

Approved: February 4, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:12 a.m. on February 3, 1994 in Room 519-S of the Capitol.

Members present: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond, Senator Feleciano Jr., Senator Lee, Senator Reynolds, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department
Bill Edds, Revisor of Statutes
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Whitney Damron, Pete McGill & Associates
Senator Sandra Praeger
Mikel Filter, Kansas Inc.

Others attending: See attached list

APPROVAL OF MINUTES

Senator Tiahrt moved to approve the minutes of February 2, 1994. The motion was seconded by Senator Bond. The motion carried.

INTRODUCTION OF BILLS

Whitney Damron, on behalf of the city of Kansas City, Kansas, requested the introduction of legislation which would allow for the creation of a mechanics' lien for improvements on property that is in a dangerous state of disrepair. (Attachment 1) They would like to expand this bill to allow for the abatement of taxes by those who would benefit from this legislation in order that the dweller may be able to pay the increased property taxes.

Senator Bond moved to introduce this bill. The motion was seconded by Senator Wisdom. The motion carried.

Whitney Damron, on behalf of the Kansas Library Association, requested the introduction of a bill which would amend statutory provisions dealing with library funding to operate similarly to those previously enacted for Salina, Hutchinson and Topeka public libraries. (Attachment 2)

Senator Tiahrt moved to introduce this bill. The motion was seconded by Senator Reynolds. The motion carried.

SB 478--SALES TAX REGISTRATION CERTIFICATES ISSUANCE TO SPONSORS OF MULTI-VENDOR EVENT

Senator Sandra Praeger appeared before the committee to explain **SB 478**. She said this bill was requested by a constituent to solve a problem in Lawrence with an Arts and Crafts show. The vendor would like to be able to use credit cards. She thinks maybe the problem is with the credit card companies rather than the Department of Revenue and the bill might need more work.

No action was taken on the bill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:12 a.m. on February 3, 1994.

SB 461--TAX INCENTIVES FOR CERTAIN SERVICE SECTOR FIRMS

Discussion was held by the committee concerning amendments to **SB 461** which were discussed in the hearing.

The first amendment was in Section 1, line 26, after the word headquarters, add "or back office operations". The committee was told that the definition of these words would be place in the Rules and Regulations by the Department of Commerce and Housing.

Senator Tiahrt moved to amend SB 461 to add "or back office operations" in Section 1, line 26 after the word "headquarters". The motion was seconded by Senator Bond. The motion carried.

The next amendment was to add on page 1, line 36 and page 3, line 29 after the word commercial "or governmental" .

Senator Bond moved to amend SB 461 by adding on page 1, line 36 and page 3, line 29 "or governmental" after the word "commercial". The motion was seconded by Senator Tiahrt. The motion carried.

An amendment was discussed to add Attachment B (Attachment 3) for Section 3, page 4.

Senator Tiahrt moved to strike all of Section 3, page 4, and add a new section Attachment B of the testimony. The motion was seconded by Senator Martin. The motion carried.

The committee discussed a new proposed amendment, page 5 of the testimony.

Senator Feleciano moved to amend KSA 74-50, 115 by adding "(d) Any person constructing, reconstructing, remodeling, or enlarging property which will be leased for a period of 5 years or more to a business that would be eligible for a sales tax exemption hereunder if such business had constructed, reconstructed, enlarged, or remodeled such property itself shall be entitled to the sales tax exemptions property under the provisions of subsection (ee) of KSA 1993 Supp. 79-3606a, and amendments thereto." The motion was seconded by Senator Martin. The motion carried.

Senator Tiahrt moved to pass SB 461 as amended. The motion was seconded by Senator Martin. The motion carried. (Committee report attached for clarification - Attachment 4)

Senator Langworthy announced the meeting on Friday, February 4, 1994 will be to discuss and possibly act on **SB 480** and **SB 503**.

The meeting adjourned at 11:30 a.m.

The next meeting is scheduled for February 4, 1994.

February 3, 1994

The Honorable Audrey Langworthy
Chair, Senate Committee on Assessment & Taxation
Room 143 - North
State Capitol Building
Topeka, Kansas 66612

Re: SB 147 - Mechanics' liens on property/rehabilitation of property

Dear Senator Langworthy:

On behalf of the City of Kansas City, Kansas we are respectfully requesting the introduction of legislation which would allow for the creation of a mechanics' lien for improvements on property that is in a dangerous state of disrepair.

