

HOUSE BILL No. 2578

By Committee on Taxation

3-26

AN ACT concerning school district finance; concerning state aid and grants for various educational performance programs; relating to school district ad valorem taxes and other taxes for educational enhancement financing; making and concerning appropriations for the fiscal year ending June 30, 2002, for the department of education; amending K.S.A. 72-6413 and K.S.A. 2000 Supp. 72-1398, 72-6407, 72-6410, 72-6412, 72-6414, 72-6431, 72-6442, 79-201x, 79-2959, 79-2964, 79-3492b, 79-34,118, 79-34,141, 79-34,142, 79-34,147, 79-3603, 79-3635 and 79-3703 and repealing the existing sections; also repealing K.S.A. 2000 Supp. 72-978, 72-979 and 72-983.

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

Section 1. On July 1, 2001, K.S.A. 2000 Supp. 72-6407 shall be and is hereby amended to read as follows: 72-6407. (a) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district. Except as otherwise provided in this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil, *except that a pupil attending kindergarten for a school day consisting of not less than six hours shall be counted in the 2001-02 school year as $\frac{6}{10}$ pupil, in the 2002-03 school year as $\frac{7}{10}$ pupil, in the 2003-04 school year as $\frac{8}{10}$ pupil, in the 2004-05 school year as $\frac{9}{10}$ pupil, in the 2005-06 school year and each school year thereafter as one pupil.* A pupil enrolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 11

1 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that
2 proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the
3 pupil's postsecondary education attendance and attendance in grade 11
4 or 12, as applicable, bears to full-time attendance. A pupil enrolled in and
5 attending an area vocational school, area vocational-technical school or
6 approved vocational education program shall be counted as one pupil if
7 the pupil's vocational education enrollment and attendance together with
8 the pupil's attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time,
9 otherwise the pupil shall be counted as that proportion of one pupil (to
10 the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education
11 attendance and attendance in any of grades nine through 12 bears to full-
12 time attendance. A pupil enrolled in a district and attending special ed-
13 ucation *and related services*, except special education *and related services*
14 for preschool-aged exceptional children *or for exceptional infants or tod-*
15 *dlers*, provided for by the district shall be counted as one pupil. A pupil
16 enrolled in a district and attending special education *and related services*
17 for preschool-aged exceptional children provided for by the district shall
18 be counted as $\frac{1}{2}$ pupil. *A pupil enrolled in a district and attending special*
19 *education and related services for exceptional infants or toddlers provided*
20 *for by the district shall not be counted, but shall be included in enrollment*
21 *of the district for the purpose of determining assignment of program*
22 *weighting on the basis of costs attributable to the provision of special*
23 *education and related services.* A preschool-aged at-risk pupil enrolled in
24 a district and receiving services under an approved at-risk pupil assistance
25 plan maintained by the district shall be counted as $\frac{1}{2}$ pupil. A pupil in
26 the custody of the secretary of social and rehabilitation services and en-
27 rolled in unified school district No. 259, Sedgwick county, Kansas, but
28 housed, maintained, and receiving educational services at the Judge James
29 V. Riddel Boys Ranch, shall be counted as two pupils. A pupil residing at
30 the Flint Hills job corps center shall not be counted. A pupil confined in
31 and receiving educational services provided for by a district at a juvenile
32 detention facility shall not be counted. A pupil enrolled in a district but
33 housed, maintained, and receiving educational services at a state institu-
34 tion shall not be counted.

35 (b) "Preschool-aged exceptional children" means exceptional children,
36 except gifted children, who have attained the age of three years but are
37 under the age of eligibility for attendance at kindergarten.

38 (c) "*Exceptional infants or toddlers*" means *exceptional children who*
39 *have not attained the age of three years.*

40 (c) (d) "At-risk pupils" means pupils who are eligible for free meals
41 under the national school lunch act and who are enrolled in a district
42 which maintains an approved at-risk pupil assistance plan.

43 (d) (e) "Preschool-aged at-risk pupil" means an at-risk pupil who has

1 attained the age of four years, is under the age of eligibility for attendance
2 at kindergarten, and has been selected by the state board in accordance
3 with guidelines consonant with guidelines governing the selection of pu-
4 pils for participation in head start programs. The state board shall select
5 not more than ~~1,794~~ preschool aged at risk pupils to be counted in the
6 ~~1999-2000 school year and not more than 2,230~~ 2,666 preschool-aged at-
7 risk pupils to be counted in any school year thereafter.

8 (e) (f) "Enrollment" means, for districts scheduling the school days or
9 school hours of the school term on a trimestral or quarterly basis, the
10 number of pupils regularly enrolled in the district on September 20 plus
11 the number of pupils regularly enrolled in the district on February 20
12 less the number of pupils regularly enrolled on February 20 who were
13 counted in the enrollment of the district on September 20; and for dis-
14 tricts not hereinbefore specified, the number of pupils regularly enrolled
15 in the district on September 20. Notwithstanding the foregoing, if en-
16 rollment in a district in any school year has decreased from enrollment
17 in the preceding school year, enrollment of the district in the current
18 school year means whichever is the greater of (1) enrollment in the pre-
19 ceding school year minus enrollment in such school year of preschool-
20 aged at-risk pupils, if any such pupils were enrolled, plus enrollment in
21 the current school year of preschool-aged at-risk pupils, if any such pupils
22 are enrolled, or (2) the sum of enrollment in the current school year of
23 preschool-aged at-risk pupils, if any such pupils are enrolled and the av-
24 erage (mean) of the sum of (A) enrollment of the district in the current
25 school year minus enrollment in such school year of preschool-aged at-
26 risk pupils, if any such pupils are enrolled and (B) enrollment in the
27 preceding school year minus enrollment in such school year of preschool-
28 aged at-risk pupils, if any such pupils were enrolled and (C) enrollment
29 in the school year next preceding the preceding school year minus en-
30 rollment in such school year of preschool-aged at-risk pupils, if any such
31 pupils were enrolled.

32 (f) (g) "Adjusted enrollment" means enrollment adjusted by adding at-
33 risk pupil weighting, program weighting, low enrollment weighting, if any,
34 correlation weighting, if any, school facilities weighting, if any, ancillary
35 school facilities weighting, if any, and transportation weighting to
36 enrollment.

37 (g) (h) "At-risk pupil weighting" means an addend component assigned
38 to enrollment of districts on the basis of enrollment of at-risk pupils.

39 (h) (i) "Program weighting" means an addend component assigned to
40 enrollment of districts on the basis of pupil attendance in educational
41 programs which differ in cost from regular educational programs.

42 (i) (j) "Low enrollment weighting" means an addend component as-
43 signed to enrollment of districts having under ~~1,725~~ 1,700 enrollment on

1 the basis of costs attributable to maintenance of educational programs by
2 such districts in comparison with costs attributable to maintenance of
3 educational programs by districts having ~~1,725~~-1,700 or over enrollment.

