

Journal of the House

SEVENTY-THIRD DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Friday, May 10, 2002, 10:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Aurand in the chair.
The roll was called with 124 members present.
Rep. O'Brien was excused on verified illness.

Prayer by Chaplain Chamberlain:

Lord, we praise you and your faithfulness as we gather this morning after a long evening of work and a short night of rest. Help us to honor this day as a day that you have made and let us rejoice and be glad in it.

We are encouraged by your word to run life's race with perseverance and to encourage and exhort one another in our journey. Lord, the race is never tougher than when the finish line is in sight but our energy is depleted. Help these men and women to run the final steps of this race with courage and determination. Lead them to turn and encourage one another and stop and lift one another when that is necessary. Remind them always that they run the race for all of us. At the finish let this body be united together in thanksgiving for your great gifts of life, liberty and happiness. Amen.

The Pledge of Allegiance was led by Rep. Osborne.

INTRODUCTION OF GUESTS

Reps. Gilbert and McLeland welcomed the Wichita State University Women's Bowling Team and their coaches to the House. The team placed second at the National Tournament. Rep. McLeland introduced Coach Gordon Vadakin who addressed a few remarks to the members of the House and introduced the team members and assistant coach Mark Lewis. They were presented House certificates.

PRESENTATION OF PETITIONS

The following petition was presented and filed:

HP 2004, by Rep. Showalter, a petition urging legislators to make children's education a top priority in Kansas and support a tax increase to be used for the education budget, signed by Melissa Massey and 605 others from Winfield.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2640**; **H. Sub. for Sub. SB 296**; **HB 2709**, **HB 2752**; **Sub. HB 2872**; **SB 575**; **S. Sub. for HB 2545**.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

H. Sub. for SB 363, An act making and concerning appropriations for the fiscal years ending June 30, 2002, and June 30, 2003; authorizing certain transfers and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts, disbursements, capital improvements and acts incidental to the foregoing, was considered on final action.

Call of the House was demanded.

On roll call, the vote was: Yeas 73; Nays 51; Present but not voting: 0; Absent or not voting: 1.

Yeas: Aday, Aurand, Ballou, Beggs, Bethell, Boston, Campbell, Compton, Cook, Cox, Dahl, DeCastro, DiVita, Dreher, Edmonds, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Johnson, Kauffman, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Schwartz, Shultz, Stone, Tafanelli, Tanner, Thimesch, Tomlinson, Vickrey, Weber, Wilk, D. Williams.

Nays: Ballard, Barnes, Benlon, Burroughs, Crow, Dillmore, Faber, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Henry, Howell, Huy, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, McClure, McKinney, Minor, Nichols, Palmer, Pauls, E. Peterson, Phelps, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Sloan, Spangler, Storm, Swenson, R. Toelkes, Toplikar, Wells, Welshimer, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: O'Brien.

The substitute bill passed, as amended.

EXPLANATIONS OF VOTE

MR. SPEAKER: I vote NO on **H. Sub. for SB 363**. Funding provided by this bill for public education is not only woefully inadequate but it is one time money to pay for long term needs. We can do better! The people across Kansas in every corner of our state have begged us to do better.

That's bad enough, but this bill also breaks the promise we made to children and communities that the Kansas Endowment for Children would be used to improve the quality of life now and into the future.

We must not turn our back on our schools and our children's hopes and dreams in this shortsighted attempt to balance this year's budget with one-time money.—MARTI CROW, SUE STORM

MR. SPEAKER: I vote no on the budget. In a tight budget year the Republicans have provided \$20 million in new corporate welfare, cut essential services for citizens of the state, cheated state employees by guaranteeing poorer working conditions and finally lied to the public about the real cause of the state's fiscal mess: waste, mismanagement and budgetary baloney.

After eight years in office, one thing is for sure, Governor Graves will leave the State of Kansas and its citizens worse than he found them. A certain violation of the Boy Scouts of America Code of Conduct. I vote no on **H. Sub. for SB 363**.—DOUG SPANGLER

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Jim Morrison, the House concurred in Senate amendments to **Sub. HB 2285**, An act relating to contact and ophthalmic lenses; granting certain powers to and imposing certain duties and functions upon the state board of healing arts and the board of examiners in optometry; providing for registration of certain persons dispensing contact lenses through the mail; establishing a contact lens advisory council; amending K.S.A. 65-1504b and repealing the existing section.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 123; Nays 1; Present but not voting: 0; Absent or not voting: 1.

Yeas: Aday, 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, Goering, 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'Neal, Osborne, Ostmeyer, Owens, 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, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Spangler.

Present but not voting: None.

Absent or not voting: O'Brien.

Rep. Wilk moved, in accordance with Joint Rule 3(d), that a conference committee be appointed on **S. Sub. for HB 2545** (see previous action, HJ, p. 2402). The motion prevailed.

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

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

COMMITTEE OF THE WHOLE

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

Recommended that, in accordance with House Rule 1903, **SB 614** be passed over and retain a place on the calendar (see Committee of the Whole, Afternoon Session).

Committee report to **SB 575** be adopted; also, roll call was demanded on motion of Rep. Bethell to amend on page 5, after line 8, by inserting the following:

“Sec. 4. K.S.A. 2001 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110.

(a) *Resident Individuals.* Except as otherwise provided by subsection (a) of K.S.A. 79-3220, and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

If the taxable income is:	The tax is:
Not over \$30,000	3.5% of Kansas taxable income
Over \$30,000 but not over \$60,000	\$1,050 plus 6.25% of excess over \$30,000
Over \$60,000 but not over \$150,000	\$2,925 plus 6.45% 6.75% of excess over \$60,000
Over \$150,000 but not over \$250,000	\$6,075 plus 7.5% of excess over \$150,000
Over \$250,000	\$13,575 plus 8% of excess over \$250,000

(2) *All other individuals.*

(A) ~~For tax year 1997:~~

If the taxable income is:	The tax is:
Not over \$20,000	4.1% of Kansas taxable income
Over \$20,000 but not over \$30,000	\$920 plus 7.5% of excess over \$20,000
Over \$30,000	\$1,570 plus 7.75% of excess over \$30,000

(B) ~~For tax year 1998, and all tax years thereafter:~~

If the taxable income is:	The tax is:
Not over \$15,000	3.5% of Kansas taxable income
Over \$15,000 but not over \$30,000	\$525 plus 6.25% of excess over \$15,000
Over \$30,000 but not over \$75,000	\$1,462.50 plus 6.45% 6.75% of excess over \$30,000
Over \$75,000 but not over \$125,000	\$3,037.50 plus 7.5% of excess over \$75,000
Over \$125,000	\$6,787.50 plus 8% of excess over \$125,000

(b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas taxable income of every nonresident individual, which tax shall be an amount equal to the tax computed under subsection (a) as if the nonresident were a resident multiplied by the ratio of modified Kansas source income to Kansas adjusted gross income.

(c) *Corporations.* A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(1) The normal tax shall be in an amount equal to 4% of the Kansas taxable income of such corporation; and

(2) the surtax shall be in an amount equal to 3.35% of the Kansas taxable income of such corporation in excess of \$50,000.

(d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable income of estates and trusts at the rates provided in paragraph (2) of subsection (a) hereof.

New Sec. 5. The provisions of sections 3 and 4, and amendments thereto, shall be applicable to all taxable years commencing after December 31, 2001.”;

Also, on page 5, in line 9, by striking the second “and” and inserting a comma; in line 10, before “are” by inserting “and 79-32,110”;

By renumbering existing sections accordingly;

In the title, in line 10, by striking all after the semicolon; in line 11, by striking all before “amending”; in line 12, by striking “and 79-32,100a” and inserting “, 79-32,100a and 79-32,110”;

On roll call, the vote was: Yeas 8; Nays 113; Present but not voting: 0; Absent or not voting: 4.

Yeas: Garner, Henry, McKinney, Minor, Phelps, Reardon, Spangler, Thimesch.

Nays: Aday, 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, Gatewood, Gilbert, Glasscock, Goering, Gordon, Grant, Hayzlett, Henderson, 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, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O’Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Swenson, Tafanelli, Tanner, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Wilk, D. Williams, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Mays, O’Brien, Owens, Welshimer.

The motion of Rep. Bethell did not prevail.

Also, on motion of Rep. Reardon to amend **SB 575**, Rep. Edmonds requested the question be divided. The question was divided. Roll call was demanded on Part A of the motion of Rep. Reardon to amend on page 5, after line 8, by inserting the following:

New Sec. 5. On January 1, 2003, the director of accounts and reports shall transfer \$39,200,000 from the state general fund to the state school district finance fund.;

On roll call, the vote was: Yeas 103; Nays 20; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Glasscock, Goering, Gordon, Grant, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Loganbill, M. Long, P. Long, Loyd, Mayans, Mays, McClure, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Newton, Nichols, Novascone, O’Neal, Ostmeyer, Owens, Patterson, Pauls, E. Peterson, Phelps, Pottorff, L. Powell, Powers, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Welshimer, D. Williams, J. Williams, Wilson, Winn.

Nays: Aurand, Cook, Dahl, Freeborn, Hayzlett, Howell, Kauffman, Lloyd, Mason, McCreary, Neufeld, Osborne, Palmer, J. Peterson, T. Powell, Pyle, Schwartz, Thimesch, Wells, Wilk.

Present but not voting: None.

Absent or not voting: O'Brien, Ray.

Part A of the motion of Rep. Reardon prevailed.

Also, roll call was demanded on Part B of the motion of Rep. Reardon to amend **SB 575** on page 5, after line 8, by inserting the following:

"Sec. 4. K.S.A. 2001 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110.

(a) *Resident Individuals.* Except as otherwise provided by subsection (a) of K.S.A. 79-3220, and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

If the taxable income is:	The tax is:
Not over \$30,000	3.5% of Kansas taxable income
Over \$30,000 but not over \$60,000	\$1,050 plus 6.25% of excess over \$30,000
Over \$60,000	\$2,925 plus 6.45% of excess over \$60,000
Over \$60,000 but not over \$110,000	\$2,925 plus 6.45% of excess over \$60,000
Over \$110,000 but not over \$240,000	\$6,150 plus 7% of excess over \$110,000
Over \$240,000	\$15,250 plus 7.5% of excess over \$240,000

(2) *All other individuals.*

~~(A) For tax year 1997:~~

If the taxable income is:	The tax is:
Not over \$20,000	4.1% of Kansas taxable income
Over \$20,000 but not over \$30,000	\$920 plus 7.5% of excess over \$20,000
Over \$30,000	\$1,570 plus 7.75% of excess over \$30,000

~~—(B) For tax year 1998, and all tax years thereafter—~~

If the taxable income is:	The tax is:
Not over \$15,000	3.5% of Kansas taxable income
Over \$15,000 but not over \$30,000	\$525 plus 6.25% of excess over \$15,000
Over \$30,000	\$1,462.50 plus 6.45% of excess over \$30,000
Over \$30,000 but not over \$55,000	\$1,462.50 plus 6.45% of excess over \$30,000
Over \$55,000 but not over \$120,000	\$3,075 plus 7% of excess over \$55,000
Over \$120,000	\$7,625 plus 7.5% of excess over \$120,000

(b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas taxable income of every nonresident individual, which tax shall be an amount equal to the tax computed under subsection (a) as if the nonresident were a resident multiplied by the ratio of modified Kansas source income to Kansas adjusted gross income.;

On roll call, the vote was: Yeas 34; Nays 88; Present but not voting: 0; Absent or not voting: 3.

Yeas: Ballard, Burroughs, Crow, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Grant, Henderson, Henry, Kirk, Klein, Kuether, Larkin, Loganbill, M. Long, McClure, McKinney, Minor, Nichols, Pauls, E. Peterson, Phelps, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Storm, Welshimer, Winn.

Nays: Aday, Aurand, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Campbell, Comp-ton, Cook, Cox, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Freeborn, Glasscock, Goering, Gordon, Hayzlett, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Krehbiel, Landwehr, Lane, Levinson, Light, Lightner, Lloyd, P. Long, Loyd, Mason, Mayans, Mays, McCreary, Mc-Leland, Merrick, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Schwartz, Shultz, Sloan, Spangler, Stone, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Wilk, D. Williams, J. Williams, Wilson.

Present but not voting: None.

Absent or not voting: Miller, O'Brien, Ray.

Part B of the motion of Rep. Reardon did not prevail.

Also, Part C of the motion of Rep. Reardon to amend **SB 575** was withdrawn.

Also, rose and reported progress.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2094**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as Senate Substitute for House Bill No. 2094, as follows:

On page 1, following line 13, by inserting the following:

“Section 1. K.S.A. 2001 Supp. 72-978 is hereby amended to read as follows: 72-978.

