

# Journal of the House

## FIFTY-SEVENTH DAY

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HALL OF THE HOUSE OF REPRESENTATIVES,  
TOPEKA, KS, Monday, May 3, 2010, 11:00 a.m.

The House met pursuant to recess with Speaker O'Neal in the chair.  
The roll was called with 123 members present.  
Reps. Carlin and Hawk were excused on excused absence by the Speaker.  
Rep. Fund was excused later in the day on verified illness.

Prayer by Chaplain Brubaker:

Generous God, Our Father,  
We read in Scripture that You provide  
for the lilies of the field  
and the birds of the air.  
You own the cattle on a thousand hills,  
and You enjoy giving good gifts to Your children.  
You promise to take care of us,  
even when our faith is small.  
You own everything and You have loaned  
it all to us to care for.  
Bless us as we examine the use of your gifts  
and as we seek to use them  
fairly, honestly and prudently.  
As we deliberate and assess the needs  
and allocate the resources,  
may we be reminded that  
You demand of us to be good stewards  
of what you have provided for us.  
Give us more of Your love,  
that we might crave fewer material possessions.  
Grant us a sense of fullness, not emptiness  
as we make and stick to a budget.  
More than ever, we need Your  
wisdom and guidance . . .  
so this is what we ask for this morning.  
Please continue to be with Rep. Hawk and his wife, Tammi.  
Lord, be for them the strength and courage they need today.  
In Christ's Name, I pray, Amen.

The Pledge of Allegiance was led by Rep. Ballard.

### PERSONAL PRIVILEGE

There being no objection, the remarks of Reps. Patton and Burgess are spread upon the journal:

*Rep. Patton:* We have a strong tradition in the House of honoring men and women of good character, so I'm pleased to honor Dana Noakes, upon her retirement.

Dana is here with her mom, Etta Conner, her brother and sister-in-law, Dean and Carol Conner, and sister-in-law Brenda Noakes; and friends and co-workers in the galley. Dana became a session employee as office secretary in the 1998 session and again in 1999.

After that session, Legislative Services needed to hire a new Secretarial Pool Coordinator; and because of her past employment at Jostens Yearbook working with personnel, Dana was offered and accepted our session position as the secretarial pool coordinator.

Dana served as a liaison between the office assistants, their legislators, Legislative Services' Office Manager and Director and the leadership offices of the Kansas House and Senate.

Upon her retirement, her co-workers prepared two books with comments. Allow me to share with you some of these comments from her co-workers.

"Dana, The woman of kindness and grace, but also a top professional; you WILL be missed! Your thoughtfulness and always pleasant demeanor have made many a new and returning session employee feel needed, wanted and useful. Thank you! We rather like you — can you tell?"

"Dana, You were the perfect pool coordinator. Always with the right balance of keeping the staff's well being in mind but at the same time trying to get done what our Kansas Legislators requested. There is no way to "thank you" for your service to the Kansas Legislature. I firmly believe we'll never have anyone else here in your position that will do it as well as you have."

"Dana, Your upbeat personality, wise counsel, and willingness to help with whatever was needed will be among my best memories of you. They say every once in awhile someone passes through your life and you're never quite the same. I can say this about you. Thank you for being a Friend."

"Dana, you have such diplomacy in dealing with all of us and our problems."

Dana, on behalf of the citizens of the State of Kansas, we present you with this House certificate. Thank you for your service.

*Rep. Burgess:* Dana has been the consummate professional and maintained a positive attitude no matter what we threw at her. No matter how many people were out sick, or how much turnover we had in both legislators and staff, she was always able to handle it with a smile.

I think the comments my colleague read earlier sum it up very well.

Dana, it is my honor to be part of this opportunity to recognize your service and present you with this Kansas flag, which was flown over the capitol on April 30, 2010.

#### INTRODUCTION OF ORIGINAL MOTIONS

The question reverted back to the motion of Rep. Kuether (see HJ, page 1407) which was offered on Friday, April 30, 2010, that having voted on the prevailing side, the House reconsider its action in not passing **S. Sub. for HB 2115** notwithstanding the Governor's veto.

Roll call was demanded

On roll call, the vote was: Yeas 85; Nays 38; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aurand, Bethell, Bowers, Brookens, A. Brown, Brunk, Burgess, Carlson, Colloton, Craft, Crum, DeGraaf, Donohoe, Faber, Feuerborn, Frownfelter, Fund, D. Gatewood, George, Goico, Gordon, Grange, Grant, Hayzlett, Henry, Hermanson, Hineman, C. Holmes, M. Holmes, Horst, Huebert, Jack, Kelley, Kerschen, Kiegerl, King, Kinzer, Kleeb, Knox, Landwehr, Light, Long, Lukert, Maloney, Mast, McLeland, Meier, Merrick, Morrison, Moxley, Myers, Neufeld, O'Brien, O'Neal, Olson, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Powell, Prescott, Proehl, Rhoades, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Slattery, Suellentrop, D. Svaty, Swanson, Tafanelli, Vickrey, Wetta, Whitham, Williams, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Ballard, Barnes, Benlon, Bollier, T. Brown, Burroughs, Crow, Davis, Dillmore, Finney, Flaharty, Furtado, Garcia, S. Gatewood, Goyle, Henderson, Hill, Johnson, Kuether, Lane, Loganbill, Mah, McCray-Miller, Menghini, Neighbor, Pottorff, Quigley, Rardin, Roth, Ruiz, Sloan, Spalding, Swenson, Talia, Tietze, Trimmer, Ward, Winn.

Present but not voting: None.  
Absent or not voting: Carlin, Hawk.

A two-thirds majority of the members elected to the House having voted in the affirmative, the motion to reconsider prevailed.

The question then reverted back to the motion of Rep. Kinzer that the House reconsider the Governor's veto on **S. Sub. for HB 2115** and that the bill pass notwithstanding the Governor's veto.

On roll call, the vote was: Yeas 86; Nays 35; Present but not voting: 0; Absent or not voting: 4.

Yeas: Auran, Bethell, Bowers, Brookens, A. Brown, Brunk, Burgess, Carlson, Colloton, Craft, Crum, DeGraaf, Donohoe, Faber, Feuerborn, Frownfelter, Fund, D. Gatewood, George, Goico, Grange, Grant, Hayzlett, Henry, Hermanson, Hineman, C. Holmes, M. Holmes, Horst, Huebert, Jack, Kelley, Kerschen, Kiegerl, King, Kinzer, Kleeb, Knox, Landwehr, Light, Long, Lukert, Maloney, Mast, McLeland, Meier, Merrick, Morrison, Moxley, Myers, Neufeld, O'Brien, O'Neal, Olson, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Prescott, Proehl, Rhoades, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Slattery, Suellentrop, D. Svaty, Swanson, Swenson, Tafanelli, Vickrey, Wetta, Whitham, Williams, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Ballard, Barnes, Benlon, Bollier, T. Brown, Burroughs, Crow, Davis, Finney, Flaharty, Furtado, Garcia, S. Gatewood, Gordon, Goyle, Henderson, Hill, Johnson, Kuether, Loganbill, Mah, McCray-Miller, Menghini, Neighbor, Quigley, Rardin, Roth, Ruiz, Sloan, Spalding, Talia, Tietze, Trimmer, Ward, Winn.

Present but not voting: None.  
Absent or not voting: Carlin, Dillmore, Hawk, Lane.

A two-thirds majority of the members elected to the House having voted in favor of the bill over the governor's veto, the motion did prevail, and the bill did pass.

#### EXPLANATION OF VOTE

MR. SPEAKER: While pregnant with my third child, I was shocked when the nurse asked if I planned to terminate the pregnancy or carry to full term. Abortion was something I couldn't accept personally.

As the mother of three daughters, I wouldn't want them to abort a baby unless a risk to their life was involved. And then we'd want to rely on the doctor's best judgment and not allow the government to dictate. In the case of the physical and mental health of a patient, I don't believe the government should be involved.

I vote no on **S. Sub. for HB 2115**.—LANA GORDON

#### MESSAGE FROM THE SENATE

Announcing adoption of **SCR 1630**.

Announcing passage of **HB 2446**.

The Senate adopts conference committee report on **HB 2691**.

The Senate accedes to the request of the House for a conference on **HB 2554** and has appointed Senators Brownlee, Lynn and Holland as second conferees on the part of the Senate.

#### INTRODUCTION OF SENATE BILLS AND CONCURRENT RESOLUTIONS

The following Senate concurrent resolution was thereupon introduced and read by title:  
**SCR 1630**.

#### INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Schwartz, **HR 6042**, by Rep. Schwartz, as follows, was introduced and adopted:

HOUSE RESOLUTION No. 6042—

A RESOLUTION congratulating and commending Hanover High School for winning back-to-back championships in both football and basketball.

WHEREAS, Hanover High School had a tremendous 2009-2010 school year, winning

both the Kansas State High School Activities Association Class 1A State Football and Basketball Championships for the second year in a row in both sports; and

WHEREAS, In the fall, Hanover's Eight Man Division II Football Team won their second straight title, defeating Quivira Heights 66-36 in the championship game. The team had a record of 12-1 for the season, and Coach Matt Heuer was selected by the Kansas Eight Man Football Coaches' Association as the Eight Man Football Coach of the Year for Kansas; and

WHEREAS, Members of the Hanover Wildcat Football Team were: Trevor Jueneman, Ethan Diederich, Jerod Diederich, Taylor Nicholson, Austin Steinfert, Mark Zarybnicky, Austin Jueneman, Cody Nieman, Aaron Diederich, Brady Bruna, Zach Shockley, Dylan Goeckel, Derrick Gerard, Brent Bruna, Dylan Bruna, Andrew Donovan, Ryan Diederich, Rory Nieman, Dean Bruna, Skyler Graff, Logan Bruna, Connor Hynek, Josh Meyer, Chad Alexander and Sam Bruna. The head coach was Matt Heuer and the assistant coaches were Zach Lackey and Chris Beikmann. Team managers were Devin Jueneman and Will Bruna; and

WHEREAS, In the winter, the Hanover Wildcats Basketball Team won their second consecutive 1A Kansas State High School Basketball title by beating Montezuma-South Gray 58-49 in the championship game. The state title was the fourth for Hanover and with their 2009 win, it is the school's second back-to-back title, the first occurring in 1998 and 1999. Coach Kim Lohse was also awarded the Kansas Coaches Association Coach of the Year Award; and

WHEREAS, Members of the Hanover Wildcat Basketball team were: Trevor Jueneman, Ethan Diederich, Jerod Diederich, Connor Hynek, Austin Steinfert, Derrick Gerard, Aaron Diederich, Chad Alexander, Brent Bruna, Brady Bruna, Ryan Diederich, Sam Bruna, Austin Jueneman, Taylor Nicholson, Rory Nieman, Danny Snyder, Mark Zarybnicky, Cody Nieman and Dean Bruna. The head coach was Kim Lohse and assistant coach was Matt Heuer. The team managers were Trey Lohse and Cody Rengstorf; and

WHEREAS, In addition to being outstanding athletes, there were several students who were named to the Twin Valley League All-Academic Team. This award is given to students who participate in at least three different Kansas State High School Activities Association sanctioned activities per year, as well as maintaining an exceptional grade point average. Jerod Diederich, Austin Steinfert, Brady Bruna and Rory Nieman received the award, with each student playing on both the basketball and football teams; and

WHEREAS, Both teams have received statewide recognition for their athletic abilities and fine sportsmanship. The success of these teams was due to their unselfish teamwork, competitive spirit and dedication. The teams also had the enthusiastic support of the school's administrators, teachers and staff, fellow students, parents and the entire Hanover community: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we congratulate and commend the Hanover Wildcats Football and Basketball teams and coaches for their back-to-back state championship wins and extend our best wishes for their continued success and happiness in the future; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives be directed to send 43 enrolled copies of this resolution to Representative Schwartz.