4 (j) (k) "School facilities weighting" means an addend component
5 assigned to enrollment of districts on the basis of costs attributable to com-
6 mencing operation of new school facilities. School facilities weighting may
7 be assigned to enrollment of a district only if the district has adopted a
8 local option budget and budgeted therein the total amount authorized for
9 the school year. School facilities weighting may be assigned to enrollment
10 of the district only in the school year in which operation of a new school
11 facility is commenced and in the next succeeding school year.

12 (k) (l) "Transportation weighting" means an addend component as-
13 signed to enrollment of districts on the basis of costs attributable to the
14 provision or furnishing of transportation.

15 (l) (m) "Correlation weighting" means an addend component assigned
16 to enrollment of districts having ~~1,725~~ 1,700 or over enrollment on the
17 basis of costs attributable to maintenance of educational programs by such
18 districts as a correlate to low enrollment weighting assigned to enrollment
19 of districts having under ~~1,725~~ 1,700 enrollment.

20 (m) (n) "Ancillary school facilities weighting" means an addend com-
21 ponent assigned to enrollment of districts to which the provisions of
22 K.S.A. 2000 Supp. 72-6441, and amendments thereto, apply on the basis
23 of costs attributable to commencing operation of new school facilities.
24 Ancillary school facilities weighting may be assigned to enrollment of a
25 district only if the district has levied a tax under authority of K.S.A. 2000
26 Supp. 72-6441, and amendments thereto, and remitted the proceeds from
27 such tax to the state treasurer. Ancillary school facilities weighting is in
28 addition to assignment of school facilities weighting to enrollment of any
29 district eligible for such weighting.

30 (n) (o) "Juvenile detention facility" means any community juvenile cor-
31 rections center or facility, the Forbes Juvenile Attention Facility, the
32 Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth
33 Services, the Clarence M. Kelley Youth Center, Trego County Secure
34 Care Center, St. Francis Academy at Atchison, St. Francis Academy at
35 Ellsworth, St. Francis Academy at Salina, and St. Francis Center at Salina.

36 Sec. 2. On July 1, 2001, K.S.A. 2000 Supp. 72-6410 shall be and is
37 hereby amended to read as follows: 72-6410. (a) "State financial aid"
38 means an amount equal to the *sum of the* product obtained by multiplying
39 base state aid per pupil by the adjusted enrollment of a district *and the*
40 *product obtained by multiplying success in school state aid, if any, by the*
41 *enrollment of the district.*

42 (b) "Base state aid per pupil" means an amount of state financial aid
43 per pupil. Subject to the other provisions of this subsection, the amount

1 of base state aid per pupil is ~~\$3,770 in the 1999-2000 school year and~~
2 ~~\$3,820 in the 2000-01 school year and in school years thereafter \$3,930.~~
3 The amount of base state aid per pupil is subject to reduction commen-
4 surate with any reduction under K.S.A. 75-6704, and amendments
5 thereto, in the amount of the appropriation from the state general fund
6 for general state aid. If the amount of appropriations for general state aid
7 is insufficient to pay in full the amount each district is entitled to receive
8 for any school year, the amount of base state aid per pupil for such school
9 year is subject to reduction commensurate with the amount of the
10 insufficiency.

11 (c) *“Success in school state aid” means an amount of state financial aid*
12 *per pupil. The amount of success in school state aid is \$44. To be eligible*
13 *for success in school state aid, a district must establish and maintain an*
14 *extended learning time plan for any or all of the following purposes: (1)*
15 *Providing pupils with additional time to achieve learner exit or improve-*
16 *ment plan outcomes; (2) giving pupils remedial instruction or independent*
17 *study assistance; (3) affording pupils an opportunity to attain or enhance*
18 *proficiency in the basic or higher order thinking skills. The plan may*
19 *schedule the required extended learning time before or after regular school*
20 *hours, on weekends and during the summer months. The plan must in-*
21 *clude an intensive research based reading intervention component and an*
22 *evaluation procedure designed to measure effectiveness of the plan in en-*
23 *abling pupils to succeed in school and must be submitted to and approved*
24 *by the state board.*

25 (c) (d) *“Local effort” means the sum of an amount equal to the pro-*
26 *ceeds from the tax levied under authority of K.S.A. 72-6431, and amend-*
27 *ments thereto, and an amount equal to any unexpended and unencum-*
28 *bered balance remaining in the general fund of the district, except*
29 *amounts received by the district and authorized to be expended for the*
30 *purposes specified in K.S.A. 72-6430, and amendments thereto, and an*
31 *amount equal to any unexpended and unencumbered balances remaining*
32 *in the program weighted funds of the district, except any amount in the*
33 *vocational education fund of the district if the district is operating an area*
34 *vocational school, and an amount equal to any remaining proceeds from*
35 *taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amend-*
36 *ments thereto, prior to the repeal of such statutory sections, and an*
37 *amount equal to the amount deposited in the general fund in the current*
38 *school year from amounts received in such year by the district under the*
39 *provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,*
40 *and an amount equal to the amount deposited in the general fund in the*
41 *current school year from amounts received in such year by the district*
42 *pursuant to contracts made and entered into under authority of K.S.A.*
43 *72-6757, and amendments thereto, and an amount equal to the amount*

1 credited to the general fund in the current school year from amounts
2 distributed in such year to the district under the provisions of articles 17
3 and 34 of chapter 12 of Kansas Statutes Annotated and under the pro-
4 visions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated,
5 and an amount equal to 75% of the federal impact aid of the district.

6 (d) (e) "Federal impact aid" means an amount equal to the federally
7 qualified percentage of the amount of moneys a district receives in the
8 current school year under the provisions of title I of public law 874 and
9 congressional appropriations therefor, excluding amounts received for as-
10 sistance in cases of major disaster and amounts received under the low-
11 rent housing program. The amount of federal impact aid defined herein
12 as an amount equal to the federally qualified percentage of the amount
13 of moneys provided for the district under title I of public law 874 shall
14 be determined by the state board in accordance with terms and conditions
15 imposed under the provisions of the public law and rules and regulations
16 thereunder.

17 Sec. 3. On July 1, 2001, K.S.A. 2000 Supp. 72-6412 shall be and is
18 hereby amended to read as follows: 72-6412. The low enrollment weight-
19 ing of each district with under ~~1,725~~ 1,700 enrollment shall be determined
20 by the state board as follows:

21 (a) Determine the amount of the median budget per pupil for the 1991-
22 92 school year of districts with 75-125 enrollment in such school year;

23 (b) determine the amount of the median budget per pupil for the 1991-
24 92 school year of districts with 200-399 enrollment in such school year;

25 (c) determine the amount of the median budget per pupil for the 1991-
26 92 school year of districts with 1,900 or over enrollment;

27 (d) prescribe a schedule amount for each of the districts by preparing
28 a schedule based upon an accepted mathematical formula and derived
29 from a linear transition between (1) the median budgets per pupil deter-
30 mined under (a) and (b), and (2) the median budgets per pupil deter-
31 mined under (b) and (c). The schedule amount for districts with 0-99
32 enrollment is an amount equal to the amount of the median budget per
33 pupil determined under (a). The schedule amount for districts with 100-
34 299 enrollment is the amount derived from the linear transition under
35 (1). The schedule amount for districts with 300-1,899 enrollment is the
36 amount derived from the linear transition under (2);