(a) (1) In each school year, in accordance with appropriations for special education and related services provided under this act, each school district which has provided special education and related services in compliance with the provisions of this act shall be entitled to receive:

(A) Reimbursement for actual travel allowances paid to special teachers at not to exceed the rate specified under K.S.A. 75-3203, and amendments thereto, for each mile actually traveled during the school year in connection with duties in providing special education or related services for exceptional children; such reimbursement shall be computed by the state board by ascertaining the actual travel allowances paid to special teachers by the school district for the school year and shall be in an amount equal to 80% of such actual travel allowances;

(B) reimbursement in an amount equal to 80% of the actual travel expenses incurred for providing transportation for exceptional children to special education or related services; such reimbursement shall not be paid if such child has been counted in determining the transportation weighting of the district under the provisions of the school district finance and quality performance act;

(C) reimbursement in an amount equal to 80% of the actual expenses incurred for the maintenance of an exceptional child at some place other than the residence of such child for the purpose of providing special education or related services; such reimbursement shall not exceed \$600 per exceptional child per school year; and

(D) *except for those school districts entitled to receive reimbursement under subsection (b) or (c), after subtracting the amounts of reimbursement under (A), (B) and (C) paragraphs (A), (B) and (C) of this subsection (a) from the total amount appropriated for special education and related services under this act, an amount which bears the same proportion to the remaining amount appropriated as the number of full-time equivalent special teachers who are qualified to provide special education or related services to exceptional children and are employed by the school district for approved special education or related services bears to the total number of such qualified full-time equivalent special teachers employed by all school districts for approved special education or related services.*

(2) Each special teacher who is qualified to assist in the provision of special education or related services to exceptional children shall be counted as $\frac{2}{3}$ full-time equivalent special teacher who is qualified to provide special education or related services to exceptional children.

(b) Each school district which has paid amounts for the provision of special education and related services under an interlocal agreement shall be entitled to receive reimbursement under subsection (a)(1)(D). The amount of such reimbursement for the district shall be the amount which bears the same relation to the aggregate amount available for reimbursement for the provision of special education and related services under the interlocal agreement, as the amount paid by such district in the current school year for provision of such special education and related services bears to the aggregate of all amounts paid by all school districts in the current school year who have entered into such interlocal agreement for provision of such special education and related services.

(c) Each contracting school district which has paid amounts for the provision of special education and related services as a member of a cooperative shall be entitled to receive reimbursement under subsection (a)(1)(D). The amount of such reimbursement for the district shall be the amount which bears the same relation to the aggregate amount available for reimbursement for the provision of special education and related services by the cooperative, as the amount paid by such district in the current school year for provision of such

special education and related services bears to the aggregate of all amounts paid by all contracting school districts in the current school year by such cooperative for provision of such special education and related services.

~~(b)~~ (d) No time spent by a special teacher in connection with duties performed under a contract entered into by the Atchison juvenile correctional facility, the Beloit juvenile correctional facility, the Larned juvenile correctional facility, or the Topeka juvenile correctional facility and a school district for the provision of special education services by such state institution shall be counted in making computations under this section.”;

And by renumbering the remaining sections accordingly;

On page 4, after line 31, by inserting the following:

“Sec. 3. K.S.A. 2001 Supp. 72-6426 is hereby amended to read as follows: 72-6426. (a) There is hereby established in every district a fund which shall be called the contingency reserve fund, ~~which. Such~~ fund shall consist of all moneys deposited therein or transferred thereto according to law. The fund shall be maintained for payment of expenses of a district attributable to financial contingencies ~~which were not anticipated at the time of adoption of the general fund budget as determined by the board.~~ Except as otherwise provided in subsection (b), at no time in any school year shall the amount maintained in the fund exceed an amount equal to 4% of the general fund budget of the district for the school year.

(b) In any school year, if the amount in the contingency reserve fund of a district is in excess of the amount authorized under subsection (a) to be maintained in the fund, and if such excess amount is the result of a reduction in the general fund budget of the district for the school year because of a decrease in enrollment, the district may maintain the excess amount in the fund until depletion of such excess amount by expenditure from the fund for the purposes thereof.”;

And by renumbering the remaining sections accordingly;

On page 5, after line 20, by inserting the following:

“Sec. 5. K.S.A. 2001 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a)

(1) The board of any district may adopt a local option budget in each school year, ~~commencing with the 1997-98 school year,~~ in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this ~~provision the term~~ section, “district prescribed percentage” means:

(A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, do not apply in the current school year, ~~a percentage in the 1997-98 school year that is equal to the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 1998-99 school year, a percentage that is equal to 95% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 1999-2000 school year, a percentage that is equal to 90% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year, in the 2000-01 school year, a percentage that is equal to 85% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year; in the 2001-02 school year and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;~~

(B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, apply in the current school year, ~~a percentage in the 1997-98 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 20% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 1998-99 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 40% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments~~

thereto, a percentage in the 1999-2000 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 60% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 2000-01 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 80% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;

(C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 1997-98 school year that is equal to 20% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 1998-99 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 40% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 1999-2000 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 60% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 2000-01 school year that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and 80% of the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto;

(D) for any district to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, do not apply in the current school year, commencing with the 1998-99 school year, because an increase in the amount budgeted by the district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil budgeted by the district in the preceding school year as determined for the district under provision (1) of subsection (a) of K.S.A. 2001 Supp. 72-6444, and amendments thereto, to equal or exceed the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 2001 Supp. 72-6444, and amendments thereto, is applicable to the district's enrollment group, a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year if the resolution authorized the district to increase its local option budget on a continuous and permanent basis. If the resolution that authorized the district to increase its local option budget specified a definite period of time for which the district would retain its authority to increase the local option budget and such authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution unless the loss of the percentage of increase that was authorized by the resolution would cause the actual amount per pupil budgeted by the district to be less than the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 2001 Supp. 72-6444, and amendments thereto, is applicable to the district's enrollment group, in which case, the term district prescribed

percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with the provisions of K.S.A. 2001 Supp. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil budgeted by the district in the preceding school year, the state board shall exclude the percentage of increase that was authorized by the resolution.

(2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(B) In lieu of utilizing the authority granted by subpart (A) for adoption of a local option budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____,
_____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year for a period of time not to exceed _____ years in an amount not to exceed _____% of the amount of state financial aid determined for the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, _____ County, Kansas, on the _____ day of _____, 19____.

Clerk of the board of education.

All of the blanks in the resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in either of the blanks. The percentage specified in the resolution shall not exceed the district prescribed percentage. The resolution shall be published once in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board may adopt a local option budget. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school year, not to adopt such a budget or chooses, in any school year, to adopt such budget in an amount less than the amount of the district prescribed percentage of the amount of state financial aid in any school year, such board of education may so choose. If the board of any district refrains from adopting a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget, nor shall the amount authorized to be budgeted in any succeeding school year be increased by such refrainment. Whenever an initial

resolution has been adopted under this subpart, and such resolution specified a lesser percentage than the district prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and subject to the same conditions, and shall be authorized to increase the percentage as specified in any such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions is not in excess of the district prescribed percentage in any school year. The board of any district that has been authorized to adopt a local option budget under this subpart and levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to adopt a local option budget in the manner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

(3) The provisions of this subsection are subject to the provisions of subsections (b) and (c).

(b) *The provisions of this subsection (b) shall be subject to the provisions of section 7, and amendments thereto.*

(1) The board of any district that adopts a local option budget under subsection (a) may increase the amount of such budget in each school year, ~~commencing with the 1997-98 school year,~~ in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage of the amount of state financial aid determined for the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district.

(2) No district may increase a local option budget under authority of this subsection until: (A) A resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district; or (B) the question of whether the board shall be authorized to increase the local option budget has been submitted to and approved by the qualified electors of the district at a special election called for the purpose. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto, for the noticing, calling and holding of elections upon the question of issuing bonds under the general bond law. The notice of such election shall state the purpose for and time of the election, and the ballot shall be designed with the question of whether the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year. If a majority of the qualified electors voting at the election approve authorization of the board to increase the local option budget, the board shall have such authority. If a majority of the qualified electors voting at the election are opposed to authorization of the board to increase the local option budget, the board shall not have such authority and no like question shall be submitted to the qualified electors of the district within the nine months following the election.

(3) (A) Subject to the provisions of subpart (B), a resolution authorizing an increase in the local option budget of a district shall state that the board of education of the district shall be authorized to increase the local option budget of the district in each school year in an amount not to exceed _____% of the amount of state financial aid determined for the current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid budgeted under subsection (a) and the percentage of increase specified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in the blank. The resolution shall specify

a definite period of time for which the board shall be authorized to increase the local option budget and such period of time shall be expressed by the specific number of school years for which the board shall retain its authority to increase the local option budget. No word shall be used to express the number of years for which the board shall be authorized to increase the local option budget.

(B) In lieu of the requirements of subpart (A) and at the discretion of the board, a resolution authorizing an increase in the local option budget of a district may state that the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year.

(4) A resolution authorizing an increase in the local option budget of a district shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(5) The requirements of provision (2) do not apply to any district that is continuously and permanently authorized to increase the local option budget of the district. An increase in the amount of a local option budget by such a district shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

(6) If any district is authorized to increase a local option budget, but the board of such district chooses, in any school year, not to adopt or increase such budget or chooses, in any school year, to adopt or increase such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from adopting or increasing a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any succeeding school year shall not be increased by such refrainment, nor shall the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution specified such a period of time.

(7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized to increase the percentage as specified in any such subsequent resolution. If the initial resolution specified a definite period of time for which the district is authorized to increase its local option budget, the authority to increase such budget by the percentage specified in any subsequent resolution shall be limited to the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions together with the percentage of the amount of state financial aid budgeted under subsection (a) is not in excess of the state prescribed percentage in any school year.

(8) (A) Subject to the provisions of subpart (B), the board of any district that has adopted a local option budget under subsection (a), has been authorized to increase such budget under a resolution which specified a definite period of time for retention of such authorization, and has levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew the authority to increase the local option

budget subject to the conditions and in the manner specified in provisions (2) and (3) of this subsection.

(B) The provisions of subpart (A) do not apply to the board of any district that is continuously and permanently authorized to increase the local option budget of the district.

(9) As used in this subsection:

(A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2)(A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved.

(B) "State prescribed percentage" means 25%.

(c) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is authorized to adopt a local option budget in the 1997-98 school year under a resolution which authorized the adoption of such budget in accordance with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(d)(1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under provision (3), amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to the general fund of the district or to any program weighted fund or categorical fund of the district.

(3) Amounts in the supplemental general fund may not be expended nor transferred to the general fund of the district for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) Any unexpended and unencumbered cash balance remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental general state aid in the school year and the board of the district determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount

of the local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general fund by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or transferred to the general fund of the district.”;

And by renumbering the remaining sections accordingly;

On page 6, after line 34, by inserting the following:

“New Sec. 4. (a) As used in this section, “school district” means a school district which was the sponsoring school district of a special education cooperative during school year 2001-2002.

(b) For a school district which adopts a local option budget in an amount which equals the state prescribed percentage for school year 2002-2003, the maximum amount of a local option budget of such school district for school year 2002-2003, shall be determined by the state board as follows:

(1) Determine the amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto, for school year 2001-2002, and subtract the amount of the local option budget of such district under K.S.A. 72-6433, and amendments thereto, for school year 2002-2003.

(2) If the difference obtained under paragraph (1) is one or more, multiply the difference by $\frac{2}{3}$ and add the product to the maximum amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto. The sum shall be the maximum amount of the local option budget of the district for school year 2002-2003.

(3) If the difference obtained under paragraph (1) is zero or less, the maximum amount of the local option budget of the district for school year 2002-2003, shall be the maximum amount allowed under K.S.A. 72-6433, and amendments thereto.

(c) For a school district which adopts a local option budget in an amount which equals the state prescribed percentage for school year 2003-2004, the maximum amount of a local option budget of such school district for school year 2003-2004, shall be determined by the state board as follows:

(1) Determine the amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto, for school year 2001-2002, and subtract the amount of the local option budget of such district under K.S.A. 72-6433, and amendments thereto, for school year 2003-2004.

(2) If the difference obtained under paragraph (1) is one or more, multiply the difference by $\frac{1}{3}$ and add the product to the maximum amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto. The sum shall be the maximum amount of the local option budget of the district for school year 2003-2004.

(3) If the difference obtained under paragraph (1) is zero or less, the maximum amount of the local option budget of the district for school year 2003-2004, shall be the maximum amount allowed under K.S.A. 72-6433, and amendments thereto.

(d) For a school district which adopts a local option budget in an amount which equals the district prescribed percentage for school year 2002-2003, the maximum amount of a local option budget of such school district for school year 2002-2003, shall be determined by the state board as follows:

(1) Determine the amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto, for school year 2001-2002, and subtract the amount of the local option budget of such district under K.S.A. 72-6433, and amendments thereto, for school year 2002-2003.

(2) If the difference obtained under paragraph (1) is one or more, multiply the difference by $\frac{1}{3}$ and add the product to the maximum amount of the local option budget of the school district under K.S.A. 72-6433, and amendments thereto. The sum shall be the maximum amount of the local option budget of the district for school year 2002-2003.

(3) If the difference obtained under paragraph (1) is zero or less, the maximum amount of the local option budget of the district for school year 2002-2003, shall be the maximum amount allowed under K.S.A. 72-6433, and amendments thereto.

