

PRELIMINARY JOURNAL

Journal of the House

FIFTY-SECOND DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Friday, April 11, 2025, 9:00 a.m.

The House met pursuant to adjournment with Speaker Hawkins in the chair.

The roll was called with 122 members present.
Reps. Carr and Poskin were excused on verified illness.
Rep. Alcala was excused on excused absence by the Speaker.
Excused later: Rep. Neighbor.

Prayer by Chaplain Holmes:

Dear Father.

Many things are about to change for most in this room,
as they look forward to returning home and enjoying some relaxation and a new normal.

The past number of months have been filled with
committee meetings, deliberation, debate, and decision making.

Exhausting hours was often their normal.

Your Word declares in Matthew 25:21

“Well done good and faithful servant, you were faithful with a few things,
I will put you in charge of many things.”

I applaud their faithfulness

as they were put in charge of directing our State in a myriad of areas.

Across Kansas, many would echo just such words to describe their appreciation
of the time and talent invested by these Representatives.

I pray each would know and realize they have indeed done well.

It has been a good session, and much good has been achieved.

Their work will not be finished when they return home.

I pray the words of Saint Paul to the churches of the Galatian region would resonate.

“And let us not lose heart in doing good,

for in due time we shall reap if we do not grow weary.

So then while we have opportunity, let us do good to all.”

For those who have grown weary, I pray new strength into their lives.

For the one who may have encountered some discouragement at times,

I pray Your goodness to bless them.

For those who have found themselves in emotional distress or turmoil

because of decisions made contrary to their desires,

I pray Your peace to envelope them.

And, for those who feel their efforts have accomplished much,
 I pray personal humility would guard them.
 As we have experienced Your blessings and kindness, remind us,
 if You would O' God of your faithfulness, Your love and your protection.
 In the name of The Father and The Son and The Holy Spirit
 I Pray Amen.

The Pledge of Allegiance was led by Rep. Long.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Schlingensiepen, are spread upon the Journal:

Rep. Schlingensiepen was joined on the floor by Reps. Haskins and Borjon.

On March 27, 2025, the No. 5-ranked Washburn University Men's Basketball Team completed an outstanding season by playing in the Final Four of the NCAA Division II Men's Basketball Championship, ending their historic season with a 30-4 record.

The victory over No. 10-ranked Lenoir-Rhyne University on March 25, 2025, in the Elite Eight earned the Ichabods a spot in the Final Four and gave Ichabod Head Coach Brett Ballard his 200th career win as a coach.

The Ichabods won the NCAA Division II Central Regional defeating No. 17-ranked Minnesota State University Moorhead 93-65.

The Ichabods won the MIAA regular season title becoming the second team in program history to reach the 30-win mark.

Senior guard Jacob Hanna earned NABC All-District first team honors and NCAA Central Region Tournament Most Outstanding Player, sophomore guard Jack Bachelor earned NABC All-District second team honors and NCAA Central Region All-Tournament Team, and Coach Ballard was named Region Coach of the Year, as well as MIAA Coach of the Year.

Five Ichabods earned all-MIAA honors including Jacob Hanna and Jack Bachelor on the first team, sophomore Brayden Shorter on the second team, senior Andrew Orr on the third team and senior Michael Keegan on the all-MIAA Defensive team.

The players and coaches of the 2024-25 team will be remembered in the long and storied history of the Washburn Men's Basketball program: Now, Therefore, let us give them a rousing applause.

The team was presented with a framed House certificate in honor of their accomplishments.

PERSONAL PRIVILEGE

There being no objection, the following remarks of Rep. Carlin are spread upon the Journal:

I would like us to recognize the Manhattan High School Chamber Orchestra.

In 2022, they participated in the WorldStrides Heritage Festival Chamber Orchestra competition in New Orleans. Their performance earned them a first-place finish. While there they also performed the National Anthem for an NBA game. Their place in New Orleans, and a re-qualifying audition last year is allowing them to travel to New York for the WorldStrides Band and Orchestra Festival at Carnegie Hall. They will perform on Saturday, April 19th at 9:00 pm.

The Manhattan High Orchestra is directed by Mr. Cody Toll. 83 members will be making the upcoming trip to New York. High school trips are so memorable for the students, this one more so, as they only travel once every three years for competition. I invited them to be in the Chamber with us today, but Director Toll felt they needed to spend time practicing so they were fully prepared for the upcoming events.

Rep. Carlin plans to present the orchestra with a framed House certificate at a later date.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Reavis are spread upon the Journal:

To the Speaker, the leadership of both parties, my colleagues from across the state and from every community in our society; I am excited to present a great example of toughness and grit, demonstrated by our youth in a challenging and competitive environment. They are a true example of ‘ad astra per aspera,’ through hardships to the stars.

Maur Hill - Mount Academy (MH - MA) is a Catholic, co-ed, college-preparatory high school developed to model a college campus atmosphere. As a boarding school, students experience a challenging and safe learning environment with a structured and supportive program for a student’s success. Rooted in the Catholic faith and Midwestern values, Maur Hill - Mount Academy, takes a proven approach to education resulting in academic advancement and personal development that challenges and inspires every student. Graduates leave MH - MA well-prepared for their next steps into college and life as responsible, independent, and engaged members of the global community.

MH - MA enrolls over 150 students in grades nine through 12 from across the United States and around the world, representing a variety of cultures and backgrounds. Students from all faith backgrounds are welcome to attend the school.

Four years ago, Maur Hill - Mount Academy started their mock trial program. Mock trial is a national program in which students prepare for a trial based upon either a criminal or civil court case. Students act as lawyers and witnesses to simulate the trial process. In competitions, the students compete against different schools regardless of their size classification.

The state championship is made up of schools of all sizes from across the state of Kansas. In March, the Ravens captured their 3rd consecutive state championship. In other words, this team from a small 2A school took down everyone else regardless of size! This team will be representing the state of Kansas in Phoenix Arizona this May at the national championship for the 3rd year in a row!

Last year, at the national competition in Delaware, Maur Hill-Mount Academy alumni, Anthony Wurtz, was selected as one of the top 10 potential young lawyers in the United States.

Members of the current state championship team are Andrew Schramp, Hayden Lickhart, Isabel Kautz, Joshua Campbell, Isaac Trotter, Katie Madden and Hannah Humburg. The Ravens are mentored by Coach Jeffrey Schremmer, retired District Court Judge, Martin Asher and Teacher/Coach Katie Asher. We are also joined by the President and ‘architect of success’ for the school, David Trotter. Other members of the school’s mock trial team are in the gallery. They are Anthony Russell, Kamran Maghsoodi, Audrey Hill, Luke Harris, Katherine Jirak, Lillian Werring, and Anthony Russel-Wepler.

Please join me in congratulating them on this exceptional achievement and give them our prayers for success at the national competition!

Rep. Reavis presented the students with a framed House certificate in honor of their accomplishments.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Featherston are spread upon the Journal:

Rep. Featherston was joined by the Johnson County delegation at the well to recognize the JCCC Women's Basketball team.

I am pleased to serve a district that includes one of the key institutions for higher education in our state: Johnson County Community College. Today we are honoring JCCC's National Champion Women's Basketball Team! This team brought the NJCAA championship back to Kansas when they defeated Pima Arizona Community College in the national championship game on March 22. They finished their season 34-1 under Head Coach Ben Conrad who was just named Coach of the Year. We are honored to have players and coaches with us here on the floor and up in the gallery today: Jamya McPherson, Heaven Smith, Mia Smith, Kara Strickland, Paige Cheffey, Layla Scott, Brianna Gist, Karlee Ellick, Katie Jones, Head Coach Ben Conrad, Taliyah Scott, Yar Manyiel, Aa'Mya Stacker, Maizen Williams, Aryanna Grassity, Amaya Marshall, Emma Nally, Korrie Holcer, Jocelyn Moore, Katie Reihmann, Josh Boland, Beth Hembree, Carlos Moore, Anthony Tompkins, Athletic Director.

Congratulations to this special team for putting an incredible mark on the 50-year tradition of women's basketball at JCCC. Thank you for dedication and hard work to bring the crown back to the great state of Kansas.

Rep. Featherston presented the team with a framed House certificate in honor of their accomplishments.

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Penn, **HR 6019**, as follows, was introduced and adopted:

By Representative Penn

A RESOLUTION recognizing April 15, 2025, as Jackie Robinson Day.

WHEREAS, On April 15, 1947, Jack Roosevelt "Jackie" Robinson became the first African American to play in Major League Baseball (MLB) when he started at first base for the Brooklyn Dodgers; and

WHEREAS, Jackie Robinson was known as an incredible four-sport athlete, playing football, basketball, track and baseball at the University of California, Los Angeles, and for his influence and contributions to the Civil Rights movement; and

WHEREAS, After his college career, Jackie Robinson was drafted into the Army and attended Candidate School in Kansas at Fort Riley where he was commissioned as a second lieutenant with the 1st Infantry Division ("Big Red 1"). In 1944, he was honorably discharged from the Army after refusing to move to the back of a segregated Army bus; and

WHEREAS, In 1944, he became the shortstop for the Kansas City Monarchs of the Negro American League but was recruited by the Brooklyn Dodgers the following year

as the first African American to play with its farm team, the Montreal Royals; and

WHEREAS, During his nine-year career as a Dodger, Jackie Robinson received the Rookie of the Year Award in 1947, the Most Valuable Player Award in 1949, helped the team win their first World Series Championship in 1955 and was inducted into the Baseball Hall of Fame in 1962; and

WHEREAS, Beyond the diamond, Jackie Robinson used his celebrity status to expand human rights, including improving working conditions as the Vice President for Personnel at Chock Full O'Nuts, speaking at the 1963 March on Washington civil rights rally and being a co-founder of a Black-owned and operated bank and construction company to financially aid the Black community and provide housing for low-income people; and

WHEREAS, In 1997, MLB formally retired his uniform number, 42, across all Major League teams, which was the first time any professional athlete in any sport received such an honor. Today, MLB has adopted the annual tradition of "Jackie Robinson Day" on April 15 where every player wears the number 42 to honor Jackie Robinson's achievements on and off the field: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we recognize April 15, 2025, as Jackie Robinson Day; and

Be it further resolved: That we honor Jackie Robinson for his accomplishments in baseball, the United States Army and in furthering civil rights across the country; and

Be it further resolved: That the Chief Clerk of the House of Representatives shall send enrolled copies of this resolution to Major General Monté L. Rone, Commanding General, 1st Infantry Division and Fort Riley, Speaker Hawkins and Representative Penn.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Penn are spread upon the Journal:

Today, I am joined by the Fort Riley Garrison Commander, Colonel Nunziato. COL Gerald "Jerry" Nunziato, Jr. commissioned through the Reserve Officer Training Corps at Youngstown State University in 2000. He served as an Armor and Signal Corps Officer before transitioning to a Special Operations Civil Affairs Officer in 2007.

COL Nunziato has held numerous leadership positions at every level, ranging from Platoon Leader through Deputy Brigade Command, serving in a wide spectrum of assignments from tactical to strategic level commands. His career has spanned both conventional and special operations, with joint assignments in NATO and JSOC. His overseas assignments include South Korea and Turkey, with multiple deployments to Iraq and Afghanistan.

Sir, we are deeply grateful for your presence here today and cherish the strong relationship between this Legislature and your Post, as we work together to ensure the safety, opportunity, and prosperity of the Soldiers, Civilians, and Families of the "Big Red One" on your Post. Thank you for being here.

Jack Roosevelt Robinson (January 31, 1919 – October 24, 1972) was an American professional baseball player who became the first African-American to play in Major League Baseball (MLB) in the modern era. Robinson broke the color line when he started at first base for the Brooklyn Dodgers on April 15, 1947. The Dodgers signing

Robinson heralded the end of racial segregation in professional baseball, which had relegated black players to the Negro leagues since the 1880s.

Born in Cairo, Georgia, Robinson was raised in Pasadena, California. A four-sport student athlete at Pasadena Junior College and the University of California, Los Angeles, he was better known for football than he was for baseball, becoming a star college player with the UCLA Bruins football team. Following his college career, Robinson was drafted for service during World War II and served at Fort Riley, KS, but was court-martialed for refusing to sit at the back of a segregated Army bus, eventually being honorably discharged. Afterwards, he signed with the Kansas City Monarchs of the Negro leagues, where he caught the eye of Branch Rickey, general manager of the Brooklyn Dodgers, who thought he would be the perfect candidate for breaking the color line in MLB.

During his 10-year MLB career, Robinson won the inaugural Rookie of the Year Award in 1947, was an All-Star for six consecutive seasons from 1949 through 1954, and won the National League (NL) Most Valuable Player Award in 1949—the first black player so honored. Robinson played in six World Series and contributed to the Dodgers' 1955 World Series championship. He was inducted into the Baseball Hall of Fame in 1962 in his first year of eligibility.

Robinson's character, his use of nonviolence, and his talent challenged the traditional basis of segregation that had then marked many other aspects of American life. He influenced the culture of and contributed significantly to the civil rights movement. Robinson also was the first black television analyst in MLB and the first black vice president of a major American corporation, Chock full o'Nuts. In the 1960s, he helped establish the Freedom National Bank, an African-American-owned financial institution based in Harlem, New York. After his death in 1972, Robinson was posthumously awarded the Congressional Gold Medal and Presidential Medal of Freedom in recognition of his achievements on and off the field. In 1997, MLB retired his uniform number, 42, across all Major League teams; he was the first professional athlete in any sport to be so honored. MLB also adopted a new annual tradition, "Jackie Robinson Day", for the first time on April 15, 2004, on which every player on every team wears no. 42.

Now you see why it has been a distinct and absolute personal honor of mine to not only serve our citizens in this hallowed Chamber, but to also do so while sitting in cherished Seat #42 for my past 3 Sessions.

I finally want to convey brief, additional Greetings from Wichita City Councilman Brandon Johnson, who wanted to personally attend today's recognition in the spirit of honor, integrity, and bipartisanship, but could not as official duties call him away: "It is an honor to celebrate the legacy of Jackie Robinson. His impact is still being felt throughout our country.

Here in Wichita, League 42, named after Mr. Robinson is continuing to inspire generations of young people to be more like Jackie and learn to play the game that he dominated.

It has been so inspiring to see Wichitans, Kansans, and people from all across America support league 42 after the Jackie Robinson Statue was stolen last year.

Because of the good in people, because of what Jackie Robinson inspired, the statue was replaced and stands even taller than it did before.

Thank you to the members of the legislature who supported honoring Jackie Robinson Day.”

Thank you, Mr. Speaker, for this opportunity to honor the magnificent legacy of on of nation’s treasured heroes. And thank you, Body, for joining us in fully supporting this Resolution to Recognize April 15th as Jackie Robinson Day in our great State of Kansas.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 82** 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.

