adoption of this report.

RUTH TEICHMAN

JIM BARNETT

CHRIS STEINEGER

*Conferees on part of Senate*

PATRICIA BARBIERI-LIGHTNER

STANLEY DREHER

NILE DILLMORE

*Conferees on part of House*

Senator Teichman moved the Senate adopt the Conference Committee Report on **HB 2545**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2606**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, in line 31, after “2003” by inserting “Supp.”;

In the title, in line 10, by striking “elections” and inserting “certain electronic transactions; pertaining to electronic notarizations”; in line 11, after “2003” by inserting “Supp.”;

And your committee on conference recommends the adoption of this report.

BARBARA P. ALLEN

KAY O'CONNOR

DONALD BETTS, JR.

*Conferees on part of Senate*

DON MYERS

TED POWERS

JOSHUA SVATY

*Conferees on part of House*

Senator Allen moved the Senate adopt the Conference Committee Report on **HB 2606**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2653**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, by striking all of lines 29 through 43;

By striking all on pages 2 and 3 and inserting the following:

“Section 1. K.S.A. 21-3728 is hereby amended to read as follows: 21-3728. (a) Criminal hunting is hunting, shooting, ~~trapping~~ *fur harvesting*, pursuing any bird or animal, or fishing:

(1) Upon any land or nonnavigable body of water of another, without having first obtained permission of the owner or person in possession of such premises; or

(2) upon or from any public road, public road right-of-way or railroad right-of-way that adjoins occupied or improved premises, without having first obtained permission of the owner or person in possession of such premises.

Criminal hunting is a class C misdemeanor. Upon the first conviction thereof after the effective date of this act, and in addition to any authorized sentence imposed by the court, such court may require the forfeiture of the convicted person's hunting ~~or~~, fishing *or fur harvesting* license, or ~~both all~~, or, in any case where such person has a combination license, the court may require forfeiture of a part or all of such license and the court may order such person to refrain from hunting ~~or~~, fishing *or fur harvesting*, or ~~both all~~, for up to one year from the date of such conviction. Upon any subsequent conviction thereof, and in addition to any authorized sentence imposed by the court, such court shall require the forfeiture of the convicted person's hunting ~~or~~, fishing *or fur harvesting* license, or ~~both all~~, or, in any case where such person has a combination license, the court shall require the forfeiture of a part or all of such license and the court shall order such person to refrain from hunting ~~or~~, fishing *or fur harvesting*, or ~~both all~~, for one year from the date of such conviction. A person licensed to hunt and following or pursuing a wounded game bird or animal upon any land of another without permission of the landowner or person in lawful possession thereof shall not be deemed to be in violation of this provision while in such pursuit, *except that this provision shall not authorize a person to remain on such land if instructed to leave by the owner thereof or other authorized person.*

*The court shall notify the department of wildlife and parks of any conviction or diversion for criminal hunting.*

(b) *Intentional criminal hunting is hunting, shooting, fur harvesting, pursuing any bird or animal or fishing upon any land or nonnavigable body of water of another by a person who knows such person is not authorized or privileged to do so, and:*

(1) *Such person remains therein and continues to hunt, shoot, fur harvest, pursue any bird or animal or fish in defiance of an order not to enter or to leave such premises or property personally communicated to such person by the owner thereof or other authorized person; or*

(2) *such premises or property are posted in a manner consistent with K.S.A. 32-1013, and amendments thereto.*

*Intentional criminal hunting is a class B misdemeanor. Upon the first conviction or a diversion agreement for intentional criminal hunting after the effective date of this act, and in addition to any authorized sentence imposed by the court, the court shall require forfeiture of such person's hunting, fishing or fur harvesting license, or all, or in the case where such person has a combination license, the court shall require forfeiture of a part or all of such license for six months. Upon the second conviction of intentional criminal hunting and in addition to any authorized sentence imposed by the court, such court shall require the forfeiture of the convicted person's hunting, fishing or fur harvesting license, or all, or in*

*the case where such person has a combination license, the court shall require forfeiture of a part or all of such license for one year. Upon the third or subsequent conviction of intentional criminal hunting and in addition to any authorized sentence imposed by the court, such court shall require forfeiture of the convicted person's hunting, fishing or fur harvesting license, or all, or in the case where such person has a combination license, the court shall require forfeiture of a part or all of such license for five years.*

*The court shall notify the department of wildlife and parks of any conviction or diversion for intentional criminal hunting.*

Sec. 2. K.S.A. 32-1013 is hereby amended to read as follows: 32-1013. (a) Any landowner or person in lawful possession of any land may post such land with signs stating that hunting, trapping or fishing on such land shall be by written permission only. It is unlawful for any person to take wildlife on land which is posted as provided in this subsection, without having in the person's possession the written permission of the owner or person in lawful possession thereof.

(b) Instead of posting land as provided in subsection (a), any landowner or person in lawful possession of any land may post such land by placing identifying purple paint marks on trees or posts around the area to be posted. Each paint mark shall be a vertical line of at least eight inches in length and the bottom of the mark shall be no less than three feet nor more than five feet high. Such paint marks shall be readily visible to any person approaching the land. Land posted as provided in this subsection shall be considered to be posted by written permission only as provided in subsection (a).

(c) A person licensed to hunt or furharvest who is following or pursuing a wounded animal on land as provided in this section posted without written permission of the landowner or person in lawful possession thereof shall not be in violation of this section while in such pursuit, except that the provisions of this subsection shall not authorize a person to remain on such land if instructed to leave by the owner or person in lawful possession of the land. Any person who fails to leave such land when instructed is subject to the provisions of subsection (b) of K.S.A. ~~21-3721~~ and 21-3728, and amendments thereto.

Sec. 3. K.S.A. 21-3728 and 32-1013 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.”;

On page 1, in the title, by striking all of lines 12 through 15 and inserting the following: “AN ACT concerning criminal hunting; relating to revocation of licenses; amending K.S.A. 21-3728 and 32-1013 and repealing the existing sections.”;

And your committee on conference recommends the adoption of this report.

ROBERT TYSON  
MARK TADDIKEN  
JANIS K. LEE  
*Conferees on part of Senate*

BECKY HUTCHINS  
JUDY MORRISON  
GERALDINE FLAHARTY  
*Conferees on part of House*

Senator Tyson moved the Senate adopt the Conference Committee Report on **HB 2653**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### **CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2805**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 20, by striking all after "act"; by striking all in line 21; in line 22, by striking all preceding the period; in line 24, after "act" by inserting "or the duly elected sheriff as determined by the qualified electors at the election at which a proposition to consolidate law enforcement in such county is adopted";

And your committee on conference recommends the adoption of this report.

BARBARA P. ALLEN  
MARK TADDIKEN  
DONALD BETTS, JR.  
*Conferees on part of Senate*

JENE VICKREY  
RALPH OSTMEYER  
ROGER E. TOELKES  
*Conferees on part of House*

Senator Allen moved the Senate adopt the Conference Committee Report on **HB 2805**.

On roll call, the vote was: Yeas 37, Nays 3, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Goodwin, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Gilstrap, Haley, Journey.

The Conference Committee report was adopted.

#### REPORTS OF STANDING COMMITTEES

Committee on Assessment and Taxation begs leave to submit the following report:

The following appointments were referred to and considered by the committee and your committee recommends that the Senate approve and consent to such appointments:

By the Governor:

Board of Tax Appeals: K.S.A. 2003 Supp. 74-2433

Don R. Paxson, term expires January 15, 2008

Thomas H. Slack, term expires January 15, 2008.

#### REPORT ON ENGROSSED BILLS

**SB 256, SB 343, SB 353** reported correctly engrossed April 2, 2004.

Also: **SB 197, SB 297, SB 396, SB 422** reported correctly re-engrossed April 2, 2004.

#### REPORT ON ENROLLED BILLS

**H Sub for SB 136, SB 312, SB 373, SB 399, SB 400, SB 425, SB 426, SB 523, SB 528, SB 529, SB 534, SB 557** reported correctly enrolled, properly signed and presented to the Governor on April 2, 2004.

**SR 1834, SR 1839, SR 1841, SR 1842, SR 1843, SR 1844** reported correctly enrolled, properly signed and presented to the Secretary of the Senate on April 2, 2004.

#### ORIGINAL MOTION

On motion of Senator Umbarger, the Senate acceded to the request of the House for a conference on **SB 304**.

The President appointed Senators Umbarger, Vratil and Downey as second conferees on the part of the Senate.

#### COMMITTEE OF THE WHOLE

On motion of Senator Oleen, the Senate resolved itself into Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Buhler in the chair.

On motion of Senator Buhler the following report was adopted:

The Committee considered **S Sub for HB 2937**, as amended by adoption of the committee report recommending a substitute bill, in Committee of the Whole, April 1, 2004.

Senator Jackson moved to amend **S Sub for HB 2937** on page 1, in line 33, by striking "\$100" and inserting "\$50";

On page 3, in line 34, before the semicolon, by inserting "or the equivalent thereof";

On page 5, in line 41, by striking ".22" and inserting ".21";

On page 6, by striking all in lines 37 through 43;

By striking all on page 7;

On page 8, by striking all in lines 1 through 15;

By renumbering sections;

On page 14, in line 16, by striking all after "before"; by striking all in line 17 and inserting "July 1, 2004, 5.2% on and after July 1, 2004, and before July 1, 2005, and 5% on and after July 1, 2005,";

On page 19, by striking all in lines 28 through 43;

By striking all on pages 20 and 21;

On page 22, by striking all in lines 1 through 17 and inserting:

"New Sec. 10. (a) Sections 10 through 14, and amendments thereto, shall be known and may be cited as the school-based budget law.

(b) The purpose of this law is to require school districts to prepare a budget which provides the taxpayers of the school district with as much information as possible at a building-level within the district.

(c) The requirements imposed by the school-based budget law shall be in addition to the requirements imposed pursuant to the general budget law.

(d) This section shall be effective on and after January 1, 2005 and shall expire on December 31, 2007.

New Sec. 11. As used in the school-based budget law:

(a) "Board" means the board of education of a school district.

(b) "Budget" or "school district budget" means the budget of the school district as a whole.

(c) "Sub-budget" means a budget for each school building in a school district.

(d) "School building" means any attendance center operated and maintained by the board. Each elementary school, junior high school, middle school and high school shall be counted as a separate attendance center even if two or more such schools are located at or in the same facility.

(e) "School district" means U.S.D. No. 305, U.S.D. No. 443, U.S.D. No. 453 and U.S.D. No. 501 and two other school districts designated by the state board of education, having an enrollment of less than 300 pupils.

(f) This section shall be effective on and after January 1, 2005.

New Sec. 12. (a) Based upon recommendations by the state department of education, the director of accounts and reports shall prepare and prescribe forms for the annual budget, summary of the proposed budget of school districts and the sub-budgets for school buildings in school districts. The state department of education shall make such recommendations after considering the best practices and standards established by the government finance officers association and the association of school business officials. Subject to subsection (i), such forms shall show the information required by the general budget law, school-based budget law and any other state or federal law necessary and proper to disclose complete information as to the financial condition of school districts, and the receipts and expenditures thereof, both past and anticipated.

(b) (1) Subject to subsection (i), the school district budget form shall include an aggregate listing of the amount of expenditures for salaries, wages and any fringe benefits for the following:

(A) Administrators, listed by individual category;

(B) persons employed full-time as teachers;

(C) persons employed as teachers' aides;

(D) special education teachers;

(E) special education paraprofessionals;

(F) other certified employees who are not employed full-time as teachers, listed by individual category, including but not limited to, nurses, librarians and counselors;

(G) classified employees;

(H) substitutes and other temporary employees; and

(I) other positions designated by the state department of education.

(2) Subject to subsection (i), the school district budget form shall show the total amount of expenditures for salaries, wages and fringe benefits for persons listed in paragraph (1) of this subsection.

(3) Subject to subsection (i), the school district budget form shall show the amount of expenditures, in the aggregate for salaries, wages and fringe benefits for persons listed in paragraph (1) of this subsection from each fund of the district and from any federal funds. The form also shall show the total amount of expenditures for such salaries, wages and fringe benefits.

(4) The school district budget form shall show the number of employee positions specified in paragraph (1) of this subsection, except for substitute teachers.

(c) The school district budget form shall show as separate items estimated expenditures for district-wide purposes or programs and the estimated revenue for such expenditures, with the amount estimated to be received from each source separately stated. Items of expenditures and receipts required to be included on the budget form pursuant to this subsection shall include, but not be limited to:

(1) Central administrative costs of the district including operating and maintenance costs of the central office;

(2) adult education;

(3) adult supplementary education;

(4) parent education;

(5) driver training;

(6) food service;

(7) capital outlay;

(8) summer school;

(9) extraordinary school programs;

(10) special liability expenses;

(11) extraordinary growth facilities;

(12) contingency reserve;

(13) textbook and student materials;

(14) transportation;

(15) data processing;

(16) bond and interest;

(17) gifts and bequests;

(18) student support;

(19) instruction;

(20) instructional staff support; and

(21) student activities.

(d) Subject to subsection (i), expenditures for special education and related services shall be shown on the budget form of the district as follows:

(1) Except as provided by paragraph (2), a school district that obtains special education and related services pursuant to a cooperative agreement or an interlocal agreement shall show the expenditure as a transfer made at the district level in the central office budget;

(2) the board of directors of an interlocal and the sponsoring district of a cooperative shall show expenditures for special education and related services, using the format and coding developed by the department for a building sub-budget;

(3) a school district that provides its own special education and related services and which is not a party to an interlocal agreement or a cooperative agreement shall show expenditures on a district-wide basis using the format and coding developed by the department for a building sub-budget.

(e) Subject to subsection (i), the sub-budget form for each school building shall show the estimated amount of expenditures attributed to each school building from the:

(1) General fund;

- (2) supplemental general fund;
  - (3) bilingual education fund;
  - (4) professional development fund; and
  - (5) federal funds.
- (f) (1) Subject to subsection (i), the sub-budget form for each school building shall include an aggregate listing of the amount of expenditures for salaries, wages and fringe benefits for the following persons employed at such building:
- (A) Administrators, listed by individual category;
  - (B) persons employed full-time as teachers;
  - (C) persons employed as teachers' aides;
  - (D) special education teachers;
  - (E) special education paraprofessionals;
  - (F) other certified employees who are not employed full-time as teachers, listed by individual category, including but not limited to, nurses, librarians and counselors;
  - (G) classified employees;
  - (H) substitutes and other temporary employees; and
  - (I) other positions designated by the state department of education.
- (2) Subject to subsection (i), the sub-budget form for each school building shall show the total number of pupils, the number of special education pupils and the number of nonspecial education pupils at the building.
- (3) Subject to the subsection (i), the sub-budget form for each school building shall show the pupil to (certified) teacher ratio.
- (4) Subject to subsection (i), the sub-budget form for each school building shall show the total square footage of the building.
- (g) The summary of the proposed budget of the school district form shall include:
- (1) An overview of the proposed budget of the school district and the budgetary process;
  - (2) a summary of the changes in the proposed budget from the previous budget year;
  - (3) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;
  - (4) the total number of pupils in the district;
  - (5) the number of students by classification including, but not limited to, special education, bi-lingual, at-risk, minority and sex; and
  - (6) the internet website address for school building report cards compiled by the state department of education.
- (h) Forms required by this section shall show any other information required by the state department of education.
- (i) Each school district shall prepare its budgets and each sub-budget using the format and standard coding system of expenditures and receipts prescribed by the department pursuant to section 15, and amendments thereto.
- (j) Any transfer from the general fund of the school district for a district-wide program shall be shown as an expenditure of such program and not as an expenditure attributable to the central office.
- (k) Nothing in this section shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.
- (l) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.
- (m) All forms required by this section and tax levy forms shall be printed by the division of printing in such quantity as required by the director. The director shall deliver the forms for school districts to the clerk of the board of education of each school district.
- (n) Subject to the provisions of subsection (i), expenditures for area vocational schools shall be shown on the budget form of the district as a transfer made at the district level in the central office budget.
- (o) This section shall be effective on and after January 1, 2005.
- New Sec. 13. On or before November 1, 2007, each school district shall submit a report concerning the school-based budget law to the speaker of the house of representatives and to the president of the senate. Such report shall include a copy of the budget of the district.

New Sec. 14. School districts shall not be required to comply with the provisions of the school-based budget law unless the legislature appropriates moneys for the payment of the costs of such compliance by such districts. Such moneys shall be in addition to any state aid or moneys the state is otherwise required to provide to school districts.

New Sec. 15. (a) The state department of education shall design a budget and sub-budget format and a standard coding system to be used by school districts when preparing the budget and sub-budgets of the district as required by the school-based budget law.

(b) The forms shall be designed to show expenditures and receipts of the central office of the district using the same format and coding system as used to prepare the sub-budgets of the district.

(c) The forms shall be designed to show expenditures and receipts for operations and maintenance of each school building as a building-level expenditure in the sub-budget of such building using the same format and coding system to prepare the sub-budgets of the district.

(d) This section shall be effective on and after January 1, 2005.

Sec. 16. On and after January 1, 2005, K.S.A. 2003 Supp. 72-8247 is hereby amended to read as follows: 72-8247. (a) On or before October 1 of each year, the board of education of each school district shall provide to a newspaper of general circulation within the district a statement showing the name, position ~~and~~, salary ~~and any fringe benefits~~ of the superintendent, deputy superintendents, assistant superintendents, directors, principals and any other administrator with district-wide responsibilities of such school district.

(b) The provisions of this section shall expire on June 30, 2006.

Sec. 17. On and after January 1, 2005, K.S.A. 79-2925 is hereby amended to read as follows: 79-2925. (a) ~~This act~~ K.S.A. 79-2925 through 79-2937, ~~and amendments thereto,~~ shall be known and may be cited as the general budget law.

(b) *Except as provided by this section, the general budget law shall apply to all taxing subdivisions or municipalities of the state, except:*

(c) *The general budget law shall not apply to:*

(1) Townships in counties having the county road unit system which have an annual expenditure of less than ~~two hundred dollars,~~ \$200.

(2) Any money received by such taxing subdivision or municipality as a gift or bequest.

