

# Journal of the House

FIFTY-EIGHTH DAY

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HALL OF THE HOUSE OF REPRESENTATIVES,  
TOPEKA, KS, Friday, March 30, 2001, 10:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Aurand in the chair.  
The roll was called with 123 members present.  
Rep. Kline was excused on verified illness.  
Rep. O'Neal was excused on excused absence by the Speaker.

Prayer by Chaplain Svoboda-Barber:

Holy God,  
we thank you  
for all the small blessings of this life.  
For spring days  
of sunshine and warm breezes;  
For family and friends  
who support and love us;  
For resilient bodies  
and healthy minds;  
And for simply having enough.  
For all these things,  
and all the things we so easily overlook,  
we thank you God. Amen.

The Pledge of Allegiance was led by Rep. Gilbert.

## REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills and resolutions were referred to committees as indicated:

Appropriations: **SB 342**; **SCR 1610**.

Judiciary: **HB 2580**, **HB 2581**.

## REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

Speaker pro tem Aurand announced the following bill, appearing in the Calendar of March 29, 2001, as "To Be Referred," was referred to committee as indicated:

Utilities: **HB 2579**.

## MESSAGE FROM THE SENATE

Announcing passage of **HB 2128**, **HB 2550**, **HB 2551**, **HB 2552**.

Announcing passage of **HB 2145**, as amended; **HB 2268**, as amended.

Also, adoption of **HCR 5009**, as amended.

Also announcing passage of **SB 343**.

Announcing passage of **HB 2221**, as amended.

Announcing adoption of **SCR 1611**.

The Senate concurs in House amendments to **SB 58**, and requests return of the bill.

The Senate nonconcurrs in House amendments to **SB 161**, requests a conference and has appointed Senators Umbarger, Vratil and Downey as conferees on the part of the Senate.

The Senate nonconcur in House amendments to **H. Sub. for SB 322**, requests a conference and has appointed Senators Morris, Adkins and Feleciano as conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **HB 2289** and has appointed Senators Umbarger, Vratil and Downey as conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **HB 2316** and has appointed Senators Schmidt, Huelskamp and Downey as conferees on the part of the Senate.

#### INTRODUCTION OF SENATE BILLS AND CONCURRENT RESOLUTIONS

The following Senate bill and concurrent resolution were thereupon introduced and read by title:

**SB 343; SCR 1611.**

#### INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, the House acceded to the request of the Senate for a conference on **SB 161**.

Speaker pro tem Aurand thereupon appointed Reps. Horst, Faber and Gatewood as conferees on the part of the House.

On motion of Rep. Weber, the House acceded to the request of the Senate for a conference on **H. Sub. for SB 322**.

Speaker pro tem Aurand thereupon appointed Reps. Wilk, Neufeld and Shriver as conferees on the part of the House.

#### CONSENT CALENDAR

No objection was made to **HB 2106; SB 110** appearing on the Consent Calendar for the third day. The bills were advanced to Final Action on Bills and Concurrent Resolutions.

#### FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

**HB 2106.** An act concerning the Kansas national guard; relating to pay and allowances; amending K.S.A. 48-225 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 122; Nays 0; Present but not voting: 1; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: None.

Present but not voting: Tafanelli.

Absent or not voting: Kline, O'Neal.

The bill passed.

**SB 110.** An act concerning certified public accountants; licensure; fees; amending K.S.A. 2000 Supp. 1-301 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 122; Nays 0; Present but not voting: 1; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell,

Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: None.

Present but not voting: Edmonds.

Absent or not voting: Kline, O'Neal.

The bill passed.

**SB 19.** An act concerning health insurance; relating to gynecological care and the diagnosis and treatment of osteoporosis; relating to coverage for certain mental health conditions; amending K.S.A. 40-2,103, 40-2,105 and 40-19c09 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 123; Nays 0; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: None.

Present but not voting: None.

Absent or not voting: Kline, O'Neal.

The bill passed, as amended.

#### EXPLANATIONS OF VOTE

MR. SPEAKER: I reluctantly vote yes on **SB 19**. Kansas women pay nearly 70% more out-of-pocket on health care than do men. This bill does not fully address this disparity, but it does begin to remove the obstacles women face in obtaining adequate medical care. The Edmonds amendment is a black mark on an otherwise good bill. To call the amendment mental health parity is a disservice to those Kansans suffering from mental illness. So many times the debate on health care in this chamber has centered on what is good for the insurance companies rather than what is good for the people. Today, at least to some extent, we got it right.—RUBY GILBERT

MR. SPEAKER: It is with reluctance that I vote yes on **SB 19**. The provisions that allow women to have an annual visit to their OB/GYN without a referral from their primary care physician and provide coverage for osteoporosis are two women's health measures I have long supported. However, the amendment that was added during House debate does nothing to end the discrimination between coverage of mental and physical illnesses. It's my hope this body will find the courage to stand up to the powerful insurance lobby and do what is right for those Kansans who suffer from mental illness.—ETHEL M. PETERSON

**SB 69.** An act relating to property taxation; preauthorizing the school district property tax levy and the exemption therefrom; requiring notification of budget containing increased

revenue produced therefrom; amending K.S.A. 2000 Supp. 72-6431, 79-201x and 79-2925b and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 63; Nays 60; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Aurand, Ballou, Beggs, Benlon, Bethell, Compton, Cook, Dahl, DeCastro, DiVita, Dreher, Edmonds, Faber, Freeborn, Glasscock, Gordon, Hayzlett, Holmes, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Landwehr, Light, Lightner, Lloyd, P. Long, Loyd, Mason, Mayans, Mays, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Novascone, Osborne, Ostmeyer, Palmer, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Schwartz, Sloan, Tafanelli, Tanner, Tomlinson, Toplikar, Vickrey, Weber, D. Williams.

Nays: Alldritt, Ballard, Barnes, Boston, Burroughs, Campbell, Cox, Crow, Dillmore, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Grant, Henderson, Henry, Hermes, Horst, Kirk, Klein, Krehbiel, Kuether, Lane, Larkin, Levinson, Loganbill, M. Long, McClure, McKinney, Minor, Newton, Nichols, O'Brien, Patterson, Pauls, E. Peterson, Phelps, Ray, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Shultz, Spangler, Stone, Storm, Swenson, Thimesch, Toelkes, Wells, Welshimer, Wilk, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Kline, O'Neal.

The bill passed, as amended.

#### EXPLANATIONS OF VOTE

MR. SPEAKER: April Fools Day comes early to the Kansas House. I vote no on **SB 69**.—  
JIM GARNER

MR. SPEAKER: I vote yes on **SB 69**. We need more money for schools. This bill cuts too much property tax. It increases the homestead property tax exemption which is poor tax policy.

Yet the result of this bills' failure would be deeper cuts in school funding and a tax policy that is far worse. We retreat to fight another day.—ROBERT TOMLINSON, LISA BENLON

**SB 180**, An act concerning firearms and other weapons; relating to the use and regulation thereof; amending K.S.A. 2000 Supp. 21-4201 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 94; Nays 28; Present but not voting: 1; Absent or not voting: 2.

Yeas: Aday, Aurand, Ballard, Ballou, Barnes, Beggs, Bethell, Boston, Compton, Cook, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Henderson, Holmes, Horst, Howell, Huebert, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Klein, Krehbiel, Landwehr, Larkin, Levinson, Light, Lightner, Lloyd, M. Long, P. Long, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Nichols, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Swenson, Tafanelli, Tanner, Thimesch, Toplikar, Vickrey, Weber, Welshimer, Wilk, D. Williams, J. Williams, Wilson.

Nays: Alldritt, Benlon, Burroughs, Campbell, Cox, Crow, Feuerborn, Henry, Hermes, Huff, Kirk, Kuether, Lane, Loganbill, Loyd, Minor, Newton, E. Peterson, Phelps, Ray, Reardon, Rehorn, Spangler, Storm, Toelkes, Tomlinson, Wells, Winn.

Present but not voting: Hayzlett.

Absent or not voting: Kline, O'Neal.

The bill passed, as amended.

#### EXPLANATION OF VOTE

MR. SPEAKER: I vote no on **SB 180**. The issue in this bill is about local control. I consistently vote for local control and believe that local issues should be decided on the local level. I do not want the federal government to tell me what to do. Similarly, I do not feel comfortable interfering with local affairs. I defer to local and city officials on this issue.—DEAN  
NEWTON

**MOTIONS TO CONCUR AND NONCONCUR**

On motion of Rep. Cox, the House nonconcurrent in Senate amendments to **S. Sub. for HB 2146**, An act concerning the Kansas business health partnership act; relating to the removal of the sunset provision; amending K.S.A. 40-4707 and repealing the existing section.