Sec. 5. K.S.A. 2001 Supp. 72-7108 is hereby amended to read as follows: 72-7108. (a) Transfers of territory from one unified district to another unified district shall be made only as follows: ~~(a)~~

(1) Upon the written agreement of any two boards approved by the state board of education; or ~~(b)~~

(2) upon order of the state board after petition therefor by one board and a public hearing thereon conducted by the state board of education.

(b) The effective date of any such transfer shall be the date of approval thereof or order therefor issued by the state board of education or the July 1 following.

(c) Notice of the public hearing on such a petition shall be given by publication by the state board of education for two consecutive weeks in a newspaper of general circulation in the unified district from which territory is to be transferred, the last publication to be not more than 10 nor less than three days prior to the date of the hearing. The notice shall state the time and place of the hearing and shall give a summary description of the territory proposed to be transferred.

(d) *Prior to issuing an order, the state board shall consider the following:*

(1) *City boundaries and the area within three miles surrounding any city with more than one district in the area;*

(2) *available capacity of districts involved in the territory transfer to serve existing or additional students;*

(3) *condition and age of buildings and physical plant;*

(4) *overall costs including renovation of existing buildings versus construction;*

(5) *cost of bussing;*

(6) *food service;*

(7) *administration and teachers;*

(8) *areas of interest including access and distances for parents to travel to participate in student activities;*

(9) *matters of commerce, including regular shopping areas, meeting places, community activities and youth activities;*

(10) *districts that are landlocked with changing demographics that cause declining enrollment; and*

(11) *effect on students living in the area.*

The foregoing shall not be deemed to limit the factors which the state board of education may consider.

(e) Within 90 days after receiving an agreement or, if a public hearing is held, within 90 days after the hearing, the state board of education shall issue its order either approving or disapproving such transfer petition or agreement, or approving the same with such amendments as it deems appropriate.

(f) Whenever a petition for transfer of territory has been denied by the state board of education, no petition for transfer of substantially the same territory shall be received or considered by the state board of education for a period of two years.”;

And by renumbering the remaining sections accordingly;

On page 6, in line 35, after “Supp.” by inserting “72-978,”; also in line 35, after the comma by inserting “72-6426,”; also in line 35, after “72-6430” by inserting “ , 72-6433, 72-7108”;

In the title, on page 1, in line 9, by striking all after the semicolon; in line 10, by striking “tention facilities;” also in line 10, after “Supp.” by inserting “72-978,”; also in line 10, after the comma, by inserting “72-6426,”; also in line 10, after “72-6430” by inserting “ , 72-6433, 72-7108”;

And your committee on conference recommends the adoption of this report.

DWAYNE UMBARGER

JOHN VRATIL

CHRISTINE DOWNEY

Conferees on part of Senate

RALPH M. TANNER
 KATHE LLOYD
 BILL REARDON
Conferees on part of House

On motion of Rep. Tanner to not adopt the conference committee report on **HB 2094** and that a new conference committee be appointed, the motion prevailed.

Speaker pro tem Aurand thereupon appointed Reps. Tanner, Lloyd and Reardon as second conferees on the part of the House.

MESSAGE FROM THE SENATE

The Senate adopts conference committee report on **HB 2337**.

The Senate adopts conference committee report on **HB 2878**.

On motion of Rep. Weber, the House recessed until 2:00 p.m.

AFTERNOON SESSION

The House met pursuant to recess with Speaker pro tem Aurand in the chair.

MESSAGE FROM THE SENATE

The Senate nonconcurrs in House amendments to **H. Sub. for SB 363**, requests a conference and has appointed Senators Morris, Salmans and Feleciano as conferees on the part of the Senate.

In accordance with Joint rule 3(d), the Senate appoints Senators Morris, Salmans and Feleciano as conferees on the part of the Senate on **S. Sub. for HB 2545**.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, the House acceded to the request of the Senate for a conference on **H. Sub. for SB 363**.

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

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

COMMITTEE OF THE WHOLE

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

Recommended that discussion resume on **SB 575** (see Committee of the Whole, Morning Session). Roll call was demanded on motion of Rep. Lane to amend on page 3, by striking all in lines 13 through 43;

By striking all on page 4;

On page 5, by striking all in lines 1 through 8; in line 9, by striking "79-32,109 and K.S.A.";

By renumbering existing sections accordingly;

In the title, in line 11, by striking "defining trusts;"; in line 12, by striking all before "2001";

On roll call, the vote was: Yeas 66; Nays 55; Present but not voting: 0; Absent or not voting: 4.

Yeas: Aday, Aurand, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cook, Cox, DeCastro, Dillmore, Dreher, Edmonds, Faber, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Huebert, Huff, Humerickhouse, Hutchins, Johnson, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, P. Long, Loyd, Mason, Mayans, Mays, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Schwartz, Shultz, Sloan, Stone, Tafanelli, Tanner, Tomlinson, Vickrey, Wilk, D. Williams.

Nays: Ballard, Barnes, Burroughs, Crow, Dahl, DiVita, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Henry, Horst, Howell, Huy,

Kauffman, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, M. Long, McClure, McCreary, Neufeld, Nichols, Palmer, Pauls, E. Peterson, Phelps, Pyle, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Spangler, Storm, Swenson, Thimesch, R. Toelkes, Toplikar, Weber, Wells, Welshimer, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: McKinney, Minor, O'Brien, Ray.

The motion of Rep. Lane prevailed.

Also, roll call was demanded on motion of Rep. Nichols to amend **SB 575** on page 5, after line 8, by inserting a new section to read as follows:

"Sec. 4. K.S.A. 2001 Supp. 79-32,205 is hereby amended to read as follows: 79-32,205.

(a) 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 ~~10%~~ 20% for tax year ~~1998~~ 2002, and all tax years thereafter, of the amount of the earned income credit allowed against such taxpayer's federal income tax liability pursuant to section 32 of the federal internal revenue code for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) If the amount of the credit allowed by subsection (a) exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

~~(c) The provisions of this section shall be applicable to all taxable years commencing after December 31, 1997;"~~

Also, on page 5, in line 10, before "are" by inserting "and 79-32,205";

By renumbering existing sections accordingly;

In the title, in line 10, by striking all after the semicolon; in line 11, by striking all before "amending"; in line 12, before "re-" by inserting "and 79-32,205";

On roll call, the vote was: Yeas 50; Nays 70; Present but not voting: 0; Absent or not voting: 5.

Yeas: Ballard, Barnes, Burroughs, Crow, DeCastro, Dillmore, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Henry, Howell, Huebert, Kirk, Klein, Kuether, Larkin, Levinson, Lloyd, Loganbill, M. Long, Loyd, McClure, Nichols, Pauls, E. Peterson, Phelps, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Spangler, Storm, Swenson, Thimesch, R. Toelkes, Toplikar, Wells, Welshimer, D. Williams, J. Williams, Wilson, Winn.

Nays: Aday, Aurand, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cook, Cox, Dahl, DiVita, Dreher, Edmonds, Faber, Feuerborn, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Horst, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Krehbiel, Landwehr, Lane, Light, Lightner, P. Long, Mayans, Mays, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Schwartz, Shultz, Sloan, Stone, Tafanelli, Tanner, Tomlinson, Vickrey, Weber, Wilk.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

The motion of Rep. Nichols did not prevail, and **SB 575** be passed as amended.

Sub. SB 614 be passed.

MESSAGE FROM THE SENATE

The Senate adopts conference committee report on **HB 2020**.

The Senate adopts conference committee report on **HB 2665**.

The Senate accedes to the request of the House for a conference on **S. Sub. for HB 2094** and has appointed Senators Umbarger, Vratil and Downey as second conferees on the part of the Senate.

On motion of Rep. Weber, the House recessed until 4:00 p.m.

LATE AFTERNOON SESSION

The House met pursuant to recess with Speaker pro tem Aurand in the chair.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **SB 39, HB 3011**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 39**, submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

JOHN T. EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Edmonds to adopt the conference committee report on **SB 39** to agree to disagree, roll call was demanded

On roll call, the vote was: Yeas 75; Nays 45; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, Aurand, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cook, Cox, Dahl, DeCastro, DiVita, Dreher, Edmonds, Faber, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, P. Long, Loyd, Mayans, Mays, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Schwartz, Shultz, Sloan, Stone, Tafanelli, Tanner, Tomlinson, Toplikar, Vickrey, Weber, Wilk, D. Williams.

Nays: Ballard, Barnes, Burroughs, Crow, Dillmore, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Henry, Howell, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, M. Long, McClure, Nichols, Pauls, E. Peterson, Phelps, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Spangler, Storm, Swenson, Thimesch, R. Toelkes, Wells, Welshimer, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

The motion of Rep. Edmonds prevailed.

Speaker pro tem Aurand thereupon appointed Reps. Edmonds, Huff and Larkin as second conferees on the part of the House.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Hayzlett, the House concurred in Senate amendments to **HB 3011**, An act providing for the financing for the comprehensive transportation program; amending K.S.A. 8-143 and 8-143j and K.S.A. 2001 Supp. 79-3492b, 79-34,118, 79-34,141 and 79-34,142 and repealing the existing sections.

On roll call, the vote was: Yeas 0; Nays 120; Present but not voting: 0; Absent or not voting: 5.

Yeas: None.

Nays: Aday, 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, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

The motion did not prevail, and the bill remains in conference.

On motion of Rep. Edmonds, the House nonconcurred in Senate amendments to **HB 2795** and asked for a conference.

Speaker pro tem Aurand thereupon appointed Reps. Edmonds, Huff and Larkin as conferees on the part of the House.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2621**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as Senate Substitute for House Bill No. 2621, as follows:

On page 10, after line 10, by inserting the following:

“Sec. 4. K.S.A. 2001 Supp. 74-4927 is hereby amended to read as follows: 74-4927. (1) The board may establish a plan of death and long-term disability benefits to be paid to the members of the retirement system as provided by this section. The long-term disability benefit shall not be payable until the member has been prevented from carrying out each and every duty pertaining to the member's employment as a result of sickness or injury for a period of 180 days and the annual benefit shall not exceed an amount equal to 66 $\frac{2}{3}$ % of the member's annual rate of compensation on the date such disability commenced and shall be payable in equal monthly installments. In the event that a member's compensation is not fixed at an annual rate but on an hourly, weekly, biweekly, monthly or any other basis than annual, the board shall prescribe by rule and regulation a formula for establishing a reasonable rate of annual compensation to be used in determining the amount of the death or long-term disability benefit for such member. Such plan shall provide that:

(A) For deaths occurring prior to January 1, 1987, the right to receive such death benefit shall cease upon the member's attainment of age 70 or date of retirement whichever first occurs. The right to receive such long-term disability benefit shall cease (i) for a member who becomes eligible for such benefit before attaining age 60, upon the date that such member attains age 65 or the date of such member's retirement, whichever first occurs, (ii) for a member who becomes eligible for such benefit at or after attaining age 60, the date that such member has received such benefit for a period of five years, upon the date that such member attains age 70, or upon the date of such member's retirement, whichever first occurs, (iii) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age 70, the date that such member has received such benefit for a period of 12 months or upon the date of such member's retirement, whichever first occurs, and (iv) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age 75, the date that such member has received such benefit for a period of six months or upon the date of such member's retirement, whichever first occurs.

(B) Long-term disability benefit payments shall be in lieu of any accidental total disability benefit that a member may be eligible to receive under subsection (3) of K.S.A. 74-4916 and amendments thereto. The member must make an initial application for social security disability benefits and, if denied such benefits, the member must pursue and exhaust

all administrative remedies of the social security administration which include, but are not limited to, reconsideration and hearings. Such plan may provide that any amount which a member receives as a social security benefit or a disability benefit or compensation from any source by reason of any employment including, but not limited to, workers compensation benefits may be deducted from the amount of long-term disability benefit payments under such plan. During the period in which such member is pursuing such administrative remedies prior to a final decision of the social security administration, social security disability benefits may be estimated and may be deducted from the amount of long-term disability benefit payments under such plan. Such long-term disability payments shall accrue from the later of the 181st day of total disability or the first day upon which the member ceases to draw compensation from the employer. If the social security benefit, workers compensation benefit, other income or wages or other disability benefit by reason of employment, or any part thereof, is paid in a lump-sum, the amount of the reduction shall be calculated on a monthly basis over the period of time for which the lump-sum is given. In no case shall a member who is entitled to receive long-term disability benefits receive less than \$50 per month. As used in this section, "workers compensation benefits" means the total award of disability benefit payments under the workers compensation act notwithstanding any payment of attorney fees from such benefits as provided in the workers compensation act.

(C) The plan may include other provisions relating to qualifications for benefits; schedules and graduation of benefits; limitations of eligibility for benefits by reason of termination of employment or membership; conversion privileges; limitations of eligibility for benefits by reason of leaves of absence, military service or other interruptions in service; limitations on the condition of long-term disability benefit payment by reason of improved health; requirements for medical examinations or reports; or any other reasonable provisions as established by rule and regulation of uniform application adopted by the board.