(3) Any revolving fund ~~set up established~~ for the operation of a municipal airport. Any city, board of park commissioners; or other agency designated and authorized to operate a municipal airport ~~is hereby authorized to set up~~ may establish a revolving fund for use as an operating fund, either out of the budget or out of the receipts from the operation of such airport, in an amount as may be reasonable and necessary as an operating fund for the efficient and business-like operation of such airport. The financial transactions of ~~said the~~ airport shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the operation of the airport after the payment of all necessary operating expenses and the establishment of the revolving fund shall be applied to reduce the tax levy for the budgeted fund under which the operation of such airport is financed;

(4) Any special recreation facilities reserve ~~set up established~~ by the board of park commissioners in any city for the repair, replacement, or addition to the recreation facilities of such city. The financial transactions of ~~said the~~ recreation facilities shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the coliseum events fund and the coliseum concessions, after the payment of all necessary expenses, and the establishment and maintenance of such special recreation facilities reserve shall be applied to reduce the tax levy for the budget fund under which the operation of such recreation facilities is financed, ~~and~~.

(5) Any special recreation facilities fund ~~set up established~~ by the board of county commissioners for the operation of a county coliseum. The financial transactions of the special recreation facilities fund shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Moneys derived from the operation of a county coliseum and deposited in the special recreation

facilities fund shall be applied to reduce the tax levy for the budget fund under which the operation of such county coliseum is financed.

~~(b) Whenever the term "fund" is used in this act it is intended to have reference to those funds which are~~

~~(d) As used in the budget law:~~

~~(1) "Fund" means any fund authorized by statute to be established. "Fund" is not intended to mean the individual budgeted items of a fund, but is intended to have reference to the total of such individual items.~~

~~(c) Whenever the term "director" is used in this act it shall mean the state director of property valuation.~~

~~(2) "Director" means the director of accounts and reports.~~

Sec. 18. On and after January 1, 2005, K.S.A. 2003 Supp. 79-2926 is hereby amended to read as follows: 79-2926. (a) Subject to the provisions of subsection (b), the director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act necessary and proper to disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated.

~~(b) (1) From and after July 1, 2004 and~~ Based upon recommendations by the state department of education, the director shall prepare and prescribe forms for the annual budget and a summary of the proposed budget of school districts. The state department of education shall make such recommendations after considering the best practices and standards established by the government finance officers association and the association of school business officials.

(2) (A) The school district budget form shall include a separate table outlining the aggregate amount of expenditures for salaries and wages for the following categories:

- (i) Certified and noncertified administrators;
- (ii) persons employed full-time as teachers;
- (iii) other certified employees who are not employed full-time as teachers;
- (iv) classified employees;
- (v) other positions designated by the state department of education; and
- (vi) substitutes and other temporary employees.

(B) The school district budget form shall show the number of full-time employee positions specified in paragraph (A) of this subsection and the average salaries or wages for such positions.

(C) The school district budget form shall show any other information recommended by the state department of education.

(3) The summary of the proposed budget form shall include:

- (A) An overview of the proposed budget of the school district and the budgetary process;
- (B) a summary of the changes in the proposed budget from the previous budget year;
- (C) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;
- (D) the internet website address for school building report cards compiled by the state department of education; and
- (E) any other information specified by the state department of education.

(4) Nothing in this subsection (b) shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.

(5) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.

(c) All such budget and tax levy forms shall be printed by the division of printing in such quantity as required by the director. ~~The director shall deliver the forms for school districts to the clerk of the board of education of each school district. Except as provided, for school districts subject to the provisions of the school-based budget law, and amendments thereto,~~ the forms for all ~~other~~ taxing subdivisions or municipalities of the state shall be delivered by the director to the county clerk of each county, who shall deliver the same to the presiding

officer of the governing body of the respective taxing subdivisions or municipalities within the county.

Sec. 19. On and after January 1, 2005, K.S.A. 79-2925 and K.S.A. 2003 Supp. 72-8247 and 79-2926 are hereby repealed.”;

And by renumbering sections accordingly;

Also on page 22, in line 19, by striking all following “72-6407,”; in line 20, by striking all before “are” and inserting “79-3603 and 79-3603c”;

In the title, in line 10, by striking “and” and inserting a comma; in line 11, following “72-6414”, by inserting “and 79-2925”; also in line 11, by striking all following “72-6407,”; in line 12, by striking all before the second “and” and inserting “72-8247, 79-2926 and 79-3603”; in line 13, by striking “ , 79-3620c”; in line 14, by striking all before the period

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 16, Nays 21, Present and Passing 3, Absent or Not Voting 0.

Yeas: Barnett, Brownlee, Bunten, Clark, Donovan, Emler, Huelskamp, Jackson, Journey, Kerr, Lyon, O’Connor, Pugh, Schmidt, Tyson, Wagle.

Nays: Adkins, Allen, Barone, Betts, Brungardt, Buhler, Downey, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Lee, Oleen, Salmans, Schodorf, Steineger, Taddiken, Teichman, Umbarger, Vratil.

Present and Passing: Corbin, Jordan, Morris.

The motion failed and the amendment was rejected.

Senator Barnett moved to amend **S Sub for HB 2937** on page 1, in line 33, by striking “\$100” and inserting “\$25”;

On page 3, in line 34, before the semicolon, by inserting “or the equivalent thereof”;

On page 5, in line 41, by striking “.22” and inserting “.21”;

On page 6, by striking all in lines 37 through 43;

By striking all on page 7;

On page 8, by striking all in lines 1 through 15;

By renumbering sections;

On page 14, in line 16, by striking all after “before”; by striking all in line 17 and inserting “July 1, 2004, 5.2% on and after July 1, 2004, and before July 1, 2005, and 5% on and after July 1, 2005.”;

On page 19, by striking all in lines 28 through 43;

By striking all on pages 20 and 21;

On page 22, by striking all in lines 1 through 17 and inserting:

“New Sec. 10. (a) Sections 10 through 14, and amendments thereto, shall be known and may be cited as the school-based budget law.

(b) The purpose of this law is to require school districts to prepare a budget which provides the taxpayers of the school district with as much information as possible at a building-level within the district.

(c) The requirements imposed by the school-based budget law shall be in addition to the requirements imposed by the general budget law.

(d) This section shall be effective on and after January 1, 2005 and shall expire on December 31, 2007.

New Sec. 11. As used in the school-based budget law:

(a) “Board” means the board of education of a school district.

(b) “Budget” or “school district budget” means the budget of the school district as a whole.

(c) “Sub-budget” means a budget for each school building in a school district.

(d) “School building” means any attendance center operated and maintained by the board. Each elementary school, junior high school, middle school and high school shall be counted as a separate attendance center even if two or more such schools are located at or in the same facility.

(e) “School district” means U.S.D. No. 305, U.S.D. No. 443, U.S.D. No. 453 and U.S.D. No. 501 and two other school districts designated by the state board of education, having an enrollment of less than 300 pupils.

(f) This section shall be effective on and after January 1, 2005.

New Sec. 12. (a) Based upon recommendations by the state department of education, the director of accounts and reports shall prepare and prescribe forms for the annual budget, summary of the proposed budget of school districts and the sub-budgets for school buildings in school districts. The state department of education shall make such recommendations after considering the best practices and standards established by the government finance officers association and the association of school business officials. Subject to subsection (i), such forms shall show the information required by the general budget law, school-based budget law and any other state or federal law necessary and proper to disclose complete information as to the financial condition of school districts, and the receipts and expenditures thereof, both past and anticipated.

(b) (1) Subject to subsection (i), the school district budget form shall include an aggregate listing of the amount of expenditures for salaries, wages and any fringe benefits for the following:

- (A) Administrators, listed by individual category;
- (B) persons employed full-time as teachers;
- (C) persons employed as teachers' aides;
- (D) special education teachers;
- (E) special education paraprofessionals;
- (F) other certified employees who are not employed full-time as teachers, listed by individual category, including but not limited to, nurses, librarians and counselors;
- (G) classified employees;
- (H) substitutes and other temporary employees; and
- (I) other positions designated by the state department of education.

(2) Subject to subsection (i), the school district budget form shall show the total amount of expenditures for salaries, wages and fringe benefits for persons listed in paragraph (1) of this subsection.

(3) Subject to subsection (i), the school district budget form shall show the amount of expenditures, in the aggregate for salaries, wages and fringe benefits for persons listed in paragraph (1) of this subsection from each fund of the district and from any federal funds. The form also shall show the total amount of expenditures for such salaries, wages and fringe benefits.

(4) The school district budget form shall show the number of employee positions specified in paragraph (1) of this subsection, except for substitute teachers.

(c) The school district budget form shall show as separate items estimated expenditures for district-wide purposes or programs and the estimated revenue for such expenditures, with the amount estimated to be received from each source separately stated. Items of expenditures and receipts required to be included on the budget form pursuant to this subsection shall include, but not be limited to:

- (1) Central administrative costs of the district including operating and maintenance costs of the central office;
- (2) adult education;
- (3) adult supplementary education;
- (4) parent education;
- (5) driver training;
- (6) food service;
- (7) capital outlay;
- (8) summer school;
- (9) extraordinary school programs;
- (10) special liability expenses;
- (11) extraordinary growth facilities;
- (12) contingency reserve;
- (13) textbook and student materials;
- (14) transportation;
- (15) data processing;
- (16) bond and interest;
- (17) gifts and bequests;
- (18) student support;

- (19) instruction;
- (20) instructional staff support; and
- (21) student activities.

(d) Subject to subsection (i), expenditures for special education and related services shall be shown on the budget form of the district as follows:

(1) Except as provided by paragraph (2), a school district that obtains special education and related services pursuant to a cooperative agreement or an interlocal agreement shall show the expenditure as a transfer made at the district level in the central office budget;

(2) the board of directors of an interlocal and the sponsoring district of a cooperative shall show expenditures for special education and related services, using the format and coding developed by the department for a building sub-budget;

(3) a school district that provides its own special education and related services and which is not a party to an interlocal agreement or a cooperative agreement shall show expenditures on a district-wide basis using the format and coding developed by the department for a building sub-budget.

(e) Subject to subsection (i), the sub-budget form for each school building shall show the estimated amount of expenditures attributed to each school building from the:

- (1) General fund;
- (2) supplemental general fund;
- (3) bilingual education fund;
- (4) professional development fund; and
- (5) federal funds.

(f) (1) Subject to subsection (i), the sub-budget form for each school building shall include an aggregate listing of the amount of expenditures for salaries, wages and fringe benefits for the following persons employed at such building:

- (A) Administrators, listed by individual category;
- (B) persons employed full-time as teachers;
- (C) persons employed as teachers' aides;
- (D) special education teachers;
- (E) special education paraprofessionals;
- (F) other certified employees who are not employed full-time as teachers, listed by individual category, including but not limited to, nurses, librarians and counselors;
- (G) classified employees;
- (H) substitutes and other temporary employees; and
- (I) other positions designated by the state department of education.

(2) Subject to subsection (i), the sub-budget form for each school building shall show the total number of pupils, the number of special education pupils and the number of nonspecial education pupils at the building.

(3) Subject to the subsection (i), the sub-budget form for each school building shall show the pupil to (certified) teacher ratio.

(4) Subject to subsection (i), the sub-budget form for each school building shall show the total square footage of the building.

(g) The summary of the proposed budget of the school district form shall include:

- (1) An overview of the proposed budget of the school district and the budgetary process;
- (2) a summary of the changes in the proposed budget from the previous budget year;
- (3) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;
- (4) the total number of pupils in the district;
- (5) the number of students by classification including, but not limited to, special education, bi-lingual, at-risk, minority and sex; and
- (6) the internet website address for school building report cards compiled by the state department of education.

(h) Forms required by this section shall show any other information required by the state department of education.

(i) Each school district shall prepare its budgets and each sub-budget using the format and standard coding system of expenditures and receipts prescribed by the department pursuant to section 15, and amendments thereto.

(j) Any transfer from the general fund of the school district for a district-wide program shall be shown as an expenditure of such program and not as an expenditure attributable to the central office.

(k) Nothing in this section shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.

(l) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.

(m) All forms required by this section and tax levy forms shall be printed by the division of printing in such quantity as required by the director. The director shall deliver the forms for school districts to the clerk of the board of education of each school district.

(n) Subject to the provisions of subsection (i), expenditures for area vocational schools shall be shown on the budget form of the district as a transfer made at the district level in the central office budget.

(o) This section shall be effective on and after January 1, 2005.

New Sec. 13. On or before November 1, 2007, each school district shall submit a report concerning the school-based budget law to the speaker of the house of representatives and to the president of the senate. Such report shall include a copy of the budget of the district.

New Sec. 14. School districts shall not be required to comply with the provisions of the school-based budget law unless the legislature appropriates moneys for the payment of the costs of such compliance by such districts. Such moneys shall be in addition to any state aid or moneys the state is otherwise required to provide to school districts.

New Sec. 15. (a) The state department of education shall design a budget and sub-budget format and a standard coding system to be used by school districts when preparing the budget and sub-budgets of the district as required by the school-based budget law.

(b) The forms shall be designed to show expenditures and receipts of the central office of the district using the same format and coding system as used to prepare the sub-budgets of the district.

(c) The forms shall be designed to show expenditures and receipts for operations and maintenance of each school building as a building-level expenditure in the sub-budget of such building using the same format and coding system to prepare the sub-budgets of the district.

(d) This section shall be effective on and after January 1, 2005.

Sec. 16. On and after January 1, 2005, K.S.A. 2003 Supp. 72-8247 is hereby amended to read as follows: 72-8247. (a) On or before October 1 of each year, the board of education of each school district shall provide to a newspaper of general circulation within the district a statement showing the name, position ~~and~~ salary ~~and any fringe benefits~~ of the superintendent, deputy superintendents, assistant superintendents, directors, principals and any other administrator with district-wide responsibilities of such school district.

(b) The provisions of this section shall expire on June 30, 2006.

Sec. 17. On and after January 1, 2005, K.S.A. 79-2925 is hereby amended to read as follows: 79-2925. (a) ~~This act~~ K.S.A. 79-2925 through 79-2937, and amendments thereto, shall be known and may be cited as the general budget law.

(b) *Except as provided by this section, the general budget law shall apply to all taxing subdivisions or municipalities of the state, except.*

(c) *The general budget law shall not apply to:*

(1) Townships in counties having the county road unit system which have an annual expenditure of less than ~~two hundred dollars~~, \$200.

(2) Any money received by such taxing subdivision or municipality as a gift or bequest.

(3) Any revolving fund ~~set up~~ established for the operation of a municipal airport. Any city, board of park commissioners, or other agency designated and authorized to operate a municipal airport ~~is hereby authorized to set up~~ may establish a revolving fund for use as an operating fund, either out of the budget or out of the receipts from the operation of such airport, in an amount as may be reasonable and necessary as an operating fund for the efficient and business-like operation of such airport. The financial transactions of ~~said~~ the airport shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the

operation of the airport after the payment of all necessary operating expenses and the establishment of the revolving fund shall be applied to reduce the tax levy for the budgeted fund under which the operation of such airport is financed;

(4) Any special recreation facilities reserve ~~set up~~ *established* by the board of park commissioners in any city for the repair, replacement, or addition to the recreation facilities of such city. The financial transactions of ~~said~~ *the* recreation facilities shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the coliseum events fund and the coliseum concessions, after the payment of all necessary expenses, and the establishment and maintenance of such special recreation facilities reserve shall be applied to reduce the tax levy for the budget fund under which the operation of such recreation facilities is financed, ~~and~~.

(5) Any special recreation facilities fund ~~set up~~ *established* by the board of county commissioners for the operation of a county coliseum. The financial transactions of the special recreation facilities fund shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Monies derived from the operation of a county coliseum and deposited in the special recreation facilities fund shall be applied to reduce the tax levy for the budget fund under which the operation of such county coliseum is financed.

~~(b) Whenever the term "fund" is used in this act it is intended to have reference to those funds which are~~

~~(d) As used in the budget law:~~

~~(1) "Fund" means any fund authorized by statute to be established. "Fund" is not intended to mean the individual budgeted items of a fund, but is intended to have reference to the total of such individual items.~~

~~(c) Whenever the term "director" is used in this act it shall mean the state director of property valuation.~~

~~(2) "Director" means the director of accounts and reports.~~

Sec. 18. On and after January 1, 2005, K.S.A. 2003 Supp. 79-2926 is hereby amended to read as follows: 79-2926. (a) Subject to the provisions of subsection (b), the director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act necessary and proper to disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated.

(b) (1) ~~From and after July 1, 2004 and~~ Based upon recommendations by the state department of education, the director shall prepare and prescribe forms for the annual budget and a summary of the proposed budget of school districts. The state department of education shall make such recommendations after considering the best practices and standards established by the government finance officers association and the association of school business officials.

(2) (A) The school district budget form shall include a separate table outlining the aggregate amount of expenditures for salaries and wages for the following categories:

- (i) Certified and noncertified administrators;
- (ii) persons employed full-time as teachers;
- (iii) other certified employees who are not employed full-time as teachers;
- (iv) classified employees;
- (v) other positions designated by the state department of education; and
- (vi) substitutes and other temporary employees.

(B) The school district budget form shall show the number of full-time employee positions specified in paragraph (A) of this subsection and the average salaries or wages for such positions.

(C) The school district budget form shall show any other information recommended by the state department of education.

(3) The summary of the proposed budget form shall include:

- (A) An overview of the proposed budget of the school district and the budgetary process;
- (B) a summary of the changes in the proposed budget from the previous budget year;

(C) a summary of the estimated expenditures to be made and revenues to be received in the ensuing budget year and the sources of such revenue;

(D) the internet website address for school building report cards compiled by the state department of education; and

(E) any other information specified by the state department of education.

(4) Nothing in this subsection (b) shall be construed as limiting the authority of school districts to develop and provide material or information in addition to that required by the state department of education.

(5) The state department of education shall provide technical advice and assistance to school districts to insure compliance with the provisions of this section.