#### **INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS**

On emergency motion of Rep. Schwartz, **HR 6043**, by Rep. Schwartz, as follows, was introduced and adopted:

HOUSE RESOLUTION No. 6043—

A RESOLUTION congratulating and commending Hanover High School basketball coach Kim Lohse.

WHEREAS, Kim Lohse, coach of the Hanover High School Wildcats basketball team, was named the Kansas Coaches Association Coach of the Year for 2009-2010; and

WHEREAS, Coach Lohse has been at Hanover since the 1995-1996 school year, and has a tremendous record of success in the last 15 years. His basketball teams have been the Twin Valley League regular season champions eight times. They took second in the Twin

Valley League Championships four times and won the title once. In the Regional Championships, his teams have been the runner-up or the winner ten times. He has eight Sub-State Championships and was runner-up twice. His teams have also made eight appearances at the State Tournament, taking third place once, second place twice, and winning the championship four times. The first two State Championship wins for Coach Lohse came back-to-back in 1998 and 1999, and the second two wins have been back-to-back as well, in 2009 and now 2010. Overall he has a 15-5 record at the State Basketball game level; and

WHEREAS, Coach Lohse's successful career has been recognized at many levels. He was named the Class 1A Coach of the Year in 1998, 1999 and 2009. The Topeka Capital-Journal and the Salina Journal both named him Coach of the Year in 1999. He was named the Kansas Coaches Association Coach of the Year in 2009-2010 and was also given the 2009-2010 Midwest Sectional Coach of the Year Award for Boys Basketball. The Midwest Sectional award includes the states of Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we congratulate and commend Coach Kim Lohse of the Hanover High School Wildcats Boys Basketball Team for his outstanding performance throughout his career at Hanover, for winning the 2010 Class 1A State Basketball Championship and for being awarded the Kansas Coaches Association Coach of the Year. His dedication to his students and his sport are points of pride, not only for Hanover, but the entire State of Kansas and we extend our best wishes for his continued success and happiness in the future; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives be directed to send one enrolled copy of this resolution to Representative Schwartz.

#### INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

The following resolution was introduced and read by title:

##### HOUSE RESOLUTION No. 6044—

By Representatives O'Neal, Aurand, Ballard, Barnes, Benlon, Bethell, Bollier, Bowers, Brookens, A. Brown, T. Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Craft, Crow, Crum, Davis, DeGraaf, Dillmore, Donohoe, Faber, Feuerborn, Finney, Flaharty, Frownfelter, Fund, Furtado, Garcia, D. Gatewood, S. Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hermanson, Hill, Hineman, C. Holmes, M. Holmes, Horst, Huebert, Jack, Johnson, Kelley, Kerschen, Kiegerl, King, Kinzer, Kleeb, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Maloney, Mast, McCray-Miller, McLeland, Meier, Menghini, Merrick, Morrison, Moxley, Myers, Neighbor, Neufeld, O'Brien, Olson, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Prescott, Proehl, Quigley, Rardin, Rhoades, Roth, Ruiz, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Slattery, Sloan, Spalding, Suellentrop, D. Svaty, Swanson, Swenson, Tafanelli, Talia, Tietze, Trimmer, Vickrey, Ward, Wetta, Whitham, Williams, Winn, B. Wolf, K. Wolf, Worley and Yoder

A RESOLUTION honoring John F. Hayes on his lifelong public and legal service to his community and state.

WHEREAS, John F. Hayes, former Majority Leader of the House of Representatives of the State of Kansas, passed away on January 14, 2010; and

WHEREAS, Throughout his life, John F. Hayes was committed to public service to his community and the State of Kansas, and to the honest and ethical practice of law; and

WHEREAS, John F. Hayes was born on December 11, 1919, in Salina, and was the only child of J. Frank and Helen Dye Hayes. A short time later John and his family moved to Hutchinson; and

WHEREAS, John F. Hayes was graduated from Hutchinson High School, Hutchinson Community College and Washburn University; and

WHEREAS, John F. Hayes served his country with distinction as a Captain in the United States Army during World War II on active duty from 1942-1946, in the Phillipines and New Hebrides Islands; and

WHEREAS, John F. Hayes was graduated from Washburn University School of Law with a LLB in 1946, and began the practice of law which would continue throughout the next 60 years. The law firm, Gilliland and Hayes, which he founded with Robert Gilliland, celebrated its 50th anniversary on December 15, 2009; and

WHEREAS, John F. Hayes' service to the legal profession is characterized by his integrity, diligence, steadfast commitment to defense law, his tireless and patient teaching and mentoring of countless lawyers, his hard work, concise writing and speaking style, and the utmost admiration and recognition of lawyers and judges alike as one of the leading trial lawyers in Kansas; and

WHEREAS, John F. Hayes served as president of the Reno County Bar Association and the Kansas Association of Defense Counsel, and served as a member of the National Conference of Commissioners on Uniform State Laws, the American College of Trial Lawyers, the American Bar Foundation, Kansas Bar Foundation, American Bar Association and the Kansas Bar Association; and

WHEREAS, John F. Hayes was married to Elizabeth "Betty" Ireton on August 10, 1950, and the couple were blessed with two children, Carl and Chandler, and five grandchildren; and

WHEREAS, John F. Hayes was immensely active in his home community of Hutchinson while serving as President of the Hutchinson Chamber of Commerce, Hutchinson Rotary Club, Hutchinson Town Club and the Prairie Dunes Country Club, vice-president of the Hutchinson Symphony and as a long-time director of Central Bank and Trust. He also served as a director and district vice-president of the Kansas State Chamber of Commerce; and

WHEREAS, John F. Hayes served six terms in the House of Representatives of the State of Kansas where he served as Chairman of the Insurance and Judiciary committees and as Majority Leader of the House of Representatives. During his service in the Legislature he was instrumental in the passage of legislation which established Sand Hills State Park and the Law Enforcement Training Center at Hutchinson, and deeply involved in the passage of court unification and the state's no-fault insurance law, and improving the Kansas State Fair. John Hayes understood the legislative rules and parliamentary procedure of the legislature better than anyone while tirelessly working for his constituents and the state of Kansas. While he masterly worked on the floor of the House, his wife Betty, maintained an almost constant vigil in the gallery; and

WHEREAS, John F. Hayes also served as a delegate to the National Republican Convention in 1952; and

WHEREAS, John F. Hayes will be remembered for his many important contributions to the legal profession and his dedicated service to the community of Hutchinson and the State of Kansas, but he will be most remembered for the positive impact in a very personal way he had on all the lives he touched and improved; and

WHEREAS, The many significant contributions of John F. Hayes are evident but are overshadowed by his quiet and dedicated manner, his passion for his community and state and the practice of law, his honesty and integrity and his respectful guidance to those in his presence; and

WHEREAS, Although the State of Kansas and his family and friends have suffered a great loss, his true legacy is that his influence and teachings live on through the lives of the many people he came in contact with during his life: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we honor and commemorate the lifelong public and legal service of John F. Hayes, selflessly dedicated to his community, state and all whose lives he touched; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives be directed to send enrolled copies of this resolution to Betty Hayes, P.O. Box 2440, Hutchinson, Kansas 67504- 2440, Chandler Moenius, 11 Coventry Court, Prairie Village, Kansas 66208, Jill Moenius, 11 Coventry Court, Prairie Village, Kansas 66208, and Ann Moenius, 11 Coventry Court, Prairie Village, Kansas 66208.

#### REPORTS OF STANDING COMMITTEES

Committee on **Appropriations** recommends **SB 581** be passed.

Committee on **Appropriations** recommends **HR 6036** be amended on page 2, by striking all in lines 4 through 9; in line 10, by striking “fundamental unfairness” and inserting “passage”; also in line 10, following “3590” by inserting “, the Patient Protection and Affordable Care Act.”; in line 15, before “bring” by inserting “join or”;

On page 1, in the title, in line 13, before “bring” by inserting “join or”; and the resolution be adopted as amended.

On motion of Rep. Merrick, the House recessed until 2:30 p.m.

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## AFTERNOON SESSION

The House met pursuant to recess with Speaker O’Neal in the chair.

On motion of Rep. Merrick, the House resolved into Committee of the Whole, with Rep. Yoder in the chair.

### COMMITTEE OF THE WHOLE

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

Recommended that on motion of Rep. Merrick, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules be suspended for the purpose of considering **HB 2549; H. Sub. for SB 572**.

On motion of Rep. A. Brown, **HB 2549** (see previous action, HJ page 1121) be amended as amended by House Committee of the Whole, with amendments adopted on March 16, 2010, and printed as such, on page 11, by striking all in lines 31 through 43;

By striking all on pages 12 through 17;

On page 18, by striking all in lines 8 through 20;

On page 89, in line 16, by striking “and 79-3603”; in line 17, by striking “are” and inserting “is”;

On page 1, in the title, in line 13, by striking the comma; also in line 13, by striking “coin-operated laundry services”; in line 15, by striking “and 79-3603 and”; also in line 15, by striking “sections” and inserting “section”;

Also, roll call was demanded on further motion of Rep. A. Brown to amend **HB 2549** as amended by House Committee of the Whole, with amendments adopted March 16, 2010, and printed as such, on page 1, after line 17, by inserting the following:

“Section 1. K.S.A. 2009 Supp. 79-3301 is hereby amended to read as follows: 79-3301. As used in this act:

(a) “Carrier” means one who transports cigarettes from a manufacturer to a wholesale dealer or from one wholesale dealer to another.

(b) “Carton” means the container used by the manufacturer of cigarettes in which no more than 10 packages of cigarettes are placed prior to shipment from such manufacturer.

(c) “Cigar” means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco other than any roll of tobacco which is a cigarette as defined in this section.

(d) “Cigarette” means any roll for smoking, made wholly or in part of tobacco, irrespective of size or shape, and irrespective of tobacco being flavored, adulterated or mixed with any other ingredient if the wrapper is in greater part made of any material except tobacco wrapped in paper or any substance not containing tobacco or any roll of tobacco wrapped in any substance containing tobacco that because of appearance, the type of tobacco used in the filler, or packaging and labeling, is likely to be offered to, or purchased by consumers as a cigarette as described in this subsection. Cigarettes include little cigars.

~~(d)~~ (e) “Consumer” means the person purchasing or receiving cigarettes or tobacco products for final use.

~~(e)~~ (f) “Dealer” means any person who engages in the sale or manufacture of cigarettes in the state of Kansas, and who is required to be licensed under the provisions of this act.

