

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **Substitute for HB 2410**, on page 17, in line 9, after "49" by inserting "and 104 and 112";

On page 52, in line 8, after the period by inserting "No school district shall be accredited by the state board of education unless such school district has demonstrated it has met the educational goal established by K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.";

On page 79, in line 14, by striking "(a)"; by striking all in lines 24 through 29;

On page 103, in line 10, by striking the colon; by striking all in lines 11 through 25; in line 26, by striking all before the period and inserting "any nonpublic school that provides education to elementary or secondary students, has notified the state board of its intention to participate in the program and complies with the requirements of the program";

On page 111, in line 12, after "(b)" by inserting "Subject to the provisions of subsection (e),"; in line 13, by striking all after "shall";

On page 112, in line 39, by striking "is entitled to" and inserting "shall"; in line 42, by striking all after "after"; by striking all in line 43;

On page 113, by striking all in lines 1 through 35; in line 36, by striking "bonds" and inserting "January 1, 2017, subject to the provisions of section 104, and amendments thereto, the state board shall:

(A) Determine the amount of the AVPP of each school district in the state and round such amount to the nearest \$1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(4);

(B) prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal \$1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(C) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage point for each \$1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%;

(D) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held on or after January 1, 2017;

(E) multiply the amount determined under subsection (b)(4)(D) by the applicable state aid percentage factor; and

(F) multiply the amount calculated under subsection (b)(4)(E) by the percentage certified by the joint committee on state building construction pursuant to section 104, and amendments thereto, if any";

Also on page 113, in line 38, by striking "or"; by striking all in line 39 and inserting "under"; in line 40, by striking "is entitled to" and inserting "shall";

On page 114, in line 11, by striking "entitlements of school districts" and inserting "total amount of capital improvement state aid school districts are to receive as"; in line 12, by striking all

before "subsection"; by striking all in lines 36 through 42;

On page 121, following line 12, by inserting:

"New Sec. 104. (a) No school district shall expend, use or transfer any moneys received by such school district as part of the state foundation aid disbursement to such school district for any expenditures for a school district employee health care benefits plan, or any expenditures related to such health care benefits plan in excess of the amount certified by the state board under subsection (c) in each health care benefits plan coverage year.

(b) On or before August 1, 2017, and each August 1 thereafter, the Kansas state employees health care commission shall determine the aggregate cost that would be incurred by the state if: (1) The state required all unified school districts to participate in a school district employee health care benefits program and only offer a high-deductible health plan and health savings account; and (2) the state prohibited school districts from contracting for the provision of any health plan in lieu of the health plan described in this subsection. The commission shall certify such amount to the state board of education.

(c) On or before August 15, 2017, and each August 15 thereafter, the state board of education shall determine that portion of the amount certified by the commission under subsection (b) that is attributable to each school district. In making such determination, the state board shall consider the total number of employees of each school district and historical data on the employee health care plan costs incurred by each school district and health care claims made in each school district. The state board shall certify the amount determined for each school district and send such certification to the respective school district.

(d) Nothing in this section shall be construed to prohibit the use of any moneys received by a school district pursuant to a tax levied under the authority of sections 19 and 21, and amendments thereto, or moneys received from any other source other than as part of state foundation aid, for

expenditures for a school district employee health care benefits plan, or any expenditures related to such health care benefits plan in excess of the amount certified by the state board under subsection (c) in each health care benefits plan coverage year.

Sec. 105. K.S.A. 2016 Supp. 60-2102 is hereby amended to read as follows: 60-2102. (a) *Appeal to court of appeals as matter of right.* Except for any order or final decision of a district magistrate judge who is not regularly admitted to practice law in Kansas, the appellate jurisdiction of the court of appeals may be invoked by appeal as a matter of right from:

(1) An order that discharges, vacates or modifies a provisional remedy.

(2) An order that grants, continues, modifies, refuses or dissolves an injunction, or an order that grants or refuses relief in the form of mandamus, quo warranto or habeas corpus.

(3) An order that appoints a receiver or refuses to wind up a receivership or to take steps to accomplish the purposes thereof, such as directing sales or other disposal of property, or an order involving the tax or revenue laws, the title to real estate, the constitution of this state or the constitution, laws or treaties of the United States.

(4) A final decision in any action, except in an action where a direct appeal to the supreme court is required by law. In any appeal or cross appeal from a final decision, any act or ruling from the beginning of the proceedings shall be reviewable.