(c) All such budget and tax levy forms shall be printed by the division of printing in such quantity as required by the director. ~~The director shall deliver the forms for school districts to the clerk of the board of education of each school district.~~ *Except as provided, for school districts subject to the provisions of the school-based budget law, and amendments thereto,* the forms for all ~~other~~ taxing subdivisions or municipalities of the state shall be delivered by the director to the county clerk of each county, who shall deliver the same to the presiding officer of the governing body of the respective taxing subdivisions or municipalities within the county.

Sec. 19. On and after January 1, 2005, K.S.A. 79-2925 and K.S.A. 2003 Supp. 72-8247 and 79-2926 are hereby repealed.”; And by renumbering sections accordingly;

Also on page 22, in line 19, by striking all following “72-6407,”; in line 20, by striking all before “are” and inserting “79-3603 and 79-3603c”;

In the title, in line 10, by striking “and” and inserting a comma; in line 11, following “72-6414”, by inserting “and 79-2925”; also in line 11, by striking all following “72-6407,”; in line 12, by striking all before the second “and” and inserting “72-8247, 79-2926 and 79-3603”; in line 13, by striking “, 79-3620c”; in line 14, by striking all before the period

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 15, Nays 25, Present and Passing 0, Absent or Not Voting 0.

Yeas: Barnett, Brownlee, Buntin, Clark, Donovan, Huelskamp, Jackson, Journey, Kerr, Lyon, O'Connor, Pugh, Schmidt, Tyson, Wagle.

Nays: Adkins, Allen, Barone, Betts, Brungardt, Buhler, Corbin, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Jordan, Lee, Morris, Oleen, Salmans, Schodorf, Steinerger, Taddiken, Teichman, Umbarger, Vratil.

The motion failed and the amendment was rejected.

The Committee recommended **S Sub for HB 2937**, be passed over and retain a place on the calendar.

#### MESSAGE FROM THE HOUSE

The House adopts the conference committee report on **House Substitute for SB 9**.

The House adopts the conference committee report on **House Substitute for SB 166**.

The House adopts the conference committee report on **SB 334**.

The House adopts the conference committee report on **Substitute SB 335**.

The House adopts the conference committee report on **SB 363**.

The House adopts the conference committee report on **SB 440**.

The House announces the appointment of Representatives Vickrey, Ostmeier and Toelkes to replace Representatives Hayzlett, Faber and M. Long as conferees on **HB 2624**.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **HOUSE Sub for SB 9**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee amendments, as follows:

On page 1, in line 15, by striking “2002” and inserting “2003”;

On page 4, in line 42, by striking “2007” and inserting “2009”; in line 43, by striking “2002” and inserting “2003”;

In the title, in line 12, by striking "2002" and inserting "2003";  
And your committee on conference recommends the adoption of this report.

WILLIAM G. MASON  
DAN WILLIAMS  
RICK REHORN  
*Conferees on part of House*

JOHN VRATIL  
LANA OLEEN  
GRETA GOODWIN  
*Conferees on part of Senate*

Senator Vratil moved the Senate adopt the Conference Committee Report on **H Sub for SB 9**.

On roll call, the vote was: Yeas 39, Nays 1, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huel-skamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Pugh.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **HOUSE Sub for SB 166**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as House Substitute for Senate Bill No. 166, as follows:

On page 13, in line 10, by striking "whichthe" and inserting "which the"; in line 24, by striking "a" and inserting "A";

On page 15, following line 21, by inserting:

"Sec. 9. K.S.A. 25-3902 is hereby amended to read as follows: 25-3902. (a) Except as provided in K.S.A. 25-312a and amendments thereto when a district convention is provided by law to be held to elect a person to be appointed to fill a vacancy in a district office, the county chairperson designated in subsection (b) or (c), within 21 days of receipt of notice that a vacancy has occurred or will occur, shall call and convene a convention of all committeemen and committeewomen of the party of the precincts in such district for the purpose of electing a person to be appointed by the governor to fill the vacancy. If such county chairperson is absent or for any reason is unable to call, or refuses to call such convention, then the county vice-chairperson shall call the convention and perform the other duties under this section required of such chairperson.

(b) If the district lies within a single county, the county chairperson of such county shall call the convention by mailing a notice, at least seven days before the date of the convention, to each precinct committeeman and committeewoman who is entitled to vote at the convention pursuant to subsection (e).

(c) If all or part of more than one county lies within the district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call the convention by mailing a notice of the convention to each county chairperson of the party in each such county at least 10 days before the date of the convention. Such convention shall be held at a location within the district selected by the chairperson calling the convention. Such county chairperson, within three days after receipt of such notice, shall mail notice of the convention to the committeemen and committeewomen in their counties who are entitled to vote at the convention pursuant to subsection (e).

(d) The notice of such convention shall state: (1) The place where the convention is to be held; (2) the time when the convention will convene; and (3) the purpose for which the convention is to be held.

(e) At the time and place fixed for holding the convention, the county chairperson who called the convention shall act as temporary chairperson and shall call the convention to order. One-third of the eligible members of the convention shall constitute a quorum for such election. In the event a quorum is not present at the time and place that such convention is called, the members present shall adjourn the convention to a day and time certain, which shall be not later than 14 days after such adjournment of such convention, and provide for notification of the time and place of such adjourned convention to be given to the eligible members not present. The convention shall organize by electing a permanent chairperson and such other officers as necessary. After the convention is organized, it shall elect a person to be appointed by the governor to fill the vacancy. Such election shall be by secret ballot and the person elected shall be the one who receives the majority of all the votes cast. If no person receives a majority of all votes cast on any ballot, the balloting shall continue until some person receives a majority of all the votes cast. Each committeeman and committeewoman of the party of the precincts in such district shall be entitled to vote. *Except as provided in subsection (f)*, no precinct committeeman or committeewoman shall be represented or shall vote by proxy. The convention may adopt such rules necessary to govern its procedure in making nominations, voting, counting, and canvassing votes and for the conduct of any business which may properly be brought before the convention, but such rules shall not be in conflict with the provisions of this section.

(f) (1) *A precinct committeeman or committeewoman may vote by proxy at a convention called pursuant to this section whenever such precinct committeeman or committeewoman is unable to attend the convention and cast such precinct committeeman's or committeewoman's ballot.*

(2) *A precinct committeeman or committeewoman may designate another precinct committeeman or committeewoman to cast such precinct committeeman's or precinct committeewoman's ballot at such convention by proxy. Any proxy authorized by this subsection shall:*

(A) *Designate the precinct committeeman or committeewoman who shall cast the precinct committeeman's or precinct committeewoman's vote by proxy;*

(B) *be signed by the precinct committeeman or precinct committeewoman authorizing the proxy; and*

(C) *contain an acknowledgment of such precinct committeeman's or precinct committeewoman's signature which complies with K.S.A. 53-509 and amendments thereto.*

(g) After a person has been elected to be appointed to fill a vacancy in a district office, the chairperson or vice-chairperson of the convention shall execute a certificate, under oath, stating that such person has been duly elected to be appointed to fill such vacancy and shall transmit such certificate either by hand delivery by a person designated by such chairperson or vice-chairperson or by registered mail, return receipt requested, to the governor and a copy thereof to the secretary of state. If transmitted by registered mail, such certificate and the copy thereof shall be mailed within 24 hours of such election, unless the day following such election is a Sunday or legal holiday, in which case it shall be mailed by the next regular business day. Thereupon, and not later than seven days after such certificate is received in the office of the governor, the governor, or in the governor's absence the lieutenant governor, shall fill such vacancy by appointing to such district office the person so elected. In the event the governor or lieutenant governor fails to appoint any person as required by this subsection after receiving a lawfully executed certificate hereunder, such person shall be deemed to have been so appointed notwithstanding such failure. The person so appointed may qualify and enter upon the duties of the district office immediately after appointment.

Sec. 10. K.S.A. 25-3902a is hereby amended to read as follows: 25-3902a. (a) When a vacancy occurs in the office of member of the state board of education, the county chairperson designated in subsection (b), (c) or (d), within 21 days of receipt of notice that a vacancy has occurred or will occur shall call and convene a district convention for the purpose of electing a person to be appointed by the governor to fill the vacancy. Such person shall be an elector of the same political party as that of the board member vacating such position and shall reside in the board member district corresponding to such board member position. If such county chairperson is absent or for any reason is unable to call or refuses

to call such convention, then the county vice-chairperson shall call the convention and perform the other duties required of such chairperson under this section.

(b) If the board member district lies within a single county, the county chairperson of such county shall call a convention of all precinct committeemen and committeewomen of the party of the precincts in such district in the manner provided by subsections (b) and (d) of K.S.A. 25-3902 and amendments thereto, and such convention shall be conducted as provided in subsection (e).

(c) If all or part of more than one and less than five counties lie within the board member district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call a convention of all precinct committeemen and committeewomen of the party of the precincts in such district in the manner provided by subsections (c) and (d) of K.S.A. 25-3902 and amendments thereto, and such convention shall be conducted as provided in subsection (e). Such convention shall be held at a location within the district selected by the chairperson calling the convention.

(d) If all or part of five or more counties lie within the board member district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call a convention of all county chairpersons and vice-chairpersons of the party of the counties in such district. Such convention shall be held at a location within the district selected by the chairperson calling the convention. Such county chairperson shall call the convention by mailing a notice to each such county chairperson and vice-chairperson, at least seven days before the date of the convention. Such notice shall state: (1) The place where the convention is to be held; (2) the time when the convention will convene; and (3) the purpose for which the convention is to be held, and such convention shall be conducted as provided in subsection (e).

(e) At the time and place fixed for holding the convention, the county chairperson who called the convention shall act as temporary chairperson and shall call the convention to order. One-third of the eligible members of the convention shall constitute a quorum for such election. In the event a quorum is not present at the time and place that such convention is called, the members present shall adjourn the convention to a day and time certain, which shall be not later than 14 days after adjournment of such convention, and provide for notification of the time and place of such adjourned convention to be given to the eligible members not present. The convention shall proceed to organize by electing a permanent chairperson and such other officers as necessary. After the convention is organized, it shall proceed to elect a person to be appointed by the governor to fill the vacancy. Such election shall be by secret ballot and the person elected shall be the one who shall receive the majority of all the votes cast. If no person receives a majority of all votes cast on any ballot, the balloting shall continue until some person receives a majority of all the votes cast. Each county chairperson and vice-chairperson of the party of the counties in such district shall be entitled to vote. *Except as provided in subsection (f)*, no county chairperson or vice-chairperson shall be represented or shall vote by proxy. The convention may adopt such rules as necessary to govern its procedure in making nominations, voting, counting and canvassing votes and for the conduct of any business which may properly be brought before the convention, but such rules shall not be in conflict with the provisions of this section.

(f) (1) *A precinct committeeman or committeewoman who serves as county chairperson or vice-chairperson may vote by proxy at a convention called pursuant to this section whenever such precinct committeeman or committeewoman is unable to attend the convention and cast such precinct committeeman's or committeewoman's ballot.*

(2) *A precinct committeeman or committeewoman may designate another precinct committeeman or committeewoman to cast such precinct committeeman's or precinct committeewoman's ballot at such convention by proxy. Any proxy authorized by this subsection shall:*

(A) *Designate the precinct committeeman or committeewoman who shall cast the precinct committeeman's or precinct committeewoman's vote by proxy;*

(B) *be signed by the precinct committeeman or precinct committeewoman authorizing the proxy; and*

(C) *contain an acknowledgment of such precinct committeeman's or precinct committeewoman's signature which complies with K.S.A. 53-509 and amendments thereto.*

⊕ (g) After a person has been elected to be appointed to fill a vacancy in the office of member of the state board of education, the chairperson or vice-chairperson of the convention shall execute a certificate, under oath, stating that such person has been duly elected to be appointed to fill such vacancy and shall transmit such certificate to the governor. Thereupon, and not later than seven days after such certificate is received in the office of the governor, the governor, or in the governor's absence the lieutenant governor, shall fill such vacancy by appointing to the office of member of the state board of education the person so elected. In the event the governor or lieutenant governor fails to appoint any person as required by this subsection after receiving a lawfully executed certificate hereunder, such person shall be deemed to have been so appointed notwithstanding such failure. The person so appointed may qualify and enter upon the duties of office immediately after appointment.

(h) A person shall be elected to be appointed to fill a vacancy in the office of member of the state board of education within 35 days after such vacancy occurs. If no person is so elected within the 35-day period, the governor shall fill such vacancy by appointment of an elector of the same political party as that of the board member vacating such position and who resides in the board member district corresponding to such board member position. The person so appointed may qualify and enter upon the duties of office immediately after appointment.

Sec. 11. K.S.A. 25-3904 is hereby amended to read as follows: 25-3904. (a) When a district convention is provided by law to be held to elect a person to fill a vacancy in a party candidacy for a district office, the county chairperson designated in subsection (b) or (c), within 21 days of the receipt of the notice that the vacancy has occurred or will occur shall call and convene a convention of all committeemen and committeewomen of the political party from the precincts in such district. If such county chairperson is absent or for any reason is unable to call, or refuses to call such convention, then the corresponding county vice-chairperson shall call the convention and perform the other duties under this section required of such chairperson.

(b) If the district lies within a single county, the county chairperson of such county shall call the convention by mailing a notice at least seven days before the date of the convention to the committeemen and committeewomen in such county who are entitled to vote at such convention pursuant to subsection (e).

(c) If all or part of more than one county lies within the district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call the convention by mailing a notice of such convention to each county chairperson of the party in each such county, at least 10 days before the date of the convention. Such convention shall be held at a location within the district selected by the chairperson calling the convention. Such county chairpersons shall, within three days after receipt of such notice, mail notice of such convention to the committeemen and committeewomen in their counties who are entitled to vote at such convention pursuant to subsection (e).

(d) The notice of such convention shall state: (1) The place where the convention is to be held; (2) the time when the convention will convene; and (3) the purpose for which the convention is to be held.

(e) At the time and place fixed for holding the convention, the county chairperson who called the convention shall act as temporary chairperson and shall call the convention to order. One-third of the eligible members of the convention shall constitute a quorum for such election. In the event a quorum is not present at the time and place that such convention is called, the members present shall adjourn the convention to a day and time certain, which shall not be later than 14 days after such adjournment of such convention, and provide for notification of the time and place of such adjourned convention to be given to the eligible members not present. The convention shall organize by electing a permanent chairperson and such other officers as necessary. After the convention is organized, it shall elect a person to fill such vacancy in the party candidacy. Such election shall be by secret ballot and the person elected shall be the one who receives the majority of all the votes cast. If no person receives a majority of all votes cast on any ballot, the balloting shall continue until some person receives a majority of all the votes cast. Each committeeman and committeewoman of the party of the precincts in such district shall be entitled to vote. *Except as provided in*

*subsection (f)*, no precinct committeeman or committeewoman shall be represented or shall vote by proxy. The convention may adopt rules as necessary to govern its procedure in making nominations, voting, counting and canvassing votes and for the conduct of any business which may properly be brought before the convention, but such rules shall not be in conflict with the provisions of this section.

*(f) (1)* A precinct committeeman or committeewoman may vote by proxy at a convention called pursuant to this section whenever such precinct committeeman or committeewoman is unable to attend the convention and cast such precinct committeeman's or committeewoman's ballot.

*(2)* A precinct committeeman or committeewoman may designate another precinct committeeman or committeewoman to cast such precinct committeeman's or precinct committeewoman's ballot at such convention by proxy. Any proxy authorized by this subsection shall:

*(A)* Designate the precinct committeeman or committeewoman who shall cast the precinct committeeman's or precinct committeewoman's vote by proxy;

*(B)* be signed by the precinct committeeman or precinct committeewoman authorizing the proxy; and

*(C)* contain an acknowledgment of such precinct committeeman's or precinct committeewoman's signature which complies with K.S.A. 53-509 and amendments thereto.

*(g)* After a person has been elected to fill a vacancy in a party candidacy for a district office, the chairperson or vice-chairperson of the convention shall execute a certificate, under oath, stating that such person has been duly elected to fill such vacancy and shall transmit such certificate to the secretary of state or appropriate county election officer.

Sec. 12. K.S.A. 25-3904a is hereby amended to read as follows: 25-3904a. (a) When a vacancy occurs in a party candidacy for the office of member of the state board of education, the county chairperson designated in subsection (b), (c) or (d), within 21 days of receipt of notice that the vacancy has occurred or will occur, shall call and convene a district convention for the purpose of electing a person to fill such vacancy. If such county chairperson is absent or for any reason is unable to call or refuses to call such convention, then the county vice-chairperson shall call the convention and perform the other duties required of such chairperson under this section.

(b) If the board member district lies within a single county, the county chairperson of such county shall call a convention of all precinct committeemen and committeewomen of the party of the precincts in such district in the manner provided by subsections (b) and (d) of K.S.A. 25-3904 and amendments thereto, and such convention shall be conducted in the manner provided in subsection (e) of K.S.A. 25-3904 and amendments thereto.

(c) If all or part of more than one and less than five counties lie within the board member district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call a convention of all precinct committeemen and committeewomen of the party of the precincts in such district in the manner provided by subsections (c) and (d) of K.S.A. 25-3904 and amendments thereto, and such convention shall be conducted as provided in subsection (e) of K.S.A. 25-3904 and amendments thereto. Such convention shall be held at a location within the district selected by the chairperson calling the convention.

(d) If all or part of five or more counties lie within the board member district, the county chairperson of the county in which the greatest number of qualified voters of the district reside shall call a convention of all county chairpersons and vice-chairpersons of the party of the counties in such district. Such convention shall be held at a location within the district selected by the chairperson calling the convention. Such county chairperson shall call the convention by mailing a notice to each such county chairperson and vice-chairperson at least seven days before the date of the convention. Such notice shall state: (1) The place where the convention is to be held; (2) the time when the convention will convene; and (3) the purpose for which the convention is to be held.