BEVERLY GOSSAGE

DINAH SYKES

Conferees on part of Senate

SEAN TARWATER

ADAM TURK

Conferees on part of House

On motion of Rep. Smith, A. the conference committee report on **SB 82** to agree to disagree, was adopted.

Hawkins thereupon appointed Speaker Smith, A., Turner and Sawyer as second conferees on the part of the House.

CHANGE OF CONFEREES

Speaker Hawkins announced the appointment of Reps. Tarwater, Turk, and Sawyer Clayton to replace Reps. Francis, Essex, and Helgerson as members of the conference committee on **SB 98**.

On motion of Rep. Croft, the House recessed until 10:00 a.m.

MID-MORNING SESSION

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

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2062**, AN ACT concerning children and families; relating to orders of child support; providing for child support for unborn children from the date of conception and including the direct medical and pregnancy-related expenses of the mother; requiring the court to consider the value of retirement accounts when determining support orders; eliminating the exemption and retirement moneys from claims to fulfill child support obligations; providing for an income tax exemption for unborn and stillborn children;

amending K.S.A. 20-165, 23-2205, 23-3001 and 23-3002 and K.S.A. 2024 Supp. 60-2308 and 79-32,121 and repealing the existing sections.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2062**, the bill be passed. By a vote of 31 Yeas and 9 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **S Sub for HB 2240**, AN ACT concerning public assistance; requiring approval by an act of the legislature prior to any state agency seeking or implementing any public assistance program waiver or other authorization from the federal government that expands eligibility for any public assistance program, increases cost to the state or makes certain changes in services for persons with intellectual or developmental disabilities; authorizing approval of such waivers, other authorizations or changes by the legislative coordinating council when the legislature is not in session.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **S Sub for HB 2240**, the bill be passed. By a vote of 31 Yeas and 9 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2311**, AN ACT concerning children and minors; relating to the secretary for children and families; prohibiting the secretary from adopting and enforcing policies for placement, custody or appointment of a custodian that may conflict with sincerely held religious or moral beliefs regarding sexual orientation or gender identity; creating a right of action for violations {against the secretary for children and families}.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2311**, the bill be passed. By a vote of 31 Yeas and 9 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **S Sub for HB 2382**, AN ACT concerning education; requiring school districts to include a human fetal development presentation as part of the curriculum for any course that addresses human growth, human development or human sexuality; authorizing the state board of education to establish the rate of compensation for members of the state board; amending K.S.A. 72-253 and repealing the existing section.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **S Sub for HB 2382**, the bill be passed. By a vote of 31 Yeas and 9 Nays, the motion having received the required two-thirds

constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2033**,

AN ACT concerning education; relating to at-risk educational programs; including programs and services provided by nonprofit organizations accredited by the international multisensory structured language education council as approved at-risk educational programs; amending K.S.A. 2024 Supp. 72-5153 and repealing the existing section.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2033**, the bill be passed. By a vote of 32 Yeas and 8 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2284**,

AN ACT concerning the department of administration; relating to the procurement of managed care organizations for the Kansas program of medical assistance; requiring adoption of policies.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2284**, the bill be passed. By a vote of 30 Yeas and 10 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2291**,

AN ACT creating the regulatory relief division within the office of the attorney general; establishing the general regulatory sandbox program to waive or suspend administrative rules and regulations for program participants; amending K.S.A. 75-4319 and repealing the existing section.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2291**, the bill be passed. By a vote of 30 Yeas and 10 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

Announcing the Senate here with transmits certificate of action by the Senate on **HB 2217**,

AN ACT concerning the attorney general; relating to the office of the inspector general

and the powers, duties and responsibilities thereof; expanding the power of the inspector general to investigate and audit all state cash, food and health assistance programs; amending K.S.A. 75-7427 and repealing the existing section.

The veto message from the Governor having been received, a motion was made that not withstanding the Governor's objection to **HB 2217**, the bill be passed. By a vote of 30 Yeas and 10 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

MESSAGE FROM THE SENATE

The Senate adopts the Conference Committee report on **SB 156**.

The Senate adopts the Conference Committee report on **SB 186**.

The Senate adopts the Conference Committee report on **SB 204**.

The Senate adopts the Conference Committee report on **SB 237**.

INTRODUCTION OF ORIGINAL MOTIONS

Having voted on the prevailing side in failing to override the governor's veto of line items on **SB 125** (HJ page 1374), Rep. Charlotte Esau moved the House of Representatives reconsider its action on SB 125. The motion carried and the bill was return to that order of business consideration of veto.

CONSIDERATION OF LINE ITEM VETOES

On motion of Rep. Rep. Waymaster the House proceeded to reconsider the line item vetoes on **SB 125** AN ACT making and concerning appropriations for the fiscal years ending June 30, 2025, June 30, 2026, and June 30, 2027, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain capital improvement projects, assessments and fees; authorizing certain transfers; imposing certain restrictions and limitations; directing or authorizing certain disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2024 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 76-775, 76-7,107, 76-7,155, 76-7,157, 79-2989, 79-3425i, 79-34,171, 79-4804 and 82a-955 and repealing the existing sections..

The Governor's objection of the line item in **SB 125** which reads as follows: a portion of 46(a), 46(c), 47, 63(x), 72(b), 73(f), a portion of 76(a), a portion of 76(b),a portion of 83(a), a portion of 89(a), 89(aa), a portion of 92(a), 118(h), 118(i), a portion of 121(a), 135(a), 177(b), 187(h), 188 the question being shall the line item be passed not withstanding the Governor's veto?

On roll call, the vote was: Passed

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

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

Yeas: Anderson, Awerkamp, Ballard, Barrett, Barth, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Bryce, Buehler, Butler, Carlin, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Delperdang, Droge, Ellis, Esau, Essex, Estes, Francis, Gardner, Goddard, Goetz, Hawkins, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Huebert, Humphries, James, T. Johnson, Kessler, King,

Lewis, Long, McNorton, Minnix, Moser, Neelly, Ohaebosim, Penn, Pickert, Pishny, Proctor, Rahjes, Reavis, Resman, Roeser, Roth, Sanders, Schmoe, Schreiber, Schwertfeger, Seiwert, Smith, A., Smith, C., Steele, Stiens, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Waggoner, Ward, Wasinger, Waymaster, White, Wilborn, Willcott, Williams, K., Williams, L., Wolf.

Nays: Amyx, Paige, Carmichael, Curtis, Fairchild, Featherston, Haskins, Helgerson, Hoye, Martinez, McDonald, Melton, Meyer, Miller, S., Mosley, Neighbor, Oropeza, Osman, Ousley, Poetter, Rhiley, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Simmons, Stogsdill, Vaughn, Weigel, Wikle, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Poskin.

The motion prevailed and the line items were passed.

EXPLANATION OF VOTE

MR. SPEAKER: I reluctantly vote YES to override the Governors veto of **SB 125**. Individual vetoes should be handled separately and with consideration for each individual item. Bundling this veto override was a bad move and the reason it failed on the initial vote. The money for the K-State lab is excessive and duplicative and should have been axed. The money for the pregnancy care and maternity centers was definitely needed and I fully support it. Very different issues that should never have been grouped together. The Kansas House and the voters in my district deserves better than this legislative manipulation. – PAUL WAGGONER, BRIAN BERGKAMP, SHAWN CHAUNCEY, STEVE HUEBERT

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Croft, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2045**, **HB 2231**.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2045** submits the following report:

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

On page 1, by striking all in lines 8 through 35;

By striking all on pages 2 through 11;

On page 12, by striking all in lines 1 through 5; following line 5, by inserting:

"New Section 1. (a) Each licensed child care center that provides care to any number or type of child shall hire a program director or lead teacher who:

(1) Is at least 18 years of age;

(2) has a high school diploma or equivalent; and

(3) has one of at least four educational or experience-based criteria specific to such licensure as determined by the director, which shall include one non-academic experience-based option for qualifications under this paragraph.

(b) Each licensed child care center may hire assistant teachers. Each assistant

teacher shall be at least 16 years of age and have necessary skills and abilities as determined by the director. The director shall not require assistant teachers to meet educational requirements.

(c) Waivers to this section may be granted on a case-by-case basis by the secretary in accordance with section 5, and amendments thereto.

(d) On and after July 1, 2026, this section shall be administered by the director of early childhood and waivers to this section may be granted on a case-by-case basis by the director based on a recommendation from the deputy director of child care licensure and finance in accordance with section 5, and amendments thereto.

(e) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 2. (a) (1) For each licensure year beginning after July 1, 2025, each person who provides care to children in a licensed child care home shall complete professional development training in an amount determined by the secretary of health and environment of up to 10 clock hours per licensure year.

(2) Such training shall consist of a minimum of eight hours of training specified by the secretary.

(3) As part of the professional development training required under this subsection:

(A) Each person who provides care to children in a licensed child care home shall submit to the secretary proof of completion of up to four hours of such outside training in child care or any related subject. The secretary shall retain records of such person's compliance with this requirement; and

(B) a person who maintains a licensed child care home with one provider, if such provider provides care simultaneously to four infants at any time during the licensure year, shall submit to the secretary proof of completion of at least three hours of such professional development training in an infant-specific subject. The secretary shall retain records of such person's compliance with this requirement.

(b) The secretary shall update rules and regulations to not require licensure for an individual who provides care for less than 35 hours, unless otherwise increased by the secretary, to four or fewer children, not more than two of whom may be infants who are not related to the individual by blood, marriage or legal adoption, nor to individuals who provide care for children in such child's own home or when care is arranged between friends and neighbors on an irregular basis.

(c) The secretary shall update rules and regulations regarding child ratios on or before October 1, 2025.

(d) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(e) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 3. (a) A licensed child care center shall meet the legal requirements of the local jurisdiction where the child care center is located for fire protection, water supply and sewage disposal.

(b) (1) The designated area for children's activities shall contain a minimum of 28 square feet of floor space per child, excluding kitchens, passageways, storage areas and bathrooms.

(2) There shall be a minimum of 60 square feet of outdoor play space on the premises for each child using the space at any given time.

(c) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(d) From July 1, 2025, to June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 4. (a) The secretary of health and environment shall not require as a condition of licensure for a child care home that the licensee live in the child care home.

(b) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(c) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 5. (a) (1) Notwithstanding any law to the contrary, a person granted licensure to maintain a day care facility may request from the secretary of health and environment a waiver from the requirements of this act for a set period of time. Waiver requests shall be made in a form and manner approved by the secretary and shall contain the provisions of the statute sought to be waived.

(2) Such waiver request shall be submitted to the secretary and may be granted on a case-by-case basis.

(b) (1) On and after July 1, 2026, notwithstanding any law to the contrary, a person granted licensure to maintain a day care facility may request a waiver from the requirements of this act for a set period of time. Waiver requests shall be made in a form and manner approved by the director of early childhood and shall contain the provisions of the statute sought to be waived.

(2) Such waiver request shall be submitted to the deputy director of child care licensure and finance. Upon a recommendation by the deputy director of child care licensure and finance on a case-by-case basis, the director may grant a waiver.

(c) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 6. (a) (1) Notwithstanding any other law to the contrary, the secretary of health and environment may develop and operate pilot programs designed to increase the availability or capacity of day care facilities in the state. Such pilot programs may request state funding for operations, subject to appropriations.

(2) The secretary may grant licensure to a person to maintain a day care facility or youth development program in a pilot program under this section that waives the requirements of this act or rules and regulations related to licensure and operation of a day care facility or youth development program, including requirements for staff at such day care facility or youth development program. A day care facility or youth development program granted a license under this section shall comply with any alternative terms, conditions and requirements set by the secretary as may be necessary to protect the health, safety and welfare of any children who attend such day care facility or youth development program.

(3) The secretary shall not grant a license under this section if the secretary determines that a day care facility or youth development program or staff of such

facility or program would endanger the health, safety and welfare of any child.

(b) The secretary may grant licensure to a person to maintain a day care facility or youth development program under this section for up to five licensure years, except that the secretary may grant an additional two years of licensure to any facility or program that participated in a pilot program pursuant to subsection (c).

(c) If the secretary determines that a pilot program has been successful and will increase the availability or capacity of child care facilities in the state, the secretary shall make suggestions and recommendations to the legislature for statutory changes relating to day care facilities or youth development programs.

(d) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(e) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 7. (a) The secretary of health and environment shall not impose restrictions on the use of 15-passenger vans purchased on or before July 1, 2025.

(b) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(c) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 8. (a) There is hereby established within the executive branch the Kansas office of early childhood for the purpose of creating greater transparency, safety and efficiency to Kansans with the oversight of all funds, programs and policies related to early childhood care services provided in Kansas.

(b) The Kansas office of early childhood shall be administered under the direction and supervision of the director of early childhood.

(c) The governor shall appoint the director of early childhood, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. Except as provided in K.S.A. 46-2601, and amendments thereto, no person appointed as director shall exercise any power, duty or function as director until confirmed by the senate.

(d) The director shall be in the unclassified service under the Kansas civil service act and shall receive an annual salary to be fixed by the governor. The director shall serve at the pleasure of the governor.

(e) Except as provided in K.S.A. 38-2103, and amendments thereto, all budgeting, purchasing and related management functions of the Kansas office of early childhood shall be administered under the direction and supervision of the director of early childhood.

(f) All expenditures shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of early childhood or the director's designee. The director shall submit to the legislature the annual request for the Kansas office of early childhood for appropriations, including the use of moneys subject to K.S.A. 38-2102 and 38-2103, and amendments thereto. The office's request shall be prepared and submitted in the form and manner provided by K.S.A. 75-3716 and 75-3717, and amendments thereto.

(g) The Kansas governmental operations accountability law applies to the Kansas

office of early childhood, and the office shall be subject to audit, review and evaluation under such law.

(h) The director shall maintain an office in Topeka, Kansas.

(i) (1) On or before July 1, 2025, the governor shall appoint an interagency transition team to begin office operations.

(2) On or before January 1, 2026:

(A) The governor shall appoint the director; and

(B) the office shall begin transitioning programs identified in section 12, and amendments thereto, from state agencies to the office.

(3) On or before July 1, 2026, all identified programs shall be under the direction and supervision of the director, including staff and other operational functions.

(j) Nothing in this act shall be construed to preempt, supersede or impinge on the authority of the Kansas department for children and families provided in K.S.A. 75-3084 through 75-3089, and amendments thereto.