(b) *Appeal to court of appeals en banc as a matter of right.* The appellate jurisdiction of the court of appeals sitting together en banc may be invoked by appeal as a matter of right from a preliminary or final decision in which a statute of this state has been held unconstitutional as a violation of article 6 of the constitution of the state of Kansas pursuant to K.S.A. 2016 Supp. 72-64b03, and amendments thereto. Any appeal filed pursuant to this subsection shall be filed within 30 days of the date the preliminary or final decision is filed.

~~(b)~~ (c) *Appeal to supreme court as matter of right.* The appellate jurisdiction of the supreme

court may be invoked by appeal as a matter of right from:

~~(1) A preliminary or final decision in which a statute of this state has been held unconstitutional as a violation of Article 6 of the constitution of the state of Kansas pursuant to K.S.A. 2016 Supp. 72-64b03, and amendments thereto. Any appeal filed pursuant to this subsection (b)(1) shall be filed within 30 days of the date the preliminary or final decision is filed.~~

(2) A final decision of the district court in any action challenging the constitutionality of or arising out of any provision of the Kansas expanded lottery act, any lottery gaming facility management contract or any racetrack gaming facility management contract entered into pursuant to the Kansas expanded lottery act.

~~(e)~~ (d) *Other appeals.* When a district judge, or a district magistrate judge who is regularly admitted to practice law in Kansas, in making in a civil action an order not otherwise appealable under this section, is of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, the judge shall so state in writing in such order. The court of appeals may thereupon, in its discretion, permit an appeal to be taken from such order, if application is made to it within 14 days after the entry of the order under such terms and conditions as the supreme court fixes by rule. Application for an appeal pursuant to this subsection shall not stay proceedings in the district court unless the judge of the district court or an appellate court or a judge thereof so orders.

Sec. 106. K.S.A. 2016 Supp. 72-64b03 is hereby amended to read as follows: 72-64b03. (a) If a petition is filed in a district court of this state alleging a violation of article 6 of the Kansas constitution, the chief judge of such district court shall notify the chief justice of the supreme court of such petition within three business days thereafter.

(b) Within three business days of receiving such notice, the chief justice shall notify the chief

judge of the court of appeals. Within 10 business days of receiving notice by the chief justice, the chief judge shall ~~appoint~~ select a panel of three current ~~or retired~~ district court judges to preside over such civil action. The selection of the three district court judges shall be done by lottery with each current district court judge in this state having an equal chance of being randomly selected to the panel. The chief judge shall designate ~~one of such judges~~ the first judge selected to be the presiding judge of the panel. The judicial panel shall be considered a court of competent jurisdiction to hear and decide the civil action.

(c) The judicial panel shall establish venue pursuant to K.S.A. 2016 Supp. 72-64b04, and amendments thereto.

(d) As a part of a remedy, preliminary decision or final decision in which a statute or legislative enactment of this state has been held unconstitutional as a violation of article 6 of the Kansas constitution, the judicial panel or any master or other person or persons appointed by the panel to hear or determine a cause or controversy or to make or enforce any order or remedy ordered by a court pursuant to K.S.A. 60-253, and amendments thereto, or any other provision of law, shall not have the authority to order a school district or any attendance center within a school district to be closed or enjoin the use of all statutes related to the distribution of funds for public education.

Sec. 107. On and after July 1, 2018, K.S.A. 2016 Supp. 72-99a07 is hereby amended to read as follows: 72-99a07. (a) (1) There shall be allowed a credit against the corporate income tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax years commencing after December 31, 2014, an

amount equal to 70% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 2016 Supp. 72-99a01 et seq., and amendments thereto.

(2) There shall be allowed a credit against the tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax years commencing after December 31, 2016, an amount equal to 70% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 2016 Supp. 72-99a01 et seq., and amendments thereto.

(b) The credit shall be claimed and deducted from the taxpayer's tax liability during the tax year in which the contribution was made to any such scholarship granting organization.

(c) For each tax year, in no event shall the total amount of credits allowed under this section exceed \$10,000,000 for any one tax year. Except as otherwise provided, the allocation of such tax credits for each scholarship granting organization shall be determined by the scholarship granting organization in consultation with the secretary, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section.

(d) If the amount of any such tax credit claimed by a taxpayer exceeds the taxpayer's income, privilege or premium tax liability, such excess amount may be carried over for deduction from the taxpayer's income, privilege or premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability.