(D) On and after April 30, 1981, the board may provide under the plan for the continuation of long-term disability benefit payments to any former member who forfeits the entitlement to continued service credit under the retirement system or continued assistance in the purchase of retirement annuities under K.S.A. 74-4925 and amendments thereto and to continued long-term disability benefit payments and continued death benefit coverage, by reason of the member's withdrawal of contributions from the retirement system or the repurchase of retirement annuities which were purchased with assistance received under K.S.A. 74-4925 and amendments thereto. Such long-term disability benefit payments may be continued until such individual dies, attains age 65 or is no longer disabled, whichever occurs first.

(E) Any visually impaired person who is in training at and employed by a sheltered workshop for the blind operated by the secretary of social and rehabilitation services and who would otherwise be eligible for the long-term disability benefit as described in this section shall not be eligible to receive such benefit due to visual impairment as such impairment shall be determined to be a preexisting condition.

(2) (A) In the event that a member becomes eligible for a long-term disability benefit under the plan authorized by this section such member shall be given participating service credit for the entire period of such disability. Such member's final average salary shall be computed in accordance with subsection (17) of K.S.A. 74-4902 and amendments thereto except that the years of participating service used in such computation shall be the years of salaried participating service.

(B) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding retirement, such member's final average salary shall be adjusted upon retirement by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's final average salary shall be adjusted upon retirement by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's final average salary shall be adjusted upon retirement by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day

on the payroll to the month that is two months prior to the month of retirement, for each year of disability after July 1, 1998.

(C) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding death, such member's current annual rate shall be adjusted by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's current annual rate shall be adjusted upon death by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's current annual rate shall be adjusted upon death by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers published by the bureau of labor statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of death, for each year of disability after July 1, 1998.

(3) (A) To carry out the legislative intent to provide, within the funds made available therefor, the broadest possible coverage for members who are in active employment or involuntarily absent from such active employment, the plan of death and long-term disability benefits shall be subject to adjustment from time to time by the board within the limitations of this section. The plan may include terms and provisions which are consistent with the terms and provisions of group life and long-term disability policies usually issued to those employers who employ a large number of employees. The board shall have the authority to establish and adjust from time to time the procedures for financing and administering the plan of death and long-term disability benefits authorized by this section. Either the insured death benefit or the insured disability benefit or both such benefits may be financed directly by the system or by one or more insurance companies authorized and licensed to transact group life and group accident and health insurance in this state.

(B) The board may contract with one or more insurance companies, which are authorized and licensed to transact group life and group accident and health insurance in Kansas, to underwrite or to administer or to both underwrite and administer either the insured death benefit or the long-term disability benefit or both such benefits. Each such contract with an insurance company under this subsection shall be entered into on the basis of competitive bids solicited and administered by the board. Such competitive bids shall be based on specifications prepared by the board.

(i) In the event the board purchases one or more policies of group insurance from such company or companies to provide either the insured death benefit or the long-term disability benefit or both such benefits, the board shall have the authority to subsequently cancel one or more of such policies and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund.

(ii) In addition, the board shall have the authority to cancel any policy or policies of group life and long-term disability insurance in existence on the effective date of this act and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund. Notwithstanding any other provision of law, no premium tax shall be due or payable by any such company or companies on any such policy or policies purchased by the board nor shall any brokerage fees or commissions be paid thereon.

(4) (A) There is hereby created in the state treasury the group insurance reserve fund. Investment income of the fund shall be added or credited to the fund as provided by law. The cost of the plan of death and long-term disability benefits shall be paid from the group insurance reserve fund, which shall be administered by the board. Except as otherwise provided by this subsection, each participating employer shall appropriate and pay to the system in such manner as the board shall prescribe in addition to the employee and employer retirement contributions an amount equal to .6% of the amount of compensation on which the members' contributions to the Kansas public employees retirement system are based

for deposit in the group insurance reserve fund. Notwithstanding the provisions of this subsection, no participating employer shall appropriate and pay to the system any amount provided for by this subsection for deposit in the group insurance reserve fund for the period commencing on April 1, 2000, and ending on December 31, 2001, *or for the period commencing July 1, 2002, and ending December 31, 2002.*

(B) The director of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services a sum to pay the state's contribution to the group insurance reserve fund as provided by this section and shall present the same to the legislature for allowances and appropriation.

(C) The provisions of subsection (4) of K.S.A. 74-4920 and amendments thereto shall apply for the purpose of providing the funds to make the contributions to be deposited to the group insurance reserve fund.

(D) Any dividend or retrospective rate credit allowed by an insurance company or companies shall be credited to the group insurance reserve fund and the board may take such amounts into consideration in determining the amounts of the benefits under the plan authorized by this section.

(5) The death benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as insured death benefit. The long-term disability benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as long-term disability benefit.

(6) The board is hereby authorized to establish an optional death benefit plan. Except as provided in subsection (7), such optional death benefit plan shall be made available to all employees who are covered or may hereafter become covered by the plan of death and long-term disability benefits authorized by this section. The cost of the optional death benefit plan shall be paid by the applicant either by means of a system of payroll deductions or direct payment to the board. The board shall have the authority and discretion to establish such terms, conditions, specifications and coverages as it may deem to be in the best interest of the state of Kansas and its employees which should include term death benefits for the person's period of active state employment regardless of age, but in no case, on and after January 1, 1989, shall the maximum allowable coverage be less than \$200,000. The cost of the optional death benefit plan shall not be established on such a basis as to unreasonably discriminate against any particular age group. The board shall have full administrative responsibility, discretion and authority to establish and continue such optional death benefit plan and the director of accounts and reports of the department of administration shall when requested by the board and from funds appropriated or available for such purpose establish a system to make periodic deductions from state payrolls to cover the cost of the optional death benefit plan coverage under the provisions of this subsection (6) and shall remit all deductions together with appropriate accounting reports to the system. There is hereby created in the state treasury the optional death benefit plan reserve fund. Investment income of the fund shall be added or credited to the fund as provided by law. All funds received by the board, whether in the form of direct payments, payroll deductions or otherwise, shall be accounted for separately from all other funds of the retirement system and shall be paid into the optional death benefit plan reserve fund, from which the board is authorized to make the appropriate payments and to pay the ongoing costs of administration of such optional death benefit plan as may be incurred in carrying out the provisions of this subsection (6).

(7) Any employer other than the state of Kansas which is currently a participating employer of the Kansas public employees retirement system or is in the process of affiliating with the Kansas public employees retirement system may also elect to affiliate for the purposes of subsection (6). All such employers shall make application for affiliation with such system, to be effective on January 1 next following application. Such optional death benefit plan shall not be available for employees of employers specified under this subsection until after July 1, 1988.

Sec. 5. K.S.A. 2001 Supp. 74-4927b is hereby amended to read as follows: 74-4927b. (1) For the purposes of providing the "insured death benefit" and "insured disability benefit" as prescribed in K.S.A. 74-4927, and amendments thereto, *and for the purposes of providing the "accidental death benefit" as prescribed in subsection (2) of K.S.A. 74-4916, and amend-*

ments thereto, to those members of the faculty and other persons employed by educational institutions under the management of the state board of education who are receiving assistance in the purchase of retirement annuities as provided in K.S.A. 74-4925, and amendments thereto, the term "member" as used in *subsection (2) of K.S.A. 74-4916, and amendments thereto*, and in K.S.A. 74-4927, and amendments thereto, shall include the aforementioned members of the faculty and other persons employed by educational institutions under the management of the state board of education and who are receiving such assistance.

(2) Each institution under the state board of education furnishing such assistance shall pay to the Kansas public employees retirement system in such manner as the board of trustees shall prescribe each payroll period an amount sufficient to pay the employer's contribution to the group insurance reserve as provided in K.S.A. 74-4927, and amendments thereto, *and an amount sufficient to pay the amount of the employer's contribution attributable to the accidental death benefit as prescribed in subsection (2) of K.S.A. 74-4916, and amendments thereto*. Subsection (2) of K.S.A. 74-4932, and amendments thereto, shall also apply in determining such contributions and benefits.

(3) Each such institution under the state board of education shall maintain a file of the beneficiaries named by the persons covered under the provisions of this act in the form and manner as prescribed by the board of trustees.

(4) In the event that a member of the faculty or other person as herein defined becomes eligible for the insured disability benefit, the respective educational institutions under the board of education hereinbefore described shall continue to provide the assistance including the payment of employers and employees contributions in the purchase of the retirement annuities provided in K.S.A. 74-4925, and amendments thereto, until the date of retirement.

Sec. 6. K.S.A. 2001 Supp. 74-4927f is hereby amended to read as follows: 74-4927f. (a) For the purposes of providing the "insured death benefit" as prescribed in K.S.A. 74-4927 and amendments thereto, to all persons who are members of the retirement system for judges, the term "member" as used in K.S.A. 74-4927 and amendments thereto, and as used in this section shall include members of the retirement system for judges.

(b) Except as otherwise provided by this subsection, the employer of any member who is a member of the retirement system for judges shall pay to the Kansas public employees retirement system in such manner as the board of trustees shall prescribe, an amount equal to .4% of the amount of compensation on which the member's contributions to the retirement system for judges are based for deposit in the group insurance reserve of the Kansas public employees retirement fund, in lieu of the amount required to be paid under subsection (4) of K.S.A. 74-4927 and amendments thereto. Notwithstanding the provisions of this subsection, no employer shall pay to the system any amount provided for by this subsection for deposit in the group insurance reserve fund for the period commencing on April 1, 2000, and ending on December 31, 2001, *or for the period commencing July 1, 2002, and ending on December 31, 2002*.

Sec. 7. K.S.A. 74-4927g is hereby amended to read as follows: 74-4927g. (1) For the purposes of providing the "insured death benefit" and "long-term disability benefit" as prescribed in K.S.A. 74-4927, and amendments thereto, *and for the purposes of providing the "accidental death benefit" as prescribed in subsection (2) of K.S.A. 74-4916, and amendments thereto*, to all employees employed *by the state board of regents or* by educational institutions under the state board of regents who are fulfilling the ~~two-year~~ service requirement under subsection (a) of K.S.A. 74-4925, and amendments thereto, on and after the first day of the first payroll period of the fiscal year ending June 30, 1985, the term "member" as used in *subsection (2) of K.S.A. 74-4916, and amendments thereto, and K.S.A. 74-4927a, and amendments thereto, and as used* in this section, shall include the aforementioned employees.

(2) The employer of any member shall pay to the Kansas public employees retirement system in such manner as the board of trustees shall prescribe, ~~beginning with the first day of the first payroll period of the fiscal year ending June 30, 1985, and each payroll period thereafter,~~ *an amount sufficient to pay the amount of the employer's contribution attributable to the accidental death benefit as prescribed in subsection (2) of K.S.A. 74-4916, and amendments thereto, and an amount sufficient to pay the employer's contribution to the*

group insurance reserve as provided in subsection (4) of K.S.A. 74-4927, and amendments thereto.

(3) The employer of any member shall maintain a file of the beneficiaries named by the persons covered under this section in the form and manner as prescribed by the board of trustees.

~~(4) Coverage under the plan of death and long-term disability benefits shall begin with the first day of the first payroll period of the fiscal year ending June 30, 1985, for such member and other persons as defined in this section;~~

And by renumbering sections accordingly;

On page 15, in line 31, after "72-8603" by inserting ", 74-4927g"; in line 32, after "74-4919t," by inserting "74-4927, 74-4927b, 74-4927f,";

On page 1, in the title, in line 12, after the semicolon, by inserting "death and disability benefits;"; also in line 12, after "72-8603" by inserting ", 74-4927g"; in line 13, after "74-4919m," by inserting "74-4927, 74-4927b, 74-4927f,";

And your committee on conference recommends the adoption of this report.

STEPHEN R. MORRIS
DAVID ADKINS
Conferees on part of Senate

KENNY A. WILK
LLOYD A. STONE
JOE SHRIVER
Conferees on part of House

On motion of Rep. Stone, the conference committee report on **S. Sub. for HB 2621** was adopted.

On roll call, the vote was: Yeas 70; Nays 50; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, Aurand, Ballard, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cook, Cox, Dahl, DeCastro, Dreher, Edmonds, Faber, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, P. Long, Loyd, Mayans, Mays, McLeland, Merrick, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Schwartz, Shultz, Sloan, Stone, Storm, Tafanelli, Tanner, Tomlinson, Vickrey, Weber, Wilk, D. Williams.

Nays: Barnes, Burroughs, Crow, Dillmore, DiVita, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Henry, Howell, Kauffman, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, M. Long, McClure, McCreary, Miller, Nichols, Palmer, Pauls, E. Peterson, Phelps, Pyle, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Spangler, Swenson, Thimesch, R. Toelkes, Toplikar, Wells, Welshimer, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Tomlinson, the House concurred in Senate amendments to **HB 2640**, An act relating to insurance; relating to viatical settlements and investments; relating to small employer benefit plans; relating to group policies; relating to risk-based capital requirements; relating to licensure of insurance agents; relating to standard nonforfeiture provisions for annuities amending K.S.A. 40-428a, 40-2240 and 40-2258 and K.S.A. 2001 Supp. 17-1262, 40-2c01 and 40-4909 and repealing the existing sections; also repealing K.S.A. 40-2,171, 40-2,172, 40-2,173, 40-2,174, 40-2,175, 40-2,176, 40-2,177, 40-2,178, 40-2,179, 40-2,180, 40-2,181, 40-2,182 and 40-2,183.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 119; Nays 1; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Spangler.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

On motion of Rep. Benlon, the House concurred in Senate amendments to **HB 2642**, An act concerning financial assistance for higher education; relating to the teacher service scholarship program and the Kansas national guard educational assistance program; amending K.S.A. 2001 Supp. 48-276, 48-277, 48-278, 48-279 and 74-32,102 and repealing the existing sections.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Aday, 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, Goering, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. 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: Huebert, Mason, McKinney, Minor, O'Brien, Ray.