On roll call, the vote was: Yeas 123; Nays 0; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: None.

Present but not voting: None.

Absent or not voting: Kline, O'Neal.

In accordance with Joint Rule 3 (c), the bill is dead.

On motion of Rep. Weber, the House went into Committee of the Whole, with Rep. Stone in the chair.

**COMMITTEE OF THE WHOLE**

On motion of Rep. Stone, Committee of the Whole report, as follows, was adopted:

Recommended that **HB 2574** be passed.

Committee report to **SB 146** be adopted; and the bill be passed as amended.

**REPORTS OF STANDING COMMITTEES**

The Committee on **Taxation** recommends **HB 2064** be amended on page 1, by striking all in lines 14 through 43;

On page 2, by striking all in lines 1 through 8; after line 8, by inserting the following:

"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. 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 or 12 is at least  $\frac{5}{6}$  time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest  $\frac{1}{10}$ ) that the total time of the pupil's postsecondary education attendance and attendance in grade 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in and attending an area vocational school, area vocational-technical school or approved vocational education program shall be counted as one pupil if the pupil's vocational education enrollment and attendance together with the pupil's attendance in any of grades nine through 12 is at least  $\frac{5}{6}$  time, otherwise the pupil shall be

counted as that proportion of one pupil (to the nearest  $\frac{1}{10}$ ) that the total time of the pupil's vocational education attendance and attendance in any of grades nine through 12 bears to full-time attendance. A pupil enrolled in a district and attending special education *and related services*, except special education *and related services* for preschool-aged exceptional children, provided for by the district shall be counted as one pupil. A pupil enrolled in a district and attending special education *and related services* for preschool-aged exceptional children provided for by the district shall be counted as  $\frac{1}{2}$  pupil. A preschool-aged at-risk pupil enrolled in a district and receiving services under an approved at-risk pupil assistance plan maintained by the district shall be counted as  $\frac{1}{2}$  pupil. A pupil in the custody of the secretary of social and rehabilitation services and enrolled in unified school district No. 259, Sedgwick county, Kansas, but housed, maintained, and receiving educational services at the Judge James V. Riddel Boys Ranch, shall be counted as two pupils. A pupil residing at the Flint Hills job corps center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a juvenile detention facility shall not be counted. A pupil enrolled in a district but housed, maintained, and receiving educational services at a state institution shall not be counted.

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

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

(d) "Preschool-aged at-risk pupil" means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines consonant with guidelines governing the selection of pupils for participation in head start programs. The state board shall select not more than ~~1,794 preschool-aged at-risk pupils to be counted in the 1999-2000 school year and not more than 2,230~~ 2,666 preschool-aged at-risk pupils to be counted in any school year thereafter.

(e) "Enrollment" means, for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not hereinbefore specified, the number of pupils regularly enrolled in the district on September 20. Notwithstanding the foregoing, if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of (1) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or (2) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of (A) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled and (B) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled and (C) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled.

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

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

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

(i) "Low enrollment weighting" means an addend component assigned to enrollment of districts having under ~~1,725~~ 1,690 enrollment on the basis of costs attributable to maintenance of educational programs by such districts in comparison with costs attributable to maintenance of educational programs by districts having ~~1,725~~ 1,690 or over enrollment.

(j) "School facilities weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to commencing operation of new school facilities. School facilities weighting may be assigned to enrollment of a district only if the district has adopted a local option budget and budgeted therein the total amount authorized for the school year. School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

(k) "Transportation weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to the provision or furnishing of transportation.

(l) "Correlation weighting" means an addend component assigned to enrollment of districts having ~~1,725~~ 1,690 or over enrollment on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts having under ~~1,725~~ 1,690 enrollment.

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

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

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

(b) "Base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is ~~\$3,770 in the 1999-2000 school year and \$3,820 in the 2000-01 school year and in school years thereafter~~ *\$3,930 in the 2001-02 school year and \$4,060 in the 2002-03 school year and in school years thereafter.* The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K.S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "*Success in school state aid*" means an amount of state financial aid per pupil. *The amount of success in school state aid is \$44. To be eligible for success in school state aid, a district must establish and maintain an extended learning time plan for any or all of the following purposes: (1) Providing pupils with additional time to achieve learner exit or improvement plan outcomes; (2) giving pupils remedial instruction or independent study assistance; (3) affording pupils an opportunity to attain or enhance proficiency in the basic or higher order thinking skills. The plan may schedule the required extended learning time before or after regular school hours, on weekends and during the summer months. The plan must include intensive interventions for K-3 pupils needing assistance in achieving mastery of basic reading, writing and mathematics skills and an evaluation procedure designed to measure effectiveness of the plan in enabling pupils to succeed in school and must be submitted to and approved by the state board. In order to assist districts in the establishment*

*and maintenance of an extended learning time plan, each pupil needing assistance in achieving mastery of basic reading, writing and mathematics skills shall be encouraged to obtain an eye examination by an optometrist or ophthalmologist to determine if the pupil suffers from conditions which impair the ability to read. Expense for such examination, if not reimbursed through Medicaid, Healthwave, private insurance or other governmental or private program, shall be the responsibility of the pupil's parent.*

(d) "Local effort" means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to 75% of the federal impact aid of the district.

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

Sec. 3. On July 1, 2001, K.S.A. 2000 Supp. 72-6412 shall be and is hereby amended to read as follows: 72-6412. The low enrollment weighting of each district with under ~~1,725~~ 1,690 enrollment shall be determined by the state board as follows:

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

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

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

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

(e) for districts with 0-99 enrollment:

(1) Subtract the amount determined under (c) from the amount determined under (a);

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

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

(f) for districts with 100-299 enrollment:



(1) Subtract the amount determined under (c) from the schedule amount of the district;  
 (2) divide the remainder obtained under (1) by the amount determined under (c);  
 (3) multiply the quotient obtained under (2) by the enrollment of the district in the current school year. The product is the low enrollment weighting of the district;

(g) for districts with ~~300-1,724~~ 300-1,689 enrollment:

(1) Subtract the amount determined under (c) from the schedule amount of the district;  
 (2) divide the remainder obtained under (1) by the amount determined under (c);  
 (3) multiply the quotient obtained under (2) by the enrollment of the district in the current school year. The product is the low enrollment weighting of the district.

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

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

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

(c) add the products obtained under (a) and (b). The sum is the program weighting of the district.

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

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

(b) *Except as provided in subsection (d), of the amount a district receives from the at-risk pupil weighting, an amount produced by a pupil weighting of .01 shall be used by the district for achieving mastery of basic reading skills by completion of the third grade in accordance with standards and outcomes of mastery identified by the state board under K.S.A. 2000 Supp. 72-7534, and amendments thereto.*

(c) *A district shall include such information in its at-risk pupil assistance plan as the state board may require regarding the district's remediation strategies and the results thereof in achieving the third grade reading standards and outcomes of mastery identified by the state board. The reporting requirements shall include information documenting remediation strategies and improvement made by pupils who performed below the expected standard on the second grade diagnostic reading test prescribed by the state board.*

(d) *A district whose pupils substantially achieve the state board standards and outcomes of mastery of reading skills upon completion of third grade may be released, upon request, by the state board from the requirements of subsection (b).*

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

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

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

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

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

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments

thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the general fund of the district.

(d) On June 1 of each year, the amount, if any, by which a district's local effort exceeds the amount of the district's state financial aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

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

Sec. 7. On July 1, 2001, K.S.A. 2000 Supp. 72-6442 shall be and is hereby amended to read as follows: 72-6442. The correlation weighting of each district with ~~1,725~~ 1,690 or over enrollment shall be determined by the state board as follows:

(a) Determine the schedule amount for a district with ~~1,725~~ 1,690 enrollment as derived from the linear transition under (d) of K.S.A. 72-6412, and amendments thereto, and subtract the amount determined under (c) of K.S.A. 72-6412, and amendments thereto, from the schedule amount so determined;

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

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

Sec. 9. On July 1, 2001, K.S.A. 2000 Supp. 72-1398 shall be and is hereby amended to read as follows: 72-1398. (a) The national board for professional teaching standards certification incentive program is hereby established for the purpose of rewarding teachers who have attained certification from the national board *and assisting school districts in the provision of staff development programs especially as such programs support teachers engaged in the national board certification process.* Teachers who have attained certification from the national board shall be issued a master teacher's certificate by the state board of education. A master teacher's certificate shall be valid for 10 years and renewable thereafter every 10 years through compliance with continuing education and professional development requirements prescribed by the state board. Teachers who have attained certification from the national board and who are employed by a school district shall be paid an incentive bonus in the amount of ~~\$1,000~~ \$5,000 each school year, not exceeding 10 years, that the teacher remains employed by a school district and retains a valid master teacher's certificate. *Each school district employing one or more national board certified teachers shall be entitled to an incentive grant in the amount of \$3,000 for each such teacher in each school year that such teacher or teachers retain eligibility for payment of an incentive bonus.*

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

(c) In each school year, each school district employing one or more national board certified teachers is entitled to receive from appropriations for the national board for professional teaching standards certification incentive program an amount which is equal to the amount certified to the state board of education in accordance with the provisions of subsection (b) *and an amount which is equal to the product obtained by multiplying \$3,000 by the number of national board certified teachers receiving an incentive bonus in accordance with the provisions of subsection (b).* The state board shall certify to the director of accounts and reports the amount due each school district. The director of accounts and reports shall

draw warrants on the state treasurer payable to the treasurer of each school district entitled to payment under this section upon vouchers approved by the state board.

