

HOUSE BILL No. 2552

AN ACT concerning certain state institutions; relating to certain funds; amending K.S.A. 75-3728e, 75-3728f and 76-12a25 and K.S.A. 2000 Supp. 76-172 and repealing the existing sections; also repealing K.S.A. 75-3728h and 75-3728i.

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

Section 1. K.S.A. 75-3728e is hereby amended to read as follows: 75-3728e. As used in this act, unless the context otherwise requires:

(a) "Canteen" means a retail store which offers for sale items of necessity, comfort and morale which ~~are not~~ otherwise *are not* accessible to persons in the environment of a state institution.

(b) "Canteen fund" means the moneys and other assets used for operation of a canteen.

(c) "Benefit fund" means the moneys and other assets available:

(1) To provide property, services or entertainment for persons in a state institution or in the legal custody of the secretary of corrections;

(2) to provide incentives for program and work participation and performance and other activities related to offender management for persons in the legal custody of the secretary of corrections; or

(3) for other purposes that benefit persons in a state institution or in the legal custody of the secretary of corrections.

(d) "Work therapy project" means a sheltered workshop or other similar vocational training activity *provided by a state institution*, whether on or off campus ~~at a state institution~~.

(e) "Work therapy fund" means the moneys and other assets used to operate a work therapy project for persons in a state institution.

(f) "*State institution*" means:

(1) *Any institution as defined by K.S.A. 38-1602, 75-5202 or 76-12a01, and amendments thereto;*

(2) *the Kansas state school for the blind;*

(3) *the Kansas state school for the deaf; and*

(4) *the Kansas veterans' home and the Kansas soldiers' home, which are operated and administered by the commission on veterans affairs.*

Sec. 2. K.S.A. 75-3728f is hereby amended to read as follows: 75-3728f. (a) The superintendent, president or other chief administrative officer of any state institution may apply to the director of accounts and reports for authority to establish one or more canteens, *canteen funds, work therapy funds or benefit funds* in the institution supervised by such officer. ~~In accordance with rules and regulations adopted under the provisions of this act,~~ The director of accounts and reports may authorize the establishment of any canteen, *canteen fund, work therapy fund or benefit fund* for which application is made under this section. The director of accounts and reports shall prescribe a system of accounts *and accounting procedures* to be used in the operation of canteens, work therapy projects and benefit funds. Canteens and work therapy projects may make purchases of personal property as provided in K.S.A. 75-3739, and amendments thereto.

(b) Moneys of canteen funds, work therapy funds and benefit funds shall be deposited in an account of *a financial institution designated by the pooled money investment board. Such financial institution shall be:*

(1) A bank, a savings and loan association or a federally chartered savings bank, which bank, association or savings bank is insured by the federal government or an agency thereof, ~~or invested in;~~ *or*

(2) a credit union which is insured with an insurer or guarantee corporation as required under K.S.A. 17-2246, and amendments thereto ~~and is designated by the pooled money investment board.~~

Except as otherwise directed by the pooled money investment board, moneys of canteen funds, work therapy funds and benefit funds shall be placed in one or more interest-bearing accounts.

(c) The provisions of K.S.A. 75-4217, and amendments thereto, and the provisions relating to security of article 42 of chapter 75 of Kansas Statutes Annotated shall apply to accounts in banks, savings and loan associations, credit unions and federally chartered savings banks under this section.

(d) Interest earned on moneys invested under this section shall be ~~regularly~~ *prorated at least monthly* according to procedures approved by the director of accounts and reports and credited to the appropriate canteen funds, work therapy funds and benefit funds from which they were invested.

(e) Canteen funds, work therapy funds and benefit funds shall be

subject to post audit under the provisions of the statutes contained in article 11 of chapter 46 of Kansas Statutes Annotated.

Sec. 3. K.S.A. 2000 Supp. 76-172 is hereby amended to read as follows: 76-172. As used in this act unless the context otherwise requires, “institution” means ~~the institutions within the department of social and rehabilitation services, the institutions within the department of corrections, the institution within the department of human resources, the institutions within the juvenile justice authority;~~

(a) *Any institution as defined by K.S.A. 38-1602, 75-5202 or 76-12a01, and amendments thereto;*

(b) *the Kansas state school for the blind and;*

(c) *the Kansas state school for the deaf; and*

(d) *the Kansas veterans’ home and the Kansas soldiers’ home which are operated and administered by the commission on veterans affairs.*

Sec. 4. K.S.A. 76-12a25 is hereby amended to read as follows: 76-12a25. (a) As used in this section, unless the context otherwise requires:

(1) “Key deposit fund” means the moneys that employees pay to a state institution to be held as a security deposit for keys to the buildings or facilities of the state institution; ~~and.~~

(2) “State institution” means any institution, as defined by K.S.A. 38-1602 or 76-12a01, and amendments thereto.

(b) The superintendent, president, or other chief administrative officer of any state institution may apply to the director of accounts and reports for authority to establish a key deposit fund in the institution supervised by such officer. ~~In accordance with rules and regulations adopted under this section,~~ The director of accounts and reports may authorize the establishment of any such key deposit fund. The director of accounts and reports shall prescribe a system of accounts and accounting procedures to be used in the operation of key deposit funds.

(c) Moneys of key deposit funds in an amount prescribed by the director of accounts and reports shall be retained at the institution as cash on hand for the purpose of making refunds of deposits to employees terminating employment at the institution.

(d) *Unless otherwise authorized by the director of accounts and reports, moneys of key deposit funds in excess of the amount prescribed under subsection (c) shall be regularly deposited daily as provided by this section. Such moneys shall be deposited in an account of a financial institution designated by the pooled money investment board. Such financial institution shall be:*

(1) *A bank, a savings and loan association or a federally chartered savings bank, which bank, association or savings bank is insured by the federal government or an agency thereof, or invested in; or*

(2) *a credit union which is insured with an insurer or guarantee corporation as required under K.S.A. 17-2246, and amendments thereto and is designated by the pooled money investment board.*

Except as otherwise directed by the pooled money investment board, moneys of key deposit funds shall be placed in one or more interest-bearing accounts. Moneys shall be withdrawn regularly from one or more of such accounts in order to replenish cash on hand to the amount prescribed in subsection (c) when necessary.

(e) The provisions of K.S.A. 75-4217, and amendments thereto, and the provisions relating to security of article 42 of chapter 75 of Kansas Statutes Annotated shall apply to accounts in banks, savings and loan associations, credit unions, and federally chartered savings banks under this section.

(f) Interest earned on moneys invested under this section and the amounts of *any forfeited* key deposits ~~forfeited~~ shall be regularly transferred *at least monthly* and credited to the fee fund of the state institution. The director of accounts and reports shall prescribe the circumstances under which deposits shall be forfeited.

(g) Key *deposit* funds shall be subject to post audit under the provisions of the statutes contained in article 11 of chapter 46 of Kansas Statutes Annotated.

~~(h) The secretary of administration in the manner provided in K.S.A. 75-3706 and amendments thereto shall adopt rules and regulations relating to key deposit funds.~~

~~(i) No key deposit fund shall be operated contrary to the provisions of this act on or after July 1, 1993.~~

Sec. 5. K.S.A. 75-3728e, 75-3728f, 75-3728h, 75-3728i and 76-12a25 and K.S.A. 2000 Supp. 76-172 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*