(e) The secretary shall adopt rules and regulations regarding filing of documents that support the amount of credit claimed pursuant to this section.

Sec. 108. K.S.A. 2016 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 thereto.

(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. 2016 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. 2016 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 K.S.A. 79-

32,117(c)(xv), and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 2016 Supp. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 2016 Supp. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2016 Supp. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2016 Supp. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted

gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,256, and amendments thereto.

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

(xix) For all taxable years beginning after December 31, 2012, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For all taxable years beginning after December 31, 2012, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an

individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For all taxable years beginning after December 31, 2012, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For all taxable years beginning after December 31, 2012, the amount of any deduction for health insurance under section 162(l) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For all taxable years beginning after December 31, 2012, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 2016 Supp. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 2016 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health

benefit plan, as defined in K.S.A. 2016 Supp. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 2016 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, 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. 2016 Supp. 72-99a07, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

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

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

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

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

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws

of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

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

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

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

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

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

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

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

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

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 2016 Supp. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For all taxable years beginning after December 31, 2012, the amount of modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2006, amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary which are contributed to a family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary at an institution of postsecondary education. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 2016 Supp. 75-643,

and amendments thereto, and the provisions of such section are hereby incorporated by reference for all purposes thereof.

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

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

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

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For all taxable years beginning after December 31, 2012, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed \$5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or

bone marrow. The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000.

(xxii) For all taxable years beginning after December 31, 2012, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For all taxable years beginning after December 31, 2013, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(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. 109. (a) For general obligation bonds that have not been approved for issuance by an election prior to January 1, 2017, no capital improvement state aid shall be paid pursuant to K.S.A. 75-2319, and amendments thereto, unless such payment is approved by the joint committee on state building construction, established by K.S.A. 46-1701, and amendments thereto, in accordance with this section. A school district shall submit an application prior to an election to approve the issuance of general obligation bonds to the joint committee on state building construction for approval of capital improvement state aid. The application shall be submitted in such form and manner as prescribed by the committee, and shall include a description of the project that is the basis for the application.

(b) The joint committee on state building construction shall meet at least once each quarter to review all submitted applications and approve or deny the disbursement of capital improvement state aid under K.S.A. 75-2319, and amendments thereto, based on whether the project for which such bonds are to be issued is for instruction. As part of its review of an application, the committee may conduct a hearing and provide the applicant school district an opportunity to present testimony regarding the project. In determining whether a project is for instruction, the committee shall consider the extent to which the facility being constructed or improved is to be utilized by the school district for direct instruction of students of the school district.

(c) If the joint committee on state building construction approves an application, the committee shall determine the extent to which the facility being constructed or improved is to be utilized by the school district for direct instruction of students of the school district. In making such determination, the committee shall only consider basic building planning and design to be a part of the facility that is utilized for direct instruction of students. Any architectural enhancements to a facility beyond basic building planning and design shall not be deemed part of the facility that is utilized for direct instruction of students. The committee may authorize:

(1) Up to 100% as the percentage of utilization for direct instruction for any school building

that is a classroom attendance center;

(2) up to 50% as the percentage of utilization for direct instruction for any building that is used for student transportation services, or for any portion of a building that is not a classroom, but is used on a daily basis by students for classes and extracurricular activities, including, but not limited to, auditoriums and gymnasiums; and

(3) no percentage of utilization for direct instruction for any athletic facility or for any school administration and support building.

The committee shall certify to the state board of education that such application was approved and the percentage of utilization for direct instruction.

(d) If the joint committee on state building construction denies an application, then, within 15 days of such denial, the committee shall send written notice of such denial to the superintendent of such school district. The decision of the committee shall be final.

(e) (1) A school district may conduct an election to approve the issuance of general obligation bonds without submitting an application to the joint committee on state building construction if the purpose for the issuance of the bonds is necessary to repair, replace, acquire, construct, equip, furnish or remodel solely due to:

(A) Damage caused by an act of God; or

(B) a mechanical or structural failure that jeopardizes the health and safety of students and staff.

(2) Prior to conducting an election for the issuance of bonds pursuant to this subsection, a school district shall submit an exemption certificate to the committee in such form and manner as prescribed by the committee and shall include a description of the project, a description of the damage or mechanical or structural failure, the total estimated cost and any other information requested by the committee.