37 (e) for districts with 0-99 enrollment:

38 (1) Subtract the amount determined under (c) from the amount de-
39 termined under (a);

40 (2) divide the remainder obtained under (1) by the amount determined
41 under (c);

42 (3) multiply the quotient obtained under (2) by the enrollment of the
43 district in the current school year. The product is the low enrollment

1 weighting of the district;

2 (f) for districts with 100-299 enrollment:

3 (1) Subtract the amount determined under (c) from the schedule
4 amount of the district;

5 (2) divide the remainder obtained under (1) by the amount determined
6 under (c);

7 (3) multiply the quotient obtained under (2) by the enrollment of the
8 district in the current school year. The product is the low enrollment
9 weighting of the district;

10 (g) for districts with ~~300-1,724~~ 300-1,699 enrollment:

11 (1) Subtract the amount determined under (c) from the schedule
12 amount of the district;

13 (2) divide the remainder obtained under (1) by the amount determined
14 under (c);

15 (3) multiply the quotient obtained under (2) by the enrollment of the
16 district in the current school year. The product is the low enrollment
17 weighting of the district.

18 Sec. 4. On July 1, 2001, K.S.A. 72-6413 shall be and is hereby amended
19 to read as follows: 72-6413. The program weighting of each district shall
20 be determined by the state board as follows:

21 (a) Compute full time equivalent enrollment in programs of bilingual
22 education and multiply the computed enrollment by 0.2;

23 (b) compute full time equivalent enrollment in approved vocational
24 education programs and multiply the computed enrollment by 0.5;

25 (c) *compute full time equivalent enrollment of exceptional children with*
26 *severe disabilities in special education and related services provided in*
27 *compliance with the special education for exceptional children act and*
28 *multiply the computed enrollment by 3.22;*

29 (d) *compute full time equivalent enrollment of exceptional children,*
30 *other than exceptional children with severe disabilities, in special educa-*
31 *tion and related services provided in compliance with the special educa-*
32 *tion for exceptional children act and multiply the computed enrollment*
33 *by .72;*

34 (c) (e) add the products obtained under (a) ~~and~~, (b), (c) and (d). The
35 sum is the program weighting of the district.

36 ~~(d) The provisions of this section shall take effect and be in force from~~
37 ~~and after July 1, 1992.~~

38 Sec. 5. On July 1, 2001, K.S.A. 2000 Supp. 72-6414 shall be and is
39 hereby amended to read as follows: 72-6414. (a) The at-risk pupil weight-
40 ing of each district shall be determined by the state board by multiplying
41 the number of at-risk pupils included in enrollment of the district by ~~.09~~
42 *.11*. The product is the at-risk pupil weighting of the district.

43 (b) *Except as provided in subsection (d), of the amount a district re-*

1 *ceives from the at-risk pupil weighting, an amount produced by a pupil*
2 *weighting of .01 shall be used by the district for achieving mastery of*
3 *basic reading skills by completion of the third grade in accordance with*
4 *standards and outcomes of mastery identified by the state board under*
5 *K.S.A. 2000 Supp. 72-7534, and amendments thereto.*

6 *(c) A district shall include such information in its at-risk pupil assis-*
7 *tance plan as the state board may require regarding the district's reme-*
8 *diation strategies and the results thereof in achieving the third grade*
9 *reading standards and outcomes of mastery identified by the state board.*
10 *The reporting requirements shall include information documenting re-*
11 *mediation strategies and improvement made by pupils who performed*
12 *below the expected standard on the second grade diagnostic reading test*
13 *prescribed by the state board.*

14 *(d) A district whose pupils substantially achieve the state board stan-*
15 *dards and outcomes of mastery of reading skills upon completion of third*
16 *grade may be released, upon request, by the state board from the require-*
17 *ments of subsection (b).*

18 Sec. 6. On July 1, 2001, K.S.A. 2000 Supp. 72-6431 shall be and is
19 hereby amended to read as follows: 72-6431. (a) The board of each district
20 shall levy an ad valorem tax upon the taxable tangible property of the
21 district in the school years specified in subsection (b) for the purpose of:

22 (1) Financing that portion of the district's general fund budget which
23 is not financed from any other source provided by law;

24 (2) paying a portion of the costs of operating and maintaining public
25 schools in partial fulfillment of the constitutional obligation of the legis-
26 lature to finance the educational interests of the state; and

27 (3) with respect to any redevelopment district established prior to July
28 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a
29 portion of the principal and interest on bonds issued by cities under au-
30 thority of K.S.A. 12-1774, and amendments thereto, for the financing of
31 redevelopment projects upon property located within the district.

32 (b) The tax required under subsection (a) shall be levied at a rate of
33 20 mills in the ~~1999-2000~~ 2001-02 school year and in the ~~2000-01~~ 2002-
34 03 school year.

35 (c) The proceeds from the tax levied by a district under authority of
36 this section, except the proceeds of such tax levied for the purpose of
37 paying a portion of the principal and interest on bonds issued by cities
38 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
39 nancing of redevelopment projects upon property located within the dis-
40 trict, shall be deposited in the general fund of the district.

41 (d) On June 1 of each year, the amount, if any, by which a district's
42 local effort exceeds the amount of the district's state financial aid, as
43 determined by the state board, shall be remitted to the state treasurer.

1 Upon receipt of any such remittance, the state treasurer shall deposit the
2 same in the state treasury to the credit of the state school district finance
3 fund.

4 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
5 1964b, and amendments to such sections.

6 Sec. 7. On July 1, 2001, K.S.A. 2000 Supp. 72-6442 shall be and is
7 hereby amended to read as follows: 72-6442. The correlation weighting
8 of each district with ~~1,725~~ 1,700 or over enrollment shall be determined
9 by the state board as follows:

10 (a) Determine the schedule amount for a district with ~~1,725~~ 1,700
11 enrollment as derived from the linear transition under (d) of K.S.A. 72-
12 6412, and amendments thereto, and subtract the amount determined
13 under (c) of K.S.A. 72-6412, and amendments thereto, from the schedule
14 amount so determined;

15 (b) divide the remainder obtained under (a) by the amount determined
16 under (c) of K.S.A. 72-6412, and amendments thereto, and multiply the
17 quotient by the enrollment of the district in the current school year. The
18 product is the correlation weighting of the district.

19 Sec. 8. On July 1, 2001, K.S.A. 2000 Supp. 79-201x shall be and is
20 hereby amended to read as follows: 79-201x. For taxable years ~~1999 2001~~
21 and ~~2000 2002~~, the following described property, to the extent herein
22 specified, shall be and is hereby exempt from the property tax levied
23 pursuant to the provisions of K.S.A. 72-6431, and amendments thereto:
24 Property used for residential purposes to the extent of \$20,000 of its
25 appraised valuation.