During the 1993 legislative session Senator Sherman Jones introduced SB 147 which would have allowed the City of Kansas City, Kansas to approve of such improvements and create a mechanics' lien for the cost of such improvements. SB 147 was localized to the City of Kansas City, Kansas. It would be our request to introduce legislation which would allow all cities and counties in the State of Kansas to take advantage of this legislation if they so desired.

In addition, it is our understanding that sentiment exists on your Committee to expand the scope of this bill to allow for the abatement of taxes by those who would benefit from this legislation in order to address the concern that the new dweller may not be able to pay the property taxes on the house after it is rehabilitated due to its increased property valuation. The City of Kansas City, Kansas supports that option and will work with interested parties to draft an amendment to address that concern.

Included with this letter is a copy of SB 147. We would request its re-introduction with language inserted to allow all cities and counties to take advantage of this bill. At this time we do not have language to address the tax abatement issue but will make efforts to do so.

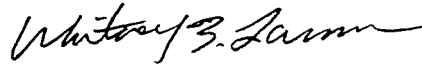
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Senator Audrey Langworthy
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Please do not hesitate to contact our office if you have any questions. On behalf of the City of Kansas City, Kansas we thank you for your consideration of this request.

Sincerely,

PETE MCGILL & ASSOCIATES

A handwritten signature in black ink, appearing to read "Whitney B. Damron". The signature is fluid and cursive, with the first name being the most prominent.

Whitney B. Damron

WBD:sc

Enclosure

CC: Nancy Zielke - Finance Director, City of Kansas City, Kansas

SENATE BILL No. 147

By Senator Jones

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AN ACT concerning mechanics' liens on property ordered by Kansas City, Kansas, to abate conditions; amending K.S.A. 60-1101 and 60-1105 and K.S.A. 1992 Supp. 60-1102, 60-1103 and 60-1103a and repealing the existing sections.

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

Section 1. K.S.A. 60-1101 is hereby amended to read as follows: 60-1101. Any person furnishing labor, equipment, material, or supplies used or consumed for the improvement of real property, under a contract with the owner or with the trustee, agent or spouse of the owner, *or without a contract if ordered by the governing body of the city of Kansas City, Kansas, to abate the conditions that caused a structure on that property to be deemed a dangerous building*, shall have a lien upon the property for the labor, equipment, material or supplies furnished, and for the cost of transporting the same. The lien shall be preferred to all other liens or encumbrances which are subsequent to the commencement of the furnishing of such labor, equipment, material or supplies at the site of the property subject to the lien. When two or more such contracts are entered into applicable to the same improvement, the liens of all claimants shall be similarly preferred to the date of the earliest unsatisfied lien of any of them.

Sec. 2. K.S.A. 1992 Supp. 60-1102 is hereby amended to read as follows: 60-1102. (a) *Filing*. Any person claiming a lien on real property, under the provisions of K.S.A. 60-1101, and amendments thereto, shall file with the clerk of the district court of the county in which property is located, within four months after the date material, equipment or supplies, used or consumed was last furnished or last labor performed under the contract, *or without a contract if ordered by the governing body of the city of Kansas City, Kansas, to abate the conditions that caused a structure on that property to be deemed a dangerous building*, a verified statement showing:

- (1) The name of the owner,
- (2) the name and address sufficient for service of process of the claimant,
- (3) a description of the real property,

(4) a reasonably itemized statement and the amount of the claim, but if the amount of the claim is evidenced by a written instrument, or if a promissory note has been given for the same, a copy thereof may be attached to the claim in lieu of the itemized statement.

(b) *Recording*. Immediately upon the receipt of such statement the clerk of the court shall index the lien in the general index by party names and file number.