~~(f)~~ (g) “Dealer establishment” means any location or premises, other than vending machine locations, at or from which cigarettes are sold, and where records are kept.

~~(g)~~ (h) “Director” means the director of taxation.

(h) (i) "Distributor" means: (1) Any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale; (2) any person who makes, manufactures, fabricates or stores tobacco products in this state for sale in this state; or (3) any person engaged in the business of selling tobacco products without this state who ships or transports tobacco products to any person in the business of selling tobacco products in this state.

(h) (j) "Division" means the division of taxation.

(h) (k) "License" means, in addition to the privilege of a licensee to sell cigarettes or tobacco products in the state of Kansas, the written evidence of such authority or privilege to so operate as evidenced by any license issued by the director of taxation.

(h) (l) "Licensee" means any person holding a current license issued pursuant to this act.

(h) (m) "Little cigar" means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco and as to which 1,000 units weigh not more than three pounds.

(n) "Manufacturer's salesperson" means a person employed by a cigarette manufacturer who sells cigarettes, manufactured by such employer and procured from wholesale dealers.

(h) (o) "Meter imprints" means tax indicia applied by means of ink printing machines.

(h) (p) (1) "Package" means a container in which no more than 25 individual cigarettes are wrapped and sealed by the manufacturer of cigarettes prior to shipment to a wholesale dealer.

(2) For the purposes of subsections (u), (v) and (w) of K.S.A. 79-3321, and amendments thereto, "package" shall have the meaning ascribed thereto means the same as provided in 15 U.S.C. §1332(4).

(h) (q) "Person" means any individual, partnership, society, association, joint-stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity whether appointed by a court or otherwise and any combination of individuals.

(h) (r) "Received" means the coming to rest of cigarettes for sale by any dealer in the state of Kansas.

(h) (s) "Retail dealer" means a person, other than a vending machine operator, in possession of cigarettes for the purpose of sale to a consumer.

(h) (t) "Sale" means any transfer of title or possession or both, exchange, barter, distribution or gift of cigarettes or tobacco products, with or without consideration.

(h) (u) "Sample" means cigarettes or tobacco products distributed to members of the general public at no cost for purposes of promoting the product.

(h) (v) "Stamps" means tax indicia applied either by means of water applied gummed paper or heat process.

(h) (w) "Tax indicia" means visible evidence of tax payment in the form of stamps or meter imprints.

(h) (x) "Tobacco products" means cigars, cheroots, stogies, periques; granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, *cigarette wrappers made of tobacco* and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking. Tobacco products does not include cigarettes or little cigars.

(h) (y) "Vending machine" means any coin operated machine, contrivance or device, by means of which merchandise may be sold.

(h) (z) "Vending machine distributor" means any person who sells cigarette vending machines to a vending machine operator operating vending machines in the state of Kansas.

(h) (aa) "Vending machine operator" means any person who places a vending machine, owned, leased or operated by such person, at locations where cigarettes are sold from the machine. The owner or lessee of the premises upon which a vending machine is placed shall not be considered the operator of the machine, nor shall the owner or lessee, or any employee or agent of the owner or lessee be considered an authorized agent of the vending machine operator, if the owner or lessee does not own or lease the machine and the owner's or lessee's sole remuneration from the machine is a flat rental fee or commission based upon the number or value of cigarettes sold from the machine, or a combination of both.



~~(z)~~ (bb) "Wholesale dealer" means any person who sells cigarettes to other wholesale dealers, retail dealers, vending machine operators and manufacturer's salespersons for the purpose of resale in the state of Kansas.

~~(aa)~~ (cc) "Wholesale sales price" means the original net invoice price for which a manufacturer sells a tobacco product to a distributor, as shown by the manufacturer's original invoice.

~~(bb)~~ (dd) "Importer" shall have the same meaning ascribed thereto means the same as provided in 26 U.S.C. §5702~~(k)~~.

~~(cc)~~ (ee) "Manufacturer" shall have the same meaning ascribed thereto means the same as provided in 26 U.S.C. §5702(d).

Sec. 2. K.S.A. 2009 Supp. 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. ~~On and after July 1, 2002, and before January 1, 2003, the rate of such tax shall be \$.70 on each 20 cigarettes or fractional part thereof or \$.875 on each 25 cigarettes, as the case requires. On and after January 1, 2003~~ July 1, 2010, the rate of such tax shall be ~~\$.79~~ \$1.34 on each 20 cigarettes or fractional part thereof or ~~\$.99~~ \$1.675 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.

Sec. 3. K.S.A. 2009 Supp. 79-3310c is hereby amended to read as follows: 79-3310c. ~~(f)~~ On or before July 30, ~~2002~~ 2010, 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 July 1, ~~2002~~ 2010. A tax of ~~\$.46~~ \$.55 on each 20 cigarettes or fractional part thereof or ~~\$.575~~ \$.6875 on each 25 cigarettes, as the case requires and ~~\$.46 or \$.575~~ \$.55 or \$.6875, as the case requires upon all tax stamps and all meter imprints purchased from the director and not affixed to cigarettes prior to July 1, ~~2002~~ 2010, is hereby imposed and shall be due and payable in equal installments on or before July 30, ~~2002~~ 2010, on or before September 30, ~~2002~~ 2010, and on or before December 30, ~~2002~~ 2010. 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.

~~(2) On or before January 30, 2003, 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 January 1, 2003. A tax of \$.09 on each 20 cigarettes or fractional part thereof or \$.115 on each 25 cigarettes, as the case requires and \$.09 or \$.115, as the case requires upon all tax stamps and all meter imprints purchased from the director and not affixed to cigarettes prior to January 1, 2003, is hereby imposed and shall be due and payable in equal installments on or before January 30, 2003, on or before March 30, 2003, and on or before June 30, 2003. 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. 4. K.S.A. 2009 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 .90%~~ rate to be determined by the secretary of revenue based on statutory

*changes in tax rates and the collection responsibility placed on wholesale dealers, timeliness of filing returns and remittance of tax by wholesale dealers, completeness and accuracy of returns by wholesale dealers, and compliance with Kansas department of revenue and attorney general reporting requirements by wholesale dealers, on and after July 1, 2002 2010, and before January 1, 2003, and .80% thereafter* 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. *Cigarette stamps and meter imprints shall be affixed in a manner reasonably intended to preserve legibility of the serial numbers and other identifying characteristics of the stamp.*

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. 5. K.S.A. 2009 Supp. 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 ~~.90%~~ *a discount rate to be determined by the secretary of revenue based on statutory changes in tax rates and the collection responsibility placed on wholesale dealers, timeliness of filing returns and remittance of tax by wholesale dealers, completeness and accuracy of returns by wholesale dealers, and compliance with Kansas department of revenue and attorney general reporting requirements by wholesale dealers, on and after July 1, 2002 2010, and before January 1, 2003, and .80% thereafter* 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 ~~.90% such discount~~ on and after July 1, 2002, and before January 1, 2003, and .80% thereafter 2010, of such tax.

Sec. 6. K.S.A. 79-3371 is hereby amended to read as follows: 79-3371. A tax is hereby imposed upon the privilege of selling or dealing in tobacco products in this state by any person engaged in business as a distributor thereof, at the rate of ~~ten percent (10%)~~ 40% of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor: (a) Brings or causes to be brought into this state from without the state tobacco products for sale; (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (c) ships or transports tobacco products to retailers in this state to be sold by those retailers.

New Sec. 7. On or before July 31, 2010, each distributor and retail business selling tobacco products having a place of business in this state shall file a report with the director in such form as the director may prescribe, showing the tobacco products on hand at 12:01 a.m. on July 1, 2010. For distributors, a tax at a rate equal to 30% of the wholesale sales price of such tobacco products, and for a retail business selling tobacco products, a tax at a rate of 30% of the retail invoice price to the consumer, is hereby imposed upon such tobacco products and shall be due and payable on or before July 31, 2010. The tax upon such tobacco products shall be imposed only once under this act. The director shall remit all moneys collected pursuant to this section to the state treasurer who shall credit the entire amount thereof to the state general fund.

Sec. 8. K.S.A. 79-3378 is hereby amended to read as follows: 79-3378. On or before the ~~twentieth~~ 20th day of each calendar month every distributor with a place of business in this state shall file a return with the director showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the director. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~four percent (4%)~~ a percentage of such liability as compensation to reimburse the distributor for ~~his or her~~ expenses incurred in the administration of this act *to be determined by the secretary of revenue based on statutory changes in tax rates and the collection responsibility placed on distributors, timeliness of filing returns and remittance of tax by distributors, completeness and accuracy of returns by wholesale dealer and compliance with Kansas department of revenue and attorney general reporting requirement by distributors.* As soon as practicable after any return is filed, the director shall examine the return. If the director finds that, in ~~his or her~~ the director's judgment, the return is incorrect and any amount of tax is due from the distributor and unpaid, ~~he or she~~ the director shall notify the distributor of the deficiency. If a deficiency disclosed by the director's examination cannot be allocated by ~~him~~ the director to a particular month or months, ~~he or she~~ the director may nevertheless notify the distributor that a deficiency exists and state the amount of tax due. Such notice shall be given to the distributor by registered or certified mail.

Sec. 9. K.S.A. 2009 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas

adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments to such sections.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2009 Supp. 79-32,204 and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203 and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 2009 Supp. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 2009 Supp. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 2009 Supp. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to paragraph (xiii) of subsection (c), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2009 Supp. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2009 Supp. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2009 Supp. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2009 Supp. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2009 Supp. 79-32,256, and amendments thereto.

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

(xvix) *The amount of any deduction claimed and allowed for qualified domestic production activities pursuant to section 199 of the internal revenue code of 1986, as amended, to the extent that such deductions are claimed as a deduction for federal income tax purposes.*

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

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

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

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

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

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

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

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

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

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

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

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas Venture Capital, Inc.

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

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 2009 Supp. 74-50,201, et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation.

(xv) For all taxable years beginning after December 31, 2006, amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary which are contributed to a family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary at an institution of postsecondary education. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 2009 Supp. 75-643, and amendments thereto, and the provisions of such section are hereby incorporated by reference for all purposes thereof.

(xvi) For the tax year beginning after December 31, 2004, an amount not exceeding \$500; for the tax year beginning after December 31, 2005, an amount not exceeding \$600; for the tax year beginning after December 31, 2006, an amount not exceeding \$700; for the tax year beginning after December 31, 2007, an amount not exceeding \$800; for the tax year beginning December 31, 2008, an amount not exceeding \$900; and for all taxable years commencing after December 31, 2009, an amount not exceeding \$1,000 of the premium costs for qualified long-term care insurance contracts, as defined by subsection (b) of section 7702B of public law 104-191.

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

(xviii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for

death benefits pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section 1 or section 2 of chapter 207 of the 2005 session laws of Kansas, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

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

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

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

Sec. 10. K.S.A. 2009 Supp. 79-32,138 is hereby amended to read as follows: 79-32,138.

(a) Kansas taxable income of a corporation taxable under this act shall be the corporation's federal taxable income for the taxable year with the modifications specified in this section.

(b) There shall be added to federal taxable income: (i) The same modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and amendments thereto, with respect to resident individuals.

(ii) The amount of all depreciation deductions claimed for any property upon which the deduction allowed by K.S.A. 2009 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto, is claimed.