(e) At the time and place fixed for holding the convention, the county chairperson who called the convention shall act as temporary chairperson and shall call the convention to order. One-third of the eligible members of the convention shall constitute a quorum for such election. In the event a quorum is not present at the time and place that such conven-

tion is called, the members present shall adjourn the convention to a day and time certain, which shall be not later than 14 days after such adjournment of such convention and provide for notification of the time and place of such adjourned convention to be given to the eligible members not present. The convention shall proceed to organize by electing a permanent chairperson and such other officers as necessary. After the convention is organized, it shall proceed to elect a person to fill the vacancy in the party candidacy. Such election shall be by secret ballot and the person elected shall be the one who shall receive the majority of all the votes cast. If no person receives a majority of all votes cast on any ballot, the balloting shall continue until some person receives a majority of all the votes cast. Each county chairperson and vice-chairperson of the party of the counties in such district shall be entitled to vote. *Except as provided in subsection (f)*, no county chairperson or vice-chairperson shall be represented or shall vote by proxy. The convention may adopt rules necessary to govern its procedure in making nominations, voting, counting and canvassing votes and for the conduct of any business which may properly be brought before the convention, but such rules shall not be in conflict with the provisions of this section.

(f) (1) *A precinct committeeman or committeewoman who serves as county chairperson or vice-chairperson may vote by proxy at a convention called pursuant to this section whenever such precinct committeeman or committeewoman is unable to attend the convention and cast such precinct committeeman's or committeewoman's ballot.*

(2) *A precinct committeeman or committeewoman may designate another precinct committeeman or committeewoman to cast such precinct committeeman's or precinct committeewoman's ballot at such convention by proxy. Any proxy authorized by this subsection shall:*

(A) *Designate the precinct committeeman or committeewoman who shall cast the precinct committeeman's or precinct committeewoman's vote by proxy;*

(B) *be signed by the precinct committeeman or precinct committeewoman authorizing the proxy; and*

(C) *contain an acknowledgment of such precinct committeeman's or precinct committeewoman's signature which complies with K.S.A. 53-509 and amendments thereto.*

(g) After a person has been elected to fill a vacancy in a party candidacy for the office of member of the state board of education, the chairperson or vice-chairperson of the convention shall execute a certificate, under oath, stating that such person has been duly elected to fill such vacancy and shall transmit such certificate to the secretary of state.”;

By renumbering the remaining sections accordingly;

Also on page 15, in line 22, by striking “and 25-2909” and inserting “, 25-2909, 25-3902, 25-3902a, 25-3904 and 25-3904a and K.S.A. 25-1122d, as amended by section 5 of 2004 Senate Bill No. 479, K.S.A. 25-1123, as amended by section 6 of 2004 Senate Bill No. 479, and K.S.A. 2003 Supp. 25-1122, as amended by section 4 of 2004 Senate Bill No. 479, K.S.A. 2003 Supp. 25-2309, as amended by section 9 of 2004 Senate Bill No. 479, K.S.A. 2003 Supp. 25-2908, as amended by section 13 of 2004 Senate Bill No. 479, and K.S.A. 2003 Supp. 25-3002, as amended by section 14 of 2004 Senate Bill No. 479.”;

By renumbering the remaining section accordingly;

In the title, in line 9, by striking all following “to”; in line 10, by striking “America vote act of 2002” and inserting “voter identification”; also in line 10, preceding “amending” by inserting “relating to proxy voting at district conventions.”; in line 11, following “25-2909” by inserting “, 25-3902, 25-3902a, 25-3904 and 25-3904a”; in line 12, preceding the period, by inserting “; also repealing K.S.A. 25-1122d, as amended by section 5 of 2004 Senate Bill No. 479, K.S.A. 25-1123, as amended by section 6 of 2004 Senate Bill No. 479 and K.S.A. 2003 Supp. 25-1122, as amended by section 4 of 2004 Senate Bill No. 479, K.S.A. 2003 Supp. 25-2309, as amended by section 9 of 2004 Senate Bill No. 479, K.S.A. 2003 Supp. 25-2908, as amended by section 13 of 2004 Senate Bill No. 479, and K.S.A. 25-3002, as amended by section 14 of 2004 Senate Bill No. 479”;

And your committee on conference recommends the adoption of this report.

DON MYERS  
JOE MCLELAND  
R.J. WILSON  
*Conferees on part of House*

BARBARA P. ALLEN  
KAY O'CONNOR  
DONALD BETTS, JR.  
*Conferees on part of Senate*

Senator Allen moved the Senate adopt the Conference Committee Report on **H Sub for SB 166**.

On roll call, the vote was: Yeas 38, Nays 2, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Corbin, Huelskamp.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 334**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 1, in line 27, by striking "this act" and inserting "sections 1 through 8, and amendments thereto"; by striking all in lines 36 and 37; in line 38, by striking "(b)" and inserting "(a)";

On page 2, by striking all in lines 3 through 9; in line 10, by striking "(e)" and inserting "(b)"; also in line 10, by striking "an" and inserting "a registered"; in line 11, by striking "an" and inserting "such"; in line 16, by striking "an" and inserting "a registered"; in line 19, before "agritourism" by inserting "registered"; in line 20, before "agritourism" by inserting "registered"; following line 20, by inserting:

(c) "Participant" means any person who engages in a registered agritourism activity.

(d) "Registered agritourism activity" means any agritourism activity registered with the secretary pursuant to section 4, and amendments thereto.

(e) "Registered agritourism location" means a specific parcel of land which is registered with the secretary pursuant to section 4, and amendments thereto, and where a registered agritourism operator engages in registered agritourism activities.

(f) "Registered agritourism operator" means any person who is engaged in the business of providing one or more agritourism activities and is registered with the secretary pursuant to section 4, and amendments thereto.;

Also on page 2, in line 23, by striking "agritourism operator" and inserting "person who is engaged in the business of providing one or more agritourism activities";

On page 3, in line 2, before "agritourism" by inserting "registered"; in line 3, before "location" by inserting "registered agritourism"; in line 18, before "agritourism" by inserting "registered"; also in line 18, by striking "qualified" and inserting "registered"; in line 22, before "agritourism" by inserting "registered"; in line 25, by striking "an" and inserting "a registered"; in line 26, by striking "an" and inserting "a registered"; in line 33, by striking "an" and inserting "a registered"; in line 34, before "location" by inserting "registered agritourism"; in line 41, before "agritourism" by inserting "registered"; in line 42, before "agritourism" by inserting "registered"; in line 43, before "agritourism" by inserting "registered";

On page 4, in line 3, before the first "agritourism" by inserting "registered"; also in line 3, before the second "agritourism" by inserting "registered"; in line 6, by striking "an" and inserting "a registered"; in line 10, by striking "an" and inserting "a registered"; also in line

10, before the second "agritourism" by inserting "registered"; in line 14, by striking "an" and inserting "a registered"; in line 15, before "agritourism" by inserting "registered"; in line 17, before "agritourism" by inserting "registered"; in line 18, by striking all after the stricken comma; in line 19, by striking all before "facilities" and inserting a comma; in line 20, before "agritourism" by inserting "registered"; also in line 20, after "activity" by inserting "or the dangerous propensity of a particular animal used in such activity"; in line 23, by striking "an" and inserting "a registered"; in line 28, by striking "an" and inserting "a registered"; in line 38, by striking "25%" and inserting "20%"; also in line 38, by striking "an" and inserting "a registered"; in line 40, by striking all after the period; by striking all in lines 41 through 43;

On page 5, by striking all in line 1; in line 2, by striking all before "No"; in line 16, by striking "25%" and inserting "20%"; also in line 16, by striking the second "the" and inserting "a registered"; in line 18, by striking all after the period; by striking all in lines 19 through 22; in line 23, by striking all before "No"; following line 31, by inserting:

"(c) The secretary of commerce shall adopt rules and regulations establishing criteria for determining those costs which qualify as costs of liability insurance for agritourism activities of a registered agritourism operator.

(d) On or before the 15th day of the regular legislative session in 2006, the secretary of commerce shall submit to the senate standing committee on commerce and the house standing committee on tourism and parks a report on the implementation and use of the tax credit provided by this section.

(e) As used in this section, terms have the meanings provided by section 3, and amendments thereto.;"

In the title, in line 14, before "agritourism" by inserting "certain";

And your committee on conference recommends the adoption of this report.

BECKY HUTCHINS  
JUDY MORRISON  
GERALDINE FLAHARTY  
*Conferees on part of House*

KARIN BROWNLEE  
NICK JORDAN  
JIM BARONE  
*Conferees on part of Senate*

Senator Brownlee moved the Senate adopt the Conference Committee Report on **SB 334**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgeson, Hensley, Huel-skamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **Substitute for SB 335**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 3, after line 19, by inserting the following:

"(f) Every liquefied petroleum gas marketer in the state of Kansas shall maintain continuous general liability coverage of not less than \$1,000,000 and shall annually provide proof of insurance to the state fire marshal.;"

On page 7, by striking all in lines 1 through 7;

And by renumbering the remaining section accordingly;

On page 1, in line 14, by striking "; prescribing certain responsibility";

And your committee on conference recommends the adoption of this report.

DAN JOHNSON  
DOUG GATEWOOD  
*Conferees on part of House*

DEREK SCHMIDT  
TIM HUELSKAMP  
JANIS K. LEE  
*Conferees on part of Senate*

Senator Schmidt moved the Senate adopt the Conference Committee Report on **Sub SB 335**.

On roll call, the vote was: Yeas 39, Nays 1, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Pugh.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 363**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 1, following line 15, by inserting:

"Section 1. On and after January 1, 2005, K.S.A. 32-701 is hereby amended to read as follows: 32-701. As used in the wildlife and parks laws of this state, unless the context otherwise requires or specifically defined otherwise:

- (a) "Big game animal" means any antelope, deer, ~~or elk or wild turkey.~~
- (b) "Commission" means the Kansas wildlife and parks commission created by K.S.A. 32-805, and amendments thereto.
- (c) "Department" means the Kansas department of wildlife and parks.
- (d) "Fish," as a verb, means take, in any manner, any fish.
- (e) "Furbearing animal" means any badger, beaver, bobcat, grey fox, lynx, marten, mink, muskrat, opossum, otter, raccoon, red fox, spotted skunk, striped skunk, swift fox or weasel.
- (f) "Furharvest" means:
  - (1) Take, in any manner, any furbearing animal; or
  - (2) trap or attempt to trap any coyote.
- (g) "Game animal" means any big game animal, *wild turkey* or small game animal.
- (h) "Game bird" means any grouse, partridge, pheasant, prairie chicken or quail.
- (i) "Hunt" means:
  - (1) Take, in any manner, any wildlife other than a fish, bullfrog, furbearing animal or coyote; or
  - (2) take, in any manner other than by trapping, any coyote.
- (j) "Motor vehicle" means a vehicle, other than a motorized wheelchair, which is self-propelled.
- (k) "Motorized wheelchair" means any self-propelled vehicle designed specifically for use by a physically disabled person that is incapable of a speed in excess of 15 miles per hour.
- (l) "Nonresident" means any person who has not been a bona fide resident of this state for the immediately preceding 60 days.
- (m) "On a commercial basis" means for valuable consideration.
- (n) "Person" means any individual or any unincorporated association, trust, partnership, public or private corporation or governmental entity, including foreign governments, or any officer, employee, agent or agency thereof.

- (o) "Private water fishing impoundment" means one or more water impoundments:
- (1) Constructed by man rather than natural, located wholly within the boundary of the lands owned or leased by the person operating the private water impoundments; and
  - (2) entirely isolated from other surface water so that the impoundment does not have any connection either continuously or at intervals, except during periods of floods, with streams or other bodies of water so as to permit the fish to move between streams or other bodies of water and the private water impoundments, except that the private water impoundments may be connected with a stream or other body of water by a pipe or conduit if fish will be prevented at all times from moving between streams or other bodies of water and the private water impoundment by screening the flow or by other means.
- (p) "Resident" means any person who has maintained the person's place of permanent abode in this state for a period of 60 days immediately preceding the person's application for any license, permit, stamp or other issue of the department. Domiciliary intent is required to establish that a person is maintaining the person's place or permanent abode in this state. Mere ownership of property is not sufficient to establish domiciliary intent. Evidence of domiciliary intent includes, without limitation, the location where the person votes, pays personal income taxes or obtains a driver's license.
- (q) "Secretary" means the secretary of wildlife and parks.
- (r) "Small game" means any game bird, hare, rabbit or squirrel.
- (s) "Species" includes any subspecies of wildlife and any other group of wildlife of the same species or smaller taxa in common spatial arrangement that interbreed when mature.
- (t) "Take" means harass, harm, pursue, shoot, wound, kill, molest, trap, capture, collect, catch, possess or otherwise take, or attempt to engage in any such conduct.
- (u) "Wildlife" means any member of the animal kingdom, including, without limitation, any mammal, fish, bird, amphibian, reptile, mollusk, crustacean, arthropod or other invertebrate, and includes any part, product, egg or offspring thereof, or the dead body or parts thereof. Wildlife does not include agricultural livestock (cattle, swine, sheep, goats, horses, mules and other equines) and poultry (domestic chickens, turkeys and guinea fowl).";
- Also on page 1, in line 16, by striking "Section 1." and inserting "Sec. 2. On and after January 1, 2005,";
- On page 2, in line 1, by striking "16" and inserting "14"; in line 8, by striking "Sec. 2." and inserting "Sec. 3. On and after January 1, 2005,"; following line 26, by inserting:
- "Sec. 4. On and after January 1, 2005, K.S.A. 2003 Supp. 32-930 is hereby amended to read as follows: 32-930. (a) Except as provided in subsection (c), the secretary or the secretary's designee is authorized to issue to any Kansas resident a lifetime fishing, hunting or furharvester or combination hunting and fishing license upon proper application made therefor to the secretary or the secretary's designee and payment of a license fee as follows: (1) A total payment made at the time of purchase in the amount prescribed pursuant to K.S.A. 32-988 and amendments thereto; or (2) payment may be made over a two-year period in eight quarter-annual installments in the amount prescribed pursuant to K.S.A. 32-988 and amendments thereto. If payment is in installments, the license shall not be issued until the final installment has been paid. A person making installment payments shall not be required to obtain the appropriate annual license, and each installment payment shall be deemed to be such an annual license for a period of one year following the date of the last installment payment made. If an installment payment is not received within 30 days after it is due and owing, the secretary may consider the payments in default and may retain any payments previously received. Any lifetime license issued to a Kansas resident shall not be made invalid by reason of the holder thereof subsequently residing outside the state of Kansas. Any nonresident holder of a Kansas lifetime hunting or combination hunting and fishing license shall be eligible under the same conditions as a Kansas resident for a big game or wild turkey permit upon proper application to the secretary. Any nonresident holder of a lifetime fishing license issued before July 1, 1989, shall be eligible under the same conditions as a Kansas resident for a big game or wild turkey permit upon proper application to the secretary.
- (b) For the purposes of subsection (a), the term "resident" shall have the meaning defined in K.S.A. 32-701, and amendments thereto, except that a person shall have maintained that person's place of permanent abode in this state for a period of not less than one

year immediately preceding the person's application for a lifetime fishing, hunting or furharvester or combination hunting and fishing license.

(c) Upon request of the secretary of social and rehabilitation services, the secretary of wildlife and parks shall not issue a lifetime fishing, hunting or furharvester or combination hunting and fishing license to an applicant except as provided in this subsection. The secretary of social and rehabilitation services may make such a request if, at the time of the request, the applicant owed arrearages under a support order in a title IV-D case being administered by the secretary of social and rehabilitation services or had outstanding a warrant or subpoena, directed to the applicant, in a title IV-D case being administered by the secretary of social and rehabilitation services.

Upon receiving a release from an authorized agent of the secretary of social and rehabilitation services, the secretary of wildlife and parks may issue the lifetime fishing, hunting or furharvester or combination hunting and fishing license. The applicant shall have the burden of obtaining and delivering the release.

The secretary of social and rehabilitation services shall issue a release upon request if, as appropriate:

(1) The arrearages are paid in full or a tribunal of competent jurisdiction has determined that no arrearages are owed;

(2) an income withholding order has been served upon the applicant's current employer or payor;

(3) an agreement has been completed or an order has been entered setting minimum payments to defray the arrearages, together with receipt of the first minimum payment; or

(4) the applicant has complied with the warrant or subpoena or the warrant or subpoena has been quashed or withdrawn.

Nothing in this subsection shall be construed to require or permit the secretary of wildlife and parks to determine any issue related to the title IV-D case except to resolve questions of mistaken identity or determine the adequacy of any notice relating to this subsection that the secretary of wildlife and parks provides to the applicant.

"Title IV-D" means part D of title IV of the federal social security act (42 U.S.C. § 651 et seq.) and amendments thereto, as in effect on December 31, 2001, relating to child support enforcement services.

(d) The secretary, in accordance with K.S.A. 32-805 and amendments thereto, may adopt rules and regulations necessary to carry out the provisions of this section.;

Also on page 2, in line 27, by striking "Sec. 3." and inserting "Sec. 5. On and after January 1, 2005.,";

On page 4, in line 32, by striking "or turkey"; by striking all in lines 35 through 37;

By relettering subsections (m) through (o) as subsections (l) through (n);

On page 5, in line 20, by striking "(m)(1) and (m)(2)" and inserting "(l)(1) and (l)(2)"; in line 31, by striking "(m)" and inserting "(l)"; in line 35, by striking "(m)" and inserting "(l)";

On page 6, following line 16, by inserting:

"(o) On or before January 31, 2005:

(1) The secretary, by rules and regulations adopted in accordance with K.S.A. 32-805, and amendments thereto, shall establish not less than nine archery management units for deer. To the extent possible, boundaries of firearm management units for deer shall be used in establishing the boundaries of such archery management units.