26 Sec. 9. On July 1, 2001, K.S.A. 2000 Supp. 72-1398 shall be and is
27 hereby amended to read as follows: 72-1398. (a) The national board for
28 professional teaching standards certification incentive program is hereby
29 established for the purpose of rewarding teachers who have attained cer-
30 tification from the national board *and assisting school districts in the*
31 *provision of staff development programs especially as such programs sup-*
32 *port teachers engaged in the national board certification process.* Teach-
33 ers who have attained certification from the national board shall be issued
34 a master teacher's certificate by the state board of education. A master
35 teacher's certificate shall be valid for 10 years and renewable thereafter
36 every 10 years through compliance with continuing education and pro-
37 fessional development requirements prescribed by the state board.
38 Teachers who have attained certification from the national board and who
39 are employed by a school district shall be paid an incentive bonus in the
40 amount of ~~\$1,000~~ \$5,000 each school year, not exceeding 10 years, that
41 the teacher remains employed by a school district and retains a valid
42 master teacher's certificate. *Each school district employing one or more*
43 *national board certified teachers shall be entitled to an incentive grant in*

1 *the amount of \$3,000 for each such teacher in each school year that such*
2 *teacher or teachers retain eligibility for payment of an incentive bonus.*

3 (b) The board of education of each school district employing one or
4 more national board certified teachers shall pay the incentive bonus to
5 each such teacher in each school year that the teacher retains eligibility
6 for such payment. Each board of education which has made payments of
7 incentive bonuses to national board certified teachers under this subsec-
8 tion may file an application with the state board of education for state aid
9 and shall certify to the state board the amount of such payments. The
10 application and certification shall be on a form prescribed and furnished
11 by the state board, shall contain such information as the state board shall
12 require and shall be filed at the time specified by the state board.

13 (c) In each school year, each school district employing one or more
14 national board certified teachers is entitled to receive from appropriations
15 for the national board for professional teaching standards certification
16 incentive program an amount which is equal to the amount certified to
17 the state board of education in accordance with the provisions of subsec-
18 tion (b) *and an amount which is equal to the product obtained by mul-*
19 *tiplying \$3,000 by the number of national board certified teachers receiv-*
20 *ing an incentive bonus in accordance with the provisions of subsection*
21 *(b).* The state board shall certify to the director of accounts and reports
22 the amount due each school district. The director of accounts and reports
23 shall draw warrants on the state treasurer payable to the treasurer of each
24 school district entitled to payment under this section upon vouchers ap-
25 proved by the state board.

26 (d) *An amount equal to 5/8 of the amount of moneys received by a*
27 *board of education under this section shall be deposited in the general*
28 *fund of the school district. Moneys deposited in the general fund of the*
29 *school district under this subsection shall be considered reimbursements*
30 *to the district for the purpose of the school district finance and quality*
31 *performance act and may be expended whether the same have been*
32 *budgeted or not. The remaining amount of moneys received by a board*
33 *of education under this section shall be deposited in the inservice educa-*
34 *tion fund of the district and expended for the provision of staff develop-*
35 *ment programs in the schools in which national board certified teachers*
36 *are located.*

37 (e) As used in this section, the term school district means any school
38 district organized and operating under the laws of this state.

39 New Sec. 10. (a) As used in this section:

40 (1) "School district" means any public school district.

41 (2) "School" means any school operated by a school district.

42 (3) "Exemplary school recognition award" means an award made under
43 this section to recognize and reward exemplary schools for outstanding

1 contribution to successful achievement of the mission for Kansas
2 education.

3 (4) "Exemplary school" means a school determined by the state board
4 of education to have met the building standard of excellence on the basis
5 of criteria developed under the quality performance accreditation system
6 in consideration of attainment or significant and continuous progress to-
7 ward attainment by pupils in attendance at the school of levels of per-
8 formance categorized as advanced or proficient or in which the high
9 school graduation rate has been substantially increased.

10 (b) (1) The state board of education shall adopt rules and regulations
11 for administration of the provisions of this act and shall develop and pre-
12 scribe criteria for determination and recognition of exemplary schools.

13 (2) In each school year, each school recognized as an exemplary school
14 by the state board of education shall be entitled to an exemplary school
15 recognition award in an amount to be determined by the state board of
16 education within limits of appropriations made for the exemplary schools
17 recognition program. The amount of the award shall not exceed an
18 amount equal to \$50 per pupil in attendance at the exemplary school and
19 shall be paid to the board of education having jurisdiction over the ex-
20 emplary school, deposited in the general fund of the school district and
21 credited to the account of the exemplary school. All amounts received by
22 a school district and credited to the account of an exemplary school may
23 be expended whether the same have been budgeted or not and amounts
24 so expended shall not be considered operating expenses of the school
25 district. The school site council of an exemplary school shall determine
26 the purposes for which the award shall be expended.

27 (3) Each school district which receives one or more exemplary school
28 recognition awards shall make such periodic and special reports of statis-
29 tical information to the state board as it may request.

30 (c) (1) Periodically, but not less often than biennially, the state board
31 of education shall study, review and consider data and other information
32 collected by school districts under the quality performance accreditation
33 system in order to determine the extent to which pupils are demonstrating
34 attainment or significant and continuous progress toward attainment of
35 advanced or proficient levels of performance in order to qualify their
36 schools as exemplary schools.

37 (2) Upon completion of each review conducted under this subsection,
38 the state board of education shall disseminate appropriate information
39 and summary data concerning the Kansas exemplary schools recognition
40 program to boards, the legislature, the governor and to other interested
41 parties.

42 (d) This section shall take effect and be in force from and after July 1,
43 2001.

1 New Sec. 11. (a) As used in this section, the term “alternative teacher
2 compensation plan” means a compensation plan or salary schedule that
3 includes components of peer mentoring and peer evaluation and that
4 bases pay increases or differential pay rates on the demonstration of ex-
5 cellence or significant improvement in skills, knowledge and
6 performance.

7 (b) (1) The board of education of each school district may establish and
8 maintain an alternative teacher compensation plan and apply for a grant
9 of state moneys for the purpose of financing all or a portion of the amount
10 budgeted for maintenance of the plan.

11 (2) In order to be eligible to receive a grant of state moneys for the
12 maintenance of an alternative teacher compensation plan, a board of ed-
13 ucation shall submit to the state board of education an application for a
14 grant and a description of the plan. The application and description shall
15 be prepared in such form and manner as the state board shall require
16 and shall be submitted at a time to be determined and specified by the
17 state board. Approval by the state board of the plan and the application
18 is prerequisite to the award of a grant.

19 (3) Each board of education which is awarded a grant under this act
20 shall make such periodic and special reports of statistical and financial
21 information to the state board of education as it may request.

22 (c) (1) The state board of education shall adopt rules and regulations
23 for the administration of this act and shall:

24 (A) Establish standards and criteria for reviewing, evaluating and ap-
25 proving alternative teacher compensation plans and applications of school
26 districts for grants;

27 (B) evaluate and approve alternative teacher compensation plans;

28 (C) in evaluating and approving applications of school districts for
29 grants, consider the endeavors of boards of education to enlist assistance
30 and support in the development of an alternative teacher compensation
31 plan from teachers, administrators, members of school site councils, dis-
32 trict patrons and representatives of community organizations and private
33 sector corporations and foundations.