(3) The committee shall have 30 days from the date such application was submitted to approve or deny the exemption certificate. If the committee fails to approve or deny an exemption certificate within 30 days, such exemption certificate shall be deemed approved. If the committee denies such exemption certificate, the school district shall submit an application pursuant to subsection (a) prior to holding an election to approve the issuance of general obligation bonds.

(f) The provisions of this section shall not apply to any school district that is not entitled to capital improvement state aid under K.S.A. 75-2319, and amendments thereto.

Sec. 110. K.S.A. 46-1701 is hereby amended to read as follows: 46-1701. (a) There is hereby created the joint committee on state building construction which shall be within the legislative branch of state government and which shall be composed of five members of the senate and five members of the house of representatives. The five senate members shall be the chairperson of the committee on ways and means of the senate, or a member of the committee on ways and means of the senate appointed by the chairperson, two senators appointed by the president and two senators appointed by the minority leader. The five representative members shall be the chairperson of the committee on appropriations of the house of representatives, or a member of the committee on appropriations of the house of representatives appointed by the chairperson, two representatives appointed by the speaker and two representatives appointed by the minority leader.

(b) All members of the joint committee on state building construction shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. The joint committee shall organize annually and elect a chairperson and vice-chairperson in accordance with this subsection. On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the senate members elected by the members of the joint committee and on and after the first day of the regular legislative session in even-numbered years,

the chairperson shall be one of the senate members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, a member of the joint committee, who is a member of the same house as the member who vacated the office, shall be elected by the members of the joint committee to fill such vacancy.

(c) A quorum of the joint committee on state building construction shall be six. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.

(d) The joint committee on state building construction may meet at any time and at any place within the state on the call of the chairperson. The joint committee shall meet at least once each quarter as required by section 109, and amendments thereto.

(e) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on state building construction to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(f) In accordance with K.S.A. 46-1204 and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on state building construction.

(g) The joint committee on state building construction may introduce such legislation as it deems necessary in performing its functions.

New Sec. 111. (a) There is hereby established the USD efficiency incentive program that shall be administered by the state board of education. Any employee of a school district may submit a plan

for the efficient operation of school districts that will result in cost savings. Such plan shall be submitted in such manner and form as prescribed by the state board of education. More than one employee may be identified as a submitter on any plan.

(b) On or before January 15, 2018, and each January 15 thereafter, the state board of education shall submit a report to the governor and the legislature describing each of the plans submitted pursuant to subsection (a). The report shall include a description of the plan, an analysis by the division of the budget as to the cost savings to be realized from implementation of the plan and recommendations for legislation necessary to implement the plan.

(c) Upon implementation of any plan for the efficient operation of school districts, or as soon thereafter as the pertinent information becomes readily available, the director of the division of the budget shall certify the amount of cost savings realized by the state from implementation of such plan to the director of accounts and reports and to the state board of education. Upon receipt of such certification, the director of accounts and reports shall transfer an amount equal to 10% of the certified amount from the state general fund to the USD efficiency incentive fund established by this section.

(d) Upon receipt of the certification described in subsection (c), the state board of education shall approve payment from the USD efficiency incentive fund to the individual or individuals who submitted the plan upon which such certification of cost savings is based. The aggregate amount of any payment approved by the state board of education shall not exceed 10% of such certified amount. In the event more than one individual is identified by the state board as having submitted the underlying plan, then the payment approved by the state board shall be paid in equal portions to each such individual.

(e) There is hereby established in the state treasury the USD efficiency incentive fund to be administered by the state board of education. Moneys in the USD efficiency incentive fund shall be expended only for the purposes established in this act. Expenditures from the USD efficiency incentive fund shall be made in accordance with appropriations acts upon warrants of the director of accounts

and reports issued pursuant to vouchers approved by the state board of education.

New Sec. 112. (a) No school district shall expend, use or transfer any moneys received by such school district as part of the state foundation aid disbursement to such school district for any expenditures for extracurricular activities or any expenditures related to such activities.

(b) Nothing in this section shall be construed to prohibit the use of any moneys received by a school district pursuant to a tax levied under the authority of sections 19 or 21, and amendments thereto, or moneys received from any other source other than as part of state foundation aid, for expenditures for extracurricular activities or any expenditures related to such activities, or to prohibit the use of any moneys received by such school district as part of the state foundation aid disbursement to such school district for expenditures for co-curricular activities or any expenditures related to such activities.