(d) *An amount equal to 5/8 of the amount of moneys received by a board of education under this section shall be deposited in the general fund of the school district. Moneys deposited in the general fund of the school district under this subsection shall be considered reimbursements to the district for the purpose of the school district finance and quality performance act and may be expended whether the same have been budgeted or not. The remaining amount of moneys received by a board of education under this section shall be deposited in the inservice education fund of the district and expended for the provision of staff development programs in the schools in which national board certified teachers are located.*

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

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

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

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

(3) "Exemplary school recognition award" means an award made under this section to recognize and reward exemplary schools for outstanding contribution to successful achievement of the mission for Kansas education.

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

(b) (1) The state board of education shall adopt rules and regulations for administration of the provisions of this act and shall develop and prescribe criteria for determination and recognition of exemplary schools.

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

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

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

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

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

New Sec. 11. (a) As used in this section, the term "alternative teacher compensation plan" means a compensation plan or salary schedule that includes components of peer mentoring and peer evaluation and that bases pay increases or differential pay rates on the demonstration of excellence or significant improvement in skills, knowledge and performance.

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

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

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

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

(A) Establish standards and criteria for reviewing, evaluating and approving alternative teacher compensation plans and applications of school districts for grants;

(B) evaluate and approve alternative teacher compensation plans;

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

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

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

(2) Within the limits of appropriations for alternative teacher compensation plans maintained by school districts, the state board of education shall determine the amount of grants to be awarded school districts. In no event shall the amount of a grant to a school district exceed the amount budgeted and expended by the school district in the maintenance of a plan. Upon receipt of a grant of state moneys for maintenance of an alternative teacher compensation plan, the amount of the grant shall be deposited in the general fund of the school district. Moneys deposited in the general fund of a school district under this subsection shall be considered reimbursements for the purpose of the school district finance and quality performance act.

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

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

New Sec. 12. The state board of education shall provide for a professional evaluation of school district finance to determine the per pupil cost of a suitable education for Kansas children. The evaluation shall include a thorough study of the school district finance and quality performance act with the objective of addressing inadequacies and inequities inherent in the act. In addition the evaluation shall address the following objectives:

(1) A determination of the funding needed to provide a suitable education in typical K-12 schools of various sizes and locations;

(2) a determination of the additional support needed for special education, at-risk, limited English proficient pupils and pupils impacted by other special circumstances;

(3) a determination of funding adjustments necessary to ensure comparable purchasing power for all districts, regardless of size or location; and

(4) a determination of an appropriate annual adjustment for inflation.

(b) In addressing the objectives of the evaluation as specified in subsection (a), consideration shall be given to:

(1) The cost of providing comparable opportunities in the state's small rural schools as well as the larger, more urban schools, including differences in transportation needs resulting from population sparsity as well as differences in annual operating costs;

(2) the cost of providing suitable opportunities in elementary, middle and high schools;

(3) the additional costs of providing special programming opportunities, including vocational education programs;

(4) the additional cost associated with educating at-risk children and those with limited English proficiency;

(5) the additional cost associated with meeting the needs of pupils with disabilities; and

(6) the geographic variations in costs of personnel, materials, supplies and equipment and other fixed costs so that districts across the state are afforded comparable purchasing power.

(c) The state board of education shall secure consultant services to conduct the professional evaluation of school district finance required by this section and provide for a presentation to the governor and the legislature of the findings of the evaluation along with recommendations for components of a school district finance plan that will fulfill the state's obligation to provide a suitable education for Kansas children. The findings of the evaluation and recommendations shall be presented to the governor and the legislature at the beginning of the 2002 legislative session.

(d) For the purpose of the professional evaluation of school district finance, the term "suitable education" means a curricular program consisting of the subjects and courses required under the provisions of K.S.A. 72-1101, 72-1103 and 72-1117, and amendments thereto, the courses in foreign language, fine arts and physical education required to qualify for a state scholarship under the provisions of K.S.A. 72-6810 through 72-6816, and amendments thereto, and the courses included in the precollege curriculum prescribed by the board of regents under the provisions of K.S.A. 76-717, and amendments thereto.

Sec. 13. On July 1, 2001, K.S.A. 72-1106 shall be and is hereby amended to read as follows: 72-1106. (a) Subject to the other provisions of this section, a school term during which public school shall be maintained in the ~~1992-93~~ each school year by each school district organized under the laws of this state shall consist of: ~~(1) For pupils attending kindergarten, not less than 181 school days and each such school day shall consist of not less than 2½ hours; and (2) for pupils attending any of the grades one through 11, not less than 181 school days and each such school day shall consist of not less than six hours; and (3) for pupils attending grade 12, not less than 176 school days and each such school day shall consist of not less than six hours. The minimum number of school days in a school term shall be increased by two school days in the 1993-94 school year. The school term in school years commencing after June 30, 1994, shall consist of not less than 186 school days for pupils attending kindergarten or any of the grades one through 11 and not less than 181 school days for pupils attending grade 12.~~

(b) Subject to a policy developed and adopted by it, the board of any school district may provide for a school term consisting of school hours. A school term provided for in a policy adopted under this subsection shall consist of: ~~(1) For pupils attending kindergarten, not less than 452½ school hours in the 1992-93 school year, not less than 457½ school hours in the 1993-94 school year, and not less than 465 school hours in each school year commencing after June 30, 1994; and (2) for pupils attending any of the grades one through 11, not less than 1,086 school hours in the 1992-93 school year, not less than 1,098 school hours in the 1993-94 school year, and not less than 1,116 school hours in each school year commencing after June 30, 1994; and (3) for pupils attending grade 12, not less than 1,056 school hours in the 1992-93 school year, not less than 1,068 school hours in the 1993-94 school year, and not less than 1,086 school hours in each school year commencing after June 30, 1994.~~ Each board of education which develops and adopts a policy providing for a school term in accordance with this subsection shall notify the state board of education thereof on or before September 15 in each school year for which the policy is to be in effect.

(c) Subject to a plan developed and adopted by it, the board of any school district may schedule the school days required for a school term provided for under subsection (a), or the school hours required for a school term provided for in a policy adopted under subsection (b), on a trimestral or quarterly basis. Each board of education which develops and adopts a plan providing for the scheduling of the school days or school hours of the school term on a trimestral or quarterly basis shall submit the plan to the state board of education for approval prior to implementation. The plan shall be prepared in such form and manner as the state board shall require and shall be submitted at a time or times to be determined and specified by the state board.

*(d) Subject to a policy developed and adopted by the board of any district as a part of the district's disciplinary policy or school improvement plan, the board may schedule school days in addition to the school days scheduled for a school term provided for under subsection (a), or school hours in addition to the school hours scheduled for a school term provided for in a policy adopted under subsection (b), or both such additional school days and school hours for pupils who are in need of remedial education or who are subject to disciplinary measures imposed under the district's disciplinary policy. Any school day or school hour scheduled for a pupil under a policy adopted under this subsection may be scheduled on weekends, before or after regular school hours, and during the summer months. Inexcusable absence from school on any school day or during any school hour by any pupil for whom additional school days or school hours have been scheduled under a policy adopted under this subsection shall be counted as an inexcusable absence from school for the purposes of K.S.A. 72-1113, and amendments thereto.*

~~(e)~~ (e) If the board of any school district, or its designee, shall determine that inclement weather will cause hazardous driving conditions, the board, or its designee, may close any or all of the schools within the district. The amount of time pupils have been in attendance when such determination is made shall be considered a school day of a school term or shall be considered the number of school hours for pupils to be in attendance at school in a day, whichever is applicable. Consonant with the other provisions of this section, a board may schedule any number of days or hours in excess of the regularly scheduled school days or school hours which the board determines will be necessary to compensate for those school days or school hours that schools of the district will remain closed during the school term due to hazardous driving conditions. If the number of days or hours schools remain closed due to hazardous driving conditions exceeds the number of days or hours scheduled by the board to compensate for such school days or school hours, the excess number of days or hours, not to exceed whichever is the lesser of (1) the number of compensatory days or hours scheduled by the board or (2) five days or the number of school hours regularly scheduled in five days, that schools remain closed due to such conditions shall be considered school days or school hours.