New Sec. 9. (a) The Kansas office of early childhood shall be responsible for:

(1) The implementation of child care policies, processes, procedures and funding with direction from the governor, the director of early childhood and the legislature;

(2) the implementation of policies, processes and awards granted through the children's cabinet, subject to appropriations and approval of the legislature;

(3) the provision of mediation, support and problem-solving resolutions through child care advocacy services;

(4) providing easily-accessible support to the public and persons providing and receiving child care services;

(5) ensuring access to information, services, resolution of issues, rules and regulations and funding in a user-friendly manner as prescribed by the director;

(6) serving as a central point of contact for federal and state agencies on child care services, funding and grants; and

(7) maximizing administrative efficiencies to reduce burdens on families and improve access to early childhood services.

(b) The director of early childhood shall ensure efficient use of funds for the provision of child care services and report such efficient use through the following:

(1) Maximizing funds for child care services, support programs and grant initiatives for efficiency and reducing administrative waste, fraud and abuse and ensuring greatest possible benefit to eligible families and providers;

(2) establishing clear performance metrics and accountability measures to ensure effective use of state and federal resources, including conducting regular audits, outcome-based evaluations and cost-efficiency reviews; and

(3) complying with all rules and regulations adopted pursuant to the requirements set forth in K.S.A. 39-709, and amendments thereto.

(c) On or before January 20, 2026, and each year thereafter, the director shall submit a report to the Kansas legislature that includes:

(1) The allocation and expenditure of funds and resources;

(2) measurable outcomes of programs funded through the office, including, but not limited to, compliance to safety regulations and number of complaints received and resolved;

(3) identified inefficiencies within the office and system and the corrective action taken in response;

(4) recommendations for improving fiscal stewardship, service delivery, implementation of statutory requirement and any potential changes;

(5) updates on changes to rules and regulations;

(6) all data and metrics related to service rates for children and families, workforce and private actors, service delivery and fiscal efficiency of all programs and recommendations for continuation or termination of such programs; and

(7) any pilot program, including, but not limited to, the number of participating day care facilities or youth development programs and number of children attending such facilities or programs, provisions of statutes and regulations waived by the director, recommendations for changes to this act and a summary of findings from the pilot program based on available information.

New Sec. 10. (a) The director of early childhood shall:

(1) Prepare, submit to the legislature and implement plans for a comprehensive service delivery system for children and families;

(2) facilitate and coordinate interagency cooperation toward the goal of serving children and families with a variety of other state agencies, such as the Kansas department for children and families, the department of health and environment, the department of corrections, the state board of education, the state board of regents and any other state offices, department or board providing services to Kansas children and families;

(3) provide a central contact for information and assistance for children, families, communities and businesses in need of early childhood care and related services;

(4) serve as the primary contact for the Kansas legislature on policy, administrative support and constituent services relating to early childhood care and related services;

(5) enter into such contracts and agreements as necessary or incidental to the performance of the powers and duties of the executive director;

(6) charge and collect, by order, a fee necessary for the administration and processing of paper documents, including, but not limited to, applications, registrations, permits, licenses, certifications, renewals, reports and remittance of fees that are necessary or incidental to the execution of the laws relating to the Kansas office of early childhood;

(7) appoint and oversee deputy directors within the office;

(8) transition the administration of the following programs and state functions to the office:

(A) Child care subsidy;

(B) children's cabinet and trust fund;

(C) day care facility licensing, youth development programs, school-age programs and early youth care programs;

(D) child care quality;

(E) head start collaboration office;

(F) healthy families America;

(G) Kansas early head start child care partnership;

(H) Kansas early head start home visitation;

(I) maternal and child health home visitation;

(J) maternal, infant and early childhood home visitation; and

(K) parents as teachers;

(9) enter into agreements with the secretary of administration for the provision of

shared services, including, but not limited to, personnel and other administrative services for the office;

(10) adopt, amend or revoke any rules and regulations necessary to carry out this act and the programs and duties of the office; and

(11) ensure that all Kansas children's cabinet functions are executed in accordance with K.S.A. 38-1901, and amendments thereto.

(b) The director shall not adopt rules and regulations or policies requiring educational outcomes or curriculum for persons or entities licensed pursuant to this act.

(c) Nothing in this section shall be construed to authorize the director to administer the preschool programs in K.S.A. 72-3215 and 72-5154, and amendments thereto.

(d) Subject to this act, the director shall organize the Kansas office of early childhood in the manner that the director deems most efficient. The director may establish policies governing the transaction of business of the office and the administration of each division within the office. The deputy directors shall perform such duties and exercise such powers as the director may prescribe and such duties and powers as are prescribed by law. Such deputy directors shall act for and exercise the powers of the director to the extent that authority to do so is delegated by the director.

(e) Administration of programs transferred by this section are subject to federal and state appropriations.

New Sec. 11. (a) Except as otherwise provided by law, and subject to the Kansas civil service act, the director shall appoint:

(1) Subordinate officers and employees as are necessary to enable the director to exercise or perform the functions, powers and duties pursuant to this act;

(2) the deputy director of child care licensure and finance;

(3) the deputy director of home visitation; and

(4) the deputy director of the Kansas children's cabinet.

(b) Nothing in this section shall be construed to affect the status, rights or benefits of civil service accrued or vested in any employee of the Kansas children's cabinet, the Kansas department for children and families, the department for health and environment or the state department of education.

New Sec. 12. (a) (1) There is hereby established within and as a part of the Kansas office of early childhood the deputy director of child care licensure and finance. The deputy director shall oversee day care licensure, including, day care facility and child care resource and referral agency licensing and child care finance and quality.

(2) The deputy director shall be in the unclassified service under the Kansas civil service act and appointed by the director.

(3) All of the powers, duties and functions of the existing day care and child care resource and referral agency licensing programs pursuant to this act within the division of public health of the department of health and environment are hereby transferred to the deputy director.

(4) The deputy director shall manage all components of licensure, including, but not limited to, inspections, waiver approvals and revocation of licenses.

(5) Whenever day care and child care resource and referral agency licensing, or words of like effect, are referred to or designated by any statute, rule and regulation, contract or any other document, including any statute, rule and regulation, contract or any document created pursuant to the authorities transferred by this section, such reference or designation shall apply to the deputy director.

(6) The deputy director may enter into agreements with the Kansas department for children and families for the administration of child care subsidy payments. If executed, such agreements shall require that the secretary for children and families determine an applicant's eligibility for the child care subsidy according to K.S.A. 39-709, and amendments thereto, and provide information pertaining to such eligible applicants to the deputy director for the administration of such benefits.

(7) There is hereby established the child care ombudsman to be overseen by the deputy director of child care licensing and finance. Such ombudsman shall:

(A) Serve as a central point of contact for concerns regarding the delivery and system of child care services and receive, investigate and address complaints, concerns and inquiries in a timely manner from the public regarding child care services, providers and related programs;

(B) act as an advocate for parents, families and child care providers by facilitating communication between stakeholders and ensuring that concerns are resolved efficiently and fairly;

(C) work collaboratively with state agencies, the director of early childhood, service providers and advocacy organizations to improve the quality, accessibility and affordability of child care services in Kansas;

(D) provide clear guidance and information, in conjunction with and direction from the director, to the public about child care regulations, available support programs and how to access services when concerns arise;

(E) submit an annual report to the director, to be shared with the legislature, detailing the number and nature of concerns addressed, actions taken and recommendations for improvements in child care services and policies;

(F) review all revocations of licensure upon a complaint and make appeal to director. If an unsatisfactory determination is made, the provider may appeal through the administrative procedure act; and

(G) recommend changes in policies, rules and regulations or procedures to improve the functioning of child care services in Kansas to the director, the governor and the legislature.

(b) (1) There is hereby established within and as a part of the Kansas office of early childhood the deputy director of home visitation. The deputy director shall oversee home visitation programs.

(2) The deputy director shall be in the unclassified service under the Kansas civil services act and appointed by the director.

(3) All the powers, duties and functions of existing home visitation programs are hereby transferred to the deputy director of home visitation.

(4) Whenever the existing home visitation programs or word of like effect, are referred to or designated by any statute, rule and regulation, contract or any other document, including any statute, rule and regulation, contract or any document created pursuant to the authorities transferred by this section, such reference or designation shall apply to the deputy director.

(c) (1) There is hereby established within and as a part of the Kansas office of early childhood the deputy director of the Kansas children's cabinet established under K.S.A. 38-1901, and amendments thereto.

(2) The Kansas children's cabinet shall be administered by the deputy director of the Kansas children's cabinet, who shall be in the unclassified service under the Kansas

civil service act and appointed by the director.

(3) All of the powers, duties, functions and cabinet-approved programs of the existing Kansas children's cabinet and the Kansas children's cabinet director are hereby transferred to the Kansas office of early childhood.

(4) The children's cabinet established in K.S.A 38-1901, and amendments thereto, is subject to appropriations of the legislature.

New Sec. 13. (a) On or before July 1, 2026, except as otherwise provided by this act, all rules and regulations, orders and directives of state agencies related to the programs transferred by this act that are in effect on the effective date of this act shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the Kansas office of early childhood until revised, amended, revoked or nullified pursuant to law.

(b) (1) On or before July 1, 2026, the balances of all funds and accounts appropriated or reappropriated that were used for or pertain to the powers, duties and functions of programs transferred to the Kansas office of early childhood pursuant to this act are hereby transferred within the state treasury to the Kansas office of early childhood and shall be used for the purpose for which the appropriation was originally made. The director of Kansas office of early childhood shall determine and certify to the director of accounts and reports the amount in each account of the state general fund or special revenue fund of state agencies that have been determined by the director of the Kansas office of early childhood to be transferred. Upon receipt of a certification pursuant to this paragraph, the director of accounts and reports shall transfer the amount certified pursuant to this paragraph from each account of the state general fund or special revenue fund of a state agency that has been determined by the director of the Kansas office of early childhood to be transferred.

(2) On or before July 1, 2026, the Kansas office of early childhood shall succeed to all property, property rights and records of state agencies that were used for or pertain to the powers, duties and functions of the programs transferred to the Kansas office of early childhood pursuant to this act.

(3) On or before July 1, 2026, any conflict as to the proper disposition of the unexpended balance of any appropriation, property, property rights, personnel or records as a result of the transfer of programs to the Kansas office of early childhood pursuant to this act arising under this subsection shall be determined by the governor.

(c) (1) On or after July 1, 2026, no suit, action or other proceeding, judicial or administrative, lawfully commenced or that could have been commenced by or against any state agency or program mentioned in this act or by or against any officer of the state in such officer's official duties shall abate by reason of this act. The court may allow any such suit, action or other proceeding to be maintained by or against the successor of any such state agency or any officer affected.

(2) On or after July 1, 2026, no criminal action commenced or that could have been commenced by the state shall abate by the taking effect of this act.

(d) (1) On or before July 1, 2026, all officers and employees of the state agencies related to the programs transferred in this act who, immediately prior to the effective date of this act, are engaged in the exercise and performance of the powers, duties and functions transferred by this act, as well as all officers and employees of the state agencies related to the programs transferred in this act who are determined by the director of the Kansas office of early childhood to be engaged in providing

administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by this act, are hereby transferred to the Kansas office of early childhood. All classified officers and employees so transferred shall retain their status as classified employees.

(2) On or before July 1, 2026, officers and employees transferred by this act shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer or employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this act shall affect the classified status of any transferred person employed prior to the date of this transfer.

(3) On or before July 1, 2026, notwithstanding the effective date of this act, the provisions of this act prescribing the transfer of officers and employees to the Kansas office of early childhood established by this act, the date of transfer of each such officer or employee shall commence at the start of a payroll period.

New Sec. 14. (a) To the extent that funds expended for child care services are subject to federal requirements and appropriation acts of the legislature, such funds shall not be expended by any agency or office to reimburse providers for unfilled child care slots, not including reimbursement for a child who is temporarily absent due to illness or other reason and intend to resume receiving child care services.

(b) On and after July 1, 2026, this section shall be administered by the director of early childhood.

(c) From July 1, 2025, through June 30, 2026, this section shall be a part of and supplemental to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 15. (a) It shall be unlawful for any person, firm, corporation or association to conduct or maintain a day care facility for children under 16 years of age without having a license or temporary permit therefor from the executive director of the Kansas office of early childhood. Nothing in this act shall apply to:

(1) A residential facility or hospital that is operated and maintained by a state agency as defined in K.S.A. 75-3701, and amendments thereto;

(2) child care facilities as defined in K.S.A. 65-503, and amendments thereto;

(3) a summer instructional camp that is provided by a not-for-profit, school, verifiable nonpublic school or an employee of such school; or

(4) a person or group of persons providing educational activities for children ages pre-K through high school to such persons' children.

(b) Organizations or persons providing services defined as a day care under this act and not included in this section may apply for and be granted a waiver as provided for under the act.

(c) This section shall take effect on and after July 1, 2026.

New Sec. 16. (a) As used in this act:

(1) "Act" means sections 8 through 36, and amendments thereto.

(2) "Assistant teacher" means a staff member of a child care center who is responsible for assisting the lead teacher in the care of children.

(3) "Child care center" means a facility that meets child care center regulations and provides care and educational activities for children.

(4) "Child care home" means the premises where care is provided for children at a residence.

(5) "Child care resource and referral agency" means a business or service conducted, maintained or operated by a person engaged in providing resource and referral services, including information on specific services provided by child care facilities, to assist parents to find child care.

(6) "Day care facility" means a day care home, preschool, child care center, school-age program, youth development program or other facility of a type determined by the director to require regulation under this act.

(7) "Employee" means a person working, regularly volunteering or residing in a day care facility.

(8) "Infant" means a child who is between two weeks and 12 months of age or a child older than 12 months who has not yet learned to walk.

(9) "Lead teacher" means an individual who can independently staff any unit in a child care center.

(10) "Licensure year" means the period of time beginning on the effective date and ending on the expiration date of a license.

(11) "Person" means any individual, association, partnership, corporation, government, governmental subdivision or other entity.

(12) "Program director" means the staff member of a child care center is responsible for implementing and supervising the comprehensive and coordinated plan of activities that provide for the education, care, protection and development of children who attend a child care center.

(13) "Religious beliefs" means the same as defined in K.S.A. 44-663, and amendments thereto.

(14) "School-age" means a child who will be at least six years of age on or before the first day of September of any school year but is under 16 years of age.

(15) "Unit" means the number of children who may be present in one group in a child care center.

(16) "Youth development program" means the same as defined in section 32, and amendments thereto.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 17. (a) The director of the Kansas office of early childhood shall have the power to grant a license to a person to maintain a day care facility for children under 16 years of age. A license granted to maintain a day care facility shall state the name of the licensee, describe the particular premises in or at which the business shall be carried on, whether it shall receive and care for children, and the number of children that may be cared for at any one time. No greater number of children than is authorized in the license shall be kept on such premises, and the business shall not be carried on in a building or place not designated in the license. The license shall be kept posted in a conspicuous place on such premises, where the business is conducted. A license granted to maintain a day care facility shall have on its face an expiration sticker stating the date of expiration of the license.