(2) The secretary shall submit to the house standing committee on tourism and parks and the senate standing committee on natural resources a report regarding the archery management units established pursuant to subsection (o)(1).";

Also on page 6, by striking all in lines 33 through 36 and inserting:

"Sec. 6. K.S.A. 32-938 is hereby amended to read as follows: 32-938. ~~Upon request, the department of wildlife and parks shall refund the amount of fees paid for a big game permit and carcass tags for the 1990 big game season, the January and February 1991 special deer season or the 1991 spring turkey season by any member of the armed forces of the United States who, pursuant to orders, was preparing to deploy or was deployed in the Persian gulf area of military operations on or before the commencement of such season. The department of wildlife and parks may reissue big game or turkey limited draw permits to military personnel forced to forfeit their limited draw permit due to deployment in the~~

*event of armed conflict or war upon application and payment of the prescribed fee to the department and sufficient proof of such deployment. The permit, if reissued, shall be the same type, season and species permit that was forfeited and shall be valid during the next available hunting season upon return from the armed conflict or war by the applicant.*

Sec. 7. On and after January 1, 2005, K.S.A. 32-943 is hereby amended to read as follows: 32-943. As used in K.S.A. 32-943 through 32-950, *and amendments thereto*, unless the context otherwise requires:

(a) "Game bird" means pheasant, quail, partridge, hand-raised mallard duck, prairie chicken, grouse, exotic game bird or any other bird, *except wild turkey*, hunted by sportspersons.

(b) "Propagated" means birds which are pen raised, birds raised from eggs purchased for purposes of raising such birds, chicks and full-grown birds purchased to be released in the area, as well as birds hatched from eggs produced on the area.

Sec. 8. On and after January 1, 2005, K.S.A. 2003 Supp. 32-988 is hereby amended to read as follows: 32-988. (a) The secretary is authorized to adopt, in accordance with K.S.A. 32-805 and amendments thereto, rules and regulations fixing the amount of fees for the following items, subject to the following limitations and subject to the requirement that no such rules and regulations shall be adopted as temporary rules and regulations:

Big game permits

Resident (other than elk permit): maximum \$100

Nonresident (other than elk permit): maximum \$400

Elk permit: maximum \$350

Resident big game tag: maximum \$20

Nonresident big game tag: maximum \$30

Nonresident applications: maximum \$25

Combination hunting and fishing licenses

Resident: maximum \$50

Lifetime: maximum \$1,000; or 8 quarterly payments, each maximum \$150

Nonresident: maximum \$200

Commercial dog training permits: maximum \$25

Commercial guide permit or associate guide permit

Resident: maximum \$250

Nonresident: maximum \$1,000

Commercial harvest or dealer permits: maximum \$200

Commercial prairie rattlesnake harvesting permits

Resident or nonresident with valid hunting license: maximum \$5

Resident or nonresident nonfirearm without valid hunting license: maximum \$20

Controlled shooting area operator license: maximum \$400

Duplicate licenses, permits, stamps and other issues of the department: maximum \$10

Falconry

Permits: maximum \$300

Examinations: maximum \$100

Field trial permits: maximum \$25

Fishing licenses

Resident: maximum \$25

Lifetime: maximum \$500; or 8 quarterly payments, each maximum \$75

Nonresident: maximum \$75

Five-day nonresident: maximum \$25

Institutional group: maximum \$200

Special nonprofit group: maximum \$200

Twenty-four-hour: maximum \$10

Fur dealer licenses

Resident: maximum \$200

Nonresident: maximum \$400

Furharvester licenses

Resident: maximum \$25

Lifetime: maximum \$500; or 8 quarterly payments, each maximum \$75

- Nonresident: maximum \$400
  - Game breeder permits: maximum \$15
  - Handicapped hunting and fishing permits: maximum \$5
  - Hound trainer-breeder running permits: maximum \$25
  - Hunting licenses
    - Resident: maximum \$25
    - Lifetime: maximum \$500; or 8 quarterly payments, each maximum \$75
    - Nonresident 16 or more years of age: maximum \$125
    - Nonresident under 16 years of age: maximum \$75
    - Controlled shooting area: maximum \$25
    - Forty-eight-hour waterfowl permits: maximum \$25
  - Migratory waterfowl habitat stamps: maximum \$8
  - Mussel fishing licenses
    - Resident: maximum \$200
    - Nonresident: maximum \$1,500
  - Rabbit permits
    - Live trapping: maximum \$200
    - Shipping: maximum \$400
  - Raptor propagation permits: maximum \$100
  - Rehabilitation permits: maximum \$50
  - Scientific, educational or exhibition permits: maximum \$10
  - Wildlife damage control permits: maximum \$10
  - Wildlife importation permits: maximum \$10
  - Wild turkey permits*
    - Resident: maximum \$100*
    - Nonresident: maximum \$400*
    - Resident turkey tag: maximum \$20*
    - Nonresident turkey tag: maximum \$30*
  - Special permits under K.S.A. 32-961: maximum \$100
  - Miscellaneous fees
    - Special events on department land or water: maximum \$200
    - Special departmental services, materials or supplies: no maximum
    - Other issues of department: no maximum
    - Vendor bond: no maximum
  - (b) The fee for a landowner-tenant resident big game *or wild turkey* hunting permit shall be an amount equal to ½ the fee for a general resident big game *or wild turkey* hunting permit.
  - (c) The fee for a furharvester license for a resident under 16 years of age shall be an amount equal to ½ the fee for a resident furharvester license.
  - (d) The secretary may establish, by rules and regulations adopted in accordance with K.S.A. 32-805 and amendments thereto, different fees for various classes and types of licenses, permits, stamps and other issuances of the department which may occur within each item as described under subsection (a).
- Sec. 9. On and after January 1, 2005, K.S.A. 32-1004 is hereby amended to read as follows: 32-1004. (a) It is unlawful for any person to:
- (1) Possess a carcass of a big game animal *or wild turkey*, taken within this state, unless a game tag issued by the secretary is attached to it, and a check station tag is attached to it if required by the secretary, or refuse to make such carcass available for inspection by any officer authorized to enforce the laws of this state or rules and regulations of the secretary;
  - (2) possess any wildlife unlawfully killed or otherwise unlawfully taken outside this state;
  - (3) cause to be shipped within, from or into this state any illegally taken or possessed wildlife;
  - (4) intentionally import into this state, or possess or release in this state, any species of wildlife prohibited pursuant to K.S.A. 32-956 and amendments thereto;
  - (5) refuse to allow any conservation officer or deputy conservation officer or any law enforcement officer to inspect and count any wildlife in such person's possession; or

(6) refuse to allow any conservation officer or deputy conservation officer or any law enforcement officer to inspect any devices or facilities of such person which are used in taking, possessing, transporting, storing or processing any wildlife subject to the wildlife and parks laws of this state or rules and regulations of the secretary.

(b) The provisions of subsection (a)(1) do not apply to animals sold in surplus property disposal sales of department exhibit herds or animals legally taken outside this state.

Sec. 10. On and after January 1, 2005, K.S.A. 32-1032 is hereby amended to read as follows: 32-1032. (a) Violation of any provision of the wildlife and parks laws of this state or rules and regulations of the secretary relating to big game *or wild turkey* permits and game tags is a misdemeanor, subject to the provisions of subsection (b), punishable by a fine of not less than \$250 nor more than \$1,000 or by imprisonment in the county jail for not more than six months, or by both.

(b) (1) In addition to any other penalty prescribed by law, the unlawful intentional taking of a trophy big game animal shall be punishable by a fine of \$5,000.

(2) A trophy big game animal shall include any animal meeting the following criteria:

(A) An antlered whitetail deer having an inside spread measurement of at least 17 inches;

(B) an antlered mule deer having an inside spread measurement of at least 22 inches;

(C) an antlered elk having at least six points on one antler; or

(D) an antelope having at least one horn greater than 14 inches in length.

(3) The secretary may adopt, in accordance with K.S.A. 32-805, and amendments thereto, such rules and regulations that the secretary deems necessary to implement and define the terms of this section.

(c) In addition to any other penalty imposed by the convicting court, if a person is convicted of a violation of K.S.A. 32-1002, 32-1003 or 32-1013, and amendments thereto, that involves taking of a big game animal *or wild turkey*, or if a person is convicted of a violation of K.S.A. 32-1005, and amendments thereto, that involves commercialization of a big game animal *or wild turkey*, the court shall order:

(1) Upon the first such conviction, forfeiture of the person's hunting privileges for one year from the date of conviction and: (A) Revocation of the person's hunting license, unless such license is a lifetime hunting license; or (B) if the person possesses a lifetime hunting license, suspension of such license for one year from the date of conviction.

(2) Upon the second such conviction, forfeiture of the person's hunting privileges for three years from the date of conviction and: (A) Revocation of the person's hunting license, unless such license is a lifetime hunting license; or (B) if the person possesses a lifetime hunting license, suspension of such license for three years from the date of conviction.

(3) Upon the third or a subsequent such conviction, forfeiture of the person's hunting privileges for five years from the date of conviction and: (A) Revocation of the person's hunting license, unless such license is a lifetime hunting license; or (B) if the person possesses a lifetime hunting license, suspension of such license for five years from the date of conviction.

(d) If a person convicted of a violation described in subsection (c) has been issued a combination hunting and fishing license or a combination lifetime license, only the hunting portion of such license shall be revoked or suspended pursuant to subsection (c).

(e) Nothing in this section shall be construed to prevent a convicting court from suspending a person's hunting privileges or ordering the forfeiture or suspension of the person's license, permit, stamp or other issue of the department for a period longer than provided in this section, if such forfeiture or suspension is otherwise provided for by law.

Sec. 11. On and after January 1, 2005, K.S.A. 2003 Supp. 32-1050 is hereby amended to read as follows: 32-1050. (a) Whenever any person is issued a citation by a conservation officer or deputy conservation officer of the wildlife and parks conservation service or by any law enforcement officer for any of the violations described in subsection (b), the officer may require such person to give bond in the amount specified in subsection (b) for the offense for which the person was charged, which bond shall be subject to forfeiture if the person does not appear at the court at the time specified in the written citation. The bond shall be a cash bond and shall be payable using cash or legal tender identified as travelers checks, certified checks, cashiers checks, personal checks and postal money orders. The cash

bond shall be taken in the following manner: The officer shall furnish the person charged with a stamped envelope addressed to the judge or clerk of the court named in the written citation and the person shall place in such envelope the amount of the bond, and in the presence of the officer shall deposit the same in the United States mail. After having complied with these requirements, the person charged need not sign the citation, but the officer shall note the amount of the bond mailed on the citation and shall give a copy of such citation to the person.

(b) The offenses for which a cash bond may be required as provided in subsection (a) and the amounts thereof shall be as follows, subject to increase at the discretion of the court:

Engaging in any activity without a required valid license or permit, other than a big game or wild turkey permit or a license or permit for commercial activity .....	\$100
Engaging in any activity without a required stamp or other issue of the department .....	75
Engaging in any commercial activity without a required valid license or permit .....	500
Engaging in any big game or wild turkey hunting without a required valid big game or wild turkey permit .....	500
Making misrepresentation to secure license, permit, stamp or other issue of the department .....	250
Taking wildlife, except big game or wild turkey, unlawfully (including but not limited to taking wildlife before or after legal taking hours, during closed season, or using unlawful equipment, means or method) .....	100
Carrying unplugged shotgun .....	75
Exceeding bag or possession limit, except big game or wild turkey - \$25 for each animal in excess of the bag or possession limit, plus .....	75
Exceeding big game or wild turkey bag or possession limit - \$100 for each animal in excess of the bag or possession limit, plus .....	250
Unlawful transporting of wildlife .....	150
Taking big game or wild turkey unlawfully (including but not limited to taking big game or wild turkey before or after legal taking hours, during closed season, or using unlawful equipment, means or method) .....	500
Failing to wear and properly display required clothing during a big game hunting season .....	75
Taking wildlife when operating an amount of equipment in excess of that legally authorized .....	75
Exceeding creel or possession limit — \$25 for each animal in excess of the creel or possession limit, plus .....	75
Operating vessel without a certificate of number or registration .....	50
Operating vessel without proper display of required identification number .....	50
Failing to properly display required lights on vessel between sunset and sunrise .....	50
Operating vessel without correct number or approved types of adult personal flotation devices — \$25 for each adult personal flotation device violation, plus .....	50
Operating vessel without correct number or approved types of child personal flotation devices — \$50 for each child personal flotation device violation, plus .....	100
Operating vessel without required number of personal flotation devices readily accessible and in good and serviceable condition — \$25 for each personal flotation device violation, plus .....	50
Operating vessel without required number or approved types of fire extinguishers .....	50
Operating vessel in restricted area .....	50

Operating vessel without required observer or rearview mirror on vessel ..... 50  
 Operating vessel without required equipment or in excess of capacity plate limitations ..... 50  
 Unlawful altering, destroying or removing of capacity plate ..... 100

(c) For any violation of the wildlife and park laws of this state or rules and regulations adopted thereunder for which a cash bond is not specified in subsection (b), the court may establish a cash bond amount.

(d) There shall be added to the amount of cash bond required pursuant to subsections (b) and (c) the amount of the docket fee as prescribed by K.S.A. 28-172a, and amendments thereto for crimes defined in chapter 32 of the Kansas Statutes Annotated, and amendments thereto.

(e) In the event of forfeiture of any of the bonds set forth in this section, the amount added by (d) to the amount of the cash bond shall be regarded as a docket fee.

New Sec. 12. On and after January 1, 2005:

(a) Except as otherwise provided by law or rules and regulations of the secretary and in addition to any other license, permit or stamp required by law or rules and regulations of the secretary, a valid wild turkey permit and game tags are required to take any wild turkey in this state.

(b) The fee for wild turkey permits and game tags shall be the amount prescribed pursuant to K.S.A. 32-988, and amendments thereto.

(c) A wild turkey permit and game tags are valid throughout the state or such portion thereof as provided by rules and regulations adopted by the secretary in accordance with K.S.A. 32-805, and amendments thereto.

(d) Unless otherwise provided by law or rules and regulations of the secretary, a wild turkey permit and game tags are valid from the date of issuance and shall expire at the end of the season for which issued.

(e) The secretary may adopt, in accordance with K.S.A. 32-805, and amendments thereto, rules and regulations for each regular or special wild turkey hunting season and for each management unit regarding wild turkey permits and game tags. The secretary is hereby authorized to issue wild turkey permits and game tags pertaining to the taking of wild turkeys. No wild turkey permits or game tags shall be issued until the secretary has established, by rules and regulations adopted in accordance with K.S.A. 32-805, and amendments thereto, a regular or special wild turkey hunting season.

(f) The secretary may issue wild turkey hunting permits to nonresidents in wild turkey management units with unlimited wild turkey hunting permits available.

(g) Persons under 12 years of age may be issued a wild turkey permit. Such permits shall be valid only while the person is hunting under the immediate supervision of an adult 18 or more years of age.

(h) A wild turkey permit shall state the number and sex of wild turkeys which may be killed by the permittee. The secretary may furnish an informational card with any wild turkey permit and, at the conclusion of the open season, each permittee receiving such card shall return the card to the department, giving such information as is called for on the card.

(i) The permittee shall permanently affix the game tag to the carcass of any wild turkey immediately after killing and thereafter, if required by rules and regulations, the permittee shall immediately take such killed game to a check station as required in the rules and regulations, where a check station tag shall be affixed to the game carcass if the kill is legal. The tags shall remain affixed until the carcass is consumed or processed for storage.

(j) Fifty percent of the wild turkey permits authorized for a regular season in any management unit shall be issued to landowners or tenants, provided that a limited number of wild turkey permits have been authorized. A landowner or tenant is not eligible to apply for a wild turkey permit as a landowner or as a tenant in a management unit other than the unit or units which include such landowner's or tenant's land. Any wild turkey permits not issued to landowners or tenants within the time period prescribed by rule and regulation may be issued without regard to the 50% limitation.

(k) Members of the immediate family who are domiciled with a landowner or tenant may apply for a resident wild turkey permit as a landowner or as a tenant, but the total

number of landowner or tenant wild turkey permits issued to a landowner or tenant and a landowner's or tenant's immediate family shall not exceed one permit for each 80 acres owned by such landowner or operated by such tenant. The secretary may require proof of ownership or tenancy from individuals applying for a wild turkey permit as a landowner or as a tenant.

(1) As used in this section:

(1) "Landowner" means a resident owner of farm or ranch land of 80 acres or more located in the state of Kansas.

(2) "Tenant" means an individual who is actively engaged in the agricultural operation of 80 acres or more of Kansas farm or ranch land for the purpose of producing agricultural commodities or livestock and who: (A) Has a substantial financial investment in the production of agricultural commodities or livestock on such farm or ranch land and the potential to realize substantial financial benefit from such production; or (B) is a bona fide manager having an overall responsibility to direct, supervise and conduct such agricultural operation and has the potential to realize substantial benefit from such production in the form of salary, shares of such production or some other economic incentive based upon such production.

(3) "Regular season" means a statewide wild turkey hunting season authorized annually which may include one or more seasons restricted to specific types of equipment.

(4) "Special season" means a wild turkey hunting season in addition to a regular season authorized on an irregular basis or at different times of the year other than the regular season.

(5) "General permit" means a wild turkey hunting permit available to Kansas residents not applying for wild turkey permits as a landowner or tenant.

(6) "Nonresident permit" means a wild turkey hunting permit available to individuals who are not Kansas residents.

Sec. 13. K.S.A. 32-938 is hereby repealed.

Sec. 14. On and after January 1, 2005, K.S.A. 32-701, 32-921, 32-943, 32-1004 and 32-1032 and K.S.A. 2003 Supp. 32-920, 32-930, 32-937, 32-988 and 32-1050 are hereby repealed.

Sec. 15. This act shall take effect and be in force from and after its publication in the Kansas register.;

In the title, in line 12, by striking all after "concerning"; in line 13, by striking all before the second "and" and inserting "wildlife; relating to reissuance of certain permits to certain military personnel; wild turkey; hunting and hunter education requirements; amending K.S.A. 32-701, 32-921, 32-938, 32-943, 32-1004 and 32-1032 and K.S.A. 2003 Supp. 32-920, 32-930, 32-937, 32-988 and 32-1050";

And your committee on conference recommends the adoption of this report.

BECKY HUTCHINS  
GARY K. HAYZLETT  
TOM THULL  
*Conferees on part of House*

ROBERT TYSON  
MARK TADDIKEN  
JANIS K. LEE  
*Conferees on part of Senate*

Senator Tyson moved the Senate adopt the Conference Committee Report on **SB 363**.

On roll call, the vote was: Yeas 37, Nays 3, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Tyson, Umbarger, Vratil, Wagle.

Nays: Barnett, Corbin, Teichman.