(iii) The amount of any charitable contribution deduction claimed for any contribution or gift to or for the use of any racially segregated educational institution.

(iv) *The amount of any deduction claimed and allowed for qualified domestic production activities pursuant to section 199 of the internal revenue code of 1986, as amended, to the extent that such deductions are claimed as a deduction for federal income tax purposes.*

(c) There shall be subtracted from federal taxable income: (i) The same modifications as are set forth in subsection (c) of K.S.A. 79-32,117, and amendments thereto, with respect to resident individuals.

(ii) The federal income tax liability for any taxable year commencing prior to December 31, 1971, for which a Kansas return was filed after reduction for all credits thereon, except credits for payments on estimates of federal income tax, credits for gasoline and lubricating oil tax, and for foreign tax credits if, on the Kansas income tax return for such prior year, the federal income tax deduction was computed on the basis of the federal income tax paid in such prior year, rather than as accrued. Notwithstanding the foregoing, the deduction for federal income tax liability for any year shall not exceed that portion of the total federal income tax liability for such year which bears the same ratio to the total federal income tax liability for such year as the Kansas taxable income, as computed before any deductions for federal income taxes and after application of subsections (d) and (e) of this section as existing for such year, bears to the federal taxable income for the same year.

(iii) An amount for the amortization deduction allowed pursuant to K.S.A. 2009 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

(iv) For all taxable years commencing after December 31, 1987, the amount included in federal taxable income pursuant to the provisions of section 78 of the internal revenue code.

(v) For all taxable years commencing after December 31, 1987, 80% of dividends from corporations incorporated outside of the United States or the District of Columbia which are included in federal taxable income.

(d) If any corporation derives all of its income from sources within Kansas in any taxable year commencing after December 31, 1979, its Kansas taxable income shall be the sum resulting after application of subsections (a) through (c) hereof. Otherwise, such corporation's Kansas taxable income in any such taxable year, after excluding any refunds of federal income tax and before the deduction of federal income taxes provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any refund of federal income tax as determined under paragraph (iv) of subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus the deduction for federal income taxes as provided by subsection (c)(ii) shall be such corporation's Kansas taxable income.

(e) A corporation may make an election with respect to its first taxable year commencing after December 31, 1982, whereby no addition modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138 and subtraction modifications as provided for in subsection (c)(iii) of K.S.A. 79-32,138, as those subsections existed prior to their amendment by this act, shall be required to be made for such taxable year.

Sec. 11. K.S.A. 2009 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 5.3%, and commencing June 1, 2010, at the rate of 6.3%, and commencing July 1, 2013, at the rate of 5.6%. 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) the gross receipts from intrastate, interstate or international telecommunications services and any ancillary services sourced to this state in accordance with K.S.A. 2009 Supp. 79-3673, and amendments thereto, except that telecommunications service does not include: (1) Any interstate or international 800 or 900 service; (2) any interstate or international private communications service as defined in K.S.A. 2009 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice data service; (4) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (5) 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;

(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, except that, on and after January 1, 2006, for sales of gas, electricity and heat delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises, and for agricultural use and also, for such use, all sales of propane gas, the state rate shall be 0%; and for all sales of propane gas, LP gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises, the state rate shall be 0%, 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 but such tax shall not be levied and collected upon the gross receipts received from sales of such service to the federal government and any agency, officer or employee thereof in association with the performance of official government duties;

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

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

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

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

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

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

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

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

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation 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. Any amount of sales tax paid pursuant to the Kansas retailers sales tax act on the isolated or occasional sale of motor vehicles or trailers on and after July 1, 2004, which the base for computing the tax was the value pursuant to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105, and amendments thereto, when such amount was higher than the amount of sales tax which would have been paid under the law as it existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure prescribed by this section. Such refund shall be in an amount equal to the difference between the amount of sales tax paid by the taxpayer and the amount of sales tax which would have been paid by the taxpayer under the law as it existed on June 30, 2004. Each claim for a sales tax refund shall be verified and submitted not later than six months from the effective date of this act to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of tax paid as provided by this act. All such refunds 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 the director's designee. No refund for an amount less than \$10 shall be paid pursuant to this act. 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, facility or utility structure damaged or destroyed by fire, flood, tornado, lightning, explosion, windstorm, ice loading and attendant winds, terrorism 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 municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility;

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

(5) "utility structure" shall mean transmission and distribution lines owned by an independent transmission company or cooperative, the Kansas electric transmission authority or natural gas or electric public utility; and

(6) "windstorm" shall mean straight line winds of at least 80 miles per hour as determined by a recognized meteorological reporting agency or organization;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property 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) on and after January 1, 2005, the gross receipts received from the sale of prewritten computer software and the sale of the services of modifying, altering, updating or maintaining prewritten computer software, whether the prewritten computer software is installed or delivered electronically by tangible storage media physically transferred to the purchaser or by load and leave;

(t) the gross receipts received for telephone answering services;

(u) the gross receipts received from the sale of prepaid calling service and prepaid wireless calling service as defined in K.S.A. 2009 Supp. 79-3673, and amendments thereto; 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. 12. K.S.A. 2009 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 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) On July 1, 2006, the state treasurer shall credit  $\frac{19}{200}$  of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2007, the state treasurer shall credit  $\frac{13}{100}$  of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(5) On June 1, 2010, the state treasurer shall credit 11.333% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(6) On July 1, 2011, the state treasurer shall credit 11.26% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(7) On July 1, 2012, the state treasurer shall credit 11.233% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund, as well as such revenue collected and received at the rate of 6.3%, after June 30, 2013.

(8) On July 1, 2013, and thereafter, the state treasurer shall credit 16.964% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.6%, 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 STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond project as defined in K.S.A. 2009 Supp. 12-17,162, and amendments thereto, that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 2009 Supp. 12-17,162, 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 STAR bond project.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by subsection (c) of K.S.A. 79-3603, and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to subsection (e) of K.S.A. 79-3710, and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 13. K.S.A. 2009 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 5.3%, and commencing June 1, 2010, at the rate of 6.3%, and commencing July 1, 2013, at the rate of 5.6%. 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 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. 14. K.S.A. 2009 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  $\frac{5}{100}$  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  $\frac{5}{100}$  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.

(3) On July 1, 2006, the state treasurer shall credit  $\frac{19}{265}$  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 by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2007, the state treasurer shall credit  $\frac{13}{106}$  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 by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(5) On June 1, 2010, the state treasurer shall credit 11.333% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(6) On July 1, 2011, the state treasurer shall credit 11.26% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(7) On July 1, 2012, the state treasurer shall credit 11.233% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund, as well as such revenue collected and received at the rate of 6.3%, after June 30, 2013.

(8) On July 1, 2013, and thereafter, the state treasurer shall credit 16.964% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at

*the rate of 5.6%, 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 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.

This subsection shall not apply to a project designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto.

*(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by subsection (c) of K.S.A. 79-3603, and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to subsection (e) of K.S.A. 79-3620, and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.*

New Sec. 15. Any business owning, operating, or leasing any facility located within the intermodal facility district described in subsection (e) of K.S.A. 79-3620, and amendments thereto, during the time period that the provisions of subsection (e) of K.S.A. 79-3620 and subsection (e) of K.S.A. 79-3710, and amendments thereto, are in effect, shall be ineligible to claim any tax credits or other incentives or benefits with respect to capital investment or jobs in such facility during such time period under the following programs: K.S.A. 79-32,153, 79-32,160a, but not including subsection (e) of that statute, 74-50,210 et seq. or 74-50,102 et seq., and amendments thereto.

Sec. 16. K.S.A. 2009 Supp. 79-3633 is hereby amended to read as follows: 79-3633. As used in K.S.A. 79-3620 and 79-3632 to 79-3639 and amendments thereto, unless the context clearly indicates otherwise:

(a) "Income" means adjusted gross income determined under the Kansas income tax act without regard to the modifications specified by subsections (c)(i), (ii) regarding Kansas public employee retirement system retirement benefits, (vii), (ix) and (xii) of K.S.A. 79-32,117, and amendments thereto.

(b) "Household" means a claimant and all other persons for whom a personal exemption is claimed who together occupy a common residence.

(c) "Claimant" means a person who has filed a claim for a refund or credit under the provisions of this act and was, during the entire calendar year preceding the year in which the claim was filed for relief under this act, domiciled in this state, was a member of a household, *for tax years commencing after December 31, 2009*, had income of not more than ~~\$25,000~~ \$33,000 in the calendar year for which a claim is filed and was: (1) A person having a disability; (2) a person other than a person included under (1), who has attained 55 years of age in the calendar year for which a claim is filed or (3) a person other than a person included under (1) or (2) having one or more dependent children under 18 years of age residing at the person's homestead during the calendar year for which a claim is filed.

(d) "Head of household" means the person filing a claim under the provisions of this act.

(e) "Disability" means (1) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, and an individual shall be determined to be under a disability only if the physical or mental impairment or impairments are of such severity that the individual is not only unable to do the individual's previous work but cannot, considering age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which the individual lives or whether a specific job vacancy exists for the individual, or whether the individual would be hired if application was made for work. For purposes of the preceding sentence (with respect to any individual), "work which exists in the national economy" means work which exists in significant numbers either in the region where the individual lives or in several regions of the country; for purposes of this subsection, a "physical or mental impairment" is an impairment that results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques; or

(2) blindness and inability by reason of blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which the individual has previously engaged with some regularity and over a substantial period of time.

(f) "Blindness" means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for the purpose of this paragraph as having a central visual acuity of 20/200 or less.

Sec. 17. K.S.A. 2009 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~~ 2010 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~~ \$16,500 or less, an amount equal to ~~\$72~~ \$88. There shall be allowed for each member of a household of a claimant having income of more than ~~\$12,500~~ \$16,500 but not more than ~~\$25,000~~ \$33,000, an amount equal to ~~\$36~~ \$44. 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 ~~\$36 or \$72~~ \$44 or \$88, 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 subsection (a)(1), for all taxable years commencing after December 31, ~~2001~~ 2009, 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 ~~\$36 or \$72~~ \$44 or \$88, 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 ~~\$36 or \$72~~ \$44 or \$88, 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., and amendments thereto, 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, ~~2005~~ 2010, the threshold income amounts prescribed in this section and subsection (c) of K.S.A. 79-3633, and amendments thereto, and the amounts of refund of taxes and the amounts of the tax credit, both as prescribed in this section, 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. 18. K.S.A. 2009 Supp. 79-3666, as amended by section 15 of 2010 Senate Bill No. 430, is hereby amended to read as follows: 79-3666. ~~State sales tax rate changes~~ *For any state sales tax rate that will first take effect after July 1, 2010, such state sales tax rate change must take effect on the first day of a calendar quarter. The secretary shall make a reasonable effort to provide sellers with as much advance notice as practicable of any rate changes, legislative change in the tax base and amendments to sales and use tax rules and regulations. Failure of a seller to receive such notice or failure of the secretary to provide such notice to a seller or limit the effective date of a rate change shall not relieve the seller of its obligation to collect sales or use tax or otherwise comply with any such legislative, rule or regulatory changes. Whenever there is less than 30 days between the effective date of any amendments to K.S.A. 79-3603 and 79-3703, which make a change in the retailers' sales tax or compensating use tax rate and the date such rate change takes effect as provided by this section, the seller shall be relieved from liability for failing to collect tax at the changed rate if:*

- (a) The seller collected tax at the immediately proceeding rate during such time period; and
- (b) the seller's failure to collect at the changed rate does not extend beyond 30 days after such effective date.