(c) As used in this section:

(1) "Extracurricular activities" means those activities provided or supported by a school district, but which are not required by or a substantial part of any curriculum of such school district.

(2) "Co-curricular activities" means those activities provided or supported by a school district that are not extracurricular activities.

Sec. 113. K.S.A. 72-8208a is hereby amended to read as follows: 72-8208a. (a) The board of education of any school district may authorize, by separate resolutions, the establishment of school activity funds from which to make needed expenditures for the payment of expenses attributable to activities in which pupils of the district may participate directly or indirectly. Every such resolution shall specify the general purpose for which the fund is to be established and shall authorize an employee of the school district to administer the fund.

(b) The employee authorized to administer any school activity fund established by any resolution provided for in this section shall keep a record of all receipts and expenditures from the fund,

and the transfer of any moneys to or from such fund. Such employee shall, from time to time, and at the end of each school year, prepare a statement for the board of education showing all receipts, expenditures, transfers and the balance in the fund. The fund shall be kept separate from all other funds and be used only for authorized expenditures, and itemized receipts shall be taken for each expenditure.

(c) All moneys received from the sale of admissions to activities which the school district sponsors shall be credited to school activity funds in accordance with policies and procedures adopted by the board of education. Such moneys shall not be considered to be moneys of the school district for the purposes of K.S.A. 72-8202d, and amendments thereto.

(d) The provisions of K.S.A. 12-105b, and amendments thereto, shall not apply to claims against any school activity fund established by any resolution provided for in this section.

(e) As used in this section, the term "activities" means ~~activities, events, and competitions in such fields as athletics, music, forensics, and dramatics, and other interschool or intraschool extracurricular activities in which pupils may participate directly or indirectly~~ those activities provided or supported by a school district, but that are not required by or a substantial part of any curriculum of such school district. The term "activities" shall not include co-curricular activities, as defined in section 112, and amendments thereto.

Sec. 114. K.S.A. 2016 Supp. 72-8254 is hereby amended to read as follows: 72-8254. (a) This section shall be known and may be cited as the Kansas uniform financial accounting and reporting act.

(b) As used in this section:

(1) "Budget summary" means a one-page summary of the official budget adopted by the board of education of the school district, and shall include, but is not limited to, graphs depicting the total expenditures in the budget by category, supplemental and general fund expenditures, instruction expenditures, enrollment figures, mill rates by fund and average salaries. For purposes of this section, a one-page budget at a glance format developed by the state board, and any successor format shall be

deemed a budget summary, provided it complies with the requirements of this section.

(2) "Reporting system" means the uniform reporting system, including a uniform chart of accounts, developed by the state board as required by this section.

(3) "School district" means a unified school district organized and operated under the laws of this state.

(4) "State board" means the state board of education.

(c) The state board shall develop and maintain a uniform reporting system for the receipts and expenditures of school districts. The accounting records maintained by each school district shall be coordinated with the uniform reporting system. Each school district shall record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as shall be prescribed by the state board. Each school district shall submit such reports and statements as may be required by the state board. The state board shall design, revise and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all school districts. The reporting system shall include all funds held by a school district regardless of the source of the moneys held in such funds, including, but not limited to, all funds funded by fees or other sources of revenue not derived from tax levies. The state board shall prescribe the necessary forms to be used by school districts in connection with such uniform reporting system.

(d) The reporting system developed by the state board shall be developed in such a manner that allows school districts to record and report any information required by state or federal law.

(e) The reporting system shall provide records showing by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total and itemized expenditures, the unencumbered cash balances, excluding state aid receivable, actual balances on hand and the unencumbered balances of

allotments or appropriations for each school district.

(f) The reporting system shall allow a person to search the data and allow for the comparison of data by school district.

(g) The reporting system shall require that all receipts and expenditures for activities, whether extracurricular or co-curricular, be reported by the specific activity to which the receipt or expenditure relates. The reporting of activity receipts and expenditures also shall differentiate between extracurricular and co-curricular activities.

~~(g)~~(h) Each school district shall annually submit a report to the state board on all construction activity undertaken by the school district which was financed by the issuance of bonds and which such bonds have not matured. Such report shall include all revenue receipts, all expenditures of bond proceeds authorized by law, the dates for commencement and completion of such construction activity, the estimated cost and the actual cost of such construction activity. The information provided in the report shall be in a form so as to readily identify such information with a specific construction project. Such report shall be submitted in a form and manner prescribed by the state board in accordance with the provisions of this section.