On motion of Rep. T. Powell, the House concurred in Senate amendments to **HB 2996**, An act concerning elections; relating to the time of canvass by the county board of canvassers; amending K.S.A. 25-3104 and K.S.A. 2001 Supp. 25-3107 and repealing the existing sections.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 119; Nays 1; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Pow-

ell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Feuerborn.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 474**, submits the following report:

The House recedes from all of its amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 23, by striking "own"; in line 24, by striking "personal"; in line 25, after the stricken material, by inserting "knowing and intentional"; in line 27, by striking "which is"; by striking all in lines 28 through 30; in line 31, by striking "torment another person" and inserting "directed at a specific person that seriously alarms, annoys, torments or terrorizes the person, and that serves no legitimate purpose"; in line 32, by striking "a pattern of";

On page 2, in line 32, by striking all after the period; by striking all in line 33; in line 37, by striking "shall be empowered to" and inserting "may"; in line 38, by striking all after "order"; in line 39, by striking "victim or grant" and inserting "granting";

On page 3, in line 19, by striking all after "(4)" and inserting "Any other order deemed necessary by the court to carry out the provisions of this act."; by striking all in lines 20 and 21; in line 32, by striking all after "(d)"; by striking all in lines 33 through 43;

On page 4, by striking all in lines 1 through 4 and inserting "The court shall assess costs against the defendant and may award attorney fees to the victim in any case in which the court issues a protection from stalking order pursuant to this act. The court may award attorney fees to the defendant in any case where the court finds that the petition to seek relief pursuant to this act is without merit.";

And your committee on conference recommends the adoption of this report.

MICHAEL R. O'NEAL
WARD LOYD
JANICE L. PAULS
Conferees on part of House

JOHN L. VRATIL
DAVID ADKINS
GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **SB 474** was adopted.

On roll call, the vote was: Yeas 119; Nays 1; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Goering, 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, Lightmer, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R.

Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Spangler.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 475**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee amendments, as follows:

On page 1, in line 39, by striking "consisting of one or more dates";

On page 3, in line 17, after "child" by inserting ", if the party is the father or mother of the child."; in line 26, by striking all after "Requiring" and inserting "any person against whom an order is issued"; in line 33, by striking "the" and inserting "The"; in line 34, by striking "and"; in line 37, after the stricken material, by inserting "; and"; in line 40, before the period, by inserting a new paragraph to read as follows:

"(3) the issuing court made specific findings of abuse against both the plaintiff and the defendant and determined that both parties acted primarily as aggressors and neither party acted primarily in self-defense";

On page 5, in line 4, by striking the first comma;

And your committee on conference recommends the adoption of this report.

MICHAEL R. O'NEAL
WARD LOYD
JANICE L. PAULS
Conferees on part of Senate

JOHN VRATIL
DAVID ADKINS
GRETA GOODWIN
Conferees on part of House

On motion of Rep. O'Neal, the conference committee report on **SB 475** was adopted.

On roll call, the vote was: Yeas 120; Nays 0; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostneyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. 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: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 296**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as House Substitute for Substitute for Senate Bill No. 296, as follows:

On page 2, in line 15, by striking "inquiry,;" in line 18, after the period, by inserting "The "established business relationship" must exist between the consumer and business directly, and does not extend to any related business entity or other business organization of the telephone solicitor or related to the telephone solicitor or such solicitor's agent, including, but not limited to, a parent corporation, subsidiary partnership, company or other corporation or affiliate.;"

On page 3, in line 14, by striking "act" and inserting "section"; in line 19, by striking "charge" and inserting "charged"; in line 22, after "list", by inserting ". Such schedule of dates shall provide that time period prior to the date of the next quarterly update in which consumers must submit their information in order to be included in the next quarterly update shall not exceed 30 days"; in line 24, after "list", by inserting ". Such schedule of dates shall provide that the no-call list shall be updated no less frequently than on a quarterly basis, on January 1, April 1, July 1 and October 1"; also in line 24, by striking "and"; in line 29, by striking the period and inserting "; and"; following line 29, by inserting:

"(6) the consent of the direct marketing association to subject itself to the jurisdiction of the courts of this state for the purpose of enforcing the provisions of this section; the designation of a resident agent, who is a resident of Kansas, by the direct marketing association, for service of process, and who registers with the secretary of state pursuant to K.S.A. 60-306, and amendments thereto; and the agreement of the direct marketing association and its resident agent to comply with the provisions of this section.;"

Also on page 3, in line 42, by striking the comma; also in line 42, after "list", by inserting ", or the attorney general"; also in line 42, after the period, by inserting "The attorney general may compile a list of telephone numbers from consumers desiring to register for such service. The attorney general shall forward the list to the direct marketing association or such other vendor in electronic format no less than 15 days prior to the date of the next quarterly update. No registration fee shall be imposed on the attorney general for submission of such list to the direct marketing association or such other vendor."

On page 4, in line 2, by striking all after the period; by striking all in lines 3 through 5; in line 6, by striking "October.;" by striking all in lines 11 and 12; in line 13, by striking "quarterly update.;" in lines 21 and 23, by striking "database" and inserting "list"; in line 24, after "number", by inserting "; that it may be as long as 60 days from the time of publication of the current quarterly update of the no-call list before the consumer's telephone number is removed from the telephone solicitor's calling lists; and that the consumer and the attorney general may not be able to enforce the provisions of this section until 180 days have passed since the consumer submitted the consumer's registration to be on the no-call list";

On page 5, in line 11, after "(h)" by inserting the following:

"It shall be an affirmative defense to a violation of this section if the telephone solicitor can demonstrate by clear and convincing evidence that: (1) The consumer affirmatively listed or held out to the public such consumer's residential number as a business number; (2) the telephone solicitor had knowledge of and relied upon such consumer's actions as provided in subsection (h)(1) at the time of the telephone solicitor's alleged violation; and (3) the purpose of the call was directly related to the consumer's business.

(i);

Also on page 5, in line 13, by striking "(i)(1)" and inserting "(j)(1)"; in line 24, by striking "(j)" and inserting "(k)"; in line 27, by striking "(k)" and inserting "(l)"; in line 30, by striking "(l)" and inserting "(m)"; in line 34, by striking "act" and inserting "section"; in line 35, by striking "(m)" and inserting "(n)";

On page 6, in line 1, by striking "(n)" and inserting "(o)"; in line 4, by striking "(o)" and inserting "(p)"; in line 6, by striking "(p)" and inserting "(q)"; in line 8, by striking "New Sec. 3. This act" and inserting "(r) The provisions of this section"; after line 9, by inserting the following:

"New Sec. 3. (a) It shall be an unconscionable act within the meaning of K.S.A. 50-627, and amendments thereto, for any supplier to profiteer from a disaster.

(b) As used in this section:

(1) "Profiteer from a disaster" means unjustifiably increasing during a time of disaster the price at which any necessary property or service is offered for sale to consumers. Actual sales at the increased price shall not be required for the increase to be considered unconscionable. In determining whether the price increase described in this subsection is unjustified, the court shall consider all relevant circumstances including, but not limited to, the following: (A) Whether the price charged by the supplier during the time of disaster grossly exceeded the price charged by the supplier for similar property or services on the business day before the disaster, and an increase of more than 25% shall be *prima facie* evidence of gross excess;

(B) whether the amount charged by the supplier during the time of disaster grossly exceeded the price at which the same or similar property or services were readily obtainable by other consumers in the trade area, and a price difference of more than 25% shall be *prima facie* evidence of gross excess; and

(C) whether the increase in the amount charged by the supplier during the time of disaster was attributable to additional costs incurred by the supplier in connection with the sale of the product or service, and proof the supplier incurred such additional costs shall be *prima facie* evidence that the price increase was justified when such additional costs were actually incurred by the supplier during the period in which the substantially increased price was being charged;

(2) "time of disaster" means the period of time when a declaration of a state of emergency by the president of the United States or the governor is in effect; or 30 days after the occurrence of the event that constitutes the disaster, whichever is longer;

(3) "disaster" means natural or man-made events including, but not limited to, tornado or other severe storm, earthquake, flood, fire, riot, act of war, terrorism, civil disorder or other extraordinary adverse circumstance. The court shall find that an event constitutes a disaster if the event results in the declaration of a state of emergency by the president of the United States or the governor. The court may find that an event constitutes a disaster in the absence of a declared state of emergency; and

(4) "necessary property or service" means any necessary property or service for which consumer demand does, or is likely to, increase as a consequence of the disaster and includes, but is not limited to, consumer food items or property, property or services for emergency cleanup, emergency supplies, communication supplies and services, medical supplies and services, home heating fuel, building materials and services, freight, storage services, housing, lodging, transportation and motor fuels.

(c) The provisions of this section shall be part of and supplemental to the consumer protection act.;

On page 1, in the title, in line 11, after "concerning", by inserting "consumer protection; relating to"; in line 12, after the semicolon, by inserting "relating to profiteering from a disaster.;"

And your committee on conference recommends the adoption of this report.

CARL DEAN HOLMES
TOM SLOAN
NILE DILLMORE
Conferees on part of House

JOHN VRATIL
DAVID ADKINS
GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. Holmes to adopt the conference committee report on **H. Sub. for Sub. SB 296**, Rep. Myers offered a substitute motion to not adopt the conference committee report and asked that a new conference committee be appointed. The substitute motion prevailed.

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

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2630**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 29, following the period, by inserting "If the county determines that a prisoner of the county jail is covered under a current individual or group accident and health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization contract, then the county may require the prisoner of such county jail or the provider rendering health care services to the prisoner to submit a claim for such health care services rendered in accordance with the prisoner's policy or contract."; in line 39, following the period, by inserting "If the county determines that a prisoner of the county jail is covered under a current individual or group accident and health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization contract, then the county may require the prisoner of such county jail or the provider rendering health care services to the prisoner to submit a claim for such health care services rendered in accordance with the prisoner's policy or contract.";

On page 2, by striking all in lines 1 through 15;

And by renumbering the remaining sections accordingly;

And your committee on conference recommends the adoption of this report.

JOHN VRATIL
EDWARD R. PUGH
GRETA GOODWIN
Conferees on part of Senate

MICHAEL R. O'NEAL
WARD LOYD
JANICE L. PAULS
Conferees on part of House

On motion of Rep. O'Neal, the conference committee report on **HB 2630** was adopted.

On roll call, the vote was: Yeas 117; Nays 3; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Gatewood, Gilbert, Glascock, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostneyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson.

Nays: Garner, Spangler, Winn.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2247**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 3, in line 12, by striking "and approve" and inserting ", approve and revise"; in line 20, by striking "are paid"; by striking line 21; in line 22 by striking all before the semicolon and inserting "are low wage and modest wage employees as defined in K.S.A. 40-4701, and amendments thereto"; in line 31, after "out" by inserting "group"; in line 36, after "levels" by inserting "and family income";

On page 4, in line 20, by striking all after the period; by striking all in lines 21 and 22;

And your committee on conference recommends the adoption of this report.

SANDY PRAEGER
RUTH TEICHMAN
PAUL FELICIANO, JR.
Conferees on part of Senate

ROBERT TOMLINSON
NANCY A. KIRK
STANLEY DREHER
Conferees on part of House

On motion of Rep. Tomlinson, the conference committee report on **HB 2247** was adopted.

On roll call, the vote was: Yeas 118; Nays 0; Present but not voting: 0; Absent or not voting: 7.

Yeas: Aday, 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, Goering, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. 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: Edmonds, Landwehr, Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2752**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 1, in line 38, by striking "7" and inserting "6"; by striking all in lines 42 and 43;

On page 2, by striking all in lines 1 through 6;

And by renumbering the remaining sections accordingly;

Also on page 2, following line 34, by inserting the following:

"Sec. 3. K.S.A. 2001 Supp. 21-4201 is hereby amended to read as follows: 21-4201. (a) Criminal use of weapons is knowingly:

(1) Selling, manufacturing, purchasing, possessing or carrying any bludgeon, sandclub, metal knuckles or throwing star, or any knife, commonly referred to as a switch-blade, which has a blade that opens automatically by hand pressure applied to a button, spring or other device in the handle of the knife, or any knife having a blade that opens or falls or is ejected

into position by the force of gravity or by an outward, downward or centrifugal thrust or movement;

(2) carrying concealed on one's person, or possessing with intent to use the same unlawfully against another, a dagger, dirk, billy, blackjack, slung shot, dangerous knife, straight-edged razor, stiletto or any other dangerous or deadly weapon or instrument of like character, except that an ordinary pocket knife with no blade more than four inches in length shall not be construed to be a dangerous knife, or a dangerous or deadly weapon or instrument;

(3) carrying on one's person or in any land, water or air vehicle, with intent to use the same unlawfully, a tear gas or smoke bomb or projector or any object containing a noxious liquid, gas or substance;

(4) carrying any pistol, revolver or other firearm concealed on one's person except when on the person's land or in the person's abode or fixed place of business;

(5) setting a spring gun;

(6) possessing any device or attachment of any kind designed, used or intended for use in ~~silencing~~ *suppressing* the report of any firearm;

(7) selling, manufacturing, purchasing, possessing or carrying a shotgun with a barrel less than 18 inches in length or any other firearm designed to discharge or capable of discharging automatically more than once by a single function of the trigger; or

(8) possessing, manufacturing, causing to be manufactured, selling, offering for sale, lending, purchasing or giving away any cartridge which can be fired by a handgun and which has a plastic-coated bullet that has a core of less than 60% lead by weight.