When the seller fraudulently failed to collect at the new sales tax rate or solicits purchasers based on the immediately preceding effective rate, such relief from liability does not apply to such seller.

Sec. 19. K.S.A. 79-3371 and 79-3378 and K.S.A. 2009 Supp. 79-32,117, 79-32,138, 79-3301, 79-3310, 79-3310c, 79-3311, 79-3312, 79-3603, 79-3620, 79-3633, 79-3635, 79-3666, as amended by section 15 of 2010 Senate Bill No. 430, 79-3703 and 79-3710 are hereby repealed.

Sec. 20. This act shall take effect and be in force from and after its publication in the Kansas register.”;

Also on page 1, by striking all in lines 33 through 43;

By striking all on pages 2 through 18;

By striking all on page 89;

On page 1, in the title, by striking all in lines 12 through 15 and inserting the following: “AN ACT concerning taxation; relating to tax upon cigarettes and tobacco products, rates; rate of sales taxation, distribution of revenue, refunds on sales of food; income taxation, adjusted gross income and income tax credit or benefit eligibility; amending K.S.A. 79-3371 and 79-3378 and K.S.A. 2009 Supp. 79-32,117, 79-32,138, 79-3301, 79-3310, 79-3310c, 79-3311, 79-3312, 79-3603, 79-3620, 79-3633, 79-3635, 79-3666, as amended by section 15 of 2010 Senate Bill No. 430, 79-3703 and 79-3710 and repealing the existing sections.”;

On roll call, the vote was: Yeas 0; Nays 122; Present but not voting: 0; Absent or not voting: 3.

Yeas: None.



Nays: Auran, Ballard, Barnes, Benlon, Bethell, Bollier, Bowers, Brookens, A. Brown, T. Brown, Brunk, Burgess, Burroughs, Carlson, Colloton, Craft, Crow, Crum, Davis, DeGraaf, Dillmore, Donohoe, Faber, Feuerborn, Finney, Flaharty, Frownfelter, Furtado, Garcia, D. Gatewood, S. Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hayzlett, Henderson, Henry, Hermanson, Hill, Hineman, C. Holmes, M. Holmes, Horst, Huebert, Jack, Johnson, Kelley, Kerschen, Kiegerl, King, Kinzer, Kleeb, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Maloney, Mast, McCray-Miller, McLeland, Meier, Menghini, Merrick, Morrison, Moxley, Myers, Neighbor, Neufeld, O'Brien, O'Neal, Olson, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Prescott, Proehl, Quigley, Rardin, Rhoades, Roth, Ruiz, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Slattery, Sloan, Spalding, Suellentrop, D. Svaty, Swanson, Swenson, Tafanelli, Talia, Tietze, Trimmer, Vickrey, Ward, Wetta, Whitham, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Present but not voting: None.

Absent or not voting: Carlin, Fund, Hawk.

The motion of Rep. A. Brown did not prevail.

Also, on motion of Rep. Otto to amend **HB 2549**, the motion did not prevail. Also, on further motion of Rep. Otto to amend, the motion did not prevail. Also, on further motion of Rep. Otto to amend, the motion did not prevail.

Also, roll call was demanded on motion of Rep. Kinzer to amend **HB 2549** as amended by House Committee of the Whole, with amendments adopted on March 16, 2010, and printed as such, on page 1, after line 32, by inserting the following:

"Section 1. K.S.A. 2009 Supp. 12-187, as amended by section 1 of 2010 House Substitute for Senate Bill No. 255, is hereby amended to read as follows: 12-187. (a) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

(b) (1) The board of county commissioners of any county may submit the question of imposing a countywide retailers' sales tax to the electors at an election called and held thereon, and any such board shall be required to submit the question upon submission of a petition signed by electors of such county equal in number to not less than 10% of the electors of such county who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within such county which contains a population of not less than 25% of the entire population of the county, or upon receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within such county which levy not less than 25% of the property taxes levied by all taxing subdivisions within the county.

(2) The board of county commissioners of Anderson, Atchison, Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Wabaunsee, Wilson and Wyandotte counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire when sales tax sufficient to pay all of the costs incurred in the financing of such facility has been collected by retailers as determined by the secretary of revenue. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

(3) (A) Except as otherwise provided in this paragraph, the result of the election held on November 8, 1988, on the question submitted by the board of county commissioners of Jackson county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the Banner Creek reservoir project. The tax imposed pursuant to this paragraph shall take effect on the effective date of this act and shall expire not later than five years after such date.

(B) The result of the election held on November 8, 1994, on the question submitted by the board of county commissioners of Ottawa county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the erection, construction and furnishing of a law enforcement center and jail facility.

(C) Except as otherwise provided in this paragraph, the result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Sedgwick county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be used only to pay the costs of: (i) Acquisition of a site and constructing and equipping thereon a new regional events center, associated parking and infrastructure improvements and related appurtenances thereto, to be located in the downtown area of the city of Wichita, Kansas, (the "downtown arena"); (ii) design for the Kansas coliseum complex and construction of improvements to the pavilions; and (iii) establishing an operating and maintenance reserve for the downtown arena and the Kansas coliseum complex. The tax imposed pursuant to this paragraph shall commence on July 1, 2005, and shall terminate not later than 30 months after the commencement thereof.

(D) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Lyon county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended for the purposes of *ad valorem* tax reduction and capital outlay. The tax imposed pursuant to this paragraph shall terminate not later than five years after the commencement thereof.

(E) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Rawlins county for the purpose of increasing its countywide retailers' sales tax by .75% is hereby declared valid, and the revenue received therefrom by the county shall be expended for the purposes of financing the costs of a swimming pool. The tax imposed pursuant to this paragraph shall terminate not later than 15 years after the commencement thereof or upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(F) The result of the election held on December 1, 2009, on the question submitted by the board of county commissioners of Chautauqua county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received from such tax by the county shall be expended for the purposes of financing the costs of constructing, furnishing and equipping a county jail and law enforcement center and necessary improvements appurtenant to such jail and law enforcement center. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(4) The board of county commissioners of Finney and Ford counties may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing all or any portion of the cost to be paid by Finney or Ford county for construction of highway projects identified as system enhancements under the provisions of paragraph (5) of subsection (b) of K.S.A. 68-2314, and amendments thereto, to the electors at an election called and held thereon. Such election shall be called and held in the manner provided by the general bond law. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Finney or Ford county pursuant to this paragraph to exceed the maximum rate prescribed in K.S.A. 12-189, and amendments

thereto. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Finney county, the state treasurer shall remit such funds to the treasurer of Finney county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Ford county, the state treasurer shall remit such funds to the treasurer of Ford county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund.

(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to paragraph (2) of subsection (a) by any city located in such county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

(6) The board of county commissioners of Allen county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% and pledging the revenue received therefrom for the purpose of financing the costs of operation and construction of a solid waste disposal area or the modification of an existing landfill to comply with federal regulations to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in the financing of the project undertaken. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Allen county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189 and amendments thereto.

(7) The board of county commissioners of Clay, Dickinson and Miami county may submit the question of imposing a countywide retailers' sales tax at the rate of .50% in the case of Clay and Dickinson county and at a rate of up to 1% in the case of Miami county, and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. Except as otherwise provided, the tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected. The result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Miami county for the purpose of extending for an additional five-year period the countywide retailers' sales tax imposed pursuant to this subsection in Miami county is hereby declared valid. The countywide retailers' sales tax imposed pursuant to this subsection in Clay and Miami county may be extended or reenacted for additional five-year periods upon the board of county commissioners of Clay and Miami county submitting such question to the electors at an election called and held thereon for each additional five-year period as provided by law.

(8) The board of county commissioners of Sherman county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% and pledging the revenue received therefrom for the purpose of financing the costs of street and roadway improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(9) The board of county commissioners of Cowley, Crawford, Russell and Woodson county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% in the case of Crawford, Russell and Woodson county and at a rate of up to .25%, in

the case of Cowley county and pledging the revenue received therefrom for the purpose of financing economic development initiatives or public infrastructure projects. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(10) The board of county commissioners of Franklin county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing recreational facilities. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.

(11) The board of county commissioners of Douglas county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purposes of preservation, access and management of open space, and for industrial and business park related economic development.

(12) The board of county commissioners of Shawnee county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom to the city of Topeka for the purpose of financing the costs of rebuilding the Topeka boulevard bridge and other public infrastructure improvements associated with such project to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such project.

(13) The board of county commissioners of Jackson county may submit the question of imposing a countywide retailers' sales tax at a rate of .4% and pledging the revenue received therefrom as follows: 50% of such revenues for the purpose of financing for economic development initiatives; and 50% of such revenues for the purpose of financing public infrastructure projects to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after seven years from the date such tax is first collected.

(14) The board of county commissioners of Neosho county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(15) The board of county commissioners of Saline county may submit the question of imposing a countywide retailers' sales tax at the rate of up to .5% and pledging the revenue received therefrom for the purpose of financing the costs of construction and operation of an expo center to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(16) The board of county commissioners of Harvey county may submit the question of imposing a countywide retailers' sales tax at the rate of 1.0% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and public infrastructure improvements to the electors at an election called and held thereon.

(17) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing the costs of construction and maintenance of sports and recreational facilities to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.

(18) The board of county commissioners of Wabaunsee county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 15 years from the date such tax is first collected.

(19) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this

paragraph shall expire after six years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional six-year periods upon the board of county commissioners of Jefferson county submitting such question to the electors at an election called and held thereon for each additional six-year period as provided by law.

(20) The board of county commissioners of Riley county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(21) The board of county commissioners of Johnson county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing the construction and operation costs of public safety projects, including, but not limited to, a jail, detention center, sheriff's resource center, crime lab or other county administrative or operational facility dedicated to public safety, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this subsection may be extended or reenacted for additional periods not exceeding 10 years upon the board of county commissioners of Johnson county submitting such question to the electors at an election called and held thereon for each additional ten-year period as provided by law.

(22) The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvements to federal highways, the development of a new industrial park and other public infrastructure improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project or projects.

(23) The board of county commissioners of Butler county may submit the question of imposing a countywide retailers' sales tax at the rate of either .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the costs of public safety capital projects or bridge and roadway construction projects, or both, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such projects.

(24) The board of county commissioners of Barton county may submit the question of imposing a countywide retailers' sales tax at the rate of up to .5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway and bridge construction and improvement and infrastructure development and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(25) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing the costs of the county's obligation as participating employer to make employer contributions and other required contributions to the Kansas public employees retirement system for eligible employees of the county who are members of the Kansas police and firemen's retirement system, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such purpose.

(26) The board of county commissioners of Pottawatomie county may submit the question of imposing a countywide retailers' sales tax at the rate of up to .5% and pledging the revenue received therefrom for the purpose of financing the costs of construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, or public infrastructure improvements, or both, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such project or projects.