Sec. 3. K.S.A. 1992 Supp. 60-1103 is hereby amended to read as follows: 60-1103. (a) *Procedure*. Any supplier, subcontractor or other person furnishing labor, equipment, material or supplies, used or consumed at the site of the property subject to the lien, under an agreement with the contractor, subcontractor or owner contractor, *or without a contract if ordered by the governing body of the city of Kansas City, Kansas, to abate the conditions that caused a structure on that property to be deemed a dangerous building*, may obtain a lien for the amount due in the same manner and to the same extent as the original contractor except that:

(1) The lien statement must state the name of the contractor and be filed within three months after the date supplies, material or equipment was last furnished or labor performed by the claimant;

(2) if a warning statement is required to be given pursuant to K.S.A. 1992 Supp. 60-1103a, and amendments thereto, there shall be attached to the lien statement the affidavit of the supplier or subcontractor that such warning statement was properly given; and

(3) a notice of intent to perform, if required pursuant to K.S.A. 1992 Supp. 60-1103b, and amendments thereto, must have been filed as provided by that section.

(b) Owner contractor is defined as any person, firm or corporation who:

(1) Is the fee title owner of the real estate subject to the lien; and

(2) enters into contracts with more than one person, firm or corporation for labor, equipment, material or supplies used or consumed for the improvement of such real property.

(c) *Recording and notice*. When a lien is filed pursuant to this section, the clerk of the district court shall enter the filing in the general index. The claimant shall (1) cause a copy of the lien statement to be served personally upon any one owner and any party obligated to pay the lien in the manner provided by K.S.A. 60-304, and amendments thereto, for the service of summons within the state, or by K.S.A. 60-308, and amendments thereto, for service outside of the state, (2) mail a copy of the lien statement to any one owner of the property and to any party obligated to pay the

1 same by restricted mail or (3) if the address of any one owner or
 2 such party is unknown and cannot be ascertained with reasonable
 3 diligence, post a copy of the lien statement in a conspicuous place
 4 on the premises. The provisions of this subsection requiring that the
 5 claimant serve a copy of the lien statement shall be deemed to have
 6 been complied with, if it is proven that the person to be served
 7 actually received a copy of the lien statement.

8 (d) *Rights and liability of owner.* The owner of the real property
 9 shall not become liable for a greater amount than the owner has
 10 contracted to pay the original contractor, except for any payments
 11 to the contractor made:

12 (1) Prior to the expiration of the three-month period for filing
 13 lien claims, if no warning statement is required by K.S.A. 1992
 14 Supp. 60-1103a, and amendments thereto; or

15 (2) subsequent to the date the owner received the warning state-
 16 ment, if a warning statement is required by K.S.A. 1992 Supp. 60-
 17 1103a, and amendments thereto.

18 The owner may discharge any lien filed under this section which
 19 the contractor fails to discharge and credit such payment against the
 20 amount due the contractor.

21 Sec. 4. K.S.A. 1992 Supp. 60-1103a is hereby amended to read
 22 as follows: 60-1103a. (a) As used in this section, "improvement of
 23 residential property" means:

24 (1) Improvement of a preexisting structure in which the owner
 25 resides at the time the claimant first furnishes labor, equipment,
 26 material or supplies and which is not used or intended for use as a
 27 residence for more than two families or for commercial purposes or
 28 improvement or construction of any addition, garage, fence, swim-
 29 ming pool, outbuilding or other improvement appurtenant to such
 30 a structure; or

31 (2) any construction upon real property which is (A) owned or
 32 acquired by an individual at the time the claimant first furnishes
 33 labor, equipment, material or supplies; (B) intended to become and
 34 does become the principal personal residence of that individual upon
 35 completion; and (C) not used or intended for use as a residence for
 36 more than two families or for commercial purposes.

37 (b) A lien for the furnishing of labor, equipment, materials or
 38 supplies for the improvement of residential property may be claimed
 39 pursuant to K.S.A. 60-1103 and amendments thereto only if the
 40 claimant has:

41 (1) Mailed to any one of the owners of the property a warning
 42 statement conforming with this section; or

43 (2) in the claimant's possession a copy of a statement signed and

1 dated by any one owner of the property stating that the general
 2 contractor or the claimant had given the warning statement con-
 3 forming with this section to one such owner of the property.