(b) Subsections (a)(1), (2), (3), (4) and (7) shall not apply to or affect any of the following:

(1) Law enforcement officers, or any person summoned by any such officers to assist in making arrests or preserving the peace while actually engaged in assisting such officer;

(2) wardens, superintendents, directors, security personnel and keepers of prisons, penitentiaries, jails and other institutions for the detention of persons accused or convicted of crime, while acting within the scope of their authority;

(3) members of the armed services or reserve forces of the United States or the Kansas national guard while in the performance of their official duty; or

(4) manufacture of, transportation to, or sale of weapons to a person authorized under subsections (b)(1), (2) and (3) to possess such weapons.

(c) Subsection (a)(4) shall not apply to or affect the following:

(1) Watchmen, while actually engaged in the performance of the duties of their employment;

(2) licensed hunters or fishermen, while engaged in hunting or fishing;

(3) private detectives licensed by the state to carry the firearm involved, while actually engaged in the duties of their employment;

(4) detectives or special agents regularly employed by railroad companies or other corporations to perform full-time security or investigative service, while actually engaged in the duties of their employment;

(5) the state fire marshal, the state fire marshal's deputies or any member of a fire department authorized to carry a firearm pursuant to K.S.A. 31-157 and amendments thereto, while engaged in an investigation in which such fire marshal, deputy or member is authorized to carry a firearm pursuant to K.S.A. 31-157 and amendments thereto; or

(6) special deputy sheriffs described in K.S.A. 2001 Supp. 19-827, *and amendments thereto*, who have satisfactorily completed the basic course of instruction required for permanent appointment as a part-time law enforcement officer under K.S.A. 74-5607a and amendments thereto.

(d) Subsections (a)(1), (6) and (7) shall not apply to any person who sells, purchases, possesses or carries a firearm, device or attachment which has been rendered unserviceable by steel weld in the chamber and marriage weld of the barrel to the receiver and which has been registered in the national firearms registration and transfer record in compliance with 26 U.S.C. 5841 *et seq.* in the name of such person and, if such person transfers such firearm, device or attachment to another person, has been so registered in the transferee's name by the transferor.

(e) Subsection (a)(8) shall not apply to a governmental laboratory or solid plastic bullets.

(f) *Subsection (a)(6) shall not apply to a law enforcement officer who is:*

(1) *Assigned by the head of such officer's law enforcement agency to a tactical unit which receives specialized, regular training;*

(2) *designated by the head of such officer's law enforcement agency to possess devices described in subsection (a)(6); and*

(3) *in possession of commercially manufactured devices which are: (A) Owned by the law enforcement agency; (B) in such officer's possession only during specific operations; and (C) approved by the bureau of alcohol, tobacco and firearms of the United States department of justice.*

(g) It shall be a defense that the defendant is within an exemption.

~~(g)~~ (h) Violation of subsections (a)(1) through (a)(5) is a class A nonperson misdemeanor. Violation of subsection (a)(6), (a)(7) or (a)(8) is a severity level 9, nonperson felony.

~~(h)~~ (i) As used in this section, "throwing star" means any instrument, without handles, consisting of a metal plate having three or more radiating points with one or more sharp edges and designed in the shape of a polygon, trefoil, cross, star, diamond or other geometric shape, manufactured for use as a weapon for throwing.;

Also on page 2, in line 35, by striking "is" and inserting "and 21-4201 are";

On page 1, in the title, in line 15, following "theft;" by inserting "concerning criminal use of weapons.;" in line 17, following "21-3701" by inserting "and 21-4201"; in line 18, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

JOHN VRATIL
DEREK SCHMIDT
GRETA GOODWIN
Conferees on part of Senate

MICHAEL R. O'NEAL
WARD LOYD
JANICE L. PAULS
Conferees on part of House

On motion of Rep. O'Neal, the conference committee report on **HB 2752** was adopted.

On roll call, the vote was: Yeas 120; Nays 0; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Goering, 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, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Neal, Osborne, Ostneyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. 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: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2709**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 15, in line 16, by striking “sec-”; in line 17, by striking “tion 4.”;

On page 41, by striking all in lines 14 through 43;

On page 42, by striking all in lines 1 through 22 and inserting the following:

“Sec. 30. K.S.A. 34-2,101 is hereby amended to read as follows: 34-2,101. The provisions of this act relating to licensing, bonding and supervision of warehouses shall not be construed to apply to any public warehouseman who is, or shall hereafter be, duly licensed under the federal warehouse act, *except that the provisions of K.S.A. 34-2,112, and amendments thereto, shall apply to all state and federally licensed warehouses.*

Sec. 31. K.S.A. 34-2,112 is hereby amended to read as follows: 34-2,112. (a) Whenever any amount of grain is received in any public warehouse from a producer and is sold by the producer ~~to the public warehouseman with, or if a grain producer delivers grain for sale pursuant to an agreement with the public warehouseman for deferred payment or deferred pricing, and if upon demand for payment by the producer, the warehouseman fails to make full payment as due or makes payment by check, if the check that fails;~~ because of insufficient funds; to clear the bank or other financial institution on which it is drawn within ~~10~~ 15 days after the date the check is issued ~~or the demand is made,~~ excluding Saturdays, Sundays and holidays, the sale of such amount of grain may be voided by the producer by notifying the public warehouseman in writing that the sale is void. In any such case, the public warehouseman shall include such amount of grain in the public warehouseman’s daily position record and other records as an open storage obligation upon receiving such written notice voiding the sale.

(b) As used in this section, the words and phrases defined in K.S.A. 34-223 and amendments thereto shall have the meanings ascribed to them in that statute.

(c) This section shall be construed as supplemental to the statutes contained in article 2 of chapter 34 of the Kansas Statutes Annotated and amendments thereto.

Sec. 32. K.S.A. 58-204 is hereby amended to read as follows: 58-204. Any person claiming a lien as ~~aforsaid as provided in K.S.A. 58-203, and amendments thereto,~~ shall file in the office of the register of deeds of the county in which ~~said the~~ threshing or harvesting is done, a statement in writing, duly verified by ~~him or her, setting such person.~~ Such statement shall set forth the name of the owner or owners of the grain or grain crops, threshed or harvested, the kind of grain, the number of bushels threshed or acres harvested, the description of the land upon which ~~said such~~ grain or grain crop was raised, the contract price for such threshing or harvesting, or the price or value of such wages, the date of the threshing or harvesting, the amount due and the name of the claimant.

~~Said~~ Such statement shall be filed and entered by the register of deeds in the same manner and upon the same books as in the case of other financing statements provided for under the uniform commercial code; ~~and the said.~~ The register of deeds shall collect from the person presenting the ~~same statement,~~ a fee equal to the fee for filing financing statements under the uniform commercial code; Such statement shall be filed within ~~fifteen~~ 30 days after the completion of ~~said such~~ threshing or harvesting or the rendering of such services; and in case ~~said threshing or harvesting has begun and the work is interrupted for more than five days, such statement shall be filed within fifteen days after the beginning of such interruption.”;~~

And by renumbering sections accordingly;

Also on page 42, in the repealer, in line 23, after “K.S.A.” by inserting “34-2,101, 34-2,112, 58-204,”; by striking “, 84-9-201” where it appears;

On page 1, in the title, in line 17, after “transactions” by inserting “and other transactions thereunder”; in line 18, after “K.S.A.” by inserting “34-2,101, 34-2,112, 58-204,”; in line 20, by striking “, 84-9-201”;

And your committee on conference recommends the adoption of this report.

JOHN VRATIL
DAVID ADKINS
GRETA GOODWIN
Conferees on part of Senate

GERRY RAY
 LARRY L. CAMPBELL
 BILL FEUERBORN
Conferees on part of House

On motion of Rep. Campbell, the conference committee report on **HB 2709** was adopted.

On roll call, the vote was: Yeas 116; Nays 4; Present but not voting: 0; Absent or not voting: 5.

Yeas: Aday, 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, Goering, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Mayans, Mays, McClure, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Owens, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, R. Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Klein, Loyd, Neufeld, Spangler.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2802**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee amendments, as follows:

On page 3, by striking all of line 31;

On page 4, in line 22, before "\$54.50" by inserting "except as provided in subsection (i), during the period commencing July 1, 2002, and ending June 30, 2005, a sum equal to"; also in line 22, after "\$54.50" by inserting ", and except as provided in subsection (i), on and after July 1, 2005, a sum equal to \$54"; in line 33, before "\$54.50" by inserting "except as provided in subsection (i), during the period commencing July 1, 2002, and ending June 30, 2005, a sum equal to"; also in line 33, after "\$54.50" by inserting ", and except as provided in subsection (i), on and after July 1, 2005, a sum equal to \$54"; in line 41, by striking "\$54.50" and inserting "\$54"; in line 42, by striking "\$54.40" and inserting ", except as provided in subsection (i), during the period commencing July 1, 2002, and ending June 30, 2005, a sum equal to \$54.50, and, except as provided in subsection (i), on and after July 1, 2005, a sum equal to \$54"; following line 43 by inserting:

"(i) The \$.50 increase in docket fees prescribed pursuant to subsection (e), (g) or (h) for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to subsection (e), (g) or (h) shall not be in effect.";

On page 8, by striking all in lines 1 through 30 and inserting the following:

"Sec. 6. K.S.A. 2001 Supp. 20-367, as amended by section 1 of 2002 Senate Bill No. 477, is hereby amended to read as follows: 20-367. (a) *Except as provided in subsection (c), on July 1, 2002, and ending June 30, 2005, of the remittance of the balance of docket fees*

received by the state treasurer from clerks of the district court pursuant to subsection ~~(g)~~ (f) of K.S.A. 20-362, and amendments thereto, the state treasurer shall deposit and credit to the access to justice fund, a sum equal to ~~5.98%~~ 5.89% of the remittances of docket fees; to the juvenile detention facilities fund, a sum equal to ~~3.32%~~ 3.27% of the remittances of docket fees; to the judicial branch education fund, the state treasurer shall deposit and credit a sum equal to ~~2.55%~~ 2.51% of the remittances of docket fees; to the crime victims assistance fund, the state treasurer shall deposit and credit a sum equal to ~~.68%~~ .67% of the remittances of the docket fees; to the protection from abuse fund, the state treasurer shall deposit and credit a sum equal to ~~3.26%~~ 3.21% of the remittances of the docket fees; to the judiciary technology fund, the state treasurer shall deposit and credit a sum equal to ~~5.17%~~ 5.09% of the remittances of docket fees; to the dispute resolution fund, the state treasurer shall deposit and credit a sum equal to .42% of the remittances of docket fees; to the Kansas juvenile delinquency prevention trust fund, the state treasurer shall deposit and credit a sum equal to ~~1.51%~~ 1.49% of the remittances of docket fees; to the permanent families account in the family and children investment fund, the state treasurer shall deposit and credit a sum equal to ~~.25%~~ .24% of the remittances of docket fees; to the trauma fund, a sum equal to ~~1.79%~~ 1.76% of the remittance of docket fees; to the judicial council fund, a sum equal to 1.53% of the remittance of docket fees; and to the judicial branch nonjudicial salary initiative fund, the state treasurer shall deposit and credit a sum equal to ~~21.70%~~ 21.37% of the remittance of docket fees. The balance remaining of the remittances of docket fees shall be deposited and credited to the state general fund.

(b) Except as provided in subsection (c), on and after July 1, 2005, of the remittance of the balance of docket fees received by the state treasurer from clerks of the district court pursuant to subsection (f) of K.S.A. 20-362, and amendments thereto, the state treasurer shall deposit and credit to the access to justice fund, a sum equal to 5.98% of the remittances of docket fees; to the juvenile detention facilities fund, a sum equal to 3.32% of the remittances of docket fees; to the judicial branch education fund, the state treasurer shall deposit and credit a sum equal to 2.55% of the remittances of docket fees; to the crime victims assistance fund, the state treasurer shall deposit and credit a sum equal to .68% of the remittances of the docket fees; to the protection from abuse fund, the state treasurer shall deposit and credit a sum equal to 3.26% of the remittances of the docket fees; to the judiciary technology fund, the state treasurer shall deposit and credit a sum equal to 5.17% of the remittances of docket fees; to the dispute resolution fund, the state treasurer shall deposit and credit a sum equal to .42% of the remittances of docket fees; to the Kansas juvenile delinquency prevention trust fund, the state treasurer shall deposit and credit a sum equal to 1.51% of the remittances of docket fees; to the permanent families account in the family and children investment fund, the state treasurer shall deposit and credit a sum equal to .25% of the remittances of docket fees; to the trauma fund, a sum equal to 1.79% of the remittance of docket fees; and to the judicial branch nonjudicial salary initiative fund, the state treasurer shall deposit and credit a sum equal to 21.70% of the remittance of docket fees. The balance remaining of the remittances of docket fees shall be deposited and credited to the state general fund.