34 (D) be responsible for awarding grants to school districts; and

35 (E) request of and receive from each school district which is awarded
36 a grant for maintenance of an alternative teacher compensation plan re-
37 ports containing information with regard to the effectiveness of the plan.

38 (2) Within the limits of appropriations for alternative teacher compen-
39 sation plans maintained by school districts, the state board of education
40 shall determine the amount of grants to be awarded school districts. In
41 no event shall the amount of a grant to a school district exceed the amount
42 budgeted and expended by the school district in the maintenance of a
43 plan. Upon receipt of a grant of state moneys for maintenance of an

1 alternative teacher compensation plan, the amount of the grant shall be
2 deposited in the general fund of the school district. Moneys deposited in
3 the general fund of a school district under this subsection shall be con-
4 sidered reimbursements for the purpose of the school district finance and
5 quality performance act.

6 (d) The state board of education may provide any board, upon request,
7 with technical advice and assistance regarding the establishment and
8 maintenance of an alternative teacher compensation plan or an applica-
9 tion for a grant of state moneys.

10 (e) This section shall take effect and be in force on and after July 1,
11 2001.

12 Sec. 12. On July 1, 2001, K.S.A. 2000 Supp. 79-2959 shall be and is
13 hereby amended to read as follows: 79-2959. (a) There is hereby created
14 the local ad valorem tax reduction fund. All moneys transferred or cred-
15 ited to such fund under the provisions of this act or any other law shall
16 be apportioned and distributed in the manner provided herein.

17 (b) On January 15 and on July 15 of each year, the director of accounts
18 and reports shall make transfers in equal amounts which in the aggregate
19 equal 4.5% of the total retail sales and compensating taxes credited to
20 the state general fund pursuant to articles 36 and 37 of chapter 79 of
21 Kansas Statutes Annotated and acts amendatory thereof and supplement-
22 al thereto during the preceding calendar year from the state general fund
23 to the local ad valorem tax reduction fund, except that: (1) The transfers
24 on January 15 and July 15 of each year shall be in equal amounts which
25 in the aggregate equal 3.630% of such taxes credited to the state general
26 fund during the preceding calendar year; ~~and (2) the amount of the trans-~~
27 ~~fer on each such date during state fiscal year 2001 shall be equal to 93.5%~~
28 ~~of the amount transferred on the same date during state fiscal year 2000~~
29 ~~2002 shall be \$28,951,485.50; (3) the amount of the transfer on each such~~
30 ~~date during state fiscal year 2003 shall be \$32,299,569.84; (4) the amount~~
31 ~~of the transfer on each such date during state fiscal year 2004 shall be~~
32 ~~\$33,415,051.12; (5) the amount of the transfer on each such date during~~
33 ~~state fiscal year 2005 shall be \$34,724,368.63; and (6) the amount of the~~
34 ~~transfer on each such date during state fiscal year 2006 shall be~~
35 ~~\$36,085,598.19.~~ All such transfers are subject to reduction under K.S.A.
36 75-6704 and amendments thereto. All transfers made in accordance with
37 the provisions of this section shall be considered to be demand transfers
38 from the state general fund.

39 (c) The state treasurer shall apportion and pay the amounts transferred
40 under subsection (b) to the several county treasurers on January 15 and
41 on July 15 in each year as follows: (1) Sixty-five percent of the amount to
42 be distributed shall be apportioned on the basis of the population figures
43 of the counties certified to the secretary of state pursuant to K.S.A. 11-

1 201 and amendments thereto on July 1 of the preceding year; and (2)
2 thirty-five percent of such amount shall be apportioned on the basis of
3 the equalized assessed tangible valuations on the tax rolls of the counties
4 on November 1 of the preceding year as certified by the director of prop-
5 erty valuation.

6 Sec. 13. On July 1, 2001, K.S.A. 2000 Supp. 79-2964 shall be and is
7 hereby amended to read as follows: 79-2964. There is hereby created the
8 county and city revenue sharing fund. All moneys transferred or credited
9 to such fund under the provisions of this act or any other law shall be
10 allocated and distributed in the manner provided herein. The director of
11 accounts and reports in each year on July 15 and December 10, shall
12 make transfers in equal amounts which in the aggregate equal 3.5% of
13 the total retail sales and compensating taxes credited to the state general
14 fund pursuant to articles 36 and 37 of chapter 79 of the Kansas Statutes
15 Annotated and acts amendatory thereof and supplemental thereto during
16 the preceding calendar year from the state general fund to the county
17 and city revenue sharing fund, except that: (a) The transfers on July 15
18 and December 10 of each year shall be in equal amounts which in the
19 aggregate equal 2.823% of such taxes credited to the state general fund
20 during the preceding calendar year; ~~and (b) the amount of the transfer~~
21 ~~on each such date during state fiscal year 2001 shall be equal to 93.5%~~
22 ~~of the amount transferred on the same date during state fiscal year 2000~~
23 ~~2002 shall be \$18,465,844; (c) the amount of the transfer on each such~~
24 ~~date during state fiscal year 2003 shall be \$24,750,652.50; (d) the amount~~
25 ~~of the transfer on each such date during state fiscal year 2004 shall be~~
26 ~~\$25,487,190.84; (e) the amount of the transfer on each such date during~~
27 ~~state fiscal year 2005 shall be \$26,485,640.73; and (f) the amount of the~~
28 ~~transfer on each such date during state fiscal year 2006 shall be~~
29 ~~\$27,523,666.50.~~ All such transfers are subject to reduction under K.S.A.
30 75-6704 and amendments thereto. All transfers made in accordance with
31 the provisions of this section shall be considered to be demand transfers
32 from the state general fund.

33 Sec. 14. On June 1, 2001, K.S.A. 2000 Supp. 79-3492b is hereby
34 amended to read as follows: 79-3492b. Alternatively to the methods oth-
35 erwise set forth in this act, special LP-gas permit users operating motor
36 vehicles on the public highways of this state may upon application to the
37 director on forms prescribed by the director elect to pay taxes in advance
38 on LP-gas for each and every motor vehicle owned or operated by them
39 and propelled in whole or in part with LP-gas during the calendar year
40 and thereafter to purchase LP-gas tax free in lieu of securing a bonded
41 user's permit and filing monthly reports and tax payments and keeping
42 the records otherwise provided for in this act. The amount of such tax
43 for each motor vehicle shall, except as otherwise provided, be based upon

1 the gross weight of the motor vehicle and the number of miles it was
2 operated on the public highways of this state during the previous year
3 pursuant to the following schedules:
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1 In the event any additional motor vehicles equipped to use LP-gas as a
 2 fuel are placed in operation by a special LP-gas permit user after the first
 3 month of any calendar year, a tax shall become due and payable to this
 4 state and is hereby imposed at the tax rate prescribed herein prorated on
 5 the basis of the weight and mileage for the months operated in the cal-
 6 endar year. The director shall issue special permit decals for each motor
 7 vehicle on which taxes have been paid in advance as provided herein,
 8 which shall be affixed on each such vehicle in the manner prescribed by
 9 the director.