4 (c) The warning statement provided for by this section, to be
 5 effective, shall contain substantially the following statement:

6 "Notice to owner: (name of supplier or subcontractor) is a supplier
 7 or subcontractor providing materials or labor on Job No. _____
 8 at (residence address) under an agreement, *or without an agreement*
 9 *if ordered by the governing body of the city of Kansas City, Kansas,*
 10 *to abate the conditions that caused a structure on that property to*
 11 *be deemed a dangerous building,* with (name of contractor *or trades-*
 12 *man*). Kansas law will allow this supplier, *tradesman* or subcontractor
 13 to file a lien against your property for materials or labor not paid
 14 for by your contractor *or tradesman* unless you have a waiver of
 15 lien signed by this supplier, *tradesman* or subcontractor. If you
 16 receive a notice of filing of a lien statement by this supplier, *trades-*
 17 *man* or subcontractor, you may withhold from your contractor *or*
 18 *tradesman* the amount claimed until the dispute is settled."

19 (d) The warning statement provided for by this section shall not
 20 be required if the claimant's total claim does not exceed \$250.

21 Sec. 5. K.S.A. 60-1105 is hereby amended to read as follows:
 22 60-1105. (a) *Limitations.* An action to foreclose a lien under this
 23 article shall be brought within one year from the time of filing the
 24 lien statement, *or order of the governing body of the city of Kansas*
 25 *City, Kansas,* but if a promissory note has been attached to the lien
 26 statement in lieu of an itemized statement, the action shall be com-
 27 menced within one year from the maturity of said note.

28 (b) *Amendment.* Where action is brought to enforce a lien the
 29 lien statement may be amended by leave of the judge in furtherance
 30 of justice, except to increase the amount claimed.

31 Sec. 6. K.S.A. 60-1101 and 60-1105 and K.S.A. 1992 Supp. 60-
 32 1102, 60-1103 and 60-1103a are hereby repealed.

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

PETE MCGILL & ASSOCIATES INC.

GOVERNMENT AFFAIRS & PUBLIC RELATIONS

412 CAPITOL TOWER • 400 WEST EIGHTH • TOPEKA, KANSAS 66603 • 913•233•4512 • FAX 913•233•2206

February 3, 1994

The Honorable Audrey Langworthy
Chair, Senate Committee on Assessment & Taxation
Room 143 - North
State Capitol Building
Topeka, Kansas 66612

Re: Library Funding/Bill Request

Dear Senator Langworthy:

During Committee debate on SB 447 the Kansas Library Association requested that libraries be deleted from the bill in order to allow the library community to bring an alternative library funding proposal before your Committee. Attached to this cover letter is a bill draft proposal prepared by Fred Logan, legal counsel to the Kansas Library Association, which would amend statutory provisions dealing with library funding to operate similarly to those previously enacted for Salina, Hutchinson and Topeka public libraries.

On behalf of the Kansas Library Association, we would respectfully request introduction of this proposal and an opportunity to present our support before your Committee at a later date.

Thank you for your consideration of this information and our request.

Sincerely,

PETE MCGILL & ASSOCIATES



Whitney B. Damron

WBD:sc

Enclosure

CC: Marcia Ransom, KLA Legislative Chair
Fred Logan, KLA Legal Counsel

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By Committee on Assessment and Taxation

An ACT relating to library budgets and tax levies in cities of the first, second and third class, counties and townships in which a free public library has been established; adopting K.S.A. 12-1220a.

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

New Section 1. K.S.A. 12-1220a is hereby adopted to read as follows:

K.S.A. 12-1220a. Library budgets and tax levies in cities of the first, second and third class, counties and townships in which a free public library has been established.

(a) In cities of the first, second, and third class, counties and townships in which a free public library has been established as provided by law, in addition to the powers and duties conferred by law, and notwithstanding any tax levy rate limitations set out elsewhere in statuta, in city charter ordinance adopted in accordance with Article 12, Section 5 of the Kansas Constitution, or county charter resolution adopted in accordance with K.S.A. 19-101a, et seq., the board of directors of such public library shall have the powers conferred in this section.

(b) The board of directors of such public library shall prepare, publish, and approve an annual budget for the maintenance and support of the free public library in the same manner as required by law applying to other taxing units.

(c) Whenever the board of directors determines that the tax currently being levied by the governing body of the municipality pursuant to K.S.A. 12-1220 is insufficient to maintain and support the library and such board desires to increase the mill levy above the current levy, such board shall adopt a resolution declaring it necessary to increase the annual levy by an additional amount not to exceed 1/2 mill in any one year up to a total amount which shall not exceed an amount equal to six mills in any year, unless an amount greater than six mills has been established by a charter ordinance adopted in accordance with Article 12, Section 5 of the Kansas Constitution or county charter resolution adopted in accordance with K.S.A. 19-101a, et seq.