~~(f)~~ (f) The state board of education may waive the requirements of law relating to the duration of the school term upon application for such waiver by a school district. Such waiver may be granted by the state board of education upon: (1) Certification by a board that, due to the persistence of inclement weather, hazardous driving conditions have existed in the school district for an inordinate period of time; and (2) a determination by the state board that the school district cannot reasonably adjust its schedule to comply with statutory requirements. Such waiver shall not exempt a school district from providing a school offering for each pupil which is substantially equivalent to that required by law.

~~(g)~~ (g) Time reserved for parent-teacher conferences for discussions on the progress of pupils may be considered part of the school term.

~~(h)~~ (h) Time reserved for staff development or inservice training programs for the purpose of improving staff skills, developing competency in new or highly specialized fields, improving instructional techniques, or curriculum planning and study may be considered part of the school term for an aggregate amount of time equal to the amount of time in excess of the school term which is scheduled by a board of education for similar activities.

~~(i)~~ (i) Boards of education may employ noncertificated personnel to supervise pupils for noninstructional activities.

New Sec. 14. (a) As used in this section:

(1) "Bottle" means any closed or sealed glass, metal, paper, plastic or any other type of container regardless of the size or shape of such container;

(2) "bottled soft drinks" means any complete, ready to consume, nonalcoholic drink, whether carbonated or not, commonly referred to as a soft drink, contained in any bottle;

(3) "director" means the director of taxation;

(4) "distributor, manufacturer or wholesale dealer" means any person who receives, stores, manufactures, bottles or sells bottled soft drinks, soft drink syrups, simple syrups or powders or base products for mixing, compounding or making soft drinks for sale to retail dealers, other manufacturers, wholesale dealers or distributors for resale purposes;

(5) "milk" means natural liquid milk, regardless of animal source or butterfat content; or natural milk concentrate, whether or not reconstituted, regardless of animal source or butterfat content; or dehydrated natural milk, whether or not reconstituted;

(6) "natural fruit juice" means the original liquid resulting from the pressing of fruit, or the liquid resulting from the reconstitution of natural fruit juice concentrate or the liquid resulting from the restoration of water to dehydrated natural fruit juice;

(7) "natural vegetable juice" means the original liquid resulting from the pressing of vegetables or the liquid resulting from the reconstitution of natural vegetable juice concentrate or the liquid resulting from the restoration of water to dehydrated natural vegetable juice;

(8) "nonalcoholic beverage" means and includes all beverages not subject to tax under chapter 41 of the Kansas Statutes Annotated;

(9) "place of business" means any place where soft drinks, syrups, simple syrups, powder or base products are manufactured or any place where bottled soft drinks, soft drink syrup, simple syrup, soft drink powder, or other soft drink base product or any other item taxed under this section is received;

(10) "powder" or "other base" means a solid mixture of basic ingredients used in making, mixing or compounding soft drinks by mixing the powder or other base with water, ice, syrup or simple syrup, fruits, vegetables, fruit juice, vegetable juice or any other product suitable to make a complete soft drink;

(11) "retailer" or "retail dealer" means any person, other than a manufacturer, distributor or wholesaler, who receives, stores mixes compounds or manufactures any soft drink and sells, or otherwise dispenses the same to the ultimate consumer;

(12) "sale" means the transfer of title or possession for a valuable consideration of tangible personal property regardless of the manner by which the transfer is accomplished. When a retailer is also acting as a wholesaler or distributor, the duty to report and pay the tax imposed by this section arises when the property is transferred to a retail store for sale to the ultimate consumer, as reflected by the records of the taxpayer;

(13) "simple syrup" means a mixture of sugar and water;

(14) "soft drink" means any nonalcoholic beverage sold for human consumption including, but not limited to, the following: Soda water, ginger ale, all drinks commonly referred to as cola, lime, lemon, lemon-lime and other flavored drinks, whether naturally or artificially flavored, including any fruit or vegetable drink containing 10% or less natural fruit juice, natural vegetable juice and all other drinks and beverages commonly referred to as soft drinks, but not including coffee or tea unless the coffee or tea is bottled as a liquid for sale; and

(15) "syrup" means the liquid mixture of basic ingredients used in making, mixing or compounding soft drinks by mixing the syrup with water, simple syrup, ice, fruits, vegetables, fruit juice, vegetable juice or any other product suitable to make a complete soft drink.

(b) On and after June 1, 2001, for the privilege of engaging in the business of distributing, manufacturing or wholesale dealing of soft drinks, there is hereby levied and there shall be collected a tax upon every distributor, manufacturer or wholesale dealer, to be calculated as follows:

(1) \$2 per gallon for each gallon of soft drink syrup or simple syrup sold or offered for sale in the state of Kansas;

(2) \$.20 per gallon for each gallon of bottled soft drinks sold or offered for sale in the state of Kansas.

(3) Where a package or container of powder or other base product, other than a syrup or simple syrup, is sold or offered for sale in Kansas, and the powder is for the purpose of producing a liquid soft drink, then the tax on the sale of each package or container shall be equal to \$.20 for each gallon of soft drink which may be produced from each package or container by following the manufacturer's directions. This tax applies when the sale of the powder or other base is sold to a retailer for sale to the ultimate consumer after the liquid soft drink is produced by the retailer.

(c) The following shall be exempt from the tax levied by subsection (b):

(1) Syrups, simple syrups, powders or base products or soft drinks sold to the United States Government;

(2) syrups, simple syrups, powders or base products, or soft drinks exported from the state of Kansas by a distributor, wholesaler or manufacturer;

(3) any powder or base product that is used in preparing coffee or tea;

(4) any frozen concentrate or freeze-dried concentrate to which only water is added to produce a soft drink containing more than 10% natural fruit juice or natural vegetable juice;

(5) any soft drink containing more than 10% natural fruit juice or natural vegetable juice;

(6) syrups, simple syrups, powders or base products or soft drinks sold by one distributor, wholesaler or manufacturer to another distributor, wholesaler or manufacturer. This exemption shall not apply to any sale to a retailer;

(7) any product, whether sold in liquid or powder form, which is intended by the manufacturer for consumption by infants and which is commonly referred to as "infant formula";

(8) any product, whether sold in liquid or powder form, which is intended by the manufacturer for use as a dietary supplement or for weight reduction;

(9) water to which no flavoring, whether artificial or natural, or carbonation has been added;

(10) any powder or other base product which is intended by the manufacturer to be sold and used for the purpose of domestically mixing soft drinks by the ultimate consumer; and

(11) any product containing milk or milk products.

(d) (1) The tax levied by subsection (b) shall be paid by the distributor, wholesaler or manufacturer when the syrup, powder or base product or soft drink is sold.

(2) The tax levied by subsection (b) shall be paid by a retailer who purchases syrups, powder or base products, or soft drinks from an unlicensed distributor, wholesaler or manufacturer.

(3) The distributor, wholesaler or manufacturer and any retailer subject to this tax shall file a monthly return and remit the tax for the month to the director on or before the 15th day of the month next following the month in which the sale or purchase was made.

(4) The returns shall be made upon forms prescribed and furnished by the director and signed by the person required to collect and remit the tax and shall contain such information as the director shall require for the proper administration of this section.

(e) The secretary of revenue shall remit daily the taxes paid under this act to the state treasurer who shall deposit the entire amount in the state treasury to the credit of the state general fund.

(f) All taxes imposed by this section and not paid at or before the time taxes are due shall be deemed delinquent and shall bear interest at the rate prescribed by subsection (a) of K.S.A. 79-2968 and amendments thereto from the due date until paid. In addition, there is hereby imposed upon all amounts of such taxes remaining due and unpaid after the due date a penalty on the unpaid balance of the taxes due in the amounts and percentages prescribed by K.S.A. 79-3615 and amendments thereto.

(g) Whenever any taxpayer or person liable to pay tax imposed by this section refuses or neglects to pay the tax, the amount of the tax, including any interest or penalty, shall be collected in the manner provided by law for collection of delinquent taxes under the Kansas retailers' sales tax act.