10 Sec. 15. On June 1, 2001, K.S.A. 2000 Supp. 79-34,118 is hereby
 11 amended to read as follows: 79-34,118. Upon application to the director
 12 of taxation and payment of the fee prescribed under this section any
 13 interstate motor fuel user may obtain a trip permit which will authorize
 14 one commercial motor vehicle to be operated within this state without
 15 compliance with the other provisions of the interstate motor fuel use act
 16 and in lieu of the tax imposed by K.S.A. 79-34,109 and amendments
 17 thereto. The fee for each trip permit issued under this section shall be
 18 ~~\$11 until July 1, 2001, and \$11.50~~ \$12.50 until July 1, 2003, and \$12 \$13
 19 until July 1, 2020, and \$10 thereafter. The secretary of revenue shall adopt
 20 rules and regulations specifying the conditions under which trip permits
 21 will be issued and providing for the issuance thereof. The secretary may
 22 designate agents or contract with private individuals, firms or corporations
 23 to issue such trip permits so that such permits will be obtainable at con-
 24 venient locations.

25 Sec. 16. On June 1, 2001, K.S.A. 2000 Supp. 79-34,141 is hereby
 26 amended to read as follows: 79-34,141. ~~(a) On and after July 1, 1999, until~~
 27 ~~July 1, 2001, the tax imposed under this act shall be not less than:~~
 28 ~~— (1) On motor vehicle fuels, \$.20 per gallon, or fraction thereof;~~
 29 ~~— (2) on special fuels, \$.22 per gallon, or fraction thereof; and~~
 30 ~~— (3) on LP-gas, \$.19 per gallon, or fraction thereof.~~
 31 ~~(b)~~ (a) On and after July 1 ~~June 1~~, 2001, until July 1, 2003, the tax
 32 imposed under this act shall be not less than:

33 (1) On motor-vehicle fuels, ~~\$.21~~ \$.23 per gallon, or fraction thereof;
 34 (2) on special fuels, ~~\$.23~~ \$.25 per gallon, or fraction thereof; and
 35 (3) on LP-gas, ~~\$.20~~ \$.22 per gallon, or fraction thereof.

36 (e) (b) On and after July 1, 2003, until July 1, 2020, the tax imposed
 37 under this act shall be not less than:

38 (1) On motor-vehicle fuels, ~~\$.22~~ \$.24 per gallon, or fraction thereof;
 39 (2) on special fuels, ~~\$.24~~ \$.26 per gallon, or fraction thereof; and
 40 (3) on LP-gas, ~~\$.24~~ \$.23 per gallon, or fraction thereof.

41 ~~(d)~~ (c) On and after July 1, 2020, the tax rates imposed under this act
 42 shall be not less than:

43 (1) On motor-vehicle fuels, \$.18 per gallon, or fraction thereof;

1 (2) on special fuels, \$.20 per gallon, or fraction thereof; and

2 (3) on LP-gas, \$.17 per gallon, or fraction thereof.

3 Sec. 17. On June 1, 2001, K.S.A. 2000 Supp. 79-34,142 is hereby
4 amended to read as follows: 79-34,142. ~~(a) On and after July 1, 1999, until~~
5 ~~July 1, 2001, the state treasurer shall credit amounts received pursuant~~
6 ~~to K.S.A. 79-3408, 79-3408c, 79-3491a, 79-3492 and 79-34,118 and~~
7 ~~amendments thereto as follows: To the state highway fund 59.55% and~~
8 ~~to the special city and county highway fund 40.45%.~~

9 ~~(b)~~ (a) On and after July June 1, 2001, until July 1, 2003, the state
10 treasurer shall credit amounts received pursuant to K.S.A. 79-3408, 79-
11 3408c, 79-3491a, 79-3492 and 79-34,118 and amendments thereto as fol-
12 lows: To the state highway fund ~~61.55%~~ 64.85% and to the special city
13 and county highway fund ~~38.45%~~ 35.15%.

14 ~~(c)~~ (b) On and after July 1, 2003, until July 1, 2020, the state treasurer
15 shall credit amounts received pursuant to K.S.A. 79-3408, 79-3408c, 79-
16 3491a, 79-3492 and 79-34,118 and amendments thereto as follows: To
17 the state highway fund ~~63.35%~~ 66.35% and to the special city and county
18 highway fund ~~36.65%~~ 33.65%.

19 (d) (c) On and after July 1, 2020, the state treasurer shall credit amounts
20 received pursuant to K.S.A. 79-3408, 79-3408c, 79-3491a, 79-3492 and
21 79-34,118 and amendments thereto as follows: To the state highway fund
22 55.3% and to the special city and county highway fund 44.7%.

23 Sec. 18. On July 1, 2001, K.S.A. 2000 Supp. 79-34,147 shall be and is
24 hereby amended to read as follows: 79-34,147. (a) (1) On July 1, 1999,
25 and quarterly thereafter the secretary of revenue shall certify to the di-
26 rector of accounts and reports the amount equal to 7.628% of the total
27 revenues received by the secretary from the taxes imposed under the
28 Kansas retailers' sales tax act and deposited in the state treasury and
29 credited to the state general fund during the preceding three calendar
30 months.

31 (2) On July 1, 2001, and quarterly thereafter, the secretary of revenue
32 shall certify to the director of accounts and reports the amount equal to
33 9.5% of the total revenues received by the secretary from the taxes im-
34 posed under the Kansas retailers' sales tax act and deposited in the state
35 treasury and credited to the state general fund during the preceding three
36 calendar months.

37 (3) On July 1, 2002, and quarterly thereafter, the secretary of revenue
38 shall certify to the director of accounts and reports the amount equal to
39 11% of the total revenues received by the secretary from the taxes im-
40 posed under the Kansas retailers' sales tax act and deposited in the state
41 treasury and credited to the state general fund during the preceding three
42 calendar months.

43 (4) On July 1, 2003, and quarterly thereafter, the secretary of revenue

1 shall certify to the director of accounts and reports the amount equal to
 2 11.25% of the total revenues received by the secretary from the taxes
 3 imposed under the Kansas retailers' sales tax act and deposited in the
 4 state treasury and credited to the state general fund during the preceding
 5 three calendar months.

6 (5) On July 1, 2004, and quarterly thereafter, the secretary of revenue
 7 shall certify to the director of accounts and reports the amount equal to
 8 12% of the total revenues received by the secretary from the taxes im-
 9 posed under the Kansas retailers' sales tax act and deposited in the state
 10 treasury and credited to the state general fund during the preceding three
 11 calendar months.