(c) The percentages prescribed pursuant to subsection (a) for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then the percentages prescribed pursuant to subsection (a) shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the percentages prescribed pursuant to subsection (b) shall be in effect.”;

Also on page 8, in line 36, by striking “On and after” and inserting “Except as provided in subsection (f), on”; also in line 36, by striking “1998” and inserting “2002 and ending June 30, 2005”; following line 41 by inserting:

“Except as provided in subsection (f), on and after July 1, 2005:	
Murder or manslaughter.....	\$165.50
Other felony.....	146.00

Misdemeanor.....	111.00
Forfeited recognizance	63.00
Appeals from other courts.....	62.50”

On page 9, in line 8, following “\$55” by inserting “, except as provided in subsection (f), commencing July 1, 2002, and ending June 30, 2005, and \$54, except as provided in subsection (f), on and after July 1, 2005.”; in line 12, before the period by inserting “, except as provided in subsection (f), commencing July 1, 2002, and ending June 30, 2005, and \$54, except as provided in subsection (f), on and after July 1, 2005.”; in line 17, after “\$55” by inserting “, except as provided in subsection (f), commencing July 1, 2002, and ending June 30, 2005, and \$54, except as provided in subsection (f), on and after July 1, 2005.”; in line 20, before the period by inserting “, except as provided in subsection (f), commencing July 1, 2002, and ending June 30, 2005, and \$54, except as provided in subsection (f), on and after July 1, 2005.”;

On page 10, following line 12 by inserting:

“(f) The \$1 increase in docket fees prescribed pursuant to this section for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to this section shall not be in effect.”;

Also on page 10, following line 18, by inserting:

“Except as provided in subsection (e), on July 1, 2002, and ending June 30, 2005.”;

Also on page 10, following line 35, by inserting:

“Except as provided in subsection (e), on and after July 1, 2005:

Treatment of mentally ill	\$24.50
Treatment of alcoholism or drug abuse.....	24.50
Determination of descent of property	39.50
Termination of life estate.....	39.50
Termination of joint tenancy	39.50
Refusal to grant letters of administration	39.50
Adoption.....	39.50
Filing a will and affidavit under K.S.A. 59-618a.....	39.50
Guardianship	59.50
Conservatorship	59.50
Trusteeship.....	59.50
Combined guardianship and conservatorship.....	59.50
Certified probate proceedings under K.S.A. 59-213, and amendments thereto	14.50
Decrees in probate from another state	99.50
Probate of an estate or of a will	99.50
Civil commitment under K.S.A. 59-29a01 <i>et seq.</i>	24.50”;

On page 11, following line 12, by inserting:

“(e) The \$1 increase in docket fees prescribed pursuant to this section for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to this section shall not be in effect.”;

Also on page 11, by striking all in lines 13 through 43;

On page 12, by striking all in lines 1 through 16 and inserting the following:

“Sec. 9. K.S.A. 2001 Supp. 60-2001, as amended by section 2 of 2002 Senate Bill No. 477, is hereby amended to read as follows: 60-2001. (a) *Docket fee*. Except as otherwise provided by law, no case shall be filed or docketed in the district court, whether original or appealed, without payment of a docket fee in the amount of \$106, *except as provided in subsection (e), commencing July 1, 2002, and ending June 30, 2005, and \$105, except as provided in subsection (e), on and after July 1, 2005,* to the clerk of the district court.

(b) *Poverty affidavit in lieu of docket fee*. (1) *Effect*. In any case where a plaintiff by reason of poverty is unable to pay a docket fee, and an affidavit so stating is filed, no fee will be required. An inmate in the custody of the secretary of corrections may file a poverty affidavit only if the inmate attaches a statement disclosing the average account balance, or the total deposits, whichever is less, in the inmate's trust fund for each month in (A) the six-month period preceding the filing of the action; or (B) the current period of incarceration, whichever is shorter. Such statement shall be certified by the secretary. On receipt of the affidavit and attached statement, the court shall determine the initial fee to be assessed for filing the action and in no event shall the court require an inmate to pay less than \$3. The secretary of corrections is hereby authorized to disburse money from the inmate's account to pay the costs as determined by the court. If the inmate has a zero balance in such inmate's account, the secretary shall debit such account in the amount of \$3 per filing fee as established by the court until money is credited to the account to pay such docket fee. Any initial filing fees assessed pursuant to this subsection shall not prevent the court, pursuant to subsection (d), from taxing that individual for the remainder of the amount required under subsection (a) or this subsection.

(2) *Form of affidavit*. The affidavit provided for in this subsection shall be in the following form and attached to the petition:

State of Kansas, _____ County.

In the district court of the county: I do solemnly swear that the claim set forth in the petition herein is just, and I do further swear that, by reason of my poverty, I am unable to pay a docket fee.

(c) *Disposition of docket fee*. The docket fee shall be the only costs assessed in each case for services of the clerk of the district court and the sheriff. The docket fee shall be disbursed in accordance with K.S.A. 20-362 and amendments thereto.

(d) *Additional court costs*. Other fees and expenses to be assessed as additional court costs shall be approved by the court, unless specifically fixed by statute. Other fees shall include, but not be limited to, witness fees, appraiser fees, fees for service of process outside the state, fees for depositions, alternative dispute resolution fees, transcripts and publication, attorney fees, court costs from other courts and any other fees and expenses required by statute. All additional court costs shall be taxed and billed against the parties as directed by the court. No sheriff in this state shall charge any district court in this state a fee or mileage for serving any paper or process.

(e) *The \$1 increase in docket fees prescribed pursuant to this section for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to this section shall not be in effect.*”;

Also on page 12, in line 27, after “\$27” by inserting “, except as provided in subsection (c), commencing on July 1, 2002, and ending June 30, 2005, and \$26, except as provided in subsection (c), on and after July 1, 2005,”; in line 28, after “\$47” by inserting “, except as provided in subsection (c), commencing on July 1, 2002, and ending June 30, 2005, and \$46, except as provided in subsection (c), on and after July 1, 2005,”; following line 32 by inserting:

“(c) The \$1 increase in docket fees prescribed pursuant to this section for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to this section shall not be in effect.”;

Also on page 12, in line 36, after “\$27” by inserting “, except as provided in subsection (c), commencing on July 1, 2002, and ending June 30, 2005, and \$26, except as provided in subsection (c), on and after July 1, 2005.”; in line 37, after “\$47” by inserting “, except as provided in subsection (c), commencing on July 1, 2002, and ending June 30, 2005, and \$46, except as provided in subsection (c), on and after July 1, 2005.”; in line 39, after “\$77” by inserting “, except as provided in subsection (c), commencing on July 1, 2002, and ending June 30, 2005, and \$76, except as provided in subsection (c), on and after July 1, 2005.”;

On page 13, following line 3, by inserting:

“(c) The \$1 increase in docket fees prescribed pursuant to this section for the period commencing July 1, 2002, and ending June 30, 2005, shall be in effect unless moneys are appropriated from the state treasury and enacted into law for operating expenditures for the judicial council in an amount not less than \$199,721 for each fiscal year during such period. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are less than \$199,721 for any fiscal year during such period, then such increase in docket fees shall be in effect. If the moneys appropriated from the state treasury and enacted into law for operating expenditures for the judicial council are equal to or greater than \$199,721 for any fiscal year during such period, then the increase in docket fees prescribed pursuant to this section shall not be in effect.”;

Also on page 13, in line 5, after the period by inserting “All moneys credited to the judicial council fund shall be expended for operating expenditures for the judicial council.”; following line 10, by inserting the following:

“Sec. 13.

JUDICIAL COUNCIL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2003, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Judicial council fund	No limit”;
-----------------------------	------------

And by renumbering the remaining sections accordingly;

Also on page 13, in line 12, following “20-367,” by inserting “as amended by section 1 of 2002 Senate Bill No. 477,”; in line 13, following “2001,” by inserting “as amended by section 2 of 2002 Senate Bill No. 477,”;

In the title, on page 1, in line 15, before “amend-”, by inserting “making appropriations for the judicial council for the fiscal year ending June 30, 2003;”; in line 17, following “20-367,” by inserting “as amended by section 1 of 2002 Senate Bill No. 477,”; also in line 17, following “60-2001,” by inserting “as amended by section 2 of 2002 Senate Bill No. 477,”;

And your committee on conference recommends the adoption of this report.

JOHN VRATIL
DAVID ADKINS
GRETA GOODWIN
Conferees on part of Senate

MICHAEL R. O'NEAL
WARD LOYD
JANICE L. PAULS
Conferees on part of House

On motion of Rep. O'Neal to not adopt the conference committee report on **HB 2802** and that a new conference committee be appointed, the motion prevailed.

Speaker pro tem Aurand thereupon appointed Reps. O'Neal, Loyd and Pauls as second conferees on the part of the House.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2872**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, in line 31, by striking "a" and inserting "an area vocational technical school, technical college, community college, vocational school coordinated under the state board of regents or associate degree programs at"; also in line 31, by striking "institution" and inserting "institutions";

On page 2, in line 2, before the period by inserting "or were released from foster care prior to their 18th birthday after having graduated from high school or completing the requirements for a general educational development (GED) certificate while in foster care"; in line 5, by striking "a" and inserting "area vocational technical schools, technical colleges, community colleges, area vocational schools or associate degree programs at"; also in line 5, by striking "institution" and inserting "institutions"; in line 30, before the semicolon by inserting "for the first three years and upon completion of the fourth year, the remaining balance of principal and interest of the loan shall be forgiven";

On page 7, by striking all in lines 17 through 26 and inserting the following:

"Sec. 11. K.S.A. 72-4433, as amended by section 1 of 2002 House Bill No. 2821, is hereby amended to read as follows: 72-4433. *Different rates per hour of tuition, fees and charges shall be fixed by each local board for the different postsecondary programs administered by such board.* The rate per hour of tuition for postsecondary students ~~shall be~~ fixed by each local board shall be subject to approval of the state board of regents *by the commencement of each school year.*

New Sec. 12. (a) As used in this section:

(1) "Kansas educational institution" means and includes area vocational schools, area vocational-technical schools, community colleges, state educational institutions and technical colleges.

(2) "State board" means the state board of regents.

(b) Subject to appropriations therefor and except as otherwise provided by this section, every Kansas educational institution shall provide for enrollment without charge of tuition, undergraduate fees, including registration, matriculation and laboratory fees for any eligible applicant. No Kansas educational institution shall be required by this section to provide for the enrollment of more than three new applicants in any academic year. An applicant who was in the custody of social and rehabilitation services on the date such applicant reached 18 years of age and who is accepted to a Kansas educational institution within two years following the date such applicant graduated from a high school or fulfilled the requirements for a general educational development (GED) certificate shall be eligible for enrollment at a Kansas educational institution without charge of tuition or such fees not to exceed eight semesters of undergraduate instruction, or the equivalent thereof, at all such institutions.

(c) Subject to appropriations therefor, any Kansas educational institution which at the time of enrollment did not charge tuition or fees as prescribed by subsection (b), and amendments thereto, of the eligible applicant may file a claim with the state board for reimbursement of the amount of such tuition and fees. The state board shall be responsible for payment of reimbursements to Kansas educational institutions upon certification by each such institution of the amount of reimbursement to which the educational institution is entitled. Such payments to Kansas educational institutions shall be made upon vouchers approved by the state board and upon warrants of the director of accounts and reports. Payments may be made by issuance of a single warrant to each Kansas educational institution at which one or more eligible applicants are enrolled for the total amount of tuition and fees not charged eligible applicants for enrollment at that institution. The director of ac-

counts and reports shall cause such warrant to be delivered to the Kansas educational institution at which such eligible applicant or applicants are enrolled. If an eligible applicant discontinues attendance before the end of any semester, after the Kansas educational institution has received payment under this subsection, the institution shall pay to the state the entire amount which such eligible applicant would otherwise qualify to have refunded, not to exceed the amount of the payment made by the state on behalf of such applicant for the semester. All amounts paid to the state by Kansas educational institutions under this subsection shall be deposited in the state treasury and credited to the tuition waiver gifts, grants and reimbursements fund.

(d) The chief executive officer of the state board shall submit a report to the house and senate committees on education during the 2004 and 2006 regular session of the legislature on the results, outcomes and effectiveness of the tuition waiver program authorized by this section.

(e) The state board is authorized to receive any grants, gifts, contributions or bequests made for the purpose of supporting the tuition waiver program authorized by this section and to expend the same.