(d) Any such resolution adopted under subsection (c) shall state the total amount of the tax to be levied for library purposes and shall be published once each week for two consecutive weeks in a newspaper of general circulation within the municipality. Whereupon such annual levy in an amount not to exceed the amount stated in the resolution may be made for the ensuing budget year and each successive budget year unless a petition requesting an election upon the proposition to increase the tax levy in excess of

the current tax levy, signed by electors equal in number to not less than 5% of the electors who voted at the last preceding regular general election of the municipality, as shown by the poll books, is filed with the county election officer within 60 days following the date of the last publication of the resolution. In the event a valid petition is filed, no such increased levy shall be made without such proposition having been submitted to and having been approved by a majority of the electors voting in an election called and held thereon. All such elections shall be called and held in the manner prescribed for the calling and holding of elections upon the question of the issuance of bonds under the general bond law. Such taxes shall be levied and collected in like manner as other taxes, which levy the clerk of such board of directors shall certify, on or before August 25 of each year, to the county clerk who is hereby authorized and required to place the same on the tax roll of the county to be collected by the county treasurer and paid over by the county treasurer to the treasurer of such board of directors.

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

74-50,114. Same; definitions. As used in K.S.A. 74-50,113 through 74-50,117 and amendments thereto:

- (a) "Business" means any manufacturing business or nonmanufacturing business.
- (b) "Full-time employee" means a person who is employed by a business or retail business to perform duties in connection with the operation of the business or retail business on:
 - (1) A regular, full-time basis;
 - (2) a part-time basis, provided such person is customarily performing such duties at least 20 hours per week throughout the taxable year; or
 - (3) a seasonal basis, provided such person performs such duties for substantially all of the season customary for the position in which such person is employed. The number of full-time employees during any taxable year shall be determined by dividing by 12 the sum of the number of full-time employees on the last business day of each month of such taxable year. If the business or retail business is in operation for less than the entire taxable year, the number of full-time employees shall be determined by dividing the sum of the number of full-time employees on the last business day of each full calendar month during the portion of such taxable year during which the business was in operation by the number of full calendar months during such period.
- (c) "Manufacturing business" means all commercial enterprises identified under the manufacturing standard industrial classification codes, major group 20 through 39.
- (d) "Metropolitan county" means the county of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte.
- (e) "Nonmanufacturing business" means any commercial enterprise other than a manufacturing business or a retail business. **Nonmanufacturing business shall also include the corporate headquarters of an enterprise, regardless of the firm's classification as a retail business as set forth in subparagraph (g), if that facility for which the sales tax exemption certificate is issued facilitates the creation of at least 20 new full-time positions.**
- (f) "Nonmetropolitan region" means a region established under K.S.A. 74-50,116 and is comprised of any county or counties which are not metropolitan counties.
- (g) "Retail business" means ~~any commercial enterprise primarily engaged in the sale at retail of goods or services, or both~~ (1) **any commercial enterprise primarily engaged in the sale at retail of goods or services taxable under the retailers' sales tax act, K.S.A. 79-3601 et seq. and amendments thereto;** (2) **any service provider set forth in K.S.A. 17-2707;** (3) **any bank, savings and loan or other lending institution;** (4) **any commercial enterprise whose primary business activity includes the sale of insurance;** and (5) **any commercial enterprise deriving its revenues directly from noncommercial customers in exchange for personal services such as, but not limited to, barber shops, beauty shops, photographic studio, and funeral services.**
- (h) "Secretary" means the secretary of the Kansas department of commerce.
- (i) "Standard industrial classification code" means a standard industrial classification code published in the Standard Industrial Classification manual, 1987, as prepared by the statistical policy division of the office of management and budget of the office of the president of the United States of America.
- (j) **"Corporate Headquarters" means a facility where principal officers of the corporation are housed and from which direction, management, or administrative support for transactions is provided for a corporation or division of a corporation.**

History: L. 1992, Ch 202, Section 2, July 1

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Assessment and Taxation

Recommends that Senate Bill No. 461

"AN ACT concerning economic development; providing incentives for certain service sector firms; amending K.S.A. 74-50,114 and 74-8307 and K.S.A. 1993 Supp. 74-50,131 and repealing the existing sections."