(27) The board of county commissioners of Kingman county may submit the question of imposing a countywide retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging

the revenue received therefrom for the purpose of financing the costs of constructing and furnishing a law enforcement center and jail facility and the costs of roadway and bridge improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire not later than 20 years from the date such tax is first collected.

(28) *The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of donations to meet the education needs of all unified school districts within any such county, to the electors at an election called and held thereon.*

(c) The boards of county commissioners of any two or more contiguous counties, upon adoption of a joint resolution by such boards, may submit the question of imposing a retailers' sales tax within such counties to the electors of such counties at an election called and held thereon and such boards of any two or more contiguous counties shall be required to submit such question upon submission of a petition in each of such counties, signed by a number of electors of each of such counties where submitted equal in number to not less than 10% of the electors of each of such counties who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within each of such counties which contains a population of not less than 25% of the entire population of each of such counties, or upon receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within each of such counties which levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) Any city retailers' sales tax being levied by a city prior to July 1, 2006, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance for such repeal. Any countywide retailers' sales tax in the amount of .5% or 1% in effect on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

(e) Any city or county proposing to adopt a retailers' sales tax shall give notice of its intention to submit such proposition for approval by the electors in the manner required by K.S.A. 10-120, and amendments thereto. The notices shall state the time of the election and the rate and effective date of the proposed tax. If a majority of the electors voting thereon at such election fail to approve the proposition, such proposition may be resubmitted under the conditions and in the manner provided in this act for submission of the proposition. If a majority of the electors voting thereon at such election shall approve the levying of such tax, the governing body of any such city or county shall provide by ordinance or resolution, as the case may be, for the levy of the tax. Any repeal of such tax or any reduction or increase in the rate thereof, within the limits prescribed by K.S.A. 12-189, and amendments thereto, shall be accomplished in the manner provided herein for the adoption and approval of such tax except that the repeal of any such city retailers' sales tax may be accomplished by the adoption of an ordinance so providing.

(f) The sufficiency of the number of signers of any petition filed under this section shall be determined by the county election officer. Every election held under this act shall be conducted by the county election officer.

(g) The governing body of the city or county proposing to levy any retailers' sales tax shall specify the purpose or purposes for which the revenue would be used, and a statement generally describing such purpose or purposes shall be included as a part of the ballot proposition.

Sec. 2. K.S.A. 2009 Supp. 12-189, as amended by section 2 of 2010 House Substitute for Senate Bill No. 255, is hereby amended to read as follows: 12-189. The rate of any city retailers' sales tax shall be fixed in increments of .05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes which shall be determined by the governing body of the city. For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed. All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected. The rate of any countywide retailers' sales tax shall be fixed in an amount

not to exceed 1% and shall be fixed in increments of .25%, and which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Wabaunsee county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage or Reno county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25% or 1.5%; the board of county commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5%, the board of county commissioners of Atchison county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5% or 1.75%; the board of county commissioners of Anderson, Barton, Jefferson or Ottawa county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%; the board of county commissioners of Marion county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2.5%; the board of county commissioners of Franklin, Linn and Miami counties, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by the respective board of county commissioners on July 1, 2007, plus up to 1.0%; and the board of county commissioners of Brown county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at up to 2%;

(b) the board of county commissioners of Jackson county, for the purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%;

(c) the boards of county commissioners of Finney and Ford counties, for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at .25%;

(d) the board of county commissioners of any county for the purposes of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by a board of county commissioners on the effective date of this act plus .25%, .5%, .75% or 1%, as the case requires;

(e) the board of county commissioners of Dickinson county, for the purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5%, and the board of county commissioners of Miami county, for the purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%, 1.5%, 1.75% or 2%;

(f) the board of county commissioners of Sherman county, for the purposes of paragraph (8) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2.25%;

(g) the board of county commissioners of Crawford or Russell county for the purposes of paragraph (9) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5%;

(h) the board of county commissioners of Franklin county, for the purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.75%;

(i) the board of county commissioners of Douglas county, for the purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%;

(j) the board of county commissioners of Jackson county, for the purposes of subsection (b)(13) of K.S.A. 12-187 and amendments thereto, may fix such rate at 1.4%;

(k) the board of county commissioners of Sedgwick county, for the purposes of paragraph (3)(C) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%;

(l) the board of county commissioners of Neosho county, for the purposes of paragraph (14) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.0% or 1.5%;

(m) the board of county commissioners of Saline county, for the purposes of subsection (15) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at up to 1.5%;

(n) the board of county commissioners of Harvey county, for the purposes of paragraph (16) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2.0%;

(o) the board of county commissioners of Atchison county, for the purpose of paragraph (17) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Atchison county on the effective date of this act plus .25%;

(p) the board of county commissioners of Wabaunsee county, for the purpose of paragraph (18) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Wabaunsee county on July 1, 2007, plus .5%;

(q) the board of county commissioners of Jefferson county, for the purpose of paragraphs (19) and (25) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2.25%;

(r) the board of county commissioners of Riley county, for the purpose of paragraph (20) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Riley county on July 1, 2007, plus up to 1%;

(s) the board of county commissioners of Johnson county for the purposes of paragraph (21) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Johnson county on July 1, 2007, plus .25%;

(t) the board of county commissioners of Wilson county for the purposes of paragraph (22) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at up to 2%;

(u) the board of county commissioners of Butler county for the purposes of paragraph (23) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate otherwise allowed pursuant to this section, plus .25%, .5%, .75% or 1%;

(v) the board of county commissioners of Barton county, for the purposes of paragraph (24) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at up to 1.5%;

(w) the board of county commissioners of Lyon county, for the purposes of paragraph (3)(D) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5%;

(x) the board of county commissioners of Rawlins county, for the purposes of paragraph (3)(E) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.75%;

(y) the board of county commissioners of Chautauqua county, for the purposes of paragraph (3)(F) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2.0%;

(z) the board of county commissioners of Pottawatomie county, for the purposes of subsection (26) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at up to 1.5%; ~~and~~

(aa) the board of county commissioners of Kingman county, for the purposes of paragraph (27) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate otherwise allowed pursuant to this section, plus .25%, .5%, .75%, or 1%; and

*(bb) the board of county commissioners of any county for purposes of paragraph (28) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at a percentage which is equal to the sum of the rate allowed to be imposed by a board of county commissioners as otherwise provided by this section on the effective date of this act plus .25%.*

Any county or city levying a retailers' sales tax is hereby prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and amendments thereto, such tax shall be identical in its application, and exemptions therefrom, to the Kansas retailers' sales tax act and all laws and administrative rules and regulations of the state department of revenue relating to the Kansas retailers'



sales tax shall apply to such local sales tax insofar as such laws and rules and regulations may be made applicable. The state director of taxation is hereby authorized to administer, enforce and collect such local sales taxes and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement thereof.

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. Such copy shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury, except that all moneys collected by the director of taxation pursuant to the authority granted in paragraph (22) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be credited to the Wilson county capital improvements fund. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. Except for local retailers' sales tax revenue required to be deposited in the redevelopment bond fund established under K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

Revenue that is received from the imposition of a local retailers' sales tax which exceeds the amount of revenue required to pay the costs of a special project for which such revenue was pledged shall be credited to the city or county general fund, as the case requires.

The director of taxation shall provide, upon request by a city or county clerk or treasurer or finance officer of any city or county levying a local retailers' sales tax, monthly reports identifying each retailer doing business in such city or county or making taxable sales sourced to such city or county, setting forth the tax liability and the amount of such tax remitted by each retailer during the preceding month and identifying each business location maintained by the retailer and such retailer's sales or use tax registration or account number. Such report shall be made available to the clerk or treasurer or finance officer of such city or county within a reasonable time after it has been requested from the director of taxation. The director of taxation shall be allowed to assess a reasonable fee for the issuance of such report. Information received by any city or county pursuant to this section shall be confidential, and it shall be unlawful for any officer or employee of such city or county to divulge any such information in any manner. Any violation of this paragraph by a city or county officer or employee is a class A misdemeanor, and such officer or employee shall be dismissed from office. Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney or county attorney and the attorney general shall have authority to prosecute violations of this paragraph.

Sec. 3. K.S.A. 2009 Supp. 12-192, as amended by section 3 of 2010 House Substitute for Senate Bill No. 255, is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner: (1) One-half of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year, and (2)  $\frac{1}{2}$  of all revenue received by the director of taxation from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county. All revenue apportioned

to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(b) (1) In lieu of the apportionment formula provided in subsection (a), all revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of .75%, 1% or 1.25% after July 1, 2007, shall be apportioned among the county and each city located in such county in the following manner: (A) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year and (ii) one-fourth shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county and (iii) one-half shall be retained by the county for its sole use and benefit.

(2) In lieu of the apportionment formula provided in subsection (a), all money received by the director of taxation from a countywide sales tax imposed within Montgomery county pursuant to the election held on November 8, 1994, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged. All revenue apportioned and paid from the imposition of such tax to the treasurer of any city prior to the effective date of this act shall be remitted to the county treasurer and expended only for the purpose for which the revenue received from the tax was pledged.

(3) In lieu of the apportionment formula provided in subsection (a), on and after the effective date of this act, all moneys received by the director of taxation from a countywide retailers' sales tax imposed within Phillips county pursuant to the election held on September 20, 2005, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(2) For the purposes of subsections (a) and (b), any ad valorem property tax levied on property located in a city in Johnson county for the purpose of providing fire protection service in such city shall be included within the term "total tangible property tax levies" for such city regardless of its applicability to all tangible property located within each such city. If the tax is levied by a district which extends across city boundaries, for purposes of this computation, the amount of such levy shall be apportioned among each city in which such district extends in the proportion that such tax levied within each city bears to the total tax levied by the district.

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to paragraphs (2), (3)(C), (3)(F), (6), (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25) ~~and~~, (27) and (28) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(2) Except as otherwise provided in paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, all revenues received from a countywide retailers' sales tax imposed pursuant to paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(3) All revenue received from a countywide retailers' sales tax imposed pursuant to paragraph (26) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be remitted

to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged unless the question of imposing a countywide retailers' sales tax authorized by paragraph (26) of subsection (b) of K.S.A. 12-187, and amendments thereto, includes the apportionment of revenue prescribed in subsection (a).

(e) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof and deposited in the general fund of the city. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax, as an alternative to depositing the same in the general fund, may be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax.

(f) Prior to March 1 of each year, the secretary of revenue shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

(g) Prior to December 31 of each year, the clerk of every county imposing a countywide retailers' sales tax shall provide such information deemed necessary by the secretary of revenue to apportion and remit revenue to the counties and cities pursuant to this section.

(h) The provisions of subsections (a) and (b) for the apportionment of countywide retailers' sales tax shall not apply to any revenues received pursuant to a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and amendments thereto. All such revenue collected under K.S.A. 74-8929, and amendments thereto, shall be deposited into the redevelopment bond fund established by K.S.A. 74-8927, and amendments thereto, for the period of time set forth in K.S.A. 74-8927, and amendments thereto.