(b) The director of the Kansas office of early childhood shall not grant a license in any case until careful inspection of the day care facility has been made according to the terms of this act and until such day care facility has complied with all the requirements of this act. The director of the Kansas office of early childhood may issue a temporary

permit to operate for a period of not to exceed 90 days upon receipt of an initial application for license. The director of the Kansas office of early childhood may extend the temporary permit to operate for an additional period of not to exceed 90 days if an applicant is not in full compliance with this act but has made efforts toward full compliance.

(c) (1) In all cases where the secretary for children and families deems it necessary, an investigation of the day care facility shall be made under the supervision of the secretary for children and families or other designated qualified agents. For that purpose and for any subsequent investigations, such agents shall have the right of entry and access to the premises of the facility and to any information deemed necessary for the completion of the investigation. In all cases where an investigation is made, a report of the investigation of such facility shall be filed with the director of the Kansas office of early childhood.

(2) In cases where neither approval nor disapproval can be given within a period of 30 days following a formal request for such a study, the director of the Kansas office of early childhood may issue a temporary license without a fee, pending final approval or disapproval of the center or facility.

(d) Whenever the director of the Kansas office of early childhood refuses to grant a license to an applicant, the director of the Kansas office of early childhood shall issue an order to that effect, stating the reasons for such denial and, within five days after the issuance of such order, notify the applicant of the refusal. Upon application and not more than 15 days after the date of issuance of such order, a hearing on the order shall be held in accordance with the Kansas administrative procedure act.

(e) When the director of the Kansas office of early childhood finds, upon investigation or is advised by the secretary for children and families, that K.S.A. 59-2123, and amendments thereto, or this act are being violated or the day care facility is maintained without due regard to the health, safety or welfare of any child, the director of the Kansas office of early childhood may issue an order revoking such license after giving notice and the opportunity for a hearing in accordance with the Kansas administrative procedure act. Such order shall clearly state the reason for the revocation.

(f) If the director revokes or refuses to renew a license, the licensee who had a license revoked or not renewed shall not be eligible to apply for a license for a period of one year subsequent to the date such revocation or refusal to renew becomes final. If the director revokes or refuses to renew a license of a licensee who is a repeat violator for three or more times of statutory requirements or rules and regulations or is found to have contributed to the death or serious bodily harm of a child under such licensee's care, such licensee shall be permanently prohibited from applying for a new license to provide child care or from seeking employment under another licensee.

(g) Any applicant or licensee aggrieved by a final order of the director of the Kansas office of early childhood denying or revoking a license under this act may appeal the order in accordance with the Kansas judicial review act.

(h) This section shall take effect on and after July 1, 2026.

New Sec. 18. (a) The annual fee for a license to conduct a day care facility or child care resource and referral agency shall be fixed by the director of the Kansas office of early childhood by rules and regulations in an amount not to exceed the following:

(1) For a child care resource and referral agency, \$150; and

(2) for any day care facility subject to this act, there shall be no annual fee for a license to conduct a day care facility.

(b) The license fee shall be paid to the director of the Kansas office of early childhood when the license is applied for and annually thereafter. The fee shall not be refundable. Fees in effect under subsection (a) immediately prior to July 1, 2026, shall continue in effect on and after July 1, 2026, until a different fee is established by the director of the Kansas office of early childhood by rules and regulations.

(c) Any licensee who fails to renew such license within 30 days after the expiration of the license shall pay to the director the renewal fee plus a late fee in an amount of \$75 or an amount equal to the fee for the renewal of a license, whichever is greater.

(d) Any licensee applying for an amended license shall pay to the director of the Kansas office of early childhood a fee established by rules and regulations of the director in an amount of not to exceed \$35.

(e) There is hereby created the day care facilities and child care resource and referral agencies licensing fee fund. The director of the Kansas office of early childhood shall remit all moneys received by the director from fees under this section to the state treasurer in accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer, notwithstanding any other law to the contrary, shall deposit the entire amount in the state treasury to the credit of the day care facilities and child care resource and referral agencies licensing fee fund. All expenditures from the day care facilities and child care resource and referral agencies licensing fee fund shall be made only for the purposes of this act in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas office of early childhood or by the director's designee. Notwithstanding any other law to the contrary, no moneys shall be transferred or otherwise revert from this fund to the state general fund by appropriation act or other act of the legislature. Moneys available under this section by the creation of the day care facilities or child care resource and referral agencies licensing fee fund shall not be substituted for or used to reduce or eliminate moneys available to the Kansas office of early childhood to administer this act. Nothing in this act shall be construed to authorize a reduction or elimination of moneys made available by the state to local units of government for the purposes of this act.

(f) This section shall take effect on and after July 1, 2026.

New Sec. 19. (a) The director of the Kansas office of early childhood shall serve notice of the issuance, limitation, modification, suspension or revocation of a license to conduct a day care facility to the secretary for children and families, the secretary of corrections, state department of education, office of the state fire marshal, county, city-county or multi-county department of health and any licensed child placement agency or licensed child care resource and referral agency serving the area where the facility is located. A day care facility or child care resource and referral agency that has had a license limited, modified, suspended, revoked or denied by the director of the Kansas office of early childhood shall notify in writing the parents or guardians of the enrollees of the limitation, modification, suspension, revocation or denial. Neither the secretary for children and families nor any other person shall place or cause to be placed any child under 16 years of age in any day care facility or child care resource and referral agency that is not licensed by the director of the Kansas office of early childhood.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 20. (a) Each day care facility licensee shall keep a record upon forms prescribed and provided by the director of the Kansas office of early childhood. Such record shall include the name and age of each child received and cared for in the facility together with the names and addresses of the parents or guardians of such children and such other information as the director of the Kansas office of early childhood may require. Each day care facility licensee shall apply to and shall receive without charge from the director of the Kansas office of early childhood forms for such records as may be required. Such forms shall contain a copy of this act.

(b) (1) Information obtained under this section shall be confidential and shall not be made public in a manner that would identify an individual.

(2) Such records shall be confidential and shall not be subject to the open records act, K.S.A. 45-215 et seq., and amendments thereto. This subsection shall expire on July 1, 2031, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2031.

(c) This section shall take effect on and after July 1, 2026.

New Sec. 21. (a) Each day care facility subject to this act shall:

(1) Be properly heated, plumbed, lighted and ventilated;

(2) have plumbing, water and sewerage systems that conform to all applicable state and local laws; and

(3) be operated with strict regard to the health, safety and welfare of each child.

(b) (1) Every day care facility shall furnish or cause to be furnished for the use of each child and employee an individual towel, washcloth or disposable towel, comb, individual drinking cup or sanitary bubbling fountain and toothbrushes for all children other than infants, and keep or require such articles to be kept at all times in a clean and sanitary condition.

(2) Toothbrushes in a day care facility may be used after meals or as appropriate.

(3) Every day care facility or child care resource and referral agency shall comply with all applicable fire codes and rules and regulations of the state fire marshal.

(c) The director of the Kansas office of early childhood shall develop and adopt rules and regulations for the operation and maintenance of day care facilities. The rules and regulations for operating and maintaining day care facilities shall be designed to promote the health, safety and welfare of any child served in such facilities by ensuring safe and adequate physical surroundings, healthful food, adequate handwashing, safe storage of toxic substances and hazardous chemicals, sanitary diapering and toileting, home sanitation, supervision and care of the residents by capable, qualified persons of sufficient number, after-hour care, an adequate program of activities and services, sudden infant death syndrome and safe sleep practices training, prohibition on corporal punishment, crib safety, protection from electrical hazards, protection from swimming pools and other water sources, fire drills, emergency plans, safety of outdoor playground surfaces, door locks, safety gates and transportation and such appropriate parental participation as may be feasible under the circumstances.

(d) In addition to any rules and regulations adopted under this section for safe sleep practices, a day care facility shall ensure that all of the following requirements are met for children under 12 months of age:

(1) A child shall only be placed to sleep on a surface and in an area that has been approved for use as such by the director of the Kansas office of early childhood;

(2) the sleep surface shall be free from soft or loose bedding, including, but not

limited to, blankets, bumpers and pillows; and

(3) the sleep surface shall be free from toys, including mobiles and other types of play equipment or devices.

(e) A day care facility shall ensure that children over 12 months of age only be placed to sleep on a surface and in an area that has been approved for use as such by the director of the Kansas office of early childhood.

(f) The director of the Kansas office of early childhood may exercise discretion to make exceptions to requirements in subsections (d) and (e) where special health needs exist.

(g) Each child cared for in a day care facility, including children of the person maintaining the facility, shall be required to have current immunizations as the secretary of health and environment considers necessary. The person maintaining a day care facility shall maintain a record of each child's immunizations and provide to the secretary of health and environment and the director of the Kansas office of early childhood such information relating thereto, in accordance with rules and regulations of the secretary of health and environment and director, except that the person maintaining a day care facility shall not have such person's license revoked solely for the failure to have or maintain the immunization records required by this subsection.

(h) The immunization requirement of subsection (g) shall not apply if one of the following is obtained:

(1) Certification from a licensed physician stating that the physical condition of the child is such that immunization would endanger the child's life or health; or

(2) a written statement signed by the child's parent or guardian that such immunization violates sincerely held religious beliefs of the parent or guardian.

(i) This section shall take effect on and after July 1, 2026.

New Sec. 22. (a) It shall be unlawful for any day care facility to receive or care for any adult except as authorized by rules and regulations adopted by the director of the Kansas office of early childhood.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 23. (a) It is hereby made the duty of the director of the Kansas office of early childhood to inspect or cause to be inspected on or after July 1, 2026, and once every 12 months thereafter, every day care facility, unless otherwise provided in subsection (b). For the purpose of inspection, the director or the director's authorized agent, as an employee of the director or who has a contract with the director to provide inspections pursuant to this act and who holds a certificate issued pursuant to subsection (c), shall have the right of entry and access to every department and every place in the premises, to call for and examine the records that are required to be kept according to this act and to make and preserve a record of every inspection. The licensee shall give all reasonable information to the authorized agent of the director of the Kansas office of early childhood and afford every reasonable facility for viewing the premises and seeing the children therein. No such child, without the consent of the child's parent, shall be required to be interviewed by any agent.

(b) The director of the Kansas office of early childhood shall conduct an inspection of any day care facility upon receiving a complaint. Any new day care facility shall be inspected prior to issuance of a license. The director may conduct an inspection of any day care facility that has a record of repeated complaints or serious violations at any time. Every 12 months, the director or authorized agent of the director shall inspect any

day care facility that provides services to military families receiving military assistance for child care.

(c) (1) The director shall create a surveyor certification and provide a minimum of yearly continuing education to qualify for such certification.

(2) If a surveyor fails to comply with the certification requirements established by the director pursuant to paragraph (1), the director may require such surveyor to complete an improvement plan.

(3) If such surveyor does not satisfactorily complete the improvement plan, the director may terminate such surveyor's current certification.

(d) Persons conducting inspections and surveys pursuant to this act shall hold a certification issued by the director.

(e) This section shall take effect on and after July 1, 2026.

New Sec. 24. (a) Whenever an authorized agent of the director of the Kansas office of early childhood or the secretary for children and families finds a day care facility that is not being conducted according to law, it shall be the duty of such agent to notify the licensee in writing of changes or alterations as such agent determines is necessary in order to comply with the requirements of the law, and such agent shall file a copy of such notice with the director of the Kansas office of early childhood. It shall thereupon be the duty of the licensee to make such changes or alterations as are contained in the written notice within five days from the receipt of such notice. Notice shall be given in accordance with the Kansas administrative procedure act.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 25. (a) Any person, firm, corporation or association that violates this act shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than \$5 but not more than \$50. Each and every day that the person fails or refuses to comply with such provisions shall be deemed a separate offense under this act. If, for 30 days after any final conviction for such violation or revocation of license, the person still fails or refuses to comply with the orders in the notice under section 24, and amendments thereto, upon notice and opportunity for a hearing in accordance with the Kansas administrative procedure act, the building or premises where such day care facility is conducted may be closed until such person has complied with this act.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 26. (a) Upon complaint of any authorized agent of the director of the Kansas office of early childhood, the county or district attorney in the appropriate jurisdiction is hereby authorized and required to file a complaint and prosecute to the final determination all actions or proceedings against any person under this act.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 27. (a) No person shall knowingly maintain a day care facility if an employee in this state or in other states or the federal government:

(1) (A) Has been convicted of a crime that is classified as a person felony under the Kansas criminal code;

(B) has been convicted of a felony under K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their transfer, or article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or any felony violation of any provision of the uniform controlled substances act prior to July 1, 2009;

(C) has been convicted of any act that is described in articles 34, 35 or 36 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 54, 55 or 56

of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 21-6104, 21-6325, 21-6326, 21-6418 through 21-6422 or 21-6424, and amendments thereto, or been convicted of an attempt under K.S.A. 21-3301, prior to its repeal, or K.S.A. 21-5301, and amendments thereto, to commit any such act or been convicted of conspiracy under K.S.A. 21-3302, prior to its repeal, or K.S.A. 21-5302, and amendments thereto, to commit such act, or similar statutes of any other state or the federal government;

(D) has been convicted of any act that is described in K.S.A. 21-4301 or 21-4301a, prior to their repeal, or K.S.A. 21-6401, and amendments thereto, or similar statutes of any other state or the federal government; or

(E) has been convicted of any act that is described in K.S.A. 21-3718 or 21-3719, prior to their repeal, or K.S.A. 21-5812, and amendments thereto, or similar statutes of any other state or the federal government;

(2) except as provided in subsection (b), has been adjudicated a juvenile offender because of having committed an act which, if committed by an adult, would constitute the commission of a felony and that is a crime against persons, is any act described in articles 34, 35 or 36 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 54, 55 or 56 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 21-6104, 21-6325, 21-6326, 21-6418 through 21-6422 or 21-6424, and amendments thereto, or similar statutes of any other state or the federal government, or is any act described in K.S.A. 21-4301 or 21-4301a, prior to their repeal, or K.S.A. 21-6401, and amendments thereto, or similar statutes of any other state or the federal government;

(3) has been convicted or adjudicated of a crime that requires registration as a sex offender under the Kansas offender registration act, K.S.A. 22-4901 et seq., and amendments thereto, as a sex offender in any other state or on the national sex offender registry;

(4) has committed an act of physical, mental or emotional abuse or neglect or sexual abuse and is listed in the child abuse and neglect registry maintained by the Kansas department for children and families pursuant to K.S.A. 38-2226, and amendments thereto, or any similar child abuse and neglect registries maintained by any other state or the federal government and:

(A) Has failed to successfully complete a corrective action plan that has been deemed appropriate and approved by the Kansas department for children and families or requirements of similar entities in any other state or the federal government; or

(B) such person's record has not been expunged;

(5) has had a child removed from the home based on a court order pursuant to K.S.A. 38-2251, and amendments thereto, in this state, or a court order from any other state based upon a similar statute that finds the child to be deprived or a child in need of care based on a finding of physical, mental or emotional abuse or neglect or sexual abuse and the child has not been returned to the home or the child has reached the age of majority before being returned to the home and such person has failed to satisfactorily complete a corrective action plan approved by the department of health and environment;

(6) has had parental rights terminated pursuant to the revised Kansas code for care of children, or a similar statute of other states;

(7) has signed a diversion agreement pursuant to K.S.A. 22-2906 et seq., and

amendments thereto, or an immediate intervention agreement pursuant to K.S.A. 38-2346, and amendments thereto, involving a charge of child abuse or a sexual offense; or

(8) has an infectious or contagious disease.