~~(h)~~(i) From and after July 1, 2012, the board of education of each school district shall record and report the receipts and expenditures of the district in the manner prescribed by the state board in accordance with this section.

~~(i)~~(j) (1) Each school district shall annually publish on such district's internet website:

(A) A copy of form 150, estimated legal maximum general fund budget, or any successor document containing the same or similar information, that was submitted by such district to the state board of education for the immediately preceding school year; and

(B) the budget summary for the current school year and actual expenditures for the immediately preceding two school years showing total dollars net of transfers and dollars per pupil for

each of the following:

- (i) Function 1000, instruction;
- (ii) function 2100, student support;
- (iii) function 2200, instructional staff support;
- (iv) functions 2300 through 2500, administration;
- (v) function 2600, operation and maintenance;
- (vi) function 2700, transportation;
- (vii) function 3100, food service;
- (viii) functions 2900, 3200 and 3300, other current spending;
- (ix) function 4000, capital outlay;
- (x) function 5100, debt service;
- (xi) the total expenditures which is the sum of the amounts in clauses (i) through (x);
- (xii) the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of total expenditures;
- (xiii) the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of current spending, which is the sum of expenditures for functions 1000 through 3300 less capital outlay and debt service expenditures included in any of those functions; and
- (xiv) the revenue in total dollars net of transfers both in total and disaggregated to show the amount of revenue received from local, state and federal revenue sources.

(2) For purposes of subsection ~~(i)(1)(B)~~ (j)(1)(B), all per pupil amounts shall be calculated using the full-time equivalent enrollment of the school district. All function categories and other accounting categories shall refer to those same categories as established and required for financial accounting purposes by the state board as published in the Kansas state department of education's

Kansas accounting handbook for unified school districts, as published in August 2012, or later versions as established in rules and regulations adopted by the state board.

(3) Publications required by this subsection shall be published with an easily identifiable link located on such district's website homepage.

(4) Publications required by this subsection shall be made available to the public at every meeting held by the board of education of each school district when the board is discussing the district's budget or any other school finance matter.

~~(j)~~(k) (1) The department of education shall annually publish on its internet website:

(A) All of the publications required under subsection ~~(i)~~ (j); and

(B) the following expenditures for each school district on a per pupil basis:

(i) Total expenditures;

(ii) capital outlay expenditures;

(iii) bond and interest expenditures; and

(iv) all other expenditures not included in (ii) or (iii).

(2) Publications required by this subsection shall be published with an easily identifiable link located on the department's website homepage.

New Sec. 115. (a) The state board shall develop and implement a public school grading system. In assigning grades to each public school in the state, such system shall consider the graduation rate, composite scores on the ACT and the percentage of students scoring at a level deemed college and career ready on the state assessments for math, reading and science. Such system may also include any other metrics deemed necessary and appropriate by the state board.

(b) The public school grading system shall provide an annual report card on each school operated by a school district. The report card shall provide a grade for each school in the areas of student achievement deemed appropriate by the state board. Each school report card shall be provided

to the parents or legal guardians of each student enrolled in the school district, and shall be published on the school district's website.

(c) On or before January 15, 2018, the state board shall submit a report to the governor and the legislature on the public school grading system and the schedule for implementation of such system.

New Sec. 116. (a) For the purpose of ensuring that each student meets the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto, by improving the quality of instructional, administrative and supervisory services in the public schools of the state, the state board of education shall design, develop and implement a school personnel evaluation system. Such evaluation system shall establish procedures for evaluating the performance of duties and responsibilities of all instructional and administrative personnel employed by a school district. Such evaluation system shall, at a minimum:

- (1) Support effective instruction and positive student outcomes;
- (2) provide appropriate instruments, procedures and criteria for continuous quality improvement of the professional skills of instructional and administrative personnel;
- (3) include a mechanism to examine performance data from multiple sources, including opportunities for parents to provide input into employee performance evaluations when appropriate; and
- (4) provide that a portion of a performance evaluation must be based upon data and indicators of student achievement assessed annually by statewide assessments or, for subjects and grade levels not measured by statewide assessments, by some other measure deemed appropriate by the state board.

(b) In conjunction with the design and development of the school personnel evaluation pursuant to subsection (a), the state board shall develop a school personnel compensation system. The school personnel evaluation system shall be the basis for determining the appropriate compensation for

instructional and administrative personnel employed by a school district.