New Sec. 4. All amounts received from a county which imposed a countywide retailers' sales tax imposed pursuant to paragraph (28) of subsection (b) of K.S.A. 12-187, and amendments thereto, by a school or unified school district shall be deemed a donation pursuant to the provisions of K.S.A. 72-8210, and amendments thereto.”;

And by renumbering sections accordingly;

On page 89, in line 16, after “Supp.” by inserting “12-187, as amended by section 1 of 2010 House Substitute for Senate Bill No. 255, 12-189, as amended by section 2 of 2010 House Substitute for Senate Bill No. 255, and 12-192, as amended by section 3 of 2010 House Substitute for Senate Bill No. 255.”;

On page 1, in the title, in line 13, before “exemptions” by inserting “countywide retailers' sales tax, donations to schools;”; in line 14, after “Supp.” by inserting “12-187, as amended by section 1 of 2010 House Substitute for Senate Bill No. 255, 12-189, as amended by section 2 of 2010 House Substitute for Senate Bill No. 255, and 12-192, as amended by section 3 of 2010 House Substitute for Senate Bill No. 255.”;

On roll call, the vote was: Yeas 55; Nays 67; Present but not voting: 0; Absent or not voting: 3.

Yeas: Benlon, Bollier, Brookens, A. Brown, Brunk, Carlson, Colloton, Craft, Donohoe, Frownfelter, Furtado, George, Goico, Gordon, Hermanson, Hill, C. Holmes, Huebert, Kerschen, Kiegerl, Kinzer, Kleeb, Landwehr, Light, Lukert, Mah, McLeland, Menghini, Merrick, Moxley, Neighbor, O'Brien, O'Neal, Olson, Patton, Peck, Pottorff, Prescott, Proehl, Quigley, Rardin, Rhoades, Roth, Schwab, Shultz, Siegfried, Slattery, Spalding, Suelentrop, Swanson, Talia, Vickrey, K. Wolf, Worley, Yoder.

Nays: Aurand, Ballard, Barnes, Bethell, Bowers, T. Brown, Burgess, Burroughs, Crow, Crum, Davis, DeGraaf, Dillmore, Faber, Feuerborn, Finney, Flaharty, Garcia, D. Gatewood, S. Gatewood, Goyle, Grange, Grant, Hayzlett, Henderson, Henry, Hineman, M. Holmes, Horst, Jack, Johnson, Kelley, King, Knox, Kuether, Lane, Loganbill, Long, Maloney, Mast, McCray-Miller, Meier, Morrison, Myers, Neufeld, Otto, Palmer, Pauls, Peterson, Phelps, Powell, Ruiz, Schroeder, Schwartz, Seiwert, Sloan, D. Svaty, Swenson, Tafanelli, Tietze, Trimmer, Ward, Wetta, Whitham, Williams, Winn, B. Wolf.

Present but not voting: None.

Absent or not voting: Carlin, Fund, Hawk.

The motion of Rep. Kinzer did not prevail.

Also, roll call was demanded on motion of Rep. Olson to amend **HB 2549** as amended by House Committee of the Whole, on page 89, after line 15, by inserting the following:

“New Sec. 3. As used in sections 3 through 8, and amendments thereto, the following words and phrases shall mean:

(a) “API gravity” means gravity, weight per unit volume, of oils as measured by the American petroleum institute, or API, scale whereby API gravity equals 141.5.

(b) “First purchaser” means the first person purchasing crude oil directly from the operator or producer.

(c) “Hauler” means any common carrier, as defined in K.S.A. 2009 Supp. 66-105, and amendments thereto, or any other person, responsible for the transportation of crude oil to a refinery.

(d) “Light crude” means crude oil with a low specific gravity and high API gravity due to the presence of a high proportion of light hydrocarbon fractions.

(e) “Market rate” means the listed daily spot price on the New York mercantile exchange, or NYMEX, for one barrel of 40 light gravity sweet crude oil.

(f) “Operator” means the person responsible for the actual physical operation of the crude oil producing property.

(g) “Producer” means any interest owner in the crude oil producing property including a royalty interest owner.

(h) “Refinery” has the meaning provided by K.S.A. 2009 Supp. 79-32,217, and amendments thereto.

(i) “Specific gravity” means the ratio of the density of a substance at 60 degrees Fahrenheit to the density of water at the same temperature, where specific gravity equals negative 131.5.

(j) “Spot price” means the one-time market case transaction, where a commodity is purchased on-the-spot at current market rates.

New Sec. 4. Any refinery required to purchase crude oil produced in Kansas, if available, to be eligible to receive an income tax credit under K.S.A. 2009 Supp. 79-32,218, and amendments thereto, the accelerated depreciation deduction provided under K.S.A. 2009 Supp. 79-32,221, and amendments thereto, or the environmental compliance income tax credit provided under K.S.A. 2009 Supp. 79-32,222, and amendments thereto, shall have the right to reject any crude oil which is not of merchantable quality or is altered or contaminated by foreign substances or for other quality purposes as stated in the terms and conditions of any contract or division order between any such refinery and producer. Refineries shall provide written or electronic information detailing the requirements haulers must meet prior to delivering crude oil to the refinery, as well as written or electronic notice of all API gravity, specific gravity, basic sediments and water or any other standards that crude oil must meet to be delivered to the refinery. Each refinery shall post the relative amounts of different types of crude oil that the refinery generally purchases.

New Sec. 5. A first purchaser of crude oil shall disclose to the operator or producer a detailed statement of the reason for any deduction of the purchase price below the market rate for such crude oil. Any such deduction of the purchase price paid for crude oil shall be based on an industry standard such as API gravity, specific gravity, temperature or basic sediments and water.

Sec. 6. K.S.A. 2009 Supp. 79-32,218 is hereby amended to read as follows: 79-32,218. (a) For taxable years commencing after December 31, ~~2005~~ 2009, and before January 1, 2011, any taxpayer who is awarded a tax credit under this act by the secretary of commerce and complies with the conditions set forth in this act and the agreement entered into by the secretary and the taxpayer under this act shall be allowed a credit against the taxpayer’s tax liability under the Kansas income tax act as provided in subsection (b). Expenditures used to qualify for this credit shall not be used to qualify for any other type of Kansas income tax credit.

(b) The amount of the credit to which a taxpayer is entitled shall be equal to the sum of: (1) An amount equal to 10% of the taxpayer’s qualified investment for the first \$250,000,000 invested and (2) an amount equal to 5% of the amount of the taxpayer’s qualified investment that exceeds \$250,000,000. Such credit shall be taken in 10 equal, annual installments, beginning with the year in which the taxpayer places into service the new refinery, the

expansion of an existing refinery or the restoration of production of a refinery as provided in this section.

(c) If the amount of an annual installment of a tax credit allowed under this section exceeds the taxpayer's income tax liability for the taxable year in which the annual installment is allowed, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the annual installment of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the 14th taxable year succeeding the taxable year in which the first annual installment is allowed.

(d) (1) Before making a qualified investment, a taxpayer shall apply to the secretary of commerce to enter into an agreement for a tax credit under this act. The secretary shall prescribe the form of the application. After receipt of such application, the secretary may enter into an agreement with the applicant for a credit under this act if the secretary determines that the taxpayer's proposed investment satisfies the requirements of this act. The secretary shall enter into an agreement with an applicant which is awarded a credit under this act. The agreement shall include: (A) A detailed description of the refinery project that is the subject of the agreement, (B) the first taxable year for which the credit may be claimed, (C) the maximum amount of tax credit that will be allowed for each taxable year ~~and~~, (D) a requirement that the taxpayer shall maintain operation of the new, expanded or restored refinery for at least 10 years during the term that the tax credit is available, *and (E) documentation that the refinery has purchased crude oil produced in Kansas, if available, pursuant to section 4, and amendments thereto.*

(2) A taxpayer must comply with the terms of the agreement described in subsection (d)(1) to receive an annual installment of the tax credit awarded under this act. The secretary of commerce, in accordance with rules and regulations of the secretary, shall annually determine whether the taxpayer is in compliance with the agreement. Such determination of compliance shall include, but not be limited to, operation of the new, expanded or restored refinery *and the purchase of available crude oil produced in Kansas* during the tax years when any installments of tax credits are claimed by the taxpayer. If the secretary determines that the taxpayer is in compliance, the secretary shall issue a certificate of compliance to the taxpayer. If the secretary determines that the taxpayer is not in compliance with the agreement, the secretary shall notify the taxpayer and the secretary of revenue of such determination of noncompliance, and any tax credits claimed pursuant to this section for any tax year shall be forfeited.

(3) The secretary of commerce may adopt rules and regulations to administer the provisions of this subsection.

Sec. 7. K.S.A. 2009 Supp. 79-32,221 is hereby amended to read as follows: 79-32,221. (a) In addition to the income tax credit allowable pursuant to K.S.A. 2009 Supp. 79-32,217 through 79-32,220, and amendments thereto, a taxpayer shall be entitled to a deduction from Kansas adjusted gross income with respect to the amortization of the amortizable costs of a new refinery, an expansion of an existing refinery or restoration of production of a refinery which has been out of production for five or more years based upon a period of 10 years *if the refinery purchases crude oil produced in Kansas, if available, pursuant to section 4, and amendments thereto.* Such amortization deduction shall be an amount equal to 55% of the amortizable costs of such new refinery, such expansion of an existing refinery or such restoration of production of a refinery for the first taxable year in which such refinery, such expansion of an existing refinery or such restoration of production of a refinery is in production and 5% of the amortizable costs of such new refinery, such expansion of an existing refinery or such restoration of production of a refinery for each of the next nine taxable years.

(b) The election of the taxpayer to claim the deduction allowed by subsection (a) shall be made by filing a statement of such election with the secretary of revenue in the manner and form and within the time prescribed by rules and regulations adopted by the secretary.

(c) The provisions of this section shall apply to all taxable years commencing after December 31, ~~2005~~ 2009.

(d) The secretary of revenue shall adopt such rules and regulations as deemed necessary to carry out the provisions of this section.

(e) As used in this section, terms have the meanings provided by K.S.A. 2009 Supp. 79-32,217, and amendments thereto.

Sec. 8. K.S.A. 2009 Supp. 79-32,222 is hereby amended to read as follows: 79-32,222. (a) As used in this section:

(1) "Refinery" has the meaning provided by K.S.A. 2009 Supp. 79-32,217, and amendments thereto.

(2) "Qualified expenditures" means expenditures which the secretary of health and environment certifies to the director of taxation are required for an existing refinery to comply with environmental standards or requirements established pursuant to federal statute or regulation, or state statute or rules and regulation, adopted after December 31, 2006.

(b) There shall be allowed as a credit against the tax liability of a taxpayer imposed under the Kansas income tax act an amount equal to the taxpayer's qualified expenditures. The tax credit allowed by this subsection shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the taxpayer may carry over the amount thereof that exceeds such tax liability for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the year in which the costs are incurred.

(c) (1) To qualify the expenditures of the tax credit allowed by this section, a taxpayer shall apply to the secretary of health and environment for a certification that the costs were incurred to comply with environmental standards or requirements as specified in subsection (a). The secretary shall prescribe the form of the application, which shall include, but not be limited to, the following information: (A) A detailed description of the refinery project that is the subject of the expenditure; (B) a citation to the applicable federal or state statutes, regulations or rules and regulations which require the environmental compliance; (C) a detailed accounting of the costs incurred for the environmental compliance; (D) *documentation that the refinery purchased crude oil produced in Kansas, if available, pursuant to section 4, and amendments thereto, during all tax years for which the tax credit is sought;* and ~~(D)~~ (E) a certification by a responsible official that, based on information and belief formed after reasonable inquiry, the statements and information in the application are true, accurate and complete.