The Conference Committee report was adopted.

## EXPLANATION OF VOTE

MR. PRESIDENT: I, once again, offer this statement for consideration on a hunting measure (**SB 363**) - "Little Woodland God"—DAVID HALEY

Little Woodland God  
Judy Van der Veer

I think that surely there's a god  
For little hunted things;  
A god whose eyes watch tenderly  
the droop of dying wings

A little woodland god who sits  
Beneath a forest tree,  
With baby rabbits in his arms  
And squirrels on his knee.

And when a hunter bravely shoots  
A deer with dreaming eyes,  
I think that little god is there  
To love it when it dies.

But all the hungry orphan things  
Who weakly call and call  
For mothers who can never come  
He loves the best of all.

He tells the breeze to softly blow,  
He tells the leaves to fall;  
He covers little frightened things  
When they have ceased to call.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 440**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee amendments, as follows:

On page 14, in line 37, after the period by inserting "The disqualification shall begin the day following the separation and shall continue until after the individual becomes reemployed and has had earnings from insured work of at least three times the individual's determined weekly benefit amount.";

And your committee on conference recommends the adoption of this report.

DONALD DAHL  
TODD NOVASCONE  
CANDY RUFF  
*Conferees on part of House*

KARIN BROWNLEE  
NICK JORDAN  
JIM BARONE  
*Conferees on part of Senate*

Senator Brownlee moved the Senate adopt the Conference Committee Report on **SB 440**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huel-skamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2037**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 23 through 43;

By striking all on pages 2 through 12 and inserting:

“Section 1. K.S.A. 58-2221 is hereby amended to read as follows: 58-2221. Every instrument in writing that conveys:

- (a) Real estate;
- (b) any estate or interest created by an oil and gas lease; ~~or;~~
- (c) ~~any estate or interest created by any lease or easement involving wind resources and technologies to produce and generate electricity; or~~
- (d) whereby any real estate may be affected, proved or acknowledged, and certified in the manner hereinbefore prescribed, may be recorded in the office of register of deeds of the county in which such real estate is situated. ~~Provided~~. It shall be the duty of the register of deeds to file the same for record immediately, and in those counties where a numerical index is maintained in ~~his or her~~ the register of deeds' office, the register of deeds shall compare such instrument, before copying the same in the record, with the last record of transfer in ~~his or her~~ the register of deeds' office of the property described ~~and~~. If the register of deeds finds such instrument contains apparent errors, ~~he or she~~ the register of deeds shall not record the ~~same until he or she shall have notified the grantee where instrument until the grantee has been notified~~, if such notice is reasonably possible.

The grantor, lessor, grantee or lessee or any other person conveying or receiving real property or other interest in real property upon recording the instrument in the office of register of deeds shall furnish the register of deeds the full name and last known post-office address of the person to whom the property is conveyed or ~~his or her~~ such person's designee. The register of deeds shall forward such information to the county clerk of the county who shall make any necessary changes in address records for mailing tax statements.

New Sec. 2. Every instrument that conveys any estate or interest created by any lease or easement involving wind resources and technologies to produce and generate electricity shall include:

- (a) A description of the real property subject to the easement and a description of the real property benefitting from the wind lease or easement;
- (b) a description of the vertical and horizontal angles, expressed in degrees, and distances from the site of the wind power system in which an obstruction to the wind is prohibited or limited;
- (c) all terms or conditions under which the lease or easement is granted or may be terminated, except that if the instrument is recorded under K.S.A. 58-2221, and amendments thereto, any compensation received by the owner of the real property may be excluded; and
- (d) any other provisions necessary or desirable to execute the instrument.

New Sec. 3. (a) When a recorded deed or conveyance covering mineral or royalty rights purports to cover mineral or royalty rights not owned by the grantor, or such deed or conveyance includes a general conveyance provision, including, but not limited to, a “mother hubbard” clause or other cover-all clause, for other property conveyed by grantor and such general conveyance provision should not have been included in such deed or conveyance, then any party with an interest in the real estate covered by such deed or conveyance may make written demand upon the grantee or grantor, as applicable, by certified mail, return receipt requested, to rescind or reform the general conveyance provision.

(b) (1) Any grantee or grantor who refuses or neglects to correct or reform such legal description in the office of the register of deeds within 30 days after written demand has been made as provided in subsection (a), unless a longer period has been agreed to in writing by the parties, shall be liable in damages to the party for whom the demand was made in

the sum equal to the greater of: (A) An amount up to \$10,000 per title affected, or (B) an amount equal to the fair market value of the mineral or royalty interests actually conveyed by such general conveyance clause and not specifically described in the instrument, and reasonable attorney's fee for preparing and prosecuting the action before any court of competent jurisdiction. The plaintiff in such action may recover any additional damages that the evidence in the case warrants.

(2) If such legal description has not been corrected or reformed within the time period allowed under paragraph (1), the court shall expedite an action brought by any party pursuant to K.S.A. 60-1002, and amendments thereto, to quiet title. Such court ruling shall not relieve the grantee or grantor, as applicable, from any damages allowed under paragraph (1) nor relieve the grantee or grantor from any responsibilities under the provisions of this section.

(c) The remedies provided under this section shall not affect other remedies or damages provided by statute or law.

(d) A suit must be filed under this section within two years after the date the party making demand has actual knowledge of the improper legal description or conveyance.

(e) As used in this section:

(1) "Mother Hubbard clause" means a provision in a deed or other instrument in writing which is intended to convey an interest in real estate and which describes the property to be conveyed as all of the grantor's property in a certain county;

(2) "general conveyance provision" means a provision in a deed or other instrument describing an interest in real estate which, in addition to referring to the real estate specifically described in such deed or other instrument, describes unspecified other mineral or royalty rights or interests of the grantor in an entire township, county or state; and

(3) "deed or conveyance covering mineral or royalty rights" means any deed or conveyance covering the grantor's mineral rights or the grantor's royalty rights.

Sec. 4. K.S.A. 58-2221 is hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.;

In the title, by striking all in lines 16 through 20 and inserting: "AN ACT relating to certain leases or easements; concerning the recording thereof; amending K.S.A. 58-2221 and repealing the existing section.;"

And your committee on conference recommends the adoption of this report.

STAN CLARK  
JAY SCOTT EMLER  
JIM BARONE  
*Conferees on part of Senate*

CARL DEAN HOLMES  
CARL C. KREHBIEL  
ANNIE KUETHER  
*Conferees on part of House*

Senator Clark moved the Senate adopt the Conference Committee Report on **HB 2037**.  
On roll call, the vote was: Yeas 37, Nays 3, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Barnett, Corbin, Journey.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2067**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as Amended by Senate on Final Action, as follows:

On page 1, by striking all in lines 22 through 43;

By striking all on pages 2 through 16 and inserting:

“New Section 1. (a) Any person issued a special permit under the provisions of K.S.A. 8-1911, and amendments thereto, for the purpose of moving cotton modules on the highways of this state, shall be allowed to move such cotton modules 24-hours per day. Such person shall comply with all applicable provisions of K.S.A. 8-1911, and amendments thereto, and rules and regulations adopted by the secretary.

(b) This section shall be part of and supplemental to the uniform act regulating traffic on highways.

New Sec. 2. As applied to the regulation of motor carriers, the provisions of this act and all grants of power, authority and jurisdiction herein made to the state corporation commission shall be liberally construed, and all incidental powers necessary to carry into effect the provisions of this act are expressly granted to and conferred upon the state corporation commission.

New Sec. 3. The state corporation commission is given full power, authority and jurisdiction to supervise and control motor carriers, as defined in K.S.A. 66-1,108, and amendments thereto, doing business or procuring business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction. The commission shall have general supervision of all motor carriers operating in this state. The commission shall inquire into any neglect or violations of the laws pertaining to the regulation of motor carriers of this state by any motor carrier or any person retaining the transportation services of that motor carrier. From time to time, the commission shall carefully examine and inspect the condition of each motor carrier, its equipment, the manner of its conduct and its management with reference to the public safety and convenience. Nothing in this section shall be construed as relieving any motor carrier from responsibility or liability for damage to person or property.

New Sec. 4. The state corporation commission shall have the authority to examine all accounts and records pertaining to its regulation of motor carriers. The agents, accountants, examiners or inspectors designated by the commission shall have authority under the direction of the transportation division to inspect and examine any and all books, accounts, papers, records, property and memoranda pertinent to its regulation of motor carriers.

Sec. 5. K.S.A. 2003 Supp. 66-1,109 is hereby amended to read as follows: 66-1,109. This act shall not require the following carriers to obtain a certificate, license or permit from the commission or file rates, tariffs, annual reports or provide proof of insurance with the commission:

(a) Transportation by motor carriers wholly within the corporate limits of a city or village in this state, or between contiguous cities or villages in this state or in this and another state, or between any city or village in this or another state and the suburban territory in this state within three miles of the corporate limits, or between cities and villages in this state and cities and villages in another state which are within territory designated as a commercial zone by the relevant federal authority, except that none of the exemptions specified in this subsection (a) shall apply to wrecker carriers and none of such exemptions shall apply to motor carriers of passengers, other than motor carriers of passengers operating as a part of the general transit system serving any such city or village in this or another state, operating on regular routes and time schedules between any city or village in this or another state, and the suburban territory in this state;

(b) a private motor carrier who operates within a radius of 25 miles beyond the corporate limits of its city or village of domicile, or who operates between cities and villages in this state and cities and villages in another state which are within territory designated as a commercial zone by the relevant federal authority;

(c) the owner of livestock or producer of farm products transporting livestock of such owner or farm products of such producer to market in a motor vehicle of such owner or producer, or the motor vehicle of a neighbor on the basis of barter or exchange for service or employment, or to such owner or producer transporting supplies for the use of such

owner or producer in a motor vehicle of such owner or producer, or in the motor vehicle of a neighbor on the basis of barter or exchange for service or employment;

(d) persons operating motor vehicles used only to transport property when no common carrier is accessible, but when common-carrier service is available then this last exemption is limited to the transportation of such property from origin to the nearest practicable common-carrier receiving or loading point, or from a common-carrier unloading point by way of the shortest practicable route to destination, providing such motor vehicle does not pass a practicable delivery or receiving point of a common carrier equipped to transport such load, or when used to transport property from the point of origin to point of destination thereof when the destination of such property is less distant from the point of origin thereof than the nearest practicable common-carrier receiving or loading point equipped to transport such load;

(e) (1) the transportation of children to and from school, or (2) to motor vehicles owned by schools, colleges, and universities, religious or charitable organizations and institutions, or governmental agencies, when used to convey students, inmates, employees, athletic teams, orchestras, bands or other similar activities;

(f) a new vehicle dealer as defined by K.S.A. 8-2401, and amendments thereto, when transporting property to or from the place of business of such dealer;

(g) motor vehicles carrying tools, property or material belonging to the owner of the vehicle and used in repair, building or construction work, not having been sold or being transported for the purpose of sale;

(h) persons operating motor vehicles which have an ad valorem tax situs in and are registered in the state of Kansas, and used only to transport grain from the producer to an elevator or other place for storage or sale for a distance of not to exceed 50 miles;

(i) the operation of hearses, funeral coaches, funeral cars or ambulances by motor carriers;

(j) motor vehicles owned and operated by the United States, the District of Columbia, any state, any municipality or any other political subdivision of this state, including vehicles used exclusively for handling U.S. mail, and the operation of motor vehicles used exclusively by organizations operating public transportation systems pursuant to 49 U.S.C. sections 5307, 5310 and 5311;

(k) any motor vehicle with a normal seating capacity of not more than the driver and 15 passengers while used for vanpooling or otherwise not for profit in transporting persons who, as a joint undertaking, bear or agree to bear all the costs of such operations, or motor vehicles with a normal seating capacity of not more than the driver and 15 passengers for not-for-profit transportation by one or more employers of employees to and from the factories, plants, offices, institutions, construction sites or other places of like nature where such persons are employed or accustomed to work;

(l) motor vehicles used to transport water for domestic purposes, *as defined by subsection (c) of K.S.A. 82a-701, and amendments thereto*, or livestock consumption;

(m) transportation of sand, gravel, slag stone, limestone, crushed stone, cinders, calcium chloride, bituminous or concrete paving mixtures, blacktop, dirt or fill material to a construction site, highway maintenance or construction project or other storage facility and the operation of ready-mix concrete trucks in transportation of ready-mix concrete;

(n) the operation of a vehicle used exclusively for the transportation of solid waste, as the same is defined by K.S.A. 65-3402, and amendments thereto, to any solid waste processing facility or solid waste disposal area, as the same is defined by K.S.A. 65-3402, and amendments thereto;

(o) the transporting of vehicles used solely in the custom combining business when being transported by persons engaged in such business;

(p) the operation of vehicles used for servicing, repairing or transporting of implements of husbandry, as defined in K.S.A. 8-1427, and amendments thereto, by a person actively engaged in the business of buying, selling or exchanging implements of husbandry, if such operation is within 100 miles of such person's established place of business in this state;

(q) transportation by taxi or bus companies operated exclusively within any city or within 25 miles of the point of its domicile in a city;

(r) a vehicle being operated with a dealer license plate issued under K.S.A. 8-2406, and amendments thereto, and in compliance with K.S.A. 8-136, and amendments thereto, and vehicles being operated with a full-privilege license plate issued under K.S.A. 8-2425, and amendments thereto;

(s) any person operating a motor vehicle with a gross vehicle weight rating of 10,000 pounds or less, transporting property sold or to be sold by the owner or operator of such motor vehicle, except motor vehicles transporting hazardous materials which require placards;

(t) the operation of vehicles used for transporting materials used in the servicing or repairing of the refractory linings of industrial boilers; ~~and~~

(u) transportation of newspapers published at least one time each week; *and*

(v) *transportation of animal dung to be used for fertilizer.*

Sec. 6. K.S.A. 2003 Supp. 66-1,129 is hereby amended to read as follows: 66-1,129. (a) The commission shall adopt rules and regulations necessary to carry out the provisions of this act. No public motor carrier of property, household goods or passengers or private motor carrier of property shall operate or allow the operation of any motor vehicle on any public highway in this state except within the provisions of the rules and regulations adopted by the commission. Rules and regulations adopted by the commission shall include:

(1) Every vehicle unit shall be maintained in a safe and sanitary condition at all times.

(2) Every driver of a public motor carrier, operating as a carrier of intrastate commerce within this state, shall be at least 18 years of age. Every driver of a private motor carrier, operating as a carrier of intrastate commerce within this state, shall be at least 16 years of age. All such drivers shall be competent to operate the motor vehicle under such driver's charge.

(3) Minimum age requirements for every driver of a motor carrier, operating as a carrier of interstate commerce, shall be consistent with federal motor carrier regulations.

(4) Hours of service for operators of all motor carriers to which this act applies shall be fixed by the commission.

(5) Accidents arising from or in connection with the operation of motor carriers shall be reported to the commission within the time, in the detail and in the manner as the commission requires.

(6) Every motor carrier shall have attached to each unit or vehicle distinctive marking adopted by the commission.

(7) Motor carrier transportation requirements that are consistent with continuation of the federal motor carrier safety assistance program and other federal requirements concerning transportation of hazardous materials.

(b) No rules and regulations adopted by the commission pursuant to this section shall require the operator of any motor vehicle having a gross vehicle weight rating or gross combination weight rating of not more than 10,000 pounds to submit to a physical examination, unless required by federal laws or regulations.

(c) Any rules and regulations of the commission, adopted pursuant to this section, shall not apply to the following, while engaged in the carriage of intrastate commerce in this state:

(1) The owner of livestock or producer of farm products transporting livestock of such owner or farm products of such producer to market in a motor vehicle of such owner or producer, or the motor vehicle of a neighbor on the basis of barter or exchange for service or employment, or to such owner or producer transporting supplies for the use of such owner or producer in or producer, or in the motor vehicle of a neighbor on the basis of barter or exchange for service or employment.

(2) The transportation of children to and from school, or to motor vehicles owned by schools, colleges, and universities, religious or charitable organizations and institutions, or governmental agencies, when used to convey students, inmates, employees, athletic teams, orchestras, bands or other similar activities.

(3) (A) Except for motor vehicles under subparagraph (B), motor vehicles, with a gross vehicle weight rating of 26,000 pounds or less, carrying tools, property or material belonging to the owner of the vehicle, and used in repair, building or construction work, not having

been sold or being transported for the purpose of sale, except vehicles transporting hazardous materials which require placards.

(B) Except vehicles transporting hazardous materials which require placards, motor vehicles, with a gross vehicle weight rating of 26,000 pounds or less, carrying tools, property or material belonging to the owner of the vehicle and used in repair, building or construction work and such tools, property or material are being transported to or from an active construction site located within a radius of 25 miles of the principal place of business of the motor carrier.

(4) Persons operating motor vehicles which have an ad valorem tax situs in and are registered in the state of Kansas, and used only to transport grain from the producer to an elevator or other place for storage or sale for a distance of not to exceed 50 miles.

(5) The operation of hearses, funeral coaches, funeral cars or ambulances by motor carriers.

(6) Motor vehicles owned and operated by the United States, the District of Columbia, any state, any municipality or any other political subdivisions of this state.

(7) Any motor vehicle with a normal seating capacity of not more than the driver and 15 passengers while used for vanpooling or otherwise not for profit in transporting persons who, as a joint undertaking, bear or agree to bear all the costs of such operations, or motor vehicles with a normal seating capacity not more than the driver and 15 passengers for not-for-profit transportation by one or more employers of employees to and from the factories, plants, offices, institutions, construction sites or other places of like nature where such persons are employed or accustomed to work.

(8) Motor vehicles used to transport water for domestic purposes, *as defined by subsection (c) of K.S.A. 82a-701, and amendments thereto*, or livestock consumption.

(9) The operation of vehicles used for servicing, repairing or transporting of implements of husbandry, as defined in K.S.A. 8-1427, and amendments thereto, by a person actively engaged in the business of buying, selling or exchanging implements of husbandry, if such operation is within 100 miles of such person's established place of business in this state, unless the implement of husbandry is transported on a commercial motor vehicle.