Be amended:

On page 1, in line 26, by striking "headquarters" where it first appears; also, in line 26, before "of" by inserting "or back-office operation"; in line 36, after "commercial" by inserting "or governmental";

On page 3, in line 29, after "commercial" by inserting "or governmental";

On page 4, after line 7, by inserting a new subsection to read as follows:

"(b) "Corporate headquarters" means a facility where principal officers of the corporation are housed and from which direction, management or administrative support for transactions is provided for a corporation or division of a corporation.";

By relettering existing subsections accordingly; in line 33, after the period by inserting "Nonmanufacturing business shall also include the corporate headquarters of an enterprise, regardless of the firm's classification as a retail business if that facility for which the sales tax exemption certificate is issued facilitates the creation of at least 20 new full-time positions."; in line 37, by striking all after "means"; by striking all in lines 38 through 40; after line 40, by inserting ": (1) Any commercial enterprise primarily engaged in the sale at retail of goods or services taxable under the Kansas retailers' sales tax act; (2) any service provider set forth in K.S.A.

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17-2707, and amendments thereto; (3) any bank, savings and loan or other lending institution; (4) any commercial enterprise whose primary business activity includes the sale of insurance; and (5) any commercial enterprise deriving its revenues directly from noncommercial customers in exchange for personal services such as, but not limited to, barber shops, beauty shops, photographic studios and funeral services.";

On page 5, after line 4, by inserting a new section to read as follows:

"Sec. 4. K.S.A. 1993 Supp. 74-50,115 is hereby amended to read as follows: 74-50,115. (a) A manufacturing business may be eligible for a sales tax exemption under the provisions of subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, if the manufacturing business complies with the following requirements:

(1) A manufacturing business shall provide documented evidence of job expansion involving the employment of at least two additional full-time employees; and

(2) a manufacturing business located within the state of Kansas that has documented evidence of job expansion as provided in paragraph (1), which relocates in another city or county within the state of Kansas must receive approval from the secretary prior to qualifying for the sales tax exemption in subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, except that approval by the secretary shall not be required if the manufacturing business relocates within the same city.

(b) A nonmanufacturing business may be eligible for a sales tax exemption under the provisions of subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, if the nonmanufacturing business complies with the following requirements:

(1) A nonmanufacturing business shall provide documented evidence of job expansion involving the employment of at least five additional full-time employees; and

(2) a nonmanufacturing business located within the state of Kansas that has documented evidence of job expansion as provided in paragraph (1), which relocates in another city or county within the state of Kansas must receive approval from the secretary prior to qualifying for the sales tax exemption in subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, except that approval by the secretary shall not be required if the nonmanufacturing business relocates within the same city.

(c) A retail business may qualify for the sales tax exemption under subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, if the retail business complies with the following requirements:

(1) A retail business shall provide documented evidence of job expansion involving the employment of at least two additional full-time employees; and

(2) such retail business locates or expands to a city having a population of 2,500 or less, as determined by the latest United States federal census.

(d) Any person constructing, reconstructing, remodeling or enlarging property which will be leased for a period of five years or more to a business that would be eligible for a sales tax exemption hereunder if such business had constructed, reconstructed, enlarged or remodeled such property itself shall be entitled to the sales tax exemption under the provisions of subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto.

~~(d)~~ (e) A business may qualify for a sales tax exemption under subsection (ee) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto, without regard to any of the foregoing requirements of this section if it is certified as a qualified firm by the secretary of commerce and housing pursuant to K.S.A. 1993 Supp. 74-50,131 and is entitled to the corporate tax credit established in K.S.A. 1993 Supp. 74-50,132 or has received written approval for participation and has participated, during

the tax year in which the exemption is claimed, in training assistance by the department of commerce and housing under the Kansas industrial training, Kansas industrial retraining or state of Kansas investments in lifelong learning program.

~~(e)~~ (f) The secretary may adopt rules and regulations to implement and administer the provisions of this section.";

Also on page 5, in line 5, after "Supp." by inserting "74-50,115 and";

By renumbering existing sections accordingly;

In the title, in line 10, after "Supp." by inserting "74-50,115 and";

And the bill be passed as amended.

Chairperson