(2) If the secretary of health and environment determines that the expenditures were incurred to comply with environmental standards or requirements as specified in subsection (a) *and the refinery has purchased crude oil produced in Kansas, if available,* the secretary shall issue a certificate of compliance to the director of taxation.

(3) The secretary of health and environment may adopt rules and regulations to administer the provisions of this subsection, including rules and regulations to fix, charge and collect an application fee to cover all or any part of the department of health and environment's cost of certifying the taxpayer's qualified expenditures under this subsection.

(d) The provisions of this section shall be applicable to all taxable years commencing after December 31, ~~2006~~ 2009.;

And by renumbering the remaining sections accordingly;

Also on page 89, in line 16, before "79-3602" by inserting "79-32,218, 79-32,221, 79-32,222";

In the title, in line 12, after "concerning" by striking "sales"; also in line 12, after "to" by inserting "income tax, credits, deductions; sales tax,;" in line 14, after "Supp." by inserting "79-32,218, 79-32,221, 79-32,222,;" in line 15, by striking "and" where it appears for the second time;

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

Yeas: Ballard, Barnes, Bethell, Bowers, Brookens, A. Brown, T. Brown, Burgess, Burroughs, Crow, Davis, DeGraaf, Dillmore, Feuerborn, Finney, Flaharty, Frownfelter, Garcia, D. Gatewood, S. Gatewood, Grant, Henderson, Henry, Horst, Huebert, Johnson, Kiegerl, King, Kleeb, Knox, Lane, Loganbill, Long, Lukert, Mah, Maloney, McCray-Miller, Meier, Menghini, Merrick, Neighbor, Olson, Otto, Palmer, Pauls, Peck, Peterson, Phelps, Proehl,

Quigley, Rardin, Ruiz, Schwartz, Siegfried, Slattery, Spalding, D. Svaty, Swanson, Swenson, Tafanelli, Talia, Tietze, Trimmer, Vickrey, Ward, Wetta, Williams, Winn, B. Wolf, Worley.

Nays: Aurand, Benlon, Bollier, Brunk, Carlson, Colloton, Craft, Donohoe, Faber, Furtado, Goico, Gordon, Goyle, Grange, Hayzlett, Hermanson, Hill, Hineman, C. Holmes, M. Holmes, Jack, Kelley, Kerschen, Kinzer, Kuether, Landwehr, Light, Mast, McLeland, Morrison, Moxley, Myers, Neufeld, O'Brien, O'Neal, Patton, Pottorff, Powell, Prescott, Rhoades, Roth, Schroeder, Schwab, Seiwert, Shultz, Sloan, Suellentrop, Whitham, K. Wolf, Yoder.

Present but not voting: None.

Absent or not voting: Carlin, Crum, Fund, George, Hawk.

The motion of Rep. Olson prevailed.

Also, on motion of Rep. King to postpone consideration of **HB 2549** until Tuesday, May 4, 2010, the motion prevailed.

#### INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Neufeld, 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 **H. Sub. for SB 306**.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 306**, 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.

MELVIN J. NEUFELD  
S. MIKE KIEGERL  
JUDITH LOGANBILL  
*Conferees on part of House*

PETE BRUNGARDT  
ROGER P. REITZ  
OLETHA FAUST-GOUDEAU  
*Conferees on part of Senate*

On motion of Rep. Neufeld, the conference committee report on **H. Sub. for SB 306** was adopted.

Speaker O'Neal thereupon appointed Reps. Neufeld, Kiegerl and Loganbill as second conferees on the part of the House.

#### MESSAGE FROM THE SENATE

The Senate concurs in House amendments to **SB 54**.

The Senate concurs in House amendments to **H. Sub. for Sub. SB 214**, and requests return of the bill.

#### INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

The following resolutions were introduced and read by title:

HOUSE RESOLUTION No. 6045—

By Representatives Craft, Meier and Goyle

A RESOLUTION designating October as "Agent Orange Recognition Month."

WHEREAS, With actual military conflict occurring from 1965 to 1973, and U.S. involvement spanning nearly 25 years, the Vietnam War is the longest conflict in our nation's history; and

WHEREAS, During a military operation known as "Operation Ranch Hand," the Federal Government used more than 10.6 million gallons of a potent defoliant known as Agent Orange to destroy dense vegetation used as enemy hideouts; and

WHEREAS, Agent Orange contained a powerful chemical called dioxin, which is extremely toxic to humans; and

WHEREAS, Vietnam era veterans exposed to Agent Orange experience higher instances of cancer, immune system disorders, liver problems and genetic maladies which lead to birth defects in their children and higher rates of sudden infant death syndrome; and

WHEREAS, Many of the Vietnam era veterans who were exposed to Agent Orange and continue to suffer from its harmful effects are from the State of Kansas: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we designate the month of October as “Agent Orange Recognition Month” to draw awareness to the devastating effects of Agent Orange on Vietnam era veterans in an effort to further the support of these brave individuals and their sacrifices; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives be directed to provide enrolled copies of this resolution to the American Legion, 1314 SW Topeka Blvd., Topeka, KS 66612; Veterans of Foreign Wars, P.O. Box 1008, Topeka, KS 66601; Disabled American Veterans, 3601 SW 29th St., Ste 115, Topeka, KS 66614; Kansas Commission on Veterans Affairs, 700 SW Jackson Ave., Ste 701, Topeka, KS 66603; Vietnam Veterans of America, 927 Minnesota Ave., Kansas City, KS 66101; Representative Barbara Craft, Representative Melanie Meier and Representative Raj Goyle.

HOUSE RESOLUTION No. 6046—

By Representatives Bollier, Aurand, Ballard, Barnes, Benlon, Bethell, Bowers, Brookens, A. Brown, T. Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Craft, Crow, Crum, Davis, DeGraaf, Dillmore, Donohoe, Faber, Feuerborn, Finney, Flaharty, Frownfelter, Fund, Furtado, Garcia, D. Gatewood, S. Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hermanson, Hill, Hineman, C. Holmes, M. Holmes, Horst, Huebert, Jack, Johnson, Kelley, Kerschen, Kiegerl, King, Kinzer, Kleeb, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Maloney, Mast, McCray-Miller, McLeland, Meier, Menghini, Merrick, Morrison, Moxley, Myers, Neighbor, Neufeld, O'Brien, O'Neal, Olson, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Prescott, Proehl, Quigley, Rardin, Rhoades, Roth, Ruiz, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Slatery, Sloan, Spalding, Suellentrop, D. Svaty, Swanson, Swenson, Tafanelli, Talia, Tietze, Trimmer, Vickrey, Ward, Wetta, Whitham, Williams, Winn, B. Wolf, K. Wolf, Worley and Yoder

A RESOLUTION honoring former Representative Al Lane.

WHEREAS, Al Lane, former State Representative for the Kansas 25th District, passed away on October 3, 2009; and

WHEREAS, Mr. Lane was born July 7, 1932, in Columbus, Ohio; and

WHEREAS, He graduated from the Ohio State University with a Bachelor of Science degree in 1955. He enlisted in the United States Air Force, where he became a pilot. He then worked for Trans World Airlines for 25 years as both a domestic and international pilot. He retired from TWA in 1988; and

WHEREAS, Mr. Lane began his political career in 1981, serving as a Mission Hills City Councilman until 1985 and Mayor of Mission Hills from 1985-1989. In 1989 he was elected as a Kansas State Representative of the 25th District. He served as the Chairman of the Business, Labor and Industry Committee until his retirement in 2003; and

WHEREAS, In the Kansas House, Mr. Lane was well-known to be a true gentleman. His positive attitude went a long way during tense discussions and helped to forge friendships across the aisle. It has been said that his smile was contagious. He was a dedicated public servant who had a strong commitment to his district and fought hard for public education and creating a solid climate for business growth and development; and

WHEREAS, In addition to his civic service, Mr. Lane was also involved with many other organizations, including serving on the vestry at St. Andrew's Episcopal Church and being involved with the Sigma Alpha Epsilon Fraternity, who elected him “Man of the Year” in 1993. Despite all of his commitments, his family always came first; and

WHEREAS, Mr. Lane is survived by his wife, Peggy (Wright) Lane; three daughters, Sheryl Turner and her husband, Rod, of Mission Hills, Kansas, Leslie Bryant of Mission, Kansas, and Linda Coskun and her husband, Battal, of Moorpark, California; a son, Al Lane,



Jr. and his wife, Kim, of Louisburg, Kansas; a brother, Daniel F. Lane, Jr. and his wife, Alice, of Columbus, Ohio; six grandchildren, Michael and Megan Turner, Joshua, Ellis and Rachel Bryant and Kaitlyn Coskun; and two step-grandchildren, Jamie and Jason Coskun: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we commend and honor Representative Al Lane for his service to his community, and the state of Kansas. He was selfless with his time and touched the lives of many people. Kansas is a better place because he cared. We extend our deepest sympathy to his family and friends; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives be directed to send five enrolled copies of this resolution to Representative Bollier.

#### **CHANGE OF CONFEREES**

Speaker O'Neal announced the appointment of Reps. Aurand, Horst and Winn as members of the conference committee on **SB 131** to replace former Rep. Huntington and Reps. Rhoades and Mah.

#### **REPORTS OF STANDING COMMITTEES**

**Education Budget Committee** recommends **SB 74** be amended by substituting a new bill to be designated as "HOUSE Substitute for SENATE BILL No. 74," as follows:

"HOUSE Substitute for SENATE BILL No. 74

By Committee on Education Budget Committee

"AN ACT concerning school districts; relating to the use of moneys by school districts; amending K.S.A. 72-3607, 72-4523, 72-4525, 72-6420, 72-6423, 72-6424, 72-6433d, 72-8237, 72-8238 and 72-8804 and K.S.A. 2009 Supp. 72-965, 72-3715, 72-6407, 72-6414a, 72-6414b, 72-6421, 72-8223, 72-8248, 72-8249, 72-8250, 72-9509, 72-9609 and 74-4939a and repealing the existing sections; also repealing K.S.A. 72-6422."; and the substitute bill be passed.

(**H. Sub. for SB 74** was thereupon introduced and read by title.)

#### **REPORT ON ENGROSSED BILLS**

**HB 2561, HB 2656** reported correctly engrossed April 30, 2010.

#### **REPORT ON ENROLLED BILLS**

**S. Sub. for Sub. HB 2509; Sub. HB 2528** reported correctly enrolled, properly signed and presented to the governor on May 3, 2010.

#### **REPORT ON ENROLLED RESOLUTIONS**

**HR 6030, HR 6040** reported correctly enrolled and properly signed on May 3, 2010.

On motion of Rep. Merrick, the House adjourned until 10:00 a.m., Tuesday, May 4, 2010.

CHARLENE SWANSON, *Journal Clerk.*

SUSAN W. KANNARR, *Chief Clerk.*