(f) There is hereby established in the state treasury the tuition waiver gifts, grants and reimbursements fund. Expenditures from the fund may be made for the purpose of payment of claims of Kansas educational institutions pursuant to this section and for such purposes as may be specified with regard to any grant, gift, contribution or bequest. All such expenditures shall be authorized by the chief executive officer of the state board, or such officer's designee and made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chief executive officer of the state board, or such officer's designee.

(g) During each year, the chief executive officer of the state board shall make one or more certifications of the amount or amounts required to pay claims received from Kansas educational institutions for tuition and fees under this section to the director of accounts and reports and the secretary of social and rehabilitation services. Upon receipt of each such certification, the director of accounts shall transfer the amount certified from moneys received under the federal Chafee foster care independence grant and credited to the foster care assistance federal fund of the department of social and rehabilitation services to the tuition waiver gifts, grants and reimbursements fund of the state board.

(h) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the tuition waiver gifts and grants fund interest earnings based on:

(1) The average daily balance of moneys in the tuition waiver gifts and grants fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(i) Applicants eligible for the benefits under this section shall be exempt from the provisions of K.S.A. 76-717, and amendments thereto.

(j) The state board shall adopt rules and regulations requiring eligible applicants to be enrolled as a full-time undergraduate student in good academic standing and to maintain part-time employment to remain eligible and other rules and regulations, as appropriate, for administration of the applicable provisions of this section and shall determine the eligibility of applicants for the benefits provided under this section.

(k) The provisions of this section shall expire on June 30, 2006, except that any eligible applicant who received a tuition waiver before June 30, 2006, and is deemed by the state board to be eligible pursuant to this section shall be allowed to remain eligible until such applicant completes such applicant's course of study or becomes ineligible pursuant to the provisions of this section.”;

And by renumbering the remaining sections accordingly;

Also on page 7, in line 27, after “72-4433”; by inserting “, as amended by section 1 of 2002 House Bill No. 2821,”;

In the title, on page 1, in line 12, after “ACT” by inserting “concerning postsecondary education;”; also in line 12, after “program” by inserting “and a tuition waiver program;”; in line 13, after “a” by inserting “workforce development loan fund and a tuition waiver

gifts, grants and reimbursements"; also in line 13, after "for" by inserting "workforce development"; in line 14, after "72-4433" by inserting ", as amended by section 1 of 2002 House Bill No. 2821,";

And your committee on conference recommends the adoption of this report.

KARIN S. BROWNLEE
NICK JORDAN
JIM BARONE
Conferees on part of Senate

LISA BENLON
CARL C. KREHBIEL
SUE STORM
Conferees on part of House

On motion of Rep. Benlon, the conference committee report on **Sub. HB 2872** was adopted.

On roll call, the vote was: Yeas 110; Nays 10; Present but not voting: 0; Absent or not voting: 5.

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

Nays: Cook, Edmonds, Faber, Feuerborn, Lane, Ostmeyer, Spangler, Tafanelli, Tanner, Wells.

Present but not voting: None.

Absent or not voting: Mason, McKinney, Minor, O'Brien, Ray.

On motion of Rep. Weber, the House recessed until 7:30 p.m.

EVENING SESSION

The House met pursuant to recess with Speaker Glasscock in the chair.

MESSAGE FROM THE SENATE

Announcing passage of **HB 3023**.

Announcing passage of **HB 2030**, as amended; **HB 2896**, as amended.

The Senate adopts conference committee report on **HB 2145**.

The Senate adopts the conference committee report to agree to disagree on **SB 39** and has appointed Senators Corbin, Donovan and Lee as second conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **H. Sub. for Sub. SB 296** and has appointed Senators Vratil, Adkins and Goodwin as second conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **HB 2795** and has appointed Senators Corbin, Jenkins and Lee as conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **HB 2802** and has appointed Senators Vratil, Adkins and Goodwin as second conferees on the part of the Senate.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee committee on conference on House amendments to **SB 39**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 20 through 43;

By striking all on pages 2 through 4 and by inserting the following:

“Section. 1. On and after June 1, 2002, 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~~ \$1.00 on each 20 cigarettes or fractional part thereof or ~~\$.30~~ \$1.25 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. 2. On or before June 30, 2002, 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, 2002. A tax of \$.76 on each 20 cigarettes or fractional part thereof or \$.95 on each 25 cigarettes, as the case requires and \$.76 or \$.95, 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, 2002, is hereby imposed and shall be due and payable in equal installments on or before June 30, 2002, on or before September 30, 2002, and on or before December 30, 2002. 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. 3. On and after June 1, 2002, K.S.A. 2001 Supp. 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%~~ 0.636% 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 in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. The state treasurer shall first credit such amount 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. 4. On and after June 1, 2002, 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%~~ 0.636% 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%~~ 0.636% of such tax.

New Sec. 5. (a) In addition to the tax imposed by the Kansas estate tax act, a tax is hereby imposed on the privilege of succeeding to the ownership of any property, corporeal or incorporeal, and any interest therein within the jurisdiction of this state by any relative, or stranger in the blood, of a decedent other than the spouse, brothers and sisters, lineal ancestors, lineal descendants, step-parents, step-children, adopted children, lineal descendants of any adopted child or step-child, the spouse or surviving spouse of a son or daughter, or the spouse or surviving spouse of an adopted child or step-child of the decedent. In the case of an adopted child or step-child, a spouse or surviving spouse of an adopted child or step-child or the lineal descendant of an adopted child or step-child of the decedent, such person shall file with the department of revenue an affidavit setting forth the relationship of such person to the decedent. Such affidavit shall be sufficient proof of the adoptive or step-child relationship in question, and the department, or any officer or employee thereof, shall not require any additional proof of such relationship. As used in this paragraph, "step-child" means a child of a spouse or former spouse of the decedent or the brothers and sisters of the decedent.

(b) The tax shall be charged upon the value of the property succeeded to and shall be in an amount equal to a percentage of such value as follows: On any amount up to \$100,000, 10%; or any amount in excess of \$100,000 and up to \$200,000, 12%; on all sums in excess of \$200,000, 15%.

(c) All moneys collected pursuant to the provisions of this section shall be remitted to the state treasurer who shall credit the entire amount thereof to the state general fund.

(d) The provisions of this section shall be deemed supplemental to the Kansas estate tax act.

Sec. 6. On and after June 1, 2002, K.S.A. 2001 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%~~ 5.3% on and after June 1, 2002, and before June 1, 2004, 5.2% on and after June 1, 2004, and before June 1, 2005, and 5% on and after June 1, 2005, 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; (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 section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001. 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; and (3) the gross receipts from the provision of services taxable under this subsection which are billed on a combined basis with nontaxable services, shall be accounted for and the tax remitted as follows: The taxable portion of the selling price of those combined services shall include only those charges for taxable services if the selling price for the taxable services can be readily distinguishable in the retailer's books and records from the selling price for the nontaxable services. Otherwise, the gross receipts from the sale of both taxable and nontaxable services billed on a combined basis shall be deemed attributable to the taxable services included therein. Within 90 days of billing taxable services on a combined basis with nontaxable services, the retailer shall enter into a written agreement with the secretary identifying the methodology to be used in determining the taxable portion of the selling price of those combined services. The burden of proving that any receipt or charge is not taxable shall be upon the retailer. Upon request from the customer, the retailer shall disclose to the customer the selling price for the taxable services included in the selling price for the taxable and nontaxable services billed on a combined basis;

(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 but such tax shall not be levied

and collected upon the gross receipts from: (1) The sale of a rural water district benefit unit; (2) a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or (3) connection or reconnection fees collected by a water supplier;

(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 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 or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; or (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; 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 prewritten 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;

(t) the gross receipts received for telephone answering services, ~~including mobile phone~~ mobile telecommunication services, beeper services and other similar services. *On and after August 1, 2002, the provisions of the federal mobile telecommunications sourcing act as in effect on January 1, 2002, shall be applicable to all sales of mobile telecommunication services taxable pursuant to this subsection. The secretary of revenue is hereby authorized and directed to perform any act deemed necessary to properly implement such provisions;*

(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; and

(v) the gross receipts received from the sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701, *et seq.*, and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1, 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701 *et seq.*, and amendments thereto, shall be exempt from taxes imposed pursuant to this section.

Sec. 7. On and after June 1, 2002, K.S.A. 2001 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 remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the credit of 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 $\frac{5}{100}$ 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 $\frac{5}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.2%, 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 $\frac{5}{106}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) The state treasurer shall credit $\frac{1}{20}$ of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5%, and deposited as provided by 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 defined in K.S.A. 12-1770a, 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. 8. On and after June 1, 2002, K.S.A. 2001 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 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. 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. 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 or \$60, 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, 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 or \$30, 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 or \$60, 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.

(d) In the case of all tax years commencing after December 31, 2001, the threshold income amounts prescribed in this section and subsection (c) of K.S.A. 79-3633, and amendments thereto, shall be increased by an amount equal to such threshold amount multiplied by the cost-of-living adjustment determined under section 1 (f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

Sec. 9. On and after June 1, 2002, K.S.A. 2001 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%~~ 5.3% on and after June 1, 2002, and before June 1, 2004, 5.2% on and after June 1, 2004, and before June 1, 2005, and 5% on and after June 1, 2005. Within a redevelopment district established pursuant to K.S.A. 2001 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. 10. On and after June 1, 2002, K.S.A. 2001 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 remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the credit of the state general fund.

(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 $\frac{5}{104}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.2%, 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 $\frac{5}{106}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.*

(4) *The state treasurer shall credit $\frac{1}{20}$ 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 by 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 defined in K.S.A. 12-1770a, 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. 11. On and after June 1, 2002, K.S.A. 79-3310 and 79-3312 and K.S.A. 2001 Supp. 79-3311, 79-3603, 79-3620, 79-3635, 79-3703 and 79-3710 are hereby repealed.

Sec. 12. On July 1, 2002, K.S.A. 2001 Supp. 79-3603, as amended by section 1 of 2002 Senate Bill No. 372 is hereby repealed.

Sec. 13. This act shall take effect and be in force from and after its publication in the Kansas register.”;

In the title, in line 14, by striking all after “to”; by striking all in lines 15 through 17 and inserting the following:

“state government financing; providing tax revenue enhancements therefor; amending K.S.A. 79-3310 and 79-3312 and K.S.A. 2001 Supp. 79-3311, 79-3603, 79-3620, 79-3635, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 2001 Supp. 79-3603, as amended by section 1 of 2002 Senate Bill No. 372.”;

And your committee on conference recommends the adoption of this report.

JOHN T. EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
LES DONOVAN
Conferees on part of Senate

On motion of Rep. Edmonds to adopt the conference committee report on **SB 39**, the motion did not prevail.

On roll call, the vote was: Yeas 29; Nays 93; Present but not voting: 0; Absent or not voting: 3.

Yeas: Aday, Beggs, Benlon, Bethell, Campbell, Cox, Dreher, Edmonds, Glasscock, Hermes, Horst, Huff, Humerickhouse, Johnson, Krehbiel, Lane, Light, Loyd, Newton, O’Neal, Owens, Patterson, J. Peterson, Pottorff, Ray, Sloan, Stone, Tomlinson, Wilk.

Nays: Aurand, Ballard, Ballou, Barnes, Boston, Burroughs, Compton, Cook, Crow, Dahl, DeCastro, Dillmore, DiVita, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Goering, Gordon, Grant, Hayzlett, Henderson, Henry, Holmes, Howell, Huebert, Hutchins, Huy, Kauffman, Kirk, Klein, Kuether, Landwehr, Larkin, Levinson, Lightner, Lloyd, Loganbill, M. Long, P. Long, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Nichols, Novascone, Ostmeyer, Palmer, Pauls, E. Peterson, Phelps, L. Powell, T. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Spangler, Storm, Swenson, Tafanelli, Thimesch, R. Toelkes, Toplikar, Vickrey, Weber, Wells, Welshimer, D. Williams, J. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: O’Brien, Osborne, Tanner.

EXPLANATION OF VOTE

MR. SPEAKER: At a time when state revenues continue to fall below necessary levels, this budget proposal fails to do little more than plug a hole. As Governor Graves stated in 1995: “In Kansas, we have traditionally rejected the notion that it’s possible to spend our way into prosperity or tax our way into an economically stronger future for ourselves or our children.”

This tax proposal will not lead us into prosperity nor will it create an economically stronger future for Kansas. I vote no on **SB 39**.—KAREN DIVITA-JOHNSON

REPORT ON ENROLLED BILLS

Sub. HB 2469; HB 2505, HB 2666, HB 2690; S. Sub. for HB 2831; HB 2880, HB 3032 reported correctly enrolled, properly signed and presented to the governor on May 10, 2002.

REPORT ON ENROLLED RESOLUTIONS

HR 6018 reported correctly enrolled and properly signed on May 10, 2002.

READING AND CORRECTION OF THE JOURNAL

In the Journal, on page 2470, under Report on Enrolled Resolutions, it should be corrected to read as follows:

REPORT ON ENGROSSED RESOLUTIONS

HR 6018 reported correctly engrossed May 9, 2002.

On motion of Rep. Weber, the House adjourned until 11:00 a.m., Saturday, May 11, 2002.

CHARLENE SWANSON, *Journal Clerk*.

JANET E. JONES, *Chief Clerk*.