(b) Notwithstanding the provisions in subsection (a), no person shall maintain a day care facility if such person has been found to be a person in need of a guardian or a conservator, or both, as provided in K.S.A. 59-3050 through 59-3095, and amendments thereto.

(c) Any person who resides in a day care facility and who has been found to be in need of a guardian or a conservator, or both, shall be counted in the total number of children allowed in care.

(d) In accordance with this subsection, the director of the Kansas office of early childhood shall have access to any court orders or adjudications of any court of record, any records of such orders or adjudications, criminal history record information, including, but not limited to, diversion agreements in the possession of the Kansas bureau of investigation and any report of investigations as authorized by K.S.A. 38-2226, and amendments thereto, or the Kansas department for children and families or court of this state concerning employees in a day care facility. The director shall have access to these records for the purpose of determining whether or not the home meets the requirements of this section, K.S.A. 59-2132, and amendments thereto, and sections 16 and 21, and amendments thereto.

(e) In accordance with this subsection, the director is authorized to conduct national criminal history record checks to determine criminal history on employees in a day care facility. In order to conduct a national criminal history check, the director shall require fingerprinting for identification and determination of criminal history in accordance with K.S.A. 22-4714, and amendments thereto.

(f) (1) The director of the Kansas office of early childhood shall adopt rules and regulations to fix a fee for fingerprinting employees in a day care facility, as may be required by the Kansas office of early childhood to reimburse the Kansas office of early childhood for the cost of the fingerprinting.

(2) The director shall remit all moneys received from the fees established under this section to the state treasurer in accordance with K.S.A. 72-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the day care criminal background and fingerprinting fund.

(g) The day care criminal background and fingerprinting fund is hereby created in the state treasury to be administered by the director of the Kansas office of early childhood. All moneys credited to the day care criminal background and fingerprinting fund shall be used to pay local and state law enforcement officers and agencies for the processing of fingerprints and criminal history background checks for the Kansas office of early childhood. All expenditures from the day care criminal background and fingerprinting fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director or the director's designee.

(h) The director shall notify the day care applicant or licensee within seven days by certified mail, with return receipt requested, when the result of the national criminal history record check or other appropriate review reveals unfitness specified in subsection (a)(1) through (a)(8) of the person who is the subject of the review.

(i) No day care facility or the employees thereof shall be liable for civil damages to any person who is refused employment or discharged from employment by reason of such facility's compliance with this section, if such facility acts in good faith to comply with this section.

(j) For the purpose of subsection (a)(3), a person listed in the child abuse and neglect central registry shall not be prohibited from being an employee in a day care facility unless such person has:

(1) Had an opportunity to be interviewed and present information during the investigation of the alleged act of abuse or neglect; and

(2) been given notice of the agency decision and an opportunity to appeal such decision to the director and to the courts pursuant to the Kansas judicial review act.

(k) No person shall maintain a day care facility unless such person is a high school graduate or the equivalent thereof, except that, if extraordinary circumstances exist, the director of the Kansas office of early childhood may exercise discretion to make exceptions from this requirement. This subsection shall not apply to any person who was maintaining a day care facility on the day immediately prior to July 1, 2010.

(l) This section shall take effect on and after July 1, 2026.

New Sec. 28. (a) The director may limit, modify or suspend any license or temporary permit issued under sections 15 through 27, and amendments thereto, upon any of the following grounds and in the manner provided in this act:

(1) Violation by the licensee or holder of a temporary permit of any provision of this act, or of the rules and regulations promulgated under this act;

(2) aiding, abetting or permitting the violation of any provision of this act or of the rules and regulations promulgated under this act;

(3) conduct in the operation or maintenance, or both the operation and maintenance, of a day care facility that is inimical to the health, safety or welfare of any child receiving services from such day care facility or to the public;

(4) the conviction of a licensee or holder of a temporary permit, at any time during licensure or during the time that the temporary permit is in effect, of crimes as defined in section 27, and amendments thereto; and

(5) a third or subsequent violation by the licensee or holder of a temporary permit of section 34(b), and amendments thereto.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 29. (a) The director may limit, modify or suspend any license or temporary permit issued under sections 15 through 27, and amendments thereto, prior to any hearing when, in the opinion of the director, the action is necessary to protect any child in the day care facility from physical or mental abuse, abandonment or any other substantial threat to health, safety or welfare. Administrative proceedings under this section shall be conducted in accordance with the emergency adjudicative proceedings of the Kansas administrative procedure act and in accordance with other relevant provisions of the Kansas administrative procedure act.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 30. (a) Records in the possession of the director of early childhood or such director's agents regarding day care facilities shall not be released publicly in a manner that would identify individuals, except that individual names of licensees, applicants, facilities and day care facilities may be released. Nothing in this section prohibits the release of any information as required by law.

(b) Records in the possession of the director of early childhood or such director's agents regarding day care facilities may be released to:

(1) An agency or organization authorized to receive notice under section 19, and amendments thereto;

(2) any local, state or federal governmental entity or subdivision thereof;

(3) any child and adult care food program sponsoring agency; or

(4) any disaster or emergency entity.

(c) The director of the Kansas office of early childhood shall prohibit the release of the name, address and telephone number of a day care facility if the director determines that prohibition of the release of the information is necessary to protect the health, safety or welfare of the public or the children enrolled in the day care facility.

(d) Any records under subsection (a), (b) or (c) shall be available to any member of the standing committee on appropriations of the house of representatives or the standing committee on ways and means of the senate carrying out such member's or committee's official functions in accordance with K.S.A. 75-4319, and amendments thereto, in a closed or executive meeting. Except in limited conditions established by $\frac{2}{3}$ of the members of such committee, records received by the committee shall not be further disclosed. Unauthorized disclosure may subject such member to discipline or censure from the house of representatives or senate. Such records shall not identify individuals but shall include data and contact information concerning specific facilities.

(e) In any hearings conducted under the licensing or regulation provisions of this act, the presiding officer may close the hearing to the public to prevent public disclosure of matters relating to persons restricted by other laws.

(f) Such records shall be confidential and shall not be subject to the open records act, K.S.A. 45-215 et seq., and amendments thereto. This subsection shall expire on July 1, 2031, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2031.

(g) This section shall take effect on and after July 1, 2026.

New Sec. 31. (a) The director of the Kansas office of early childhood, in addition to any other penalty prescribed under this act, may assess a civil fine, after proper notice and an opportunity to be heard in accordance with the Kansas administrative procedure act, against a licensee for each violation of such provisions or rules and regulations adopted pursuant thereto that affect significantly and adversely the health, safety or sanitation of children in a day care facility. Each civil fine assessed under this section shall not exceed \$500. In the case of a continuing violation, every day such violation continues shall be deemed a separate violation.

(b) All fines assessed and collected under this section shall be remitted to the state treasurer in accordance with 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 to the credit of the state general fund.

(c) This section shall take effect on and after July 1, 2026.

New Sec. 32. (a) As used in this section:

(1) "Child" means an individual who is enrolled or attending kindergarten, is less than 18 years of age, is not a volunteer or employee and is attending a youth development program.

(2) "Premises" means the location, including the building and adjoining grounds, for which the applicant has a temporary permit or license to conduct a youth

development program.

(3) "Public recreation center" means any building used by a political or taxing subdivision of this state, or by an agency of such subdivision, for recreation programs that serve children who are less than 18 years of age.

(4) "School" means any building used for instruction of students enrolled in kindergarten or any of the grades one through 12 by a school district or an accredited nonpublic school.

(5) "School-age program" means a child care facility that serves exclusively school-age children and youth but does not include a youth development program.

(6) "Youth development program" means a child care facility where youth activities are conducted that is not located in an individual's residence and that serves children who are enrolled in kindergarten to less than 18 years of age.

(b) No license for a youth development program or school-age program shall be denied, suspended or revoked on the basis that the building does not meet the requirements for licensure if the building:

(1) Is a public recreation center or school and is used by school-age children and youth that are of the same age as children and who are cared for in a youth development program or school-age program;

(2) complies, during all hours of operation of a youth development program or school-age program, with the Kansas fire prevention code or a building code that is by law deemed to comply with the Kansas fire prevention code; and

(3) except as provided in subsection (c), complies during all hours of operation of a youth development program or school-age program with all local building code provisions that apply to recreation centers if the building is a public recreation center or to schools if the building is a school.

(c) If the standards that a building is required to comply with under subsections (b) (2) and (b)(3) are in conflict or are otherwise inconsistent, then the building standards shall be subject to subsection (b)(2).

(d) No license for a youth development program or school-age program that operates in accordance with subsection (b)(1) shall be denied, suspended or revoked based on an environmental deficiency and shall be approved or renewed if:

(1) The environmental deficiency does not pose an imminent risk to children and youth;

(2) the environmental deficiency is outside the applicant's or licensee's immediate authority to correct; and

(3) the applicant or licensee has notified the public recreation center or school of the environmental deficiency.

(e) The director is authorized to adopt rules and regulations applicable to the services provided by youth development programs, regarding health, safety, supervisory qualifications or training and premises safety, including modifications of occupancy capacity limits or group gathering restrictions, consistent with the local or state building or fire codes.

(f) The director shall consult with youth development programs to identify and resolve barriers to such programs qualifying as eligible providers of child care services for which participating families may receive state or federal child care financial assistance.

(g) The director shall develop and implement pilot programs and is authorized to

adopt modifications to licenses issued pursuant to this section to provide flexibility to youth development programs to address the needs of families served.

(h) Whenever drop-in program or words of like effect, are referred to or designated by any statute, rule or regulation, contract or any other document, such reference or designation shall apply to a youth development program.

(i) If a licensed youth development program or school age program operates on or within the premises of a public or private school that is required to pass a fire safety inspection each school year pursuant to K.S.A. 31-144(b), and amendments thereto, no additional fire safety inspection of the licensed youth development program or school age program shall be required by the director, the state fire marshal, the fire chief or any local political or taxing subdivision.

(j) This section shall take effect on July 1, 2026.

New Sec. 33. (a) Any license, certificate of registration or temporary permit that was issued prior to the effective date of this act and is in effect on the effective date of this act shall continue in effect until the expiration thereof, unless suspended or revoked prior to such time.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 34. (a) As used in this section:

(1) "Day care home" means a child care home as defined in section 16, and amendments thereto, or a group day care home.

(2) "Smoking" means possession of a lighted cigarette, cigar, pipe or burning tobacco in any other form or device designed for the use of tobacco.

(b) Smoking is hereby prohibited within any room, enclosed area or other enclosed space of a facility or facilities of a day care home during a time when children who are not related by blood, marriage or legal adoption to the person who maintains the home are being cared for as part of the operation of the day care home within the facility or facilities. Nothing in this subsection shall be construed to prohibit smoking on the premises of the day care home or outside the facility or facilities of a day care home, including, but not limited to, porches, yards or garages.

(c) Each day care license shall contain a statement in bold print that smoking is prohibited within a room, enclosed area or other enclosed space of the facility or facilities of the day care home under the conditions specified in subsection (b). The statement shall be phrased in substantially the same language as subsection (b). The license shall be posted in a conspicuous place in the facility or facilities.

(d) Each day care home shall be equipped with a fire extinguisher that shall be maintained in an operable condition in a readily accessible location.

(e) The director of the Kansas office of early childhood may levy a civil fine against any day care home for a first or second violation of this section. A third or subsequent violation shall be subject to this act.

(f) In addition to any civil fine that may be levied pursuant to subsection (e), any day care home that violates any provision of this section may also be subject to criminal punishment pursuant to K.S.A. 21-6112, and amendments thereto.

(g) This section shall take effect on and after July 1, 2026.

New Sec. 35. (a) Except as otherwise provided, information and records pertaining to the immunization status of persons against childhood diseases as required by section 21, and amendments thereto, may be disclosed and exchanged without a parent or guardian's written release authorizing such disclosure to the following individuals and

groups who need to know such information in order to assure compliance with state statutes or to achieve age-appropriate immunization status for children:

- (1) Employees of public agencies or departments;
- (2) health records staff of day care facilities, including, but not limited to, facilities licensed by the director of the Kansas office of early childhood;
- (3) persons other than public employees who are entrusted with the regular care of those under the care and custody of a state agency, including, but not limited to, operators of day care facilities, group homes, residential care facilities and adoptive or foster homes; and
- (4) healthcare professionals.

(b) Information and records that pertain to the immunization status of persons against childhood diseases as required by section 21, and amendments thereto, whose parent or guardian has submitted a written statement of sincerely held religious beliefs regarding immunization as provided in section 21, and amendments thereto, shall not be disclosed or exchanged without a parent's or guardian's written release authorizing such disclosure.

(c) This section shall take effect on and after July 1, 2026.

New Sec. 36. (a) The director of the Kansas office of early childhood shall establish or cause to be established an online information dissemination system that is accessible to the public, including names of licensees, applicants and history of citations and substantiated findings. The director shall adopt rules and regulations that are consistent with the requirements for the receipt of child care ARRA funds and provide for the establishment of an online information dissemination system in accordance with this subsection.

(b) This section shall take effect on and after July 1, 2026.

Sec. 37. K.S.A. 38-1901 is hereby amended to read as follows: 38-1901. On and after ~~the effective date of this act~~ July 1, 2025:

(a) ~~(1)~~ The advisory committee on children and families is hereby redesignated and shall be known and referred to as the Kansas children's cabinet.

~~(2)~~ The Kansas children's cabinet shall be within the Kansas office of early childhood.