(h) Insofar as not inconsistent with this act, the provisions of the Kansas retailers' sales tax act shall apply to the tax imposed by this section.

(i) The secretary of revenue is hereby authorized to administer and enforce the provisions of this section and to adopt such rules and regulations as may be necessary to carry out the responsibilities of the secretary of revenue under this section.

Sec. 15. On and after June 1, 2001, K.S.A. 41-501 is hereby amended to read as follows: 41-501. (a) As used in this section and K.S.A. 41-501a and amendments thereto:

(1) "Gallon" means wine gallon.

(2) "Federal area" means any lands or premises which are located within the exterior boundaries of this state and which are held or acquired by or for the use of the United States or any department, establishment or agency of the United States.

(3) "Malt product" means malt syrup, malt extract, liquid malt or wort.

(b) (1) For the purpose of raising revenue a tax is imposed upon the manufacturing, using, selling, storing or purchasing alcoholic liquor, cereal malt beverage or malt products in this state or a federal area at a rate of ~~\$.18~~ \$.25 per gallon on beer and cereal malt beverage;



~~\$.20~~ \$.28 per gallon on all wort or liquid malt; ~~\$.10~~ \$.14 per pound on all malt syrup or malt extract; ~~\$.30~~ \$.42 per gallon on wine containing 14% or less alcohol by volume; ~~\$.75~~ \$1.05 per gallon on wine containing more than 14% alcohol by volume; and ~~\$2.50~~ \$3 per gallon on alcohol and spirits.

(2) The tax imposed by this section shall be paid only once and shall be paid by the person in this state or federal area who first manufactures, uses, sells, stores, purchases or receives the alcoholic liquor or cereal malt beverage. The tax shall be collected and paid to the director as provided in this act. If the alcoholic liquor or cereal malt beverage is manufactured and sold in this state or a federal area, the tax shall be paid by the manufacturer, microbrewery or farm winery producing it. If the alcoholic liquor or cereal malt beverage is imported into this state by a distributor for the purpose of sale at wholesale in this state or a federal area, the tax shall be paid by the distributor, and in no event shall such tax be paid by the manufacturer unless the alcoholic liquor or cereal malt beverage is manufactured in this state. If not to exceed one gallon, or metric equivalent, per person of alcoholic liquor has been purchased by a private citizen outside the borders of the United States and is brought into this state by the private citizen in such person's personal possession for such person's own personal use and not for sale or resale, such import is lawful and no tax payment shall be due thereon.

(c) Manufacturers, microbreweries, farm wineries or distributors at wholesale of alcoholic liquor or cereal malt beverage shall be exempt from the payment of the gallonage tax imposed on alcoholic liquor and cereal malt beverage, upon satisfactory proof, including bills of lading furnished to the director by affidavit or otherwise as the director requires, that the liquor or cereal malt beverage was manufactured in this state but was shipped out of the state for sale and consumption outside the state.

(d) Wines manufactured or imported solely and exclusively for sacramental purposes and uses shall not be subject to the tax provided for by this section.

(e) The tax provided for by this section is not imposed upon:

(1) Any alcohol or wine, whether manufactured in or imported into this state, when sold to a nonbeverage user licensed by the state, for use in the manufacture of any of the following when they are unfit for beverage purposes: Patent and proprietary medicines and medicinal, antiseptic and toilet preparations; flavoring extracts and syrups and food products; scientific, industrial and chemical products; or scientific, chemical, experimental or mechanical purposes; or

(2) the privilege of engaging in any business of interstate commerce or otherwise, which business may not be made the subject of taxation by this state under the constitution and statutes of the United States.

(f) The tax imposed by this section shall be in addition to all other taxes imposed by the state of Kansas or by any municipal corporation or political subdivision thereof.

(g) Retail sales of alcoholic liquor, sales of beer to consumers by microbreweries and sales of wine to consumers by farm wineries shall not be subject to the tax imposed by the Kansas retailers' sales tax act but shall be subject to the enforcement tax provided for in this act.

(h) Notwithstanding any ordinance to the contrary, no city shall impose an occupation or privilege tax on the business of any person, firm or corporation licensed as a manufacturer, distributor, microbrewery, farm winery, retailer or nonbeverage user under this act and doing business within the boundaries of the city except as specifically authorized by K.S.A. 41-310 and amendments thereto.

(i) The director shall collect the taxes imposed by this section and shall account for and turn over to the state treasurer at least once each week all moneys collected from the tax. The state treasurer shall credit ~~4%~~ 8.33% of the moneys collected from taxes imposed upon alcohol and spirits under subsection (b)(1) to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126 and amendments thereto and shall credit the balance of the moneys collected to the state general fund.

(j) If any alcoholic liquor manufactured in or imported into this state is sold to a licensed manufacturer or distributor of this state to be used solely as an ingredient in the manufacture of any beverage for human consumption, the tax imposed upon the manufacturer or distributor shall be reduced by the amount of the taxes which have been paid under this section as to the alcoholic liquor so used.

(k) The tax provided for by this section is not imposed upon alcohol or wine used by any school or college for scientific, chemical, experimental or mechanical purposes or by hospitals, sanatoria or other institutions caring for the sick. Any school, college, hospital, sanatorium or other institution caring for the sick may import alcohol or wine for scientific, chemical, experimental, mechanical or medicinal purposes by making application to the director for a permit to import it and receiving such a permit. Application for the permit shall be on a form prescribed and furnished by the director, and a separate permit shall be required for each purchase of alcohol or wine. A fee of \$2 shall accompany each application. All permits shall be issued in triplicate to the applicant and shall be under the seal of the office of the director. Two copies of the permit shall be forwarded by the applicant to the microbrewery, farm winery, manufacturer or distributor from which the alcohol or wine is purchased, and the microbrewery, farm winery, manufacturer or distributor shall return to the office of the director one copy of the permit with its shipping affidavit and invoice. Within 10 days after receipt of any alcohol or wine, the school, college, hospital or sanatorium ordering it shall file a report in the office of the director upon forms furnished by the director, showing the amount of alcohol or wine received, the place where it is to be stored, from whom it was received, the purpose for which it is to be used and such other information as required by the director. Any school, college, hospital, sanatorium or institution caring for the sick, which complies with the provisions of this subsection, shall not be required to have any other license to purchase alcohol or wine from a microbrewery, farm winery, manufacturer or distributor.

New Sec. 16. On June 1, 2001, a tax at the rate of \$.07 per gallon on all beer and cereal malt beverage, \$.12 per gallon for wine containing 14% or less of alcohol by volume, \$.30 per gallon for wine containing more than 14% of alcohol by volume, \$.50 per gallon on alcohol and spirits, \$.08 per gallon on wort and liquid malt, and \$.04 per pound of malt syrup and malt extract, is hereby imposed on the manufacture, use, sale, storage or purchase of such alcoholic liquors owned at 12:01 a.m. on June 1, 2001, by a licensed distributor or retail dealer as to which the tax has been imposed as provided in K.S.A. 41-501, and amendments thereto. Such tax shall be paid by the licensed distributor or retail dealer owning such alcoholic liquors, cereal malt beverage or beer at such time and date. On or before June 25, 2001, every such distributor and retail dealer shall make a report to the director on a form prescribed and furnished by the director showing the total number of gallons of such alcoholic liquors, cereal malt beverage or beer so owned at 12:01 a.m. on June 2, 2001, and such report shall be accompanied by a remittance of the tax due.

The license of any licensed distributor or retail dealer who shall fail to make such report or pay such tax, within the time hereinbefore prescribed, shall be subject to suspension or revocation as provided by K.S.A. 41-320 and amendments thereto. All taxes collected by the director under this section shall be paid into the state treasury and the state treasurer shall credit the same to the state school district finance fund.

Sec. 17. On July 1, 2001, K.S.A. 2000 Supp. 79-2959 shall be and is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts which in the aggregate equal 4.5% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the local ad valorem tax reduction fund, except that: (1) The transfers on January 15 and July 15 of each year shall be in equal amounts which in the aggregate equal 3.630% of such taxes credited to the state general fund during the preceding calendar year; ~~and~~ (2) the amount of the transfer on each such date during state fiscal year 2001 shall be equal to 93.5% of the amount transferred on the same date during state fiscal year 2000 2002 shall be \$28,951,485.50; (3) the amount of the transfer on each such date during state fiscal year 2003 shall be \$32,299,569.84; (4) the amount of the transfer on each such date during state fiscal year 2004 shall be \$33,415,051.12; (5) the amount of the transfer on each such date during state fiscal year 2005 shall be \$34,724,368.63; and (6) the amount of the transfer on

*each such date during state fiscal year 2006 shall be \$36,085,598.19.* All such transfers are subject to reduction under K.S.A. 75-6704 and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund.