Sec. 7. K.S.A. 66-1,142b is hereby amended to read as follows: 66-1,142b. (a) Any ~~motor carrier person~~ *person* violating any statute, commission orders or rules and regulations ~~relevant to motor carriers~~ adopted by the state corporation commission *pursuant to the motor carrier act and other laws relevant to motor carriers* shall be subject to a civil penalty of not less than \$100 and not more than \$1,000 for negligent violations, and not more than \$5,000 for intentional violations.

(b) In construing and enforcing a civil penalty in accordance with this section, any act, omission or failure of any officer, agent or other person acting for or employed by any motor carrier while acting within the scope of such person's employment, shall in every case be deemed the act, omission or failure of the motor carrier.

(c) Every day during which the ~~motor carrier person~~ *person* fails to comply with any order ~~or direction~~ of the commission, or any applicable statute, rule or regulation, shall constitute a separate and distinct violation.

(d) Civil penalties shall be enforced and collected by an attorney for the corporation commission in the appropriate district court.

(e) Civil penalties shall be remitted in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, to the state treasurer. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the motor carrier license fee fund.

(f) The commission is granted the power, by general order or otherwise, to prescribe reasonable rules and regulations for the assessment of administrative civil penalties and sanctions for violations of any statute, commission orders or rules and regulations adopted by the commission.

Sec. 8. K.S.A. 66-1,142b and K.S.A. 2003 Supp. 66-1,109 and 66-1,129 are hereby repealed.

Sec. 9. This act shall take effect and be in force from and after its publication in the Kansas register.”;

In the title, by striking all of lines 14 through 19 and inserting: "AN ACT relating to motor vehicles; concerning the regulation thereof; relating to motor carriers; amending K.S.A. 66-1,142b and K.S.A. 2003 Supp. 66-1,109 and 66-1,129 and repealing the existing sections.";

And your committee on conference recommends the adoption of this report.

STEPHEN R. MORRIS  
DAVID ADKINS  
CHRISTINE DOWNEY  
*Conferees on part of Senate*

MELVIN NEUFELD  
CLARK SHULTZ  
JOE SHRIVER  
*Conferees on part of House*

Senator Morris moved the Senate adopt the Conference Committee Report on **HB 2067**.

On roll call, the vote was: Yeas 37, Nays 3, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil.

Nays: Barnett, Pugh, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2101**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 20, by striking "2002" and inserting "2003"; in line 24, by striking "2002" and inserting "2003"; in line 31, by striking "2002" and inserting "2003"; in line 36, by striking "2002" and inserting "2003"; in line 40, by striking "2003" and inserting "2004";

On page 2, in line 20, by striking "24" and inserting "eight"; in line 30, by striking "2002" and inserting "2003";

On page 4, in line 2, by striking "2002" and inserting "2003"; in line 30, by striking "2002" and inserting "2003";

On page 6, in line 18, by striking "2003" and inserting "2004"; in line 26, by striking "2002" and inserting "2003";

On page 7, in line 6, by striking "2002" and inserting "2003"; in line 23, by striking "2003" and inserting "2004"; in line 27, by striking "2002" and inserting "2003"; following line 27, by inserting:

"New Sec. 6. (a) A federal law enforcement officer who enters this state may arrest a person, without a warrant, when in the judgment of the federal law enforcement officer a person:

(1) Asserts physical force or uses forcible compulsion likely to cause death or great bodily harm to any person; or

(2) is committing an inherently dangerous felony as defined in K.S.A. 21-3436, and amendments thereto.

(b) To provide assistance to law enforcement officers, a federal law enforcement officer shall have the same authority as a law enforcement officer where:

(1) The federal law enforcement officer is rendering assistance at the request of any law enforcement officer; or

(2) the federal law enforcement officer is effecting an arrest or providing assistance as part of a bona fide task force or joint investigation in which law enforcement officers are participating.

(c) Any lawful actions pursuant to this section shall be deemed to be within the scope of the federal law enforcement officer's employment.

(d) As used in this section:

(1) "Federal law enforcement officer" means a person employed by the United States government and assigned to the federal bureau of investigation who is empowered to effect an arrest with or without a warrant for violation of the United States code and who is authorized to carry a firearm in the performance of the person's official duties as a federal law enforcement officer.

(2) "Law enforcement officer" has the meaning ascribed thereto in K.S.A. 21-3110, and amendments thereto.

(e) This section shall be a part of and supplemental to the Kansas criminal code.

(f) The provisions of this section shall expire on July 1, 2007.;

By renumbering the remaining sections accordingly;

Also on page 7, in line 28, by striking "2002" and inserting "2003";

In the title, in line 12, by striking all after "concerning"; by striking all in lines 13 and 14; in line 15, by striking all before the semicolon and inserting "certain investigative and law enforcement personnel; relating to private detectives and private detective agency licenses and firearm permits; relating to arrest powers of certain federal law enforcement officers"; also in line 15, by striking "2002" and inserting "2003";

And your committee on conference recommends the adoption of this report.

PETE BRUNGARDT

ROBERT LYON

MARK GILSTRAP

*Conferees on part of Senate*

WILLIAM G. MASON

DAN WILLIAMS

RICK REHORN

*Conferees on part of House*

Senator Brungardt moved the Senate adopt the Conference Committee Report on **HB 2101**.

On roll call, the vote was: Yeas 39, Nays 1, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huel-skamp, Jackson, Jordan, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Journey.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2557**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 34, by striking "Menninger Memorial state park in Shawnee county" and inserting "state park no. 24 in Shawnee county, which shall be given a permanent name to be determined by the legislature at a future date"; in line 37, by striking "Menninger Memorial state park" and inserting "state park no. 24"; in lines 39 and 40, by striking "Menninger Memorial" and inserting "such";

On page 2, in line 3, by striking "Menninger Memorial state park" and inserting "state park no. 24"; following line 3, by inserting:

"Sec. 2. K.S.A. 2003 Supp. 32-1005 is hereby amended to read as follows: 32-1005. (a) Commercialization of wildlife is knowingly committing any of the following, except as permitted by statute or rules and regulations:

- (1) Capturing, killing or possessing, for profit or commercial purposes, all or any part of any wildlife protected by this section;
- (2) selling, bartering, purchasing or offering to sell, barter or purchase, for profit or commercial purposes, all or any part of any wildlife protected by this section;
- (3) shipping, exporting, importing, transporting or carrying; causing to be shipped, exported, imported, transported or carried; or delivering or receiving for shipping, exporting, importing, transporting or carrying all or any part of any wildlife protected by this section, for profit or commercial purposes; or
- (4) purchasing, for personal use or consumption, all or any part of any wildlife protected by this section.
- (b) The wildlife protected by this section and the minimum value thereof are as follows:
- (1) Eagles, \$500;
  - (2) deer or antelope, \$400;
  - (3) elk or buffalo, \$600;
  - (4) furbearing animals, \$25;
  - (5) wild turkey, \$75;
  - (6) owls, hawks, falcons, kites, harriers or ospreys, \$200;
  - (7) game birds, migratory game birds, resident and migratory nongame birds, game animals and nongame animals, \$20 unless a higher amount is specified above;
  - (8) fish *and mussels*, the value for which shall be no less than the value listed for the appropriate fish *or mussels* species in the monetary values of freshwater fish *or mussels* and fish kill counting guidelines of the American fisheries society ~~€~~ special publication number ~~24~~ 30;
  - (9) turtles, \$10 each for unprocessed turtles or \$8 per pound or fraction of a pound for processed turtle parts;
  - (10) bullfrogs, \$2, whether dressed or not dressed;
  - (11) any wildlife classified as threatened or endangered, \$200 unless a higher amount is specified above; and
  - (12) any other wildlife not listed above, \$10.
- (c) Possession of wildlife, in whole or in part, captured or killed in violation of law and having an aggregate value of \$500 or more, as specified in subsection (b), is prima facie evidence of possession for profit or commercial purposes.
- (d) Commercialization of wildlife having an aggregate value of \$500 or more, as specified in subsection (b), is a severity level 10, nonperson felony. Commercialization of wildlife having an aggregate value of less than \$500, as specified in subsection (b), is a class A nonperson misdemeanor.
- (e) In addition to any other penalty provided by law, a court convicting a person of the crime of commercialization of wildlife may:
- (1) Confiscate all equipment used in the commission of the crime and may revoke for a period of up to 10 years all licenses and permits issued to the convicted person by the Kansas department of wildlife and parks; and
  - (2) order restitution to be paid to the Kansas department of wildlife and parks for the wildlife taken, which restitution shall be in an amount not less than the aggregate value of the wildlife, as specified in subsection (b).
- (f) The provisions of this section shall apply only to wildlife illegally harvested and possessed by any person having actual knowledge that such wildlife was illegally harvested.”;
- Also on page 2, by renumbering sections accordingly; in line 4, by striking “is” and inserting “and 32-1005 are”;
- In the title, in line 12, by striking “state parks” and inserting “wildlife and parks; relating to state parks; concerning commercialization of wildlife”; in line 13, by striking “repealing the existing section” and inserting “32-1005 and repealing the existing sections”;

And your committee on conference recommends the adoption of this report.

ROBERT TYSON  
MARK TADDIKEN  
JANIS K. LEE  
*Conferees on part of Senate*

BECKY HUTCHINS  
JUDY MORRISON  
GERALDINE FLAHARTY  
*Conferees on part of House*

Senator Tyson moved the Senate adopt the Conference Committee Report on **HB 2557**.  
On roll call, the vote was: Yeas 38, Nays 2, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Goodwin, Haley, Helgerson, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Gilstrap, Hensley.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2563**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 3, in line 39, preceding "on" by inserting "and who is mobilized and deployed";

And your committee on conference recommends the adoption of this report.

LESLIE D. DONOVAN  
LARRY D. SALMANS  
GRETA GOODWIN  
*Conferees on part of Senate*

PATRICIA BARBIERI-LIGHTNER  
LEE TAFANELLI  
NILE DILLMORE  
*Conferees on part of House*

Senator Donovan moved the Senate adopt the Conference Committee Report on **HB 2563**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2617**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, in line 20, by striking all after "survey"; in line 21, by striking all before the period; in line 22, by striking "landowner"; in line 23, by striking "and"; in line 29, by striking all after "surveys"; in line 30, by striking all before the comma; in line 34, by striking "A" and inserting "Neither the"; also in line 34, by striking "or occupant of the land is not" and

inserting “nor the person in possession shall be”; in line 36, by striking “landowner or occupant’s”; also in line 36, after “land” by inserting “, water or premises”; in line 39, by striking all before the period and inserting “person in possession”;

And your committee on conference recommends the adoption of this report.

JOHN VRATIL  
DEREK SCHMIDT  
GRETA GOODWIN  
*Conferees on part of Senate*

MICHAEL O’NEAL  
DOUG PATTERSON  
JANICE L. PAULS  
*Conferees on part of House*

Senator Vratil moved the Senate adopt the Conference Committee Report on **HB 2617**.  
On roll call, the vote was: Yeas 30, Nays 10, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Jackson, Jordan, Kerr, Lyon, Morris, O’Connor, Oleen, Schmidt, Schodorf, Steineger, Teichman, Umbarger, Vratil.

Nays: Clark, Corbin, Huelskamp, Journey, Lee, Pugh, Salmans, Taddiken, Tyson, Wagle.  
The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2745**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 42 and 43;

By striking all on pages 2 through 6;

On page 7, by striking all in lines 1 through 36 and inserting:

“Sec. 2. K.S.A. 8-197 is hereby amended to read as follows: 8-197. (a) The provisions of K.S.A. 8-197 to 8-199, inclusive, and amendments thereto, shall be a part of and supplemental to the provisions of article 1 of chapter 8 of the Kansas Statutes Annotated, and as used in such sections, the words and phrases defined by K.S.A. 8-126, and amendments thereto, shall have the meanings respectively ascribed to them therein.

(b) As used in K.S.A. 8-197 through 8-199, and amendments thereto:

(1) “Nonhighway vehicle” means:

(A) Any motor vehicle which cannot be registered because it is not manufactured for the purpose of using the same on the highways of this state and is not provided with the equipment required by state statute for vehicles of such type which are used on the highways of this state;

(B) any motor vehicle, other than a salvage vehicle, for which the owner has not provided motor vehicle liability insurance coverage or an approved self insurance plan under K.S.A. 40-3104, and amendments thereto, and has not applied for or obtained registration of such motor vehicle in accordance with article 1 of chapter 8 of the Kansas Statutes Annotated;  
or

(C) any all-terrain vehicle;

(2) “salvage vehicle” means:

(A) Any motor vehicle, *other than a late model vehicle*, which is of a type required to be registered in this state, but which cannot be registered because it has been wrecked or damaged to the extent that: The equipment required by state statute on any such vehicle used on the highways of this state is not present or is not in good condition or proper adjustment, as prescribed by state statute or any rules and regulations adopted pursuant thereto, or such vehicle is in an inoperable condition or a condition that would render the operation thereof on the highways of this state a hazard to the public safety; and in either

event, such vehicle would require substantial repairs to rebuild or restore such vehicle to a condition which will permit the registration thereof;

(B) *a late model vehicle which is of a type required to be registered in this state and which has been wrecked or damaged to the extent that the total cost of repair is 75% or more of the fair market value of the motor vehicle immediately preceding the time it was wrecked or damaged and such condition was not merely exterior cosmetic damage to such vehicle as a result of windstorm or hail; or*

(C) *a motor vehicle, which is of a type required to be registered in this state that the insurer determines is a total loss and for which the insurer takes title;*

(3) "salvage title" means a certificate of title issued by the division designating a motor vehicle a salvage vehicle;

(4) "rebuilt salvage vehicle" means any motor vehicle previously issued a salvage title;

(5) "rebuilt salvage title" means a certificate of title issued by the division for a vehicle previously designated a salvage vehicle which is now designated a rebuilt salvage vehicle;

(6) *"late model vehicle" means any motor vehicle which has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked or damaged or any of the six preceding years;*

(7) *"fair market value" means the retail value of a motor vehicle as:*

(A) *Set forth in a current edition of any nationally recognized compilation, including an automated database of retail value; or*

(B) *determined pursuant to a market survey of comparable vehicles with regard to condition and equipment;*

(8) *"cost of repairs" means the estimated or actual retail cost of parts needed to repair a vehicle plus the cost of labor computed by using the hourly labor rate and time allocations for automobile repairs that are customary and reasonable. Retail costs of parts and labor rates may be based upon collision estimating manuals or electronic computer estimating systems customarily used in the automobile industry. The total cost of repairs to rebuild or reconstruct the vehicle shall not include the cost of repairing, replacing or reinstalling tires, sound systems, or any sales tax on parts or materials to rebuild or reconstruct the vehicle.*

Sec. 3. K.S.A. 2003 Supp. 8-198 is hereby amended to read as follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required to be registered in this state, as provided in K.S.A. 8-135, and amendments thereto, but nothing in this section shall be construed as abrogating, limiting or otherwise affecting the provisions of K.S.A. 8-142, and amendments thereto, which make it unlawful for any person to operate or knowingly permit the operation in this state of a vehicle required to be registered in this state.

(b) Upon the sale or transfer of any nonhighway vehicle or salvage vehicle, the purchaser thereof shall obtain a nonhighway certificate of title or salvage title, whichever is applicable, in the following manner:

(1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401, and amendments thereto, and a certificate of title has not been issued for such vehicle under this section or under the provisions of K.S.A. 8-135, and amendments thereto, such transferor shall make application for and assign a nonhighway certificate of title or a salvage title, whichever is applicable, to the purchaser of such nonhighway vehicle or salvage vehicle in the same manner and under the same conditions prescribed by K.S.A. 8-135, and amendments thereto, for the application for and assignment of a certificate of title thereunder. Upon the assignment thereof, the purchaser shall make application for a new nonhighway certificate of title or salvage title, as provided in subsection (c) or (d).

(2) Except as provided in subsection (b) of K.S.A. 8-199, and amendments thereto, if a certificate of title has been issued for any such vehicle under the provisions of K.S.A. 8-135, and amendments thereto, the owner of such nonhighway vehicle or salvage vehicle may surrender such certificate of title to the division of vehicles and make application to the division for a nonhighway certificate of title or salvage title, whichever is applicable, or the owner may obtain from the county treasurer's office a form prescribed by the division of vehicles and, upon proper execution thereof, may assign the nonhighway certificate of title, salvage title or the regular certificate of title with such form attached to the purchaser of the nonhighway vehicle or salvage vehicle. Upon receipt of the nonhighway certificate of title, salvage title or the regular certificate of title with such form attached, the purchaser

shall make application for a new nonhighway certificate of title or salvage title, whichever is applicable, as provided in subsection (c) or (d).

(3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-2401, and amendments thereto, and a certificate of title has not been issued for the vehicle under this section or a certificate of title was not required under K.S.A. 8-135, and amendments thereto, the transferor shall make application to the division for a nonhighway certificate of title or salvage title, whichever is applicable, as provided in this section, except that in addition thereto, the division shall require a bill of sale or such transferor's affidavit, with at least one other corroborating affidavit, that such transferor is the owner of such nonhighway vehicle or salvage vehicle. If the division is satisfied that the transferor is the owner, the division shall issue a nonhighway certificate of title or salvage title, whichever is applicable, for such vehicle, and the transferor shall assign the same to the purchaser, who shall make application for a new nonhighway certificate of title or salvage title, whichever is applicable, as provided in subsection (c) or (d).

(c) Every purchaser of a nonhighway vehicle ~~or salvage vehicle~~, whether assigned a nonhighway certificate of title, ~~salvage title~~ or a regular certificate of title with the form specified in paragraph (2) of subsection (b) attached, shall make application to the county treasurer of the county in which such person resides for a new nonhighway certificate of title ~~or salvage title, whichever is applicable~~, in the same manner and under the same conditions as for an application for a certificate of title under K.S.A. 8-135, and amendments thereto. Such application shall be in the form prescribed by the director of vehicles and shall contain substantially the same provisions as required for an application under subsection (c)(1) of K.S.A. 8-135, and amendments thereto. In addition, such application shall provide a place for the applicant to certify that the vehicle for which the application for a nonhighway certificate of title ~~or salvage title~~ is made is a nonhighway vehicle ~~or salvage vehicle, whichever is applicable~~, and other provisions the director deems necessary. Each application for a nonhighway certificate of title ~~or salvage title~~ shall be accompanied by a fee of \$10, and if the application is not made to the county treasurer within the time prescribed by K.S.A. 8-135, and amendments thereto, for making application for a certificate of title thereunder, an additional fee of \$2.