~~(b)(1)~~ The Kansas children's cabinet shall consist of ~~15~~ 18 members as follows:

~~(+)(A)~~ The director of the Kansas office of early childhood;

~~(B)~~ The secretary of health and environment, or the secretary's designee;

~~(2)(C)~~ the secretary for children and families, or the secretary's designee;

~~(3)(D)~~ a member of the state board of regents selected by the state board of regents, or such member's designee;

~~(4)(E)~~ the commissioner of education, or the commissioner's designee;

~~(5)(F)~~ the ~~commissioner of juvenile justice~~ secretary of corrections, or the ~~commissioner's~~ secretary's designee;

~~(6)(G)~~ a member of the Kansas supreme court selected by the Kansas supreme court, or such member's designee;

~~(7)(H)~~ five members of the public appointed by the governor who are interested in and knowledgeable about the needs of children and families ~~shall be appointed by the governor, which and who,~~ subject to the provisions of subsection (e), may include persons who are children's advocates, members of organizations with experience in programs that benefit children or other individuals who have experience with children's

programs and services;

~~(8)(I)~~ one person legislative member appointed by the speaker of the house of representatives;

~~(9)(J)~~ one legislative member appointed by the majority leader of the house of representatives;

~~(K)~~ one person legislative member appointed by the minority leader of the house of representatives;

~~(10)(L)~~ one person legislative member appointed by the president of the senate; ~~and~~

~~(11)(M)~~ one legislative member appointed by the majority leader of the senate; and

~~(N)~~ one person legislative member appointed by the minority leader of the senate.

~~(2)~~ The members designated by ~~clauses (1), (2), (3), (4), (5) and (6) of this subsection.~~ subparagraphs (1)(A) through (1)(G) shall be nonvoting members of the Kansas children's cabinet. All other members shall be voting members.

~~(c) (1) Except as provided in paragraph (2) of this subsection, the members of the Kansas children's cabinet appointed by the governor, speaker, president and minority leaders shall serve for terms of four years and until their successors are appointed and qualified. The governor voting members shall appoint a chairperson of the committee cabinet from among the voting members appointed by the governor. The chairperson shall serve in such office throughout such member's current term of office and until a successor is appointed and qualified. The members of the Kansas children's cabinet may elect any additional officers from among its members necessary to carry out the duties and functions of the Kansas children's cabinet.~~

~~(2) Of the members first appointed by the governor, two shall be appointed for terms of two years, two shall be appointed for terms of three years and the member selected by the governor to be the chairperson shall be appointed for a term of four years. The member first appointed by the speaker of the house of representatives shall be appointed for a term of one year, the member first appointed by the minority leader of the house of representatives shall be appointed for a term of two years, the member first appointed by the president of the senate shall be appointed for a term of three years and the member first appointed by the minority leader of the senate shall be appointed for a term of four years. The governor shall designate the term for which each of the members first appointed by the governor shall serve. Each voting member shall serve at the pleasure of such voting member's appointing authority.~~

~~(3) All members appointed to fill vacancies in the membership of the Kansas children's cabinet and all members appointed to succeed members appointed to membership on the Kansas children's cabinet shall be appointed in like manner as that provided for the original appointment of the member succeeded. All members appointed to fill vacancies of a member of the Kansas children's cabinet appointed by the governor, the speaker of the house of representatives, the minority leader of the house of representatives, the president of the senate or the minority leader of the senate shall be appointed to fill the unexpired term of such member.~~

~~(d)~~ Not more than three members of the Kansas children's cabinet appointed by the governor under subsection ~~(b)(7)~~ (b)(1)(H) shall be members of the same political party.

~~(e) (1)~~ No person shall serve on the Kansas children's cabinet if such person has knowingly acquired a substantial interest in any business. Any such person who knowingly acquires such an interest shall vacate such member's position on the Kansas children's cabinet.

(2) ~~For purposes of~~ As used in this subsection;

~~(A)~~ "Substantial interest" means any of the following:

~~(A)(i)~~ If an individual or an individual's spouse, either individually or collectively, has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5% of any business, whichever is less, the individual has a substantial interest in that business.

~~(B)(ii)~~ If an individual or an individual's spouse, either individually or collectively, has received during the preceding calendar year compensation ~~which that~~ is or will be required to be included as taxable income on federal income tax returns of the individual and spouse in an aggregate amount of \$2,000 from any business or combination of businesses, the individual has a substantial interest in that business or combination of businesses.

~~(C)(iii)~~ If an individual or an individual's spouse holds the position of officer, director, associate, partner or proprietor of any business, the individual has a substantial interest in ~~that the~~ business, irrespective of that amount of compensation received by the individual or the individual's spouse.

~~(D)(iv)~~ If an individual or an individual's spouse receives compensation ~~which that~~ is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual has a substantial interest in any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual or the individual's spouse, either individually or collectively, received an aggregate of \$2,000 or more in the preceding calendar year.

~~(3) As used in this subsection, (B)~~ "Client or customer" means a business or combination of businesses.

~~(4) As used in this subsection, (C)~~ "Business" means any entity ~~which that~~ is eligible to receive funds from the children's initiatives fund, as provided in K.S.A. 38-2102, and amendments thereto, from the children's initiatives accountability fund, established by K.S.A. 38-2103, and amendments thereto, or from the family and children trust account of the family and children investment fund, as provided in K.S.A. 38-1808, and amendments thereto.

(f) The Kansas children's cabinet shall meet upon the call of the chairperson as necessary to carry out the duties and functions of the Kansas children's cabinet. A quorum of the Kansas children's cabinet shall be five voting members.

(g) The Kansas children's cabinet shall have and perform the following functions:

(1) Assist the governor and the director of the Kansas office of early childhood in developing and implementing a coordinated, comprehensive service delivery system to serve the children and families of Kansas;

(2) identify barriers to service and gaps in service due to strict definitions of boundaries between departments and agencies;

(3) facilitate interagency and interdepartmental cooperation toward the common goal of serving children and families;

(4) investigate and identify methodologies for the combining of funds across departmental boundaries to better serve children and families;

(5) propose actions needed to achieve coordination of funding and services across departmental lines;

(6) encourage and facilitate joint planning and coordination between the public and

private sectors to better serve the needs of children and families; ~~and~~

(7) perform the duties and functions prescribed by K.S.A. 38-2103, and amendments thereto; and

(8) review each individual application submitted to the cabinet for any grant funding opportunities and allocate and administer such grants upon direction by the director of the Kansas office of early childhood.

(h) Members of the Kansas children's cabinet shall not be paid compensation; but shall receive subsistence allowances, mileage and other expenses as provided by K.S.A. 75-3223, and amendments thereto. The subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto, shall be paid from available appropriations of the ~~Kansas department for children and families~~ Kansas office of early childhood, except that expenses of members who are employed by a state agency shall be reimbursed by that state agency.

~~(i) On the effective date of this act, the advisory committee on children and families is hereby abolished and all powers, duties, functions, records and other property of the advisory committee on children and families are hereby transferred to the Kansas children's cabinet created by this section. Except as otherwise specifically provided by this act, the Kansas children's cabinet shall be a continuation of the advisory committee on children and families as it existed prior to the effective date of this act.~~

Sec. 38. K.S.A. 38-2103 is hereby amended to read as follows: 38-2103. (a) The Kansas children's cabinet established by K.S.A. 38-1901, and amendments thereto, shall advise the governor ~~and~~, the legislature and the director of the Kansas office of early childhood regarding the uses of the moneys credited to the children's initiatives fund.

~~(b) Use of such funds shall be subject to appropriations made by the legislature.~~

(c) The Kansas children's cabinet shall review, assess and evaluate all uses of the moneys in the children's initiatives fund. The Kansas children's cabinet shall study and shall initiate studies, assessments and evaluations, by contract or otherwise, through institutions of higher education and other appropriate research entities to identify best practices and to measure and otherwise determine the efficiency and efficacy of practices that are utilized in programs, projects, improvements, services and other purposes for which moneys are allocated or appropriated from the children's initiatives fund. The costs of such reviews, assessments and evaluations shall be paid from the children's initiatives accountability fund.

~~(d)~~ (d) There shall be conducted performance audits and other audit work by the legislative post auditor upon request by the Kansas children's cabinet and as directed by the legislative post audit committee in accordance with ~~the provisions of~~ the legislative post audit act. The purpose of such performance audits and other audit work shall be to provide interested parties with the program evaluation and research needed to make informed decisions for the uses of moneys credited to the children's initiatives fund. The auditor to conduct such performance audit or other audit work shall be specified in accordance with K.S.A. 46-1122, and amendments thereto, and if the legislative post audit committee specifies under such statute that a firm, as defined by K.S.A. 46-1112, and amendments thereto, is to perform all or part of the audit work of such audit, such firm shall be selected and shall perform such audit work as provided in K.S.A. 46-1123; ~~and amendments thereto; and K.S.A. 46-1125 through 46-1127, and amendments thereto.~~ The audit work required pursuant to this subsection shall be conducted in accordance with generally accepted governmental auditing standards. The post auditor

shall compute the reasonably anticipated cost of the audit work performed by a firm for such performance audit or other audit work pursuant to this subsection, subject to review and approval by the contract audit committee established by K.S.A. 46-1120, and amendments thereto, and the Kansas children's cabinet shall pay such cost from the children's initiatives accountability fund. If all or part of the audit work for such performance audit or other audit work is performed by the division of post audit and the division of post audit incurs costs in addition to those attributable to the operations of the division of post audit in the performance of other duties and responsibilities, the post auditor shall charge the Kansas children's cabinet for such additional costs and the Kansas children's cabinet shall pay such charges from the children's initiatives accountability fund. The payment of any such costs and any such charges shall be a transaction between the division of post audit and the Kansas children's cabinet and such transaction shall be settled in accordance with ~~the provisions of~~ K.S.A. 75-5516, and amendments thereto. All moneys received by the division of post audit for such costs and charges shall be credited to the audit services fund.

~~(d)~~(c) There is hereby established in the state treasury the children's initiatives accountability fund within the Kansas office of early childhood, which shall be administered in accordance with this section and ~~the provisions of~~ appropriation acts. The governor shall recommend and the legislature shall provide for moneys to be credited annually to the children's initiatives accountability fund by transfers or ~~other provisions of~~ appropriation acts.

~~(e)~~(f) All moneys credited to the children's initiatives accountability fund shall be used for the purposes of providing funding for assessment and evaluation of programs, projects, improvements, services and other purposes for which moneys are allocated or appropriated from the children's initiatives fund. All expenditures from the children's initiatives accountability fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved in the manner prescribed by law.

~~(f)~~(g) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas endowment for youth fund interest earnings based on the:

- (1) ~~The~~ Average daily balance of moneys in the children's initiatives accountability fund for the preceding month; and
- (2) ~~the~~ net earnings rate of the pooled money investment portfolio for the preceding month.

Sec. 39. K.S.A. 2024 Supp. 48-3406 is hereby amended to read as follows: 48-3406. (a) For the purposes of this section:

- (1) "Applicant" means an individual who is:
 - (A) A military spouse or military servicemember who resides or plans to reside in this state due to the assigned military station of the individual or the individual's spouse; or
 - (B) an individual who has established or intends to establish residency in this state.
- (2) "Complete application" means the licensing body has received all forms, fees, documentation, a signed affidavit stating that the application information, including necessary prior employment history, is true and accurate and any other information required or requested by the licensing body for the purpose of evaluating the application, consistent with this section and the rules and regulations adopted by the

licensing body pursuant to this section. If the licensing body has received all such forms, fees, documentation and any other information required or requested by the licensing body, an application shall be deemed to be a complete application even if the licensing body has not yet received a criminal background report from the Kansas bureau of investigation. An application by a military spouse of an active military servicemember shall be considered a "complete application" without the submission of fees, pursuant to ~~the provisions of subsection (u).~~

(3) "Electronic credential" or "electronic certification, license or registration" means an electronic method by which a person may display or transmit to another person information that verifies the status of a person's certification, licensure, registration or permit as authorized by a licensing body and is equivalent to a paper-based certification, license, registration or permit.

(4) "Licensing body" means an official, agency, board or other entity of the state that authorizes individuals to practice a profession in this state and issues a license, registration, certificate, permit or other authorization to an individual so authorized.

(5) "Military servicemember" means a current member of any branch of the United States armed services, United States military reserves or national guard of any state or a former member with an honorable discharge.

(6) "Military spouse" means the spouse of a military servicemember.

(7) "Person" means a natural person.

(8) "Private certification" means a voluntary program in which a private organization grants nontransferable recognition to an individual who meets personal qualifications and standards relevant to performing the occupation as determined by the private organization.

(9) "Scope of practice" means the procedures, actions, processes and work that a person may perform under a government issued license, registration or certification.

(10) "Verification system" means an electronic method by which the authenticity and validity of electronic credentials are verified.

(b) Notwithstanding any other provision of law, any licensing body shall, upon submission of a complete application, issue a paper-based and verified electronic license, registration or certification to an applicant as provided by this section, so that the applicant may lawfully practice the person's occupation. Any licensing body may satisfy any requirement under this section to provide a paper-based license, registration, certification or permit in addition to an electronic license, registration, certification or permit by issuing such electronic credential to the applicant in a format that permits the applicant to print a paper copy of such electronic credential. Such paper copy shall be considered a valid license, registration, certification or permit for all purposes.

(c) An applicant who holds a valid current license, registration or certification in another state, district or territory of the United States shall receive a paper-based and verified electronic license, registration or certification:

(1) If the applicant qualifies under the applicable Kansas licensure, registration or certification by endorsement, reinstatement or reciprocity statutes, then pursuant to applicable licensure, registration or certification by endorsement, reinstatement or reciprocity statutes of the licensing body of this state for the license, registration or certification within 15 days from the date a complete application was submitted if the applicant is a military servicemember or military spouse or within 45 days from the date a complete application was submitted for all other applicants; or

(2) if the applicant does not qualify under the applicable licensure, registration or certification by endorsement, reinstatement or reciprocity statutes of the licensing body of this state, or if the Kansas professional practice act does not have licensure, registration or certification by endorsement, reinstatement or reciprocity statutes, then the applicant shall receive a license, registration or certification as provided herein if, at the time of application, the applicant:

(A) Holds a valid current license, registration or certification in another state, district or territory of the United States with licensure, registration or certification requirements that the licensing body determines authorize a similar scope of practice as those established by the licensing body of this state, or holds a certification issued by another state for practicing the occupation but this state requires an occupational license, and the licensing body of this state determines that the certification requirements certify a similar scope of practice as the licensing requirements established by the licensing body of this state;

(B) has worked for at least one year in the occupation for which the license, certification or registration is sought;

(C) has not committed an act in any jurisdiction that would have constituted grounds for the limitation, suspension or revocation of the license, certificate or registration, or that the applicant has never been censured or had other disciplinary action taken or had an application for licensure, registration or certification denied or refused to practice an occupation for which the applicant seeks licensure, registration or certification;

(D) has not been disciplined by a licensing, registering, certifying or other credentialing entity in another jurisdiction and is not the subject of an unresolved complaint, review procedure or disciplinary proceeding conducted by a licensing, registering, certifying or other credentialing entity in another jurisdiction nor has surrendered their membership on any professional staff in any professional association or society or faculty for another state or jurisdiction while under investigation or to avoid adverse action for acts or conduct similar to acts or conduct that would constitute grounds for disciplinary action in a Kansas practice act;

(E) does not have a disqualifying criminal record as determined by the licensing body of this state under Kansas law;

(F) provides proof of solvency, financial standing, bonding or insurance if required by the licensing body of this state, but only to the same extent as required of any applicant with similar credentials or experience;

(G) pays any fees required by the licensing body of this state; and

(H) submits with the application a signed affidavit stating that the application information, including necessary prior employment history, is true and accurate.