12 (b) Upon receipt of each certification under subsection (a), the director
 13 of accounts and reports shall transfer from the state general fund to the
 14 state highway fund an amount equal to the amount so certified, on each
 15 July 1, October 1, January 1 and April 1, except that (1)~~(A) the amount~~
 16 ~~of the transfer on each such date during state fiscal year 2000 shall not~~
 17 ~~exceed the amount equal to 101.7% of the amount of the transfer on each~~
 18 ~~such date during state fiscal year 1999 and (B) the aggregate amount of~~
 19 ~~all such transfers during state fiscal year 2000 shall not exceed~~
 20 ~~\$62,240,428; and (2) the amount of the transfer on each such date during~~
 21 ~~state fiscal year 2001 2002 shall not exceed \$12,927,149.75 \$20,852,162;~~
 22 *(2) the amount of the transfer on each such date during state fiscal year*
 23 *2003 shall be \$34,249,726.56; (3) the amount of the transfer on each such*
 24 *date during state fiscal year 2004 shall be \$36,825,562.13; (4) the amount*
 25 *of the transfer on each such date during state fiscal year 2005 shall be*
 26 *\$41,662,622.09; and (5) the amount of the transfer on each such date*
 27 *during state fiscal year 2006 shall be \$43,473,720.42. All transfers made*
 28 *pursuant to this section are subject to reduction under K.S.A. 75-6704,*
 29 *and amendments thereto.*

30 (c) All transfers made in accordance with the provisions of this section
 31 shall be considered to be demand transfers from the state general fund.

32 Sec. 19. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3603 is
 33 hereby amended to read as follows: 79-3603. For the privilege of engaging
 34 in the business of selling tangible personal property at retail in this state
 35 or rendering or furnishing any of the services taxable under this act, there
 36 is hereby levied and there shall be collected and paid a tax at the rate of
 37 ~~4.9%~~ *5.1%* and, within a redevelopment district established pursuant to
 38 K.S.A. 74-8921, and amendments thereto, there is hereby levied and
 39 there shall be collected and paid an additional tax at the rate of 2% until
 40 the earlier of the date the bonds issued to finance or refinance the re-
 41 development project have been paid in full or the final scheduled maturity
 42 of the first series of bonds issued to finance any part of the project upon:

43 (a) The gross receipts received from the sale of tangible personal prop-

1 erty at retail within this state;

2 (b) (1) the gross receipts from intrastate telephone or telegraph services
3 and (2) the gross receipts received from the sale of interstate telephone
4 or telegraph services, which (A) originate within this state and terminate
5 outside the state and are billed to a customer's telephone number or
6 account in this state; or (B) originate outside this state and terminate
7 within this state and are billed to a customer's telephone number or ac-
8 count in this state except that the sale of interstate telephone or telegraph
9 service does not include: (A) Any interstate incoming or outgoing wide
10 area telephone service or wide area transmission type service which en-
11 titles the subscriber to make or receive an unlimited number of com-
12 munications to or from persons having telephone service in a specified
13 area which is outside the state in which the station provided this service
14 is located; (B) any interstate private communications service to the per-
15 sons contracting for the receipt of that service that entitles the purchaser
16 to exclusive or priority use of a communications channel or group of
17 channels between exchanges; (C) any value-added nonvoice service in
18 which computer processing applications are used to act on the form, con-
19 tent, code or protocol of the information to be transmitted; (D) any tel-
20 ecommunication service to a provider of telecommunication services
21 which will be used to render telecommunications services, including car-
22 rier access services; or (E) any service or transaction defined in this sec-
23 tion among entities classified as members of an affiliated group as pro-
24 vided by federal law ([26] U.S.C. Section 1504). For the purposes of this
25 subsection the term gross receipts does not include purchases of tele-
26 phone, telegraph or telecommunications using a prepaid telephone call-
27 ing card or prepaid authorization number. As used in this subsection, a
28 prepaid telephone calling card or prepaid authorization number means
29 the right to exclusively make telephone calls, paid for in advance, with
30 the prepaid value measured in minutes or other time units, that enables
31 the origination of calls using an access number or authorization code or
32 both, whether manually or electronically dialed;

33 (c) the gross receipts from the sale or furnishing of gas, water, elec-
34 tricity and heat, which sale is not otherwise exempt from taxation under
35 the provisions of this act, and whether furnished by municipally or pri-
36 vately owned utilities;

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

41 (e) the gross receipts from the sale of admissions to any place providing
42 amusement, entertainment or recreation services including admissions to
43 state, county, district and local fairs, but such tax shall not be levied and

1 collected upon the gross receipts received from sales of admissions to any
2 cultural and historical event which occurs triennially;

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

6 (g) the gross receipts from the service of renting of rooms by hotels,
7 as defined by K.S.A. 36-501 and amendments thereto, or by accommo-
8 dation brokers, as defined by K.S.A. 12-1692, and amendments thereto;

9 (h) the gross receipts from the service of renting or leasing of tangible
10 personal property except such tax shall not apply to the renting or leasing
11 of machinery, equipment or other personal property owned by a city and
12 purchased from the proceeds of industrial revenue bonds issued prior to
13 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
14 12-1749, and amendments thereto, and any city or lessee renting or leas-
15 ing such machinery, equipment or other personal property purchased
16 with the proceeds of such bonds who shall have paid a tax under the
17 provisions of this section upon sales made prior to July 1, 1973, shall be
18 entitled to a refund from the sales tax refund fund of all taxes paid
19 thereon;

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

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

25 (k) the gross receipts from cable, community antennae and other sub-
26 scriber radio and television services;

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

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

39 (m) the gross receipts received from fees and charges by public and
40 private clubs, drinking establishments, organizations and businesses for
41 participation in sports, games and other recreational activities, but such
42 tax shall not be levied and collected upon the gross receipts received from:

43 (1) Fees and charges by any political subdivision, by any organization

1 exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-
2 201, and amendments thereto, or by any youth recreation organization
3 exclusively providing services to persons 18 years of age or younger which
4 is exempt from federal income taxation pursuant to section 501(c)(3) of
5 the federal internal revenue code of 1986, for participation in sports,
6 games and other recreational activities; and (2) entry fees and charges for
7 participation in a special event or tournament sanctioned by a national
8 sporting association to which spectators are charged an admission which
9 is taxable pursuant to subsection (e);

10 (n) the gross receipts received from dues charged by public and private
11 clubs, drinking establishments, organizations and businesses, payment of
12 which entitles a member to the use of facilities for recreation or enter-
13 tainment, but such tax shall not be levied and collected upon the gross
14 receipts received from: (1) Dues charged by any organization exempt
15 from property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A.
16 79-201, and amendments thereto; and (2) sales of memberships in a non-
17 profit organization which is exempt from federal income taxation pursuant
18 to section 501 (c)(3) of the federal internal revenue code of 1986, and
19 whose purpose is to support the operation of a nonprofit zoo;

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

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

1 For the purposes of this subsection:

2 (1) "Original construction" shall mean the first or initial construction
3 of a new building or facility. The term "original construction" shall include
4 the addition of an entire room or floor to any existing building or facility,
5 the completion of any unfinished portion of any existing building or fa-
6 cility and the restoration, reconstruction or replacement of a building or
7 facility damaged or destroyed by fire, flood, tornado, lightning, explosion
8 or earthquake, but such term, except with regard to a residence, shall not
9 include replacement, remodeling, restoration, renovation or reconstruc-
10 tion under any other circumstances;

11 (2) "building" shall mean only those enclosures within which individ-
12 uals customarily are employed, or which are customarily used to house
13 machinery, equipment or other property, and including the land improve-
14 ments immediately surrounding such building;

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

21 (4) "residence" shall mean only those enclosures within which individ-
22 uals customarily live;