(d) (1) *Except as otherwise provided by this section, the owner of a vehicle that meets the definition of a salvage vehicle shall apply for a salvage title before the ownership of the motor vehicle is transferred. In no event shall such application be made more than 30 days after the vehicle is determined to be a salvage vehicle.*

(2) *Every insurance company, which pursuant to a damage settlement, acquires ownership of a vehicle that has incurred damage requiring the vehicle to be designated a salvage vehicle, shall apply for a salvage title within 30 days after the title is assigned and delivered by the owner to the insurance company, with all liens released.*

(3) *Every insurance company which makes a damage settlement for a vehicle that has incurred damage requiring such vehicle to be designated a salvage vehicle, but does not acquire ownership of the vehicle, shall notify the vehicle owner of the owner's obligation to apply for a salvage title for the motor vehicle, and shall notify the division of this fact in accordance with procedures established by the division. The vehicle owner shall apply for a salvage title within 30 days after being notified by the insurance company.*

(4) *The lessee of any vehicle which incurs damage requiring the vehicle to be designated a salvage vehicle shall notify the lessor of this fact within 30 days of the determination that the vehicle is a salvage vehicle.*

(5) *The lessor of any motor vehicle which has incurred damage requiring the vehicle to be titled as a salvage vehicle, shall apply for a salvage title within 30 days after being notified of this fact by the lessee.*

(6) *Every person acquiring ownership of a motor vehicle that meets the definition of a salvage vehicle, for which a salvage title has not been issued, shall apply for the required document prior to any further transfer of such vehicle, but in no event, more than 30 days after ownership is acquired.*

(7) *Every purchaser of a salvage vehicle, whether assigned a salvage title or a regular certificate of title with the form specified in paragraph (2) of subsection (b) attached, shall make application to the county treasurer of the county in which such person resides for a*

*new salvage title, in the same manner and under the same condition as for an application for a certificate of title under K.S.A. 8-135, and amendments thereto. Such application shall be in the form prescribed by the director of vehicles and shall contain substantially the same provisions as required for an application under subsection (c)(1) of K.S.A. 8-135, and amendments thereto. In addition, such application shall provide a place for the applicant to certify that the vehicle for which the application for salvage title is made is a salvage vehicle, and other provisions the director deems necessary. Each application for a salvage title shall be accompanied by a fee of \$10 and if the application is not made to the county treasurer within the time prescribed by K.S.A. 8-135, and amendments thereto, for making application for a certificate of title thereunder, an additional fee of \$2.*

*(8) Failure to apply for a salvage title as provided by this subsection shall be a class C nonperson misdemeanor.*

*(e)* A nonhighway certificate of title or salvage title shall be in form and color as prescribed by the director of vehicles. A nonhighway certificate of title or salvage title shall indicate clearly and distinctly on its face that it is issued for a nonhighway vehicle or salvage vehicle, whichever is applicable. A nonhighway certificate of title or salvage title shall contain substantially the same information as required on a certificate of title issued under K.S.A. 8-135, and amendments thereto, and other information the director deems necessary.

*(f) (1)* A nonhighway certificate of title or salvage title may be transferred in the same manner and under the same conditions as prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a certificate of title, except as otherwise provided in this section. A nonhighway certificate of title or salvage title may be assigned and transferred only while the vehicle remains a nonhighway vehicle or salvage vehicle.

*(2)* Upon transfer or sale of a nonhighway vehicle in a condition which will allow the registration of such vehicle, the owner shall assign the nonhighway certificate of title to the purchaser, and the purchaser shall obtain a certificate of title and register such vehicle as provided in K.S.A. 8-135, and amendments thereto. No regular certificate of title shall be issued for a vehicle for which there has been issued a nonhighway certificate of title until there has been compliance with K.S.A. 8-116a, and amendments thereto.

*(3) (A)* Upon transfer or sale of a salvage vehicle which has been rebuilt or restored or is otherwise in a condition which will allow the registration of such vehicle, the owner shall assign the salvage title to the purchaser, and the purchaser shall obtain a rebuilt salvage title and register such vehicle as provided in K.S.A. 8-135, and amendments thereto. No rebuilt salvage title shall be issued for a vehicle for which there has been issued a salvage title until there has been compliance with K.S.A. 8-116a, and amendments thereto, *and the notice required in paragraph (3)(B) of this subsection has been attached to such vehicle.*

*(B)* *As part of the inspection for a rebuilt salvage title conducted under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol shall attach a notice affixed to the left door frame of the rebuilt salvage vehicle indicating the vehicle identification number of such vehicle and that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be collected from the owner of such vehicle requesting the inspection for the notice required under this paragraph. All moneys received under this paragraph shall be remitted in accordance with subsection (e) of K.S.A. 8-116a, and amendments thereto.*

*(C)* *Failure to apply for a rebuilt salvage title as provided by this paragraph shall be a class C nonperson misdemeanor.*

*(g)* The owner of a salvage vehicle which has been issued a salvage title and has been assembled, reconstructed, reconstituted or restored or otherwise placed in an operable condition may make application to the county treasurer for a permit to operate such vehicle on the highways of this state over the most direct route from the place such salvage vehicle is located to a specified location named on the permit and to return to the original location. No such permit shall be issued for any vehicle unless the owner has motor vehicle liability insurance coverage or an approved self-insurance plan under K.S.A. 40-3104, and amendments thereto. Such permit shall be on a form furnished by the director of vehicles and shall state the date the vehicle is to be taken to the other location, the name of the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the policy number or a statement that the vehicle is included in a self-insurance plan approved by the commissioner of

insurance, a statement attesting to the correctness of the information concerning financial security, the vehicle identification number and a description of the vehicle. Such permit shall be signed by the owner of the vehicle. Permits issued under this subsection ~~(f)~~(g) shall be prepared in triplicate. One copy shall be carried in the vehicle for which it is issued and shall be displayed so that it is visible from the rear of the vehicle. The second copy shall be retained by the county treasurer, and the third copy shall be forwarded by the county treasurer to the division of vehicles. The fee for such permit shall be \$1 which shall be retained by the county treasurer, who shall annually forward 25% of all such fees collected to the division of vehicles to reimburse the division for administrative expenses, and shall deposit the remainder in a special fund for expenses of issuing such permits.

~~(g)~~ (h) A nonhighway vehicle or salvage vehicle for which a nonhighway certificate of title or salvage title has been issued pursuant to this section shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 to 40-3121, inclusive, and amendments thereto, except when such vehicle is being operated pursuant to subsection ~~(f)~~(g). Any person who knowingly makes a false statement concerning financial security in obtaining a permit pursuant to subsection ~~(f)~~(g), or who fails to obtain a permit when required by law to do so is guilty of a class C misdemeanor.

~~(h)~~ (i) Any person who, on July 1, 1996, is the owner of an all-terrain vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall not be required to file an application for a nonhighway certificate of title under the provisions of this section for such all-terrain vehicle, unless the person transfers an interest in such all-terrain vehicle.

New Sec. 4. It shall be unlawful for any person to remove, obliterate or alter any notice required to be attached to a rebuilt salvage vehicle, as defined under K.S.A. 8-197, and amendments thereto, in accordance with paragraph (3) of subsection (f) of K.S.A. 8-198, and amendments thereto. A violation of this section shall be a class A nonperson misdemeanor.

Sec. 5. K.S.A. 8-197 and K.S.A. 2003 Supp. 8-198 are hereby repealed.”;

By renumbering the remaining section accordingly;

In the title, in line 13, by striking “iso-”; by striking all in line 14 and inserting “salvage vehicles; amending K.S.A. 8-197 and K.S.A. 2003 Supp. 8-198”; in line 15, by striking all following “existing”; in line 16, by striking all preceding the period and inserting “sections”;

And your committee on conference recommends the adoption of this report.

LESLIE D. DONOVAN  
LARRY D. SALMANS  
GRETA GOODWIN  
*Conferees on part of Senate*

GARY K. HAYZLETT  
JOHN FABER  
MARGARET E. LONG  
*Conferees on part of House*

Senator Donovan moved the Senate adopt the Conference Committee Report on **HB 2745**.

On roll call, the vote was: Yeas 40, Nays 0, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelkamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

The Conference Committee report was adopted.

#### CHANGE OF CONFERENCE

The President announced the appointment of Senators Allen, Buhler and Betts as members of the Conference Committee on **HB 2624** to replace Senators Donovan, Salmans and Goodwin.

**MESSAGE FROM THE HOUSE**

Announcing the House adopts the conference committee report on **HB 2293**.

The House adopts the conference committee report on **Substitute HB 2516**.

The House adopts the conference committee report on **Senate Substitute for Substitute HB 2593**.

The House adopts the conference committee report on **HB 2652**.

The House adopts the conference committee report on **Senate Substitute for Substitute HB 2647**.

The House adopts the conference committee report on **HB 2871**.

The House concurs in Senate amendments to **Senate Substitute for HB 2391** and requests the Senate to return the bill.

The House concurs in Senate amendments to **HB 2813** and requests the Senate to return the bill.

The House not adopts the conference committee report on **Senate Substitute for HB 2886**, requests a conference and appoints Representatives Neufeld, Shultz and Feuerborn as **second** conferees on the part of the House.

The House adopts the conference committee report on **House Substitute for SB 45**.

The House adopts the conference committee report on **House Substitute for SB 376**.

**ORIGINAL MOTION**

Having voted on the prevailing side, Senator Emler moved the Senate reconsider its adverse action on **SB 292**. The motion carried.

Senator Steineger moved the Senate concur on **SB 292**.

**SB 292**, An act concerning fire protection and prevention; authorizing payment for acquisition, installation or maintenance of fire hydrants by fire districts and townships; pertaining to the use of wood shingles and similar materials; relating to fire investigations; amending K.S.A.

On roll call, the vote was: Yeas 17, Nays 22, Present and Passing 1, Absent or Not Voting 0.

Yeas: Barnett, Betts, Brownlee, Donovan, Downey, Emler, Goodwin, Haley, Helgerson, Journey, Morris, Oleen, Salmans, Schodorf, Steineger, Vratil, Wagle.

Nays: Adkins, Allen, Barone, Brungardt, Buhler, Bunten, Clark, Corbin, Gilstrap, Hensley, Huelskamp, Jordan, Kerr, Lee, Lyon, O'Connor, Pugh, Schmidt, Taddiken, Teichman, Tyson, Umbarger.

Present and Passing: Jackson.

The motion to concur failed and **SB 292** remains in conference.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **House Substitute for SB 45**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as House Substitute for Senate Bill No. 45, as follows:

On page 5, in line 36, after the semicolon by inserting "and"; in line 37, by striking all after "(14)"; by striking all in lines 38 through 40; in line 41, by striking "(15)";

On page 6, after line 35, by inserting the following:

"Sec. 2. (a) The secretary of corrections shall develop a comprehensive plan for the expansion of maximum, medium and minimum security prison capacity, for specialized facilities and for a training academy. In developing such plan, the secretary shall engage in discussions with local units of government in jurisdictions in which department of corrections facilities are situated. The secretary shall present such plan to the legislature not later than February 1, 2005.

(b) The secretary is authorized to enter into agreements with Woodson County, or with any municipality within Woodson County, in preparation for the expansion of the minimum security correctional facility at Toronto to house additional medium or minimum security male inmates or for the development of related correctional facilities in Woodson County.

(c) The secretary is authorized to enter into agreements with Rooks County, or with any municipality within Rooks County, in preparation for the expansion of the minimum security correctional facility at Stockton to house additional medium or minimum security male inmates or for the development of related correctional facilities in Rooks County.

(d) In carrying out duties under this section, the secretary shall coordinate with the Kansas criminal justice recodification, rehabilitation and restoration project committee and with the Kansas sentencing commission.”;

And by renumbering the remaining section accordingly;

On page 1, in the title, in line 10, after “thereof” by inserting “; development of the comprehensive corrections plan”;

And your committee on conference recommends the adoption of this report.

WARD LOYD  
THOMAS C. OWENS  
JIM WARD  
*Conferees on part of House*

JOHN VRATIL  
DEREK SCHMIDT  
GRETA GOODWIN  
*Conferees on part of Senate*

Senator Vratil moved the Senate adopt the Conference Committee Report on **H Sub for SB 45**.

On roll call, the vote was: Yeas 27, Nays 13, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Betts, Brungardt, Buhler, Clark, Donovan, Downey, Emler, Goodwin, Haley, Jordan, Journey, Kerr, Lee, Morris, Oleen, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Umbarger, Vratil, Wagle.

Nays: Barone, Brownlee, Bunten, Corbin, Gilstrap, Helgerson, Hensley, Huelskamp, Jackson, Lyon, O'Connor, Pugh, Tyson.

The Conference Committee report was adopted.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2658**, submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

SUSAN WAGLE  
JIM BARNETT  
DAVID HALEY  
*Conferees on part of Senate*

JIM MORRISON  
WILLA DECASTRO  
NANCY A. KIRK  
*Conferees on part of House*

On motion of Senator Wagle, the Senate adopted the conference committee report on **HB 2658**, and requested a new conference committee be appointed.

The President appointed Senators Wagle, Barnett and Haley as a second Conference Committee on the part of the Senate on **HB 2658**.

#### ORIGINAL MOTION

On motion of Senator Morris, the Senate acceded to the request of the House for a conference on **HB 2705**.

The President appointed Senators Morris, Adkins and Downey as conferees on the part of the Senate.

On motion of Senator Morris, the Senate acceded to the request of the House for a conference on **HB 2749**.

The President appointed Senators Morris, Adkins and Downey as conferees on the part of the Senate.

On motion of Senator Morris, the Senate acceded to the request of the House for a conference on **S Sub for HB 2886**.

The President appointed Senators Morris, Adkins and Downey as second conferees on the part of the Senate.

On motion of Morris, the Senate acceded to the request of the House for a conference on **S Sub for HB 2899**.

The President appointed Senators Morris, Adkins and Downey as conferees on the part of the Senate.

#### INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senator Schmidt introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1849—

By Senator Schmidt

A RESOLUTION declaring Saturday, May 1, 2004, as veterans appreciation day in Independence.

WHEREAS, The freedoms which we enjoy as Americans exist because of the efforts and sacrifices made by our men and women in the military service of our nation. Our nation was established through the efforts of patriots who volunteered to be a part of our armed forces, and as required through the history of our nation, our men and women have responded to our nation's needs; and

WHEREAS, At the conclusion of armed conflict in World Wars I and II our service members returned home to tumultuous welcomes, but that has not always been so after subsequent conflicts. As the world's single super power, America is required to provide the bulk of the military might needed to contain tyranny throughout the world; and

WHEREAS, The need for military personnel has been provided by every state, every city and virtually every family of this proud nation. It is indeed fitting to recognize and show our appreciation for our military veterans: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That the body is pleased to declare May 1, 2004, as veterans appreciation day in Independence; and

*Be it further resolved:* That the Secretary of the Senate provide an enrolled copy of this resolution to Louis Ysusi, 112 Timberlane Dr., Independence, KS 67301-1915; VFW Post 1186, 113 E. Myrtle St., Independence, KS 67301-3717 and American Legion Post 139, 701 S. 18th St., Independence, KS 67301-4116.

On emergency motion of Senator Schmidt **SR 1849** was adopted unanimously.

Senator Kerr introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1850—

By Senator Kerr

A RESOLUTION congratulating and commending Martha L. (Pat) Brady.

WHEREAS, Martha L. (Pat) Brady retired July 1, 2003, after serving the Kansas Legislature for 30 years through her outstanding efforts in the Kansas Legislative Research Department; and

WHEREAS, Martha L. (Pat) Brady commenced working for the State of Kansas at Kansas State University in April 1967 as a Clerk-Typist I; she moved to Bonner Springs and began working in January 1968 at the Kansas University Medical Center; she moved to Silver Lake and began a babysitting business in her home but began working for Blue Cross/Blue Shield in April 1973; she returned to state service beginning her distinguished career with the Kansas Legislative Research Department as a Clerk-Typist II in August 1973, ending her career as an Administrative Officer for the Department; and

WHEREAS, Martha L. (Pat) Brady was known throughout the Research Department and in many other offices in the statehouse for her kind smile, helpful ways, pride in her Irish heritage and delicious cinnamon rolls; and

WHEREAS, Martha L. (Pat) Brady served her community of Silver Lake as a member of the city council from 1988 to 2000, including serving as mayor from 1992 to 2000; and in her capacity as mayor she guided Silver Lake during the great flood of 1993; and

WHEREAS, Martha L. (Pat) Brady was born to William M. Burton, Sr., and Martha L. (Raymond) Burton, and reared in Frankfort with her twin brother William M. (Mike) Burton, Jr., and

WHEREAS, Martha L. (Pat) Brady was married to Edward J. Brady on April 1, 1967. They have a daughter, Jannie Taylor, and a son, Mark Brady, and are proud grandparents of two grandchildren: Emily Rose Brady and Andrew James Brady; Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That we congratulate and commend Martha L. (Pat) Brady for her more than 30 years of devoted service to the State of Kansas; and

*Be it further resolved:* That the Secretary of the Senate provide an enrolled copy of this resolution to Martha L. (Pat) Brady, 2772 28th Road, Vermillion, Kansas 66544; Jannie and Ron Taylor, P.O. Box 63, Silver Lake, Kansas 66539 and Mark and Joanie Brady, 7109 Slater, Merriam, Kansas 66204.

On emergency motion of Senator Kerr **SR 1850** was adopted unanimously.

On motion of Senator Oleen the Senate adjourned until 10:00 a.m., Wednesday, April 28, 2004.

HELEN MORELAND, CAROL PARRETT, BRENDA KLING, *Journal Clerks.*

PAT SAVILLE, *Secretary of the Senate.*