Upon receiving a complete application and the provisions of subsection (c)(2) apply and have been met by the applicant, the licensing body shall issue the license, registration or certification within 15 days from the date a complete application was submitted by a military servicemember or military spouse, or within 45 days from the date a complete application was submitted by an applicant who is not a military servicemember or military spouse, to the applicant on a probationary basis, but may revoke the license, registration or certification at any time if the information provided in the application is found to be false. The probationary period shall not exceed six months. Upon completion of the probationary period, the license, certification or

registration shall become a non-probationary license, certification or registration.

(d) Any applicant who has not been in the active practice of the occupation during the two years preceding the application for which the applicant seeks a license, registration or certification under subsection (c)(2) may be required to complete such additional testing, training, monitoring or continuing education as the Kansas licensing body may deem necessary to establish the applicant's present ability to practice in a manner that protects the health and safety of the public, as provided by subsection (j).

(e) Upon submission of a complete application, an applicant may receive an occupational license, registration or certification based on the applicant's work experience in another state, if the applicant:

(1) Worked in a state that does not use an occupational license, registration, certification or private certification to regulate an occupation, but this state uses an occupational license, registration or certification to regulate the occupation;

(2) worked for at least three years in the occupation during the four years immediately preceding the application; and

(3) satisfies the requirements of subsection (c)(2)(C) through (H).

(f) Upon submission of a complete application, an applicant may receive an occupational license, registration or certification under subsection (b) based on the applicant's holding of a private certification and work experience in another state, if the applicant:

(1) Holds a private certification and worked in a state that does not use an occupational license or government certification to regulate an occupation, but this state uses an occupational license or government certification to regulate the occupation;

(2) worked for at least two years in the occupation;

(3) holds a current and valid private certification in the occupation;

(4) is held in good standing by the organization that issued the private certification; and

(5) satisfies the requirements of subsection (c)(2)(C) through (H).

(g) An applicant licensed, registered or certified under this section shall be entitled to the same rights and subject to the same obligations as are provided by the licensing body for Kansas residents, except that revocation or suspension of an applicant's license, registration or certificate in the applicant's state of residence or any jurisdiction in which the applicant held a license, registration or certificate shall automatically cause the same revocation or suspension of such applicant's license, registration or certificate in Kansas. No hearing shall be granted to an applicant where such applicant's license, registration or certificate is subject to such automatic revocation or suspension, except for the purpose of establishing the fact of revocation or suspension of the applicant's license, registration or certificate by the applicant's state of residence or jurisdiction in which the applicant held a license, registration or certificate.

(h) In the event the licensing body determines that the license, registration or certificate currently held by an applicant under subsection (c)(2) or the work experience or private credential held by an applicant under subsections (e) or (f), who is a military spouse or military servicemember does not authorize a similar scope of practice as the license, registration or certification issued by the licensing body of this state, the licensing body shall issue a temporary permit for a limited period of time to allow the applicant to lawfully practice the applicant's occupation while completing any specific requirements that are required in this state for licensure, registration or certification that

were not required in the state, district or territory of the United States in which the applicant was licensed, registered, certified or otherwise credentialed, unless the licensing body finds, based on specific grounds, that issuing a temporary permit would jeopardize the health and safety of the public.

(i) In the event the licensing body determines that the license, registration or certification currently held by an applicant under subsection (c)(2) or the work experience or private credential held by an applicant under subsections (e) or (f), who is not a military spouse or military servicemember, does not authorize a similar scope of practice as the license, registration or certification issued by the licensing body of this state, the licensing body may issue a temporary permit for a limited period of time to allow the applicant to lawfully practice the applicant's occupation while completing any specific requirements that are required in this state for licensure, registration or certification that was not required in the state, district or territory of the United States in which the applicant was licensed, registered, certified or otherwise credentialed, unless the licensing body finds, based on specific grounds, that issuing a temporary permit would jeopardize the health and safety of the public.

(j) Any testing, continuing education or training requirements administered under subsection (d), (h) or (i) shall be limited to Kansas law that regulates the occupation and that are materially different from or additional to the law of another state, or shall be limited to any materially different or additional body of knowledge or skill required for the occupational license, registration or certification in Kansas.

(k) A licensing body may grant licensure, registration, certification or a temporary permit to any person who meets the requirements under this section but was separated from such military service under less than honorable conditions or with a general discharge under honorable conditions.

(l) Nothing in this section shall be construed to apply in conflict with or in a manner inconsistent with federal law or a multistate compact, or a rule or regulation or a reciprocal or other applicable statutory provision that would allow an applicant to receive a license. Nothing in this section shall be construed as prohibiting a licensing body from denying any application for licensure, registration or certification, or declining to grant a temporary or probationary license, if the licensing body determines that granting the application may jeopardize the health and safety of the public.

(m) Nothing in this section shall be construed to be in conflict with any applicable Kansas statute defining the scope of practice of an occupation. The scope of practice as provided by Kansas law shall apply to applicants under this section.

(n) Notwithstanding any other provision of law, during a state of emergency declared by the legislature, a licensing body may grant a temporary emergency license to practice any profession licensed, certified, registered or regulated by the licensing body to an applicant whose qualifications the licensing body determines to be sufficient to protect health and safety of the public and may prohibit any unlicensed person from practicing any profession licensed, certified, registered or regulated by the licensing body.

(o) ~~Not later than January 1, 2025,~~ Licensing bodies shall provide paper-based and verified electronic credentials to persons regulated by the licensing body. A licensing body may prescribe the format or requirements of the electronic credential to be used by the licensing body. Any statutory or regulatory requirement to display, post or produce a credential issued by a licensing body may be satisfied by the proffer of an electronic

credential authorized by the licensing body. A licensing body may use a third-party electronic credential system that is not maintained by the licensing body.

(p) ~~On or before January 1, 2025, and~~ Subject to appropriations ~~therefor~~ ~~therefor~~, the secretary of administration shall develop and implement a uniform or singular license verification portal for the purpose of verifying or reporting license statuses such as credentials issued, renewed, revoked or suspended by licensing bodies or that have expired or otherwise changed in status. The secretary of administration may utilize the services or facilities of a third party for the central electronic record system. The central electronic record system shall comply with the requirements adopted by the information technology executive council pursuant to K.S.A. 75-7203, and amendments thereto. ~~Beginning January 1, 2025,~~ Each licensing body shall be able to integrate with the uniform or singular license verification portal in the manner and format required by the secretary of administration indicating any issuance, renewal, revocation, suspension, expiration or other change in status of an electronic credential that has occurred. No charge for the establishment or maintenance of the uniform or singular license verification portal shall be imposed on any licensing body or any person with a license, registration, certification or permit issued by a licensing body. The centralized electronic credential data management systems shall include an instantaneous verification system that is operated by the licensing body's respective secretary, or the secretary's designee, or the secretary's third-party agent on behalf of the licensing body for the purpose of instantly verifying the authenticity and validity of electronic credentials issued by the licensing body. Centralized electronic credential data management systems shall maintain an auditable record of credentials issued by each licensing body.

(q) Nothing in this section shall be construed as prohibiting or preventing a licensing body from developing, operating, maintaining or using a separate electronic credential system of the licensing body or of a third party in addition to making the reports to the central electronic record system required by subsection (p) or participating in a multistate compact or a reciprocal licensure, registration or certification process as long as the separate electronic credential system of the licensing body integrates with the uniform or singular license verification portal.

(r) Each licensing body shall adopt rules and regulations necessary to implement and carry out ~~the provisions of~~ this section.

(s) This section shall not apply to the practice of law or the regulation of attorneys pursuant to K.S.A. 7-103, and amendments thereto, or to the certification of law enforcement officers pursuant to the Kansas law enforcement training act, K.S.A. 74-5601 et seq., and amendments thereto.

(t) The state board of healing arts and the state board of technical professions, with respect to an applicant who is seeking a license to practice professional engineering or engage in the practice of engineering, as defined in K.S.A. 74-7003, and amendments thereto, may deny an application for licensure, registration or certification, or decline to grant a temporary or probationary license, if the board determines the applicant's qualifications are not substantially equivalent to those established by the board. Such boards shall not otherwise be exempt from ~~the provisions of~~ this act.

(u) Notwithstanding any other provision of law to the contrary, applicants who are military spouses of active military service members shall be exempt from all fees assessed by any licensing body to obtain an occupational credential in Kansas and

renew such credential including initial or renewal application, licensing, registration, certification, endorsement, reciprocity or permit fees and any criminal background report fees, whether assessed by the licensing body or another agency. Licensing bodies shall adopt rules and regulations to implement ~~the provisions of~~ this subsection.

(v) This section shall apply to all licensing bodies not excluded under subsection (s), including, but not limited to:

- (1) The abstracters' board of examiners;
- (2) the board of accountancy;
- (3) the board of adult care home administrators;
- (4) the secretary for aging and disability services, with respect to K.S.A. 65-5901 et seq. and 65-6503 et seq., and amendments thereto;
- (5) the Kansas board of barbering;
- (6) the behavioral sciences regulatory board;
- (7) the Kansas state board of cosmetology;
- (8) the Kansas dental board;
- (9) the state board of education;
- (10) the Kansas board of examiners in fitting and dispensing of hearing instruments;
- (11) the board of examiners in optometry;
- (12) the state board of healing arts, as provided by subsection (t);
- (13) ~~the secretary~~ department of health and environment, with respect to K.S.A. 82a-1201 et seq., and amendments thereto;
- (14) the department of health and environment, with respect to child care facility licensure pursuant to article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, on or before June 30, 2026;
- (15) the Kansas office of early childhood, on and after July 1, 2026;
- (16) the commissioner of insurance, with respect to K.S.A. 40-241 and 40-4901 et seq., and amendments thereto;
- ~~(15)~~(17) the state board of mortuary arts;
- ~~(16)~~(18) the board of nursing;
- ~~(17)~~(19) the state board of pharmacy;
- ~~(18)~~(20) the Kansas real estate commission;
- ~~(19)~~(21) the real estate appraisal board;
- ~~(20)~~(22) the state board of technical professions, as provided by subsection (t); and
- ~~(21)~~(23) the state board of veterinary examiners.

(w) All proceedings pursuant to this section shall be conducted in accordance with ~~the provisions of~~ the Kansas administrative procedure act and shall be reviewable in accordance with the Kansas judicial review act.

(x) ~~(1) Commencing on July 1, 2021, and each year thereafter, Each licensing body listed in subsection (u)(1) (v)(1) through (21) (22) shall provide a report for the period of July 1 through June 30 to the director of legislative research by August 31 of each year, providing information requested by the director of legislative research to fulfill the requirements of this subsection. The director of legislative research shall develop the report format, prepare an analysis of the reports and submit and present the analysis to the office of the governor, the house of representatives committee on commerce, labor and economic development of the house of representatives or any successor committee thereof, the senate committee on commerce of the senate or any successor committee~~

thereof, the house of representatives committee on appropriations ~~of the house of representatives or any successor committee thereof~~ and the senate committee on ways and means ~~of the senate or any successor committee thereof~~ by January 15 of the succeeding year. The director's report may provide any analysis the director deems useful and shall provide the following items, detailed by applicant type, including military servicemember, military spouse and non-military individual:

- ~~(1)~~(A) The number of applications received under ~~the provisions of~~ this section;
- ~~(2)~~(B) the number of applications granted under this section;
- ~~(3)~~(C) the number of applications denied under this section;
- ~~(4)~~(D) the average time between receipt of the application and completion of the application;
- ~~(5)~~(E) the average time between receipt of a complete application and issuance of a license, certification or registration; and
- ~~(6)~~(F) identification of applications submitted under this section where the issuance of credentials or another determination by the licensing body was not made within the time limitations pursuant to this section and the reasons for the failure to meet such time limitations.

(2) All information shall be provided by the licensing body to the director of legislative research in a manner that maintains the confidentiality of all applicants and in aggregate form that does not permit identification of individual applicants.

Sec. 40. K.S.A. 65-501 is hereby amended to read as follows: 65-501. (a) It shall be unlawful for any person, firm, corporation or association to conduct or maintain a maternity center or a child care facility for children under 16 years of age without having a license or temporary permit therefor from the secretary of health and environment. Nothing in this act shall apply to:

~~(a)~~(1) A residential facility or hospital that is operated and maintained by a state agency as defined in K.S.A. 75-3701, and amendments thereto; ~~or~~

~~(b)~~(2) a summer instructional camp that:

~~(1) Is operated by a Kansas educational institution as defined in K.S.A. 74-32,120, and amendments thereto, or a postsecondary educational institution as defined in K.S.A. 74-3201b, and amendments thereto;~~

~~(2) is operated for not more than five weeks;~~

~~(3) provides instruction to children, all of whom are 10 years of age and older; and~~

~~(4) is accredited by an agency or organization acceptable to the secretary of health and environment is provided by a not-for-profit, school, verifiable nonpublic school or an employee of such school; or~~

~~(3) a person or group of persons providing educational activities for children ages pre-K through high school to such persons' children.~~

~~(b) Organizations or persons providing services defined as a day care in K.S.A. 65-503, and amendments thereto, and not included in this section may apply for and be granted a waiver as allowed under this act.~~

Sec. 41. K.S.A. 2024 Supp. 65-503 is hereby amended to read as follows: 65-503. As used in this act:

(a) ~~"Child placement agency" means a business or service conducted, maintained or operated by a person engaged in finding homes for children by placing or arranging for the placement of such children for adoption or foster care.~~

~~(b) "Child care resource and referral agency" means a business or service~~

~~conducted, maintained or operated by a person engaged in providing resource and referral services, including information of specific services provided by child care facilities, to assist parents to find child care. "Act" means article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.~~

(b) "Assistant teacher" means a staff member of a child care center and is responsible for assisting the lead teacher in the care of children.

(c) "Boarding school" means a facility that provides 24-hour care to school age children, provides education as its primary function and is accredited by an accrediting agency acceptable to the secretary of health and environment.