23 (q) the gross receipts received for the service of repairing, servicing,
24 altering or maintaining tangible personal property, except computer soft-
25 ware described in subsection (s), which when such services are rendered
26 is not being held for sale in the regular course of business, and whether
27 or not any tangible personal property is transferred in connection there-
28 with. The tax imposed by this subsection shall be applicable to the services
29 of repairing, servicing, altering or maintaining an item of tangible personal
30 property which has been and is fastened to, connected with or built into
31 real property;

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

35 (s) the gross receipts received from the sale of computer software, and
36 the sale of the services of modifying, altering, updating or maintaining
37 computer software. As used in this subsection, "computer software"
38 means information and directions loaded into a computer which dictate
39 different functions to be performed by the computer. Computer software
40 includes any canned or prewritten program which is held or existing for
41 general or repeated sale, even if the program was originally developed
42 for a single end user as custom computer software. The sale of computer
43 software or services does not include: (1) The initial sale of any custom

1 computer program which is originally developed for the exclusive use of
2 a single end user; or (2) those services rendered in the modification of
3 computer software when the modification is developed exclusively for a
4 single end user only to the extent of the modification and only to the
5 extent that the actual amount charged for the modification is separately
6 stated on invoices, statements and other billing documents provided to
7 the end user. The services of modification, alteration, updating and main-
8 tenance of computer software shall only include the modification, alter-
9 ation, updating and maintenance of computer software taxable under this
10 subsection whether or not the services are actually provided; and

11 (t) the gross receipts received for telephone answering services, in-
12 cluding mobile phone services, beeper services and other similar services;
13 and

14 (u) the gross receipts received from the sale of prepaid telephone call-
15 ing cards or prepaid authorization numbers and the recharge of such cards
16 or numbers. A prepaid telephone calling card or prepaid authorization
17 number means the right to exclusively make telephone calls, paid for in
18 advance, with the prepaid value measured in minutes or other time units,
19 that enables the origination of calls using an access number or authori-
20 zation code or both, whether manually or electronically dialed. If the sale
21 or recharge of such card or number does not take place at the vendor's
22 place of business, it shall be conclusively determined to take place at the
23 customer's shipping address; if there is no item shipped then it shall be
24 the customer's billing address.

25 Sec. 20. K.S.A. 2000 Supp. 79-3635 is hereby amended to read as fol-
26 lows: 79-3635. (a) (1) A claimant shall be entitled to a refund of retailers'
27 sales taxes paid upon food during the calendar year ~~1998~~ 2001 and each
28 year thereafter in the amount hereinafter provided. There shall be al-
29 lowed for each member of a household of a claimant having income of
30 \$12,500 or less, an amount equal to ~~\$60~~ \$75. There shall be allowed for
31 each member of a household of a claimant having income of more than
32 \$12,500 but not more than \$25,000, an amount equal to ~~\$30~~ \$38. There
33 shall be allowed for a claimant who qualifies for an additional personal
34 exemption amount pursuant to K.S.A. 79-32,121, and amendments
35 thereto, an additional amount of ~~\$30~~ \$38 or ~~\$60~~ \$75, as the case requires.
36 All such claims shall be paid from the sales tax refund fund upon warrants
37 of the director of accounts and reports pursuant to vouchers approved by
38 the director of taxation or by a person or persons designated by the
39 director.

40 (2) As an alternative to the procedure described by paragraph 1, for all
41 taxable years commencing after December 31, ~~1997~~ 2000, there shall be
42 allowed as a credit against the tax liability of a resident individual imposed
43 under the Kansas income tax act an amount equal to ~~\$60~~ \$75 or ~~\$30~~ \$38,

1 as the case requires, for each member of a household. There shall be
 2 allowed for a claimant who qualifies for an additional personal exemption
 3 amount pursuant to K.S.A. 79-32,121, and amendments thereto, an ad-
 4 ditional amount of ~~\$30~~ \$38 or ~~\$60~~ \$75, as the case requires. If the amount
 5 of such tax credit exceeds the claimant's income tax liability for such
 6 taxable year, such excess amount shall be refunded to the claimant.

7 (b) A head of household shall make application for refunds for all mem-
 8 bers of the same household upon a common form provided for the making
 9 of joint claims. All claims paid to members of the same household shall
 10 be paid as a joint claim by means of a single warrant.

11 (c) No claim for a refund of taxes under the provisions of K.S.A. 79-
 12 3632 *et seq.* shall be paid or allowed unless such claim is actually filed
 13 with and in the possession of the department of revenue on or before
 14 April 15 of the year next succeeding the year in which such taxes were
 15 paid. The director of taxation may: (1) Extend the time for filing any claim
 16 under the provisions of this act when good cause exists therefor; or (2)
 17 accept a claim filed after the deadline for filing in the case of sickness,
 18 absence or disability of the claimant if such claim has been filed within
 19 four years of such deadline.

20 Sec. 21. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3703 is
 21 hereby amended to read as follows: 79-3703. There is hereby levied and
 22 there shall be collected from every person in this state a tax or excise for
 23 the privilege of using, storing, or consuming within this state any article
 24 of tangible personal property. Such tax shall be levied and collected in an
 25 amount equal to the consideration paid by the taxpayer multiplied by the
 26 rate of ~~4.9%~~ 5.1%. Within a redevelopment district established pursuant
 27 to K.S.A. 2000 Supp. 74-8921, and amendments thereto, there is hereby
 28 levied and there shall be collected and paid an additional tax of 2% until
 29 the earlier of: (1) The date the bonds issued to finance or refinance the
 30 redevelopment project undertaken in the district have been paid in full;
 31 or (2) the final scheduled maturity of the first series of bonds issued to
 32 finance the redevelopment project. All property purchased or leased
 33 within or without this state and subsequently used, stored or consumed
 34 in this state shall be subject to the compensating tax if the same property
 35 or transaction would have been subject to the Kansas retailers' sales tax
 36 had the transaction been wholly within this state.

37 Sec. 22.

38 DEPARTMENT OF EDUCATION

39 (a) There is appropriated for the above agency from the state general
 40 fund for the fiscal year ending June 30, 2002, the following:

41	General state aid	\$87,710,000
42	KPERS —employer contributions.....	\$2,000,000
43	National board certified teacher incentive grants.....	\$500,000

1	Exemplary school recognition award	\$8,000,000
2	Alternative teacher compensation plan grants	\$2,000,000

3 Sec. 23. K.S.A. 2000 Supp. 79-3635 is hereby repealed.

4 Sec. 24. On June 1, 2001, K.S.A. 2000 Supp. 79-3492b, 79-34,118, 79-
5 34,141, 79-34,142, 79-3603 and 79-3703 shall be and are hereby repealed.

6 Sec. 25. On July 1, 2001, K.S.A. 72-6413 and K.S.A. 2000 Supp. 72-
7 978, 72-979, 72-983, 72-1398, 72-6407, 72-6410, 72-6412, 72-6414, 72-
8 6431, 72-6442, 79-201x, 79-2959, 79-2964 and 79-34,147 shall be and are
9 hereby repealed.

10 Sec. 26. This act shall take effect and be in force from and after its
11 publication in the Kansas register.

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