(c) The state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) Sixty-five percent of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201 and amendments thereto on July 1 of the preceding year; and (2) thirty-five percent of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

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

Sec. 19. On and after June 1, 2001, K.S.A. 79-3310 is hereby amended to read as follows: 79-3310. There is imposed a tax upon all cigarettes sold, distributed or given away within the state of Kansas. The rate of such tax shall be ~~\$-.24~~ *\$-.34* on each 20 cigarettes or fractional part thereof or ~~\$-.30~~ *\$-.425* on each 25 cigarettes, as the case requires. Such tax shall be collected and paid to the director as provided in this act. Such tax shall be paid only once and shall be paid by the wholesale dealer first receiving the cigarettes as herein provided.

The taxes imposed by this act are hereby levied upon all sales of cigarettes made to any department, institution or agency of the state of Kansas, and to the political subdivisions thereof and their departments, institutions and agencies.

New Sec. 20. On or before June 30, 2001, each wholesale dealer, retail dealer and vending machine operator shall file a report with the director in such form as the director may prescribe showing cigarettes, cigarette stamps and meter imprints on hand at 12:01 a.m. on June 1, 2001. A tax of \$.10 on each 20 cigarettes or fractional part thereof or \$.125 on each 25 cigarettes, as the case requires and \$.10 or \$.125, as the case requires upon all tax stamps and all meter imprints purchased from the director and not affixed to cigarettes prior to June 1, 2001, is hereby imposed and shall be due and payable on or before June 30, 2001. The tax imposed upon such cigarettes, tax stamps and meter imprints shall be imposed only once under this act. The director shall remit all moneys collected pursuant to this section to the state treasurer who shall credit the entire amount thereof to the state general fund.

Sec. 21. On and after June 1, 2001, K.S.A. 79-3311 is hereby amended to read as follows: 79-3311. The director shall design and designate indicia of tax payment to be affixed to each package of cigarettes as provided by this act. The director shall sell water applied stamps only to licensed wholesale dealers in the amounts of 1,000 or multiples thereof. Stamps

applied by the heat process shall be sold only in amounts of 30,000 or multiples thereof, except that such stamps which are suitable for packages containing 25 cigarettes each shall be sold in amounts prescribed by the director. Meter imprints shall be sold only in amounts of 10,000 or multiples thereof. Water applied stamps in amounts of 10,000 or multiples thereof and stamps applied by the heat process and meter imprints shall be supplied to wholesale dealers at a discount of ~~2.65%~~ 1.87% from the face value thereof, and shall be deducted at the time of purchase or from the remittance therefor as hereinafter provided. Any wholesale cigarette dealer who shall file with the director a bond, of acceptable form, payable to the state of Kansas with a corporate surety authorized to do business in Kansas, shall be permitted to purchase stamps, and remit therefor to the director within 30 days after each such purchase, up to a maximum outstanding at any one time of 85% of the amount of the bond. Failure on the part of any wholesale dealer to remit as herein specified shall be cause for forfeiture of such dealer's bond. All revenue received from the sale of such stamps or meter imprints shall be remitted to the state treasurer daily. Upon receipt thereof, the state treasurer shall deposit the entire amount thereof in the state treasury. The state treasurer shall first credit such amount thereof as the director shall order to the cigarette tax refund fund and shall credit the remaining balance to the state general fund. A refund fund designated the cigarette tax refund fund not to exceed \$10,000 at any time shall be set apart and maintained by the director from taxes collected under this act and held by the state treasurer for prompt payment of all refunds authorized by this act. Such cigarette tax refund fund shall be in such amount as the director shall determine is necessary to meet current refunding requirements under this act.

The wholesale cigarette dealer shall affix to each package of cigarettes stamps or tax meter imprints required by this act prior to the sale of cigarettes to any person, by such dealer or such dealer's agent or agents, within the state of Kansas. The director is empowered to authorize wholesale dealers to affix revenue tax meter imprints upon original packages of cigarettes and is charged with the duty of regulating the use of tax meters to secure payment of the proper taxes. No wholesale dealer shall affix revenue tax meter imprints to original packages of cigarettes without first having obtained permission from the director to employ this method of affixation. If the director approves the wholesale dealer's application for permission to affix revenue tax meter imprints to original packages of cigarettes, the director shall require such dealer to file a suitable bond payable to the state of Kansas executed by a corporate surety authorized to do business in Kansas. The director may, to assure the proper collection of taxes imposed by the act, revoke or suspend the privilege of imprinting tax meter imprints upon original packages of cigarettes. All meters shall be under the direct control of the director, and all transfer assignments or anything pertaining thereto must first be authorized by the director. All inks used in the stamping of cigarettes must be of a special type devised for use in connection with the machine employed and approved by the director. All repairs to the meter are strictly prohibited except by a duly authorized representative of the director. Requests for service shall be directed to the director. Meter machine ink imprints on all packages shall be clear and legible. If a wholesale dealer continuously issues illegible cigarette tax meter imprints, it shall be considered sufficient cause for revocation of such dealer's permit to use a cigarette tax meter.

A licensed wholesale dealer may, for the purpose of sale in another state, transport cigarettes not bearing Kansas indicia of tax payment through the state of Kansas provided such cigarettes are contained in sealed and original cartons.

Sec. 22. On and after June 1, 2001, K.S.A. 79-3312 is hereby amended to read as follows: 79-3312. The director shall redeem any unused stamps or meter imprints that any wholesale dealer presents for redemption within six months after the purchase thereof, at the face value less ~~2.65%~~ 1.87% thereof if such stamps or meter imprints have been purchased from the director. The director shall prepare a voucher showing the net amount of such refund due, and the director of accounts and reports shall draw a warrant on the state treasurer for the same. Wholesale dealers shall be entitled to a refund of the tax paid on cigarettes which have become unfit for sale upon proof thereof less ~~2.65%~~ 1.87% of such tax.

Sec. 23. On and after June 1, 2001, K.S.A. 79-3371 is hereby amended to read as follows: 79-3371. A tax is hereby imposed upon the privilege of selling or dealing in tobacco products in this state by any person engaged in business as a distributor thereof, at the rate of ~~ten~~

~~percent (10%)~~ 14% of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (a) brings or causes to be brought into this state from without the state tobacco products for sale; (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (c) ships or transports tobacco products to retailers in this state to be sold by those retailers.

New Sec. 24. On or before June 30, 2001, each distributor having a place of business in this state shall file a report with the director in such form as the director may prescribe, showing the tobacco products on hand at 12:01 a.m. on June 1, 2001. A tax at a rate equal to 4% of the wholesale sales price of such tobacco products is hereby imposed upon such tobacco products and shall be due and payable on or before June 30, 2001. The tax upon such tobacco products shall be imposed only once under this act. The director shall remit all moneys collected pursuant to this section to the state treasurer who shall credit the entire amount thereof to the state general fund.

Sec. 25. On and after June 1, 2001, K.S.A. 79-3378 is hereby amended to read as follows: 79-3378. On or before the ~~twentieth~~ 20th day of each calendar month every distributor with a place of business in this state shall file a return with the director showing the quantity and wholesale sales price of each tobacco product ~~(+) brought, or caused to be brought,~~ into this state for sale; and ~~(#) made, manufactured, or fabricated in this state for sale in this state during the preceding calendar month.~~ Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the director. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~four percent (4%)~~ 2.85% of such liability as compensation to reimburse the distributor for ~~his or her~~ expenses incurred in the administration of this act. As soon as practicable after any return is filed, the director shall examine the return. If the director finds that, ~~in his or her judgment,~~ the return is incorrect and any amount of tax is due from the distributor and unpaid, ~~he or she~~ the director shall notify the distributor of the deficiency. If a deficiency disclosed by the director's examination cannot be allocated by him to a particular month or months, ~~he or she~~ the director may nevertheless notify the distributor that a deficiency exists and state the amount of tax due. Such notice shall be given to the distributor by registered or certified mail.

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

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

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

(4) On July 1, 2003, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 11.25% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(5) On July 1, 2004, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 12% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited

in the state treasury and credited to the state general fund during the preceding three calendar months.