(c) On or before January 15, 2018, the state board shall submit a report to the governor and the legislature on the school personnel evaluation system and the school personnel compensation system developed pursuant to this section. Such report shall include the following:

- (1) The criteria for measuring the performance of various categories of school personnel;
- (2) a description of the procedures for conducting personnel evaluations;
- (3) the metrics for measuring student achievement and the import of such student achievement in the performance evaluation;
- (4) a description of the school personnel compensation system, including how performance evaluations will be utilized to determine compensation of school district personnel; and
- (5) the schedule for implementation of such systems.

Sec. 117. K.S.A. 2016 Supp. 72-6760 is hereby amended to read as follows: 72-6760. (a) Except as provided by this section ~~and K.S.A. 72-6760b~~, no expenditure involving an amount greater than \$20,000 for construction, reconstruction or remodeling or for the purchase of materials, goods or wares shall be made by the board of education of any school district except upon sealed proposals, and to the lowest responsible bidder.

(b) The provisions of subsection (a) do not apply to expenditures by a board of education for the purchase of:

- (1) Services;
- (2) products required to be purchased under the provisions of K.S.A. 75-3317 through 75-3322, and amendments thereto;
- (3) educational materials directly related to curriculum and secured by copyright;
- (4) motor fuels required to provide or furnish transportation;
- (5) food and foodstuffs necessary for the implementation or operation of any child nutrition

program;

(6) articles or products that are produced, manufactured or provided by inmates under the prison-made goods act of Kansas;

(7) natural gas that will be consumed in buildings owned or operated by the school district;

(8) materials, goods or wares required for reconstructing, remodeling, repairing or equipping buildings when such purchase has been necessitated by the occurrence of a loss against which the board of education has purchased property or casualty insurance; and

(9) materials, goods or wares which are purchased:

(A) From vendors who have entered into contracts with the state director of purchases pursuant to state purchasing statutes for purchases by state agencies;

(B) under the same pricing provisions established in the state contracts, subject to agreement of the vendor to honor the state contract prices; and

(C) under the same pricing provisions established in federal, national or other state contracts facilitated by a federal or local governmental entity or agency, subject to:

(i) Agreement of the vendor to honor the contract prices; and

(ii) approval by the board of education for expenditures in an amount greater than \$20,000.

(c)(1) Whenever the board of education of any school district lets bids for the purchase of materials, goods or wares and bids are submitted by bidders domiciled within the school district and by bidders domiciled outside the school district and the low bid is submitted by a bidder domiciled outside the school district, the school district domiciliary which submitted the lowest bid may be deemed the preferred bidder and awarded the bid if:

~~(1)~~(A) The quality, suitability and usability of the materials, goods or wares are equal;

~~(2)~~(B) the amount of the bid of the school district domiciliary is not more than 1% greater than the amount of the low bid; and

~~(3)~~(C) the school district domiciliary agrees to meet the low bid by filing a written agreement to that effect within 72 hours after receiving notification of being deemed the preferred bidder.

~~(d)~~(2) The provisions of this subsection~~(e)~~ do not apply to expenditures for construction, reconstruction or remodeling.

(d) No expenditure for construction, reconstruction or remodeling of a facility for which bonds have been issued by the school district to finance such expenditure shall be made unless such school district has received at least three sealed proposals.;

Also on page 121, in line 13, before "K.S.A." by inserting "K.S.A. 46-1701 and 72-8208a and"; in line 14, after "46-1133," by inserting "60-2102,"; in line 15, after the fifth comma by inserting "72-64b03,"; in line 16, after the fourth comma by inserting "72-6760,"; in line 17, after the sixth comma by inserting "72-8254,"; in line 21, by striking "and" and inserting a comma; also in line 21, after "79-2925b" by inserting "and 79-32,117"; in line 23, by striking "and"; also in line 23, after "72-99a04" by inserting "and 72-99a07";

And by renumbering sections accordingly;

On page 1, in the title, in line 5, after "amending" by inserting "K.S.A. 46-1701 and 72-8208a and"; in line 6, after the first comma by inserting "60-2102,"; in line 7, after the third comma by inserting "72-64b03,"; in line 8, after the second comma by inserting "72-6760,"; in line 9, after the fifth comma by inserting "72-8254,"; in line 11, after the fourth comma by inserting "72-99a07,"; in line 12, by striking "and" and inserting a comma; in line 13, after "2925b" by inserting "and 79-32,117"

_____ District.