(b) Upon receipt of each certification under subsection (a), the director of accounts and reports shall transfer from the state general fund to the state highway fund an amount equal to the amount so certified, on each July 1, October 1, January 1 and April 1, except that (1)(A) the amount of the transfer on each such date during state fiscal year 2000 shall not exceed the amount equal to 101.7% of the amount of the transfer on each such date during state fiscal year 1999 and (B) the aggregate amount of all such transfers during state fiscal year 2000 shall not exceed \$62,240,428; and (2) the amount of the transfer on each such date during state fiscal year 2001 2002 shall not exceed \$12,927,149.75 \$30,277,162; (2) the amount of the transfer on each such date during state fiscal year 2003 shall be \$43,399,726; (3) the amount of the transfer on each such date during state fiscal year 2004 shall be \$46,050,562; (4) the amount of the transfer on each such date during state fiscal year 2005 shall be \$50,962,622; and (5) the amount of the transfer on each such date during state fiscal year 2006 shall be \$52,873,720. All transfers made pursuant to this section are subject to reduction under K.S.A. 75-6704, and amendments thereto.

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

Sec. 27. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of ~~4.9%~~ 5% on and after June 1, 2001, but before June 1, 2002, and 5.1% on and after June 1, 2002, and, within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project upon:

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

(b) (1) the gross receipts from intrastate telephone or telegraph services and (2) the gross receipts received from the sale of interstate telephone or telegraph services, which (A) originate within this state and terminate outside the state and are billed to a customer's telephone number or account in this state; or (B) originate outside this state and terminate within this state and are billed to a customer's telephone number or account in this state except that the sale of interstate telephone or telegraph service does not include: (A) Any interstate incoming or outgoing wide area telephone service or wide area transmission type service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telephone service in a specified area which is outside the state in which the station provided this service is located; (B) any interstate private communications service to the persons contracting for the receipt of that service that entitles the purchaser to exclusive or priority use of a communications channel or group of channels between exchanges; (C) any value-added nonvoice service in which computer processing applications are used to act on the form, content, code or protocol of the information to be transmitted; (D) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (E) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by federal law (26 U.S.C. Section 1504). For the purposes of this subsection the term gross receipts does not include purchases of telephone, telegraph or telecommunications using a prepaid telephone calling card or prepaid authorization number. As used in this subsection, a prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities;

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

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

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

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

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

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

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

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

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

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

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

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from

property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A. 79-201, and amendments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the operation of a nonprofit zoo;

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

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

For the purposes of this subsection:

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

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

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

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

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

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

(s) the gross receipts received from the sale of computer software, and the sale of the services of modifying, altering, updating or maintaining computer software. As used in this subsection, "computer software" means information and directions loaded into a computer which dictate different functions to be performed by the computer. Computer software includes any canned or rewritten program which is held or existing for general or repeated sale, even if the program was originally developed for a single end user as custom computer



software. The sale of computer software or services does not include: (1) The initial sale of any custom computer program which is originally developed for the exclusive use of a single end user; or (2) those services rendered in the modification of computer software when the modification is developed exclusively for a single end user only to the extent of the modification and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements and other billing documents provided to the end user. The services of modification, alteration, updating and maintenance of computer software shall only include the modification, alteration, updating and maintenance of computer software taxable under this subsection whether or not the services are actually provided; and

(t) the gross receipts received for telephone answering services, including mobile phone services, beeper services and other similar services; and

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

Sec. 28. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be deposited daily with the state treasurer. The state treasurer shall credit all revenue received from this act, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the state general fund.

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

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

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

(3) *The state treasurer shall credit 5.1% of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.1%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.*

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance or will create a major tourism area for the state as specified in subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3710, and

amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

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

(2) As an alternative to the procedure described by paragraph 1, for all taxable years commencing after December 31, ~~1997~~ 2000, there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to ~~\$60~~ \$75 or ~~\$30~~ \$38, as the case requires, for each member of a household. There shall be allowed for a claimant who qualifies for an additional personal exemption amount pursuant to K.S.A. 79-32,121, and amendments thereto, an additional amount of ~~\$30~~ \$38 or ~~\$60~~ \$75, as the case requires. If the amount of such tax credit exceeds the claimant's income tax liability for such taxable year, such excess amount shall be refunded to the claimant.

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

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

Sec. 30. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3703 is hereby amended to read as follows: 79-3703. There is hereby levied and there shall be collected from every person in this state a tax or excise for the privilege of using, storing, or consuming within this state any article of tangible personal property. Such tax shall be levied and collected in an amount equal to the consideration paid by the taxpayer multiplied by the rate of ~~4.9%~~ 5% on and after June 1, 2001, but before June 1, 2002, and 5.1% on and after June 1, 2002. Within a redevelopment district established pursuant to K.S.A. 2000 Supp. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax of 2% until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment project undertaken in the district have been paid in full; or (2) the final scheduled maturity of the first series of bonds issued to finance the redevelopment project. All property purchased or leased within or without this state and subsequently used, stored or consumed in this state shall be subject to the compensating tax if the same property or transaction would have been subject to the Kansas retailers' sales tax had the transaction been wholly within this state.

Sec. 31. On and after June 1, 2001, K.S.A. 2000 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this act shall be deposited daily with the state treasurer and the state treasurer shall credit the same, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the general revenue fund of the state.

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

as the director shall determine is necessary to meet current refunding requirements under this act.

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

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

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

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance or will create a major tourism area for the state as specified in subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

Sec. 32. On and after June 1, 2001, K.S.A. 79-4101 is hereby amended to read as follows: 79-4101. (a) For the purpose of providing revenue which may be used by the state, counties and cities in the enforcement of the provisions of this act, from and after the effective date of this act, for the privilege of engaging in the business of selling alcoholic liquor by retailers or farm wineries to consumers in this state or selling alcoholic liquor or cereal malt beverage by distributors to clubs, drinking establishments or caterers in this state, there is hereby levied and there shall be collected and paid a tax at the rate of ~~8%~~ 10% upon the gross receipts received from: (1) The sale of alcoholic liquor by retailers, microbreweries or farm wineries to consumers within this state; and (2) the sale of alcoholic liquor or cereal malt beverage by distributors to clubs, drinking establishments or caterers in this state.

(b) The tax imposed by this section shall be in addition to the license fee imposed on distributors, retailers, microbreweries and farm wineries by K.S.A. 41-310 and amendments thereto.

Sec. 33. On and after June 1, 2001, K.S.A. 79-41a02 is hereby amended to read as follows: 79-41a02. (a) There is hereby imposed, for the privilege of selling alcoholic liquor, a tax at the rate of ~~10%~~ 12% upon the gross receipts derived from the sale of alcoholic liquor by any club, caterer, drinking establishment or temporary permit holder.

(b) The tax imposed by this section shall be paid by the consumer to the club, caterer, drinking establishment or temporary permit holder and it shall be the duty of each and every club, caterer, drinking establishment or temporary permit holder subject to this section to collect from the consumer the full amount of such tax, or an amount equal as nearly as possible or practicable to the average equivalent thereto. Each club, caterer, drinking establishment or temporary permit holder collecting the tax imposed hereunder shall be responsible for paying over the same to the state department of revenue in the manner prescribed by K.S.A. 79-41a03 and amendments thereto and the state department of revenue shall administer and enforce the collection of such tax.

Sec. 34. On and after June 1, 2001, K.S.A. 79-41a03 is hereby amended to read as follows: 79-41a03. (a) The tax levied and collected pursuant to K.S.A. 79-41a02 and amendments thereto shall become due and payable by the club, caterer, drinking establishment or temporary permit holder monthly, or on or before the 25th day of the month immediately succeeding the month in which it is collected, but any club, caterer, drinking establishment or temporary permit holder filing an annual or quarterly return under the Kansas retailers'

sales tax act, as prescribed in K.S.A. 79-3607 and amendments thereto, shall, upon such conditions as the secretary of revenue may prescribe, pay the tax required by this act on the same basis and at the same time the club, caterer, drinking establishment or temporary permit holder pays such retailers' sales tax. Each club, caterer, drinking establishment or temporary permit holder shall make a true report to the department of revenue, on a form prescribed by the secretary of revenue, providing such information as may be necessary to determine the amounts to which any such tax shall apply for all gross receipts derived from the sale of alcoholic liquor by the club, caterer, drinking establishment or temporary permit holder for the applicable month or months, which report shall be accompanied by the tax disclosed thereby. Records of gross receipts derived from the sale of alcoholic liquor shall be kept separate and apart from the records of other retail sales made by a club, caterer, drinking establishment or temporary permit holder in order to facilitate the examination of books and records as provided herein.

(b) The secretary of revenue or the secretary's authorized representative shall have the right at all reasonable times during business hours to make such examination and inspection of the books and records of a club, caterer, drinking establishment or temporary permit holder as may be necessary to determine the accuracy of such reports required hereunder.

(c) The secretary of revenue is hereby authorized to administer and collect the tax imposed hereunder and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement of the collection thereof. Whenever any club, caterer, drinking establishment or temporary permit holder liable to pay the tax imposed hereunder refuses or neglects to pay the same, the amount, including any penalty, shall be collected in the manner prescribed for the collection of the retailers' sales tax by K.S.A. 79-3617 and amendments thereto.

(d) The secretary of revenue shall remit daily to the state treasurer all revenue collected under the provisions of this act. The state treasurer shall deposit the entire amount of each remittance in the state treasury. Subject to the maintenance requirements of the local alcoholic liquor refund fund created under K.S.A. 79-41a09 and amendments thereto, ~~25%~~ 37.5% of the remittance shall be credited to the state general fund, ~~5%~~ 4.17% shall be credited to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126 and amendments thereto and the balance shall be credited to the local alcoholic liquor fund created by K.S.A. 79-41a04 and amendments thereto.

(e) Whenever, in the judgment of the secretary of revenue, it is necessary, in order to secure the collection of any tax, penalties or interest due, or to become due, under the provisions of this act, the secretary may require any person subject to such tax to file a bond with the director of taxation under conditions established by and in such form and amount as prescribed by rules and regulations adopted by the secretary.

Sec. 35.

DEPARTMENT OF EDUCATION

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

General state aid .....	\$73,510,000
Special education services aid .....	\$14,200,000
KPERS — employer contributions .....	\$2,000,000
National board certified teacher incentive grants .....	\$500,000
Exemplary school recognition award .....	\$8,000,000
Alternative teacher compensation plan (rewarding outstanding teachers) grants .....	\$2,000,000

Sec. 36. K.S.A. 2000 Supp. 79-3635 is hereby repealed.

Sec. 37. On June 1, 2001, K.S.A. 41-501, 79-3310, 79-3311, 79-3312, 79-3371, 79-3378, 79-4101, 79-41a02 and 79-41a03 and K.S.A. 2000 Supp. 79-3603, 79-3620, 79-3703 and 79-3710 shall be and are hereby repealed.

Sec. 38. On July 1, 2001, K.S.A. 72-1106 and 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 and 79-34,147 shall be and are hereby repealed.

Sec. 39. This act shall take effect and be in force from and after its publication in the Kansas register.”;

In the title, in line 9, by striking all after “ACT”; by striking all in lines 10 and 11 and inserting “concerning school district finance; authorizing and providing 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. 41-501, 72-1106, 72-6413, 79-3310, 79-3311, 79-3312, 79-3371, 79-3378, 79-4101, 79-41a02 and 79-41a03 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, 79-34,147, 79-3603, 79-3620, 79-3635, 79-3703 and 79-3710 and repealing the existing sections.”; and the bill be reported without recommendation.

The Committee on **Taxation** recommends **HB 2578** be reported without recommendation.

#### REPORT OF STANDING COMMITTEE

Your Committee on **Calendar and Printing** recommends on requests for resolutions and certificates that

**Request No. 172**, by Representative Benlon, commending Ron Poplau’s Shawnee Mission Northwest Cougars’ Community Commitment (CCC) Class, in recognition of their hours of love and service to the community;

**Request No. 173**, by Representative Johnson, congratulating Mr. and Mrs. Edmund E. Fellers on their 65th wedding anniversary;

**Request No. 174**, by Representative Huff, congratulating Shawn M. Smith on achieving the rank of Eagle Scout;

**Request No. 175**, by Representative Dreher, congratulating Bob and Donna Talkington on their 50th wedding anniversary;

**Request No. 176**, by Representative Loyd, congratulating Mike and Velda Plankenhorn for continuing three generations’ service by Ehresman Packing Company Lockers to the Garden City community;

**Request No. 177**, by Representative Hermes, congratulating Vincent and Maxine Wiltz on their 50th wedding anniversary;

**Request No. 178**, by Representative Hermes, congratulating Mike and Sheila Fitzgerald on their 12th wedding anniversary;

**Request No. 179**, by Representative Garner, commending Janet Murguia in recognition of her outstanding achievements in government and politics;

**Request No. 180**, by Representative Loyd, congratulating Garden City Community College John Deere Agriculture Technology Program for being selected as a 2001 Benchmark Practices for Local Economies model site;

**Request No. 181**, by Representative Mason, congratulating the ElDorado 1st Baptist Church on their 130th anniversary;

**Request No. 182**, by Representative P. Long, honoring Dick Clasen of the Eureka Herald for being named sportswriter of the year;

**Request No. 183**, by Representative P. Long, commending Lindy Wiggins for her excellent horsemanship;

**Request No. 184**, by Representative Reardon, congratulating Bishop Miego Boys’ Basketball Team for winning the 5A state championship;

**Request No. 185**, by Representative Reardon, congratulating Bishop Miego Girls’ Basketball Team for winning the 5A state Championship;

**Request No. 186**, by the Shawnee County Delegation, congratulating the Washburn Men’s basketball team for being a finalist in the Division II NCAA championship;

**Request No. 187**, by Representative Toelkes, in memory of Julie Ann Toelkes;

**Request No. 188**, by Representative Toelkes, in memory of Philip L. Toelkes;

be approved and the Chief Clerk of the House be directed to order the printing of said certificates and order drafting of said resolutions.

On motion of Rep. Weber, the committee report was adopted.

**MOTIONS TO CONCUR AND NONCONCUR**

On motion of Rep. Hayzlett, the House nonconcurred in Senate amendments to **HB 2145** and asked for a conference.

Speaker pro tem Aurand thereupon appointed Reps. Hayzlett, Vickrey and M. Long as conferees on the part of the House.

On motion of Rep. Holmes, the House nonconcurred in Senate amendments to **HB 2268** and asked for a conference.

Speaker pro tem Aurand thereupon appointed Reps. Holmes, Sloan and McClure as conferees on the part of the House.

On motion of Rep. Ballard to concur in Senate amendments to **HB 2033**, the motion did not prevail and the bill remains in conference.

On roll call, the vote was: Yeas 56; Nays 65; Present but not voting: 0; Absent or not voting: 4.

Yeas: Alldritt, Ballard, Barnes, Burroughs, Campbell, Crow, Dillmore, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Gordon, Grant, Henderson, Henry, Hermes, Horst, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, M. Long, Mays, McClure, McKinney, Minor, Nichols, O'Brien, Pauls, E. Peterson, Phelps, Pottorff, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Sloan, Spangler, Stone, Storm, Swenson, Thimesch, Toelkes, Vickrey, Wells, Welshimer, J. Williams, Wilson, Winn.

Nays: Aday, Aurand, Ballou, Beggs, Benlon, Bethell, Boston, Compton, Cook, Cox, Dahl, DeCastro, DiVita, Dreher, Edmonds, Faber, Freeborn, Glasscock, Hayzlett, Holmes, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, P. Long, Loyd, Mason, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Novascone, Osborne, Ostmeyer, Palmer, Patterson, J. Peterson, L. Powell, T. Powell, Powers, Pyle, Ray, Schwartz, Shultz, Tafanelli, Tanner, Tomlinson, Toplikar, Weber, Wilk, D. Williams.

Present but not voting: None.

Absent or not voting: Kline, Mayans, Newton, O'Neal.

**EXPLANATION OF VOTE**

MR. SPEAKER: I vote yes on **HB 2033** in honor and to honor my trusted colleague Rep. Nancy Kirk. Rep. Kirk has demonstrated great leadership over the years on insuring access to health care for all Kansans. Kansas citizens are fortunate to have her serve in the Kansas House of Representatives. Thank you, Nancy.—DOUG SPANGLER

**CHANGE OF CONFEREES**

Speaker pro tem Aurand announced the appointment of Rep. Flora as a member of the conference committee on **SB 183** to replace Rep. Wells.

**REPORT ON ENGROSSED BILLS**

**HB 2015, HB 2369** reported correctly re-engrossed March 30, 2001.

**REPORT ON ENROLLED BILLS**

**HB 2105, HB 2169, HB 2188, HB 2198, HB 2246, HB 2252, HB 2263, HB 2291, HB 2300, HB 2473, HB 2481, HB 2482** reported correctly enrolled, properly signed and presented to the governor on March 30, 2001.

On motion of Rep. Weber, the House adjourned until 11:00 a.m., Wednesday, April 4, 2001.

CHARLENE SWANSON, *Journal Clerk*.

JANET E. JONES, *Chief Clerk*.