(d) "Child care center" means a facility that meets child care center regulations and provides care and educational activities for children.

(e) "Child care facility" means:

(1) A facility maintained by a person who has control or custody of one or more children under 16 years of age, unattended by parent or guardian, for the purpose of providing the children with food or lodging, or both, ~~except~~ excluding children in the custody of the secretary for children and families who are placed with a prospective adoptive family pursuant to the provisions of an adoptive placement agreement or who are related to the person by blood, marriage or legal adoption;

(2) a children's home, orphanage, maternity home, day care facility or other facility ~~of a type determined by that~~ the secretary determines to require regulation under ~~the provisions of this act;~~

(3) a child placement agency or child care resource and referral agency, or a facility maintained by such an agency for the purpose of caring for children under 16 years of age; or

(4) any receiving or detention home for children under 16 years of age provided or maintained by, or receiving aid from, any city or county or the state.

(5) On and after July 1, 2026, "child care facility" does not include day care facility or child resource and referral agency.

~~(f)~~ (f) "Child care home" means the premises where care is provided for children at a residence.

(g) "Child care resource and referral agency" means a business or service conducted, maintained or operated by a person engaged in providing resource and referral services, including information of specific services provided by child care facilities, to assist parents to find child care.

(h) "Child placement agency" means a business or service conducted, maintained or operated by a person engaged in finding homes for children by placing or arranging for the placement of such children for adoption or foster care.

(i) (1) "Day care facility" means a child care facility that includes a day care home, preschool, child care center, school-age program or other facility of a type determined by the secretary to require regulation under ~~the provisions of~~ K.S.A. 65-501 et seq., and amendments thereto.

(2) "Day care facility" does not include a youth development program.

(3) On and after July 1, 2026, this subsection shall expire.

~~(j)~~ (j) "Employee" means a person working, regularly volunteering or residing in a child care facility.

(k) "Infant" means a child who is between two weeks and 12 months of age or a child older than 12 months who has not yet learned to walk.

(l) "Lead teacher" means an individual who meets the requirements of section 1, and amendments thereto, and can independently staff any unit in a child care center.

(m) "Licensure year" means the period of time beginning on the effective date and ending on the expiration date of a license.

(n) "Maternity center" means a facility that provides delivery services for normal, uncomplicated pregnancies but does not include a medical care facility as defined by K.S.A. 65-425, and amendments thereto.

(o) "Person" means any individual, association, partnership, corporation, government, governmental subdivision or other entity.

(f) "Boarding school" means a facility which provides 24-hour care to school-age children, provides education as its primary function, and is accredited by an accrediting agency acceptable to the secretary of health and environment.

(g) "Maternity center" means a facility which provides delivery services for normal, uncomplicated pregnancies but does not include a medical care facility as defined by K.S.A. 65-425, and amendments thereto.

(h) "Employee" means a person working, regularly volunteering or residing in a child care facility.

(p) "Program director" means the staff member of a child care center and is responsible for implementing and supervising the comprehensive and coordinated plan of activities that provide for the education, care, protection and development of children who attend a child care center.

(q) "Religious beliefs" means the same as defined in K.S.A. 44-663, and amendments thereto.

(r) "School-age" means a child who will be at least six years of age on or before the first day of September of any school year but is under 16 years of age.

(s) "Unit" means the number of children who may be present in one group in a child care center.

(t) "Youth development program" means the same as defined in K.S.A. 65-527, and amendments thereto.

Sec. 42. On and after July 1, 2026, K.S.A. 65-504 is hereby amended to read as follows: 65-504. (a) The secretary of health and environment shall have the power to grant a license to a person to maintain a maternity center or child care facility for children under 16 years of age. A license granted to maintain a maternity center or child care facility shall state the name of the licensee, describe the particular premises in or at which the business shall be carried on, whether it shall receive and care for women or children, and the number of women or children that may be treated, maintained, boarded or cared for at any one time. No greater number of women or children than is authorized in the license shall be kept on those premises and the business shall not be carried on in a building or place not designated in the license. The license shall be kept posted in a conspicuous place on the premises where the business is conducted. ~~A license granted to maintain a day care facility shall have on its face an expiration sticker stating the date of expiration of the license.~~

The secretary of health and environment shall grant no license in any case until careful inspection of the maternity center or child care facility shall have been made according to the terms of this act and until such maternity center or child care facility has complied with all the requirements of this act. Except as provided by this subsection, no license shall be granted without the approval of the secretary for children

and families. The secretary of health and environment may issue, without the approval of the secretary for children and families, a temporary permit to operate for a period not to exceed 90 days upon receipt of an initial application for license. The secretary of health and environment may extend, without the approval of the secretary for children and families, the temporary permit to operate for an additional period not to exceed 90 days if an applicant is not in full compliance with the requirements of this act but has made efforts towards full compliance.

(b) (1) In all cases where the secretary for children and families deems it necessary, an investigation of the maternity center or child care facility shall be made under the supervision of the secretary for children and families or other designated qualified agents. For that purpose and for any subsequent investigations they shall have the right of entry and access to the premises of the center or facility and to any information deemed necessary to the completion of the investigation. In all cases where an investigation is made, a report of the investigation of such center or facility shall be filed with the secretary of health and environment.

(2) In cases where neither approval or disapproval can be given within a period of 30 days following formal request for such a study, the secretary of health and environment may issue a temporary license without fee pending final approval or disapproval of the center or facility.

(c) Whenever the secretary of health and environment refuses to grant a license to an applicant, the secretary shall issue an order to that effect stating the reasons for such denial and within five days after the issuance of such order shall notify the applicant of the refusal. Upon application not more than 15 days after the date of its issuance a hearing on the order shall be held in accordance with ~~the provisions of~~ the Kansas administrative procedure act.

(d) When the secretary of health and environment finds upon investigation or is advised by the secretary for children and families that ~~any of the provisions of this act or the provisions of K.S.A. 59-2123, and amendments thereto, are being violated, or that the maternity center or child care facility is maintained without due regard to the health, safety or welfare of any woman or child, the secretary of health and environment may issue an order revoking such license after giving notice and conducting a hearing in accordance with the provisions of the Kansas administrative procedure act. The order shall clearly state the reason for the revocation.~~

(e) If the secretary revokes or refuses to renew a license, the licensee who had a license revoked or not renewed shall not be eligible to apply for a license for a period of one year subsequent to the date such revocation or refusal to renew becomes final. If the secretary revokes or refuses to renew a license of a licensee who is a repeat, three or more times, violator of statutory requirements or rules and regulations or is found to have contributed to the death or serious bodily harm of a child under such licensee's care, such licensee shall be permanently prohibited from applying for a new license to provide child care or from seeking employment under another licensee.

(f) Any applicant or licensee aggrieved by a final order of the ~~secretary of health and environment~~ denying or revoking a license under this act may appeal the order in accordance with the Kansas judicial review act.

Sec. 43. K.S.A. 65-505 is hereby amended to read as follows: 65-505. (a) ~~(1)~~ The annual fee for a license to conduct a maternity center or child care facility shall be fixed by the secretary of health and environment by rules and regulations in an amount not

exceeding the following:

~~(1)(A)~~ For a maternity center, \$150;
~~(2)(B)~~ for a child placement agency, \$150; and
~~(3)(C)~~ for a child care resource and referral agency, \$150; and
~~(4)(2)~~ for any other ~~Except for child care facilities listed in paragraph (1), there shall be no annual fee for a license to conduct a child care facility, \$75 plus \$1 times the maximum number of children authorized under the license to be on the premises at any one time.~~

(3) The license fee shall be paid to the secretary of health and environment when the license is applied for and annually thereafter. The fee shall not be refundable. No fee shall be charged for a license to conduct a home for children ~~which that~~ is a family foster home as defined in K.A.R. 28-4-311, and amendments thereto. ~~Fees in effect under this subsection (a) immediately prior to the effective date of this act shall continue in effect on and after the effective date of this act until a different fee is established by the secretary of health and environment by rules and regulations under this subsection.~~

(b) Any licensee who fails to renew such license within 30 days after the expiration of the license shall pay to the secretary the renewal fee plus a late fee in an amount of \$75 or equal to the fee for the renewal of a license, whichever is greater.

(c) Any licensee applying for an amended license shall pay to the secretary of health and environment a fee established by rules and regulations of the secretary in an amount not exceeding \$35.

(d) The secretary of health and environment shall remit all moneys received by the secretary from fees under the provisions of this section 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, notwithstanding any other law to the contrary, shall deposit the entire amount in the state treasury to the credit of the maternity centers and child care licensing fee fund. All expenditures from the maternity centers and child care licensing fee fund shall be made only for the purposes of article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of health and environment or by a person or persons designated by the secretary. Notwithstanding any other law to the contrary, no moneys shall be transferred or otherwise revert from this fund to the state general fund by appropriation act or other act of the legislature. Moneys available under this section by the creation of the maternity centers and child care licensing fee fund shall not be substituted for or used to reduce or eliminate moneys available to the department of health and environment to administer the provisions of article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto. Nothing in this act shall be construed to authorize a reduction or elimination of moneys made available by the state to local units of government for the purposes of article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 44. K.S.A. 65-508 is hereby amended to read as follows: 65-508. (a) Any maternity center or child care facility subject to ~~the provisions of~~ this act shall:

- (1) Be properly heated, plumbed, lighted and ventilated;
- (2) have plumbing, water and sewerage systems ~~which that~~ conform to all applicable state and local laws; and

(3) be operated with strict regard to the health, safety and welfare of any woman or child.

(b) (1) Every maternity center or child care facility shall furnish or cause to be furnished for the use of each resident and employee an individual towel, wash cloth, washcloth or disposable products, ~~comb~~ and individual drinking cup or sanitary bubbling fountain, and toothbrushes for all children other than infants, and shall keep or require such articles to be kept at all times in a clean and sanitary condition.

(2) Toothbrushes in a day care facility may be used after meals or as appropriate.

(3) Every maternity center or child care facility shall comply with all applicable fire codes and rules and regulations of the state fire marshal.

(c) (1) The secretary of health and environment with the cooperation of the secretary for children and families shall develop and adopt rules and regulations for the operation and maintenance of maternity centers and child care facilities. The rules and regulations for operating and maintaining maternity centers and child care facilities shall be designed to promote the health, safety and welfare of any woman or child served in such facilities by ensuring safe and adequate physical surroundings, healthful food, adequate handwashing, safe storage of toxic substances and hazardous chemicals, sanitary diapering and toileting, home sanitation, supervision and care of the residents by capable, qualified persons of sufficient number, after-hour care, an adequate program of activities and services, sudden infant death syndrome and safe sleep practices training, prohibition on corporal punishment, crib safety, protection from electrical hazards, protection from swimming pools and other water sources, fire drills, emergency plans, safety of outdoor playground surfaces, door locks, safety gates and transportation and such appropriate parental participation as may be feasible under the circumstances. Boarding schools are excluded from requirements regarding the number of qualified persons who must supervise and provide care to residents.

(2) Rules and regulations developed under this subsection shall include provisions for the competent supervision and care of children in day care facilities. For purposes of such rules and regulations, competent supervision as this term relates to children less than five years of age includes, but is not limited to, direction of activities, adequate oversight including sight or sound monitoring, or both, physical proximity to children, diapering and toileting practices; and for all children, competent supervision includes, but is not limited to, planning and supervision of daily activities, safe sleep practices, including, but not limited to, visual or sound monitoring, periodic checking, emergency response procedures and drills, illness and injury response procedures, food service preparation and sanitation, playground supervision, pool and water safety practices.

(d) In addition to any rules and regulations adopted under this section for safe sleep practices, child care facilities shall ensure that all of the following requirements are met for children under 12 months of age:

(1) A child shall only be placed to sleep on a surface and in an area that has been approved for use as such by the secretary of health and environment;

(2) the sleep surface shall be free from soft or loose bedding, including, but not limited to, blankets, bumpers and pillows; and

(3) the sleep surface shall be free from toys, including mobiles and other types of play equipment or devices.

(e) Child care facilities shall ensure that children over 12 months of age only be placed to sleep on a surface and in an area that has been approved for use as such by the

secretary of health and environment.

(f) The secretary of health and environment may exercise discretion to make exceptions to requirements in subsections (d) and (e) where special health needs exist.

(g) Each child cared for in a child care facility, including children of the person maintaining the facility, shall be required to have current such immunizations as the secretary of health and environment considers necessary. The person maintaining a child care facility shall maintain a record of each child's immunizations and shall provide to the secretary of health and environment such information relating thereto, in accordance with rules and regulations of the secretary, but the person maintaining a child care facility shall not have such person's license revoked solely for the failure to have or to maintain the immunization records required by this subsection.

(h) The immunization requirement of subsection (g) shall not apply if one of the following is obtained:

(1) Certification from a licensed physician stating that the physical condition of the child is such that immunization would endanger the child's life or health; or

(2) a written statement signed by ~~a~~ the child's parent or guardian that ~~the parent or guardian is an adherent of a such immunization violates sincerely held religious denomination whose teachings are opposed to immunizations beliefs of the parent or guardian.~~

(i) On and after July 1, 2026, any references to day care facilities shall be under the administration of the director of early childhood.

Sec. 45. K.S.A. 65-512 is hereby amended to read as follows: 65-512. (a) It is hereby made the duty of the secretary of health and environment to inspect or cause to be inspected at least once every 15 months prior to July 1, 2012, and once every 12 months thereafter, every maternity center or child care facility, unless otherwise provided in subsections (b) and (c). For the purpose of inspection, the secretary or the secretary's authorized agent, as an employee of the secretary or who has a contract with the secretary to provide inspections pursuant to K.S.A. 65-501 et seq. and who holds a certificate issued pursuant to subsection (c), shall have the right of entry and access ~~thereto in~~ to every department and ~~to~~ every place in the premises, shall to call for and examine the records ~~which that~~ are required to be kept by the provisions of this act and ~~shall~~ to make and preserve a record of every inspection. The licensee shall give all reasonable information to the authorized agent of the secretary of health and environment and shall afford every reasonable facility for viewing the premises and seeing the patients or children therein. No such patient or child, without the consent of the patient or ~~child~~ child's parent, shall be required to be interviewed by any agent ~~unless the agent is an authorized person or a licensed physician.~~

(b) ~~(1) On or after the effective date of this act, the secretary of health and environment shall commence the inspection of registered family day care homes pursuant to K.S.A. 65-533, and amendments thereto.~~

(2) The secretary of health and environment shall conduct an inspection of any child care facility upon receiving a complaint. Any new child care facility shall be inspected prior to issuance of a license. The secretary may conduct an inspection of any child care facility that has a record of repeated complaints or serious violations at any time. Every 12 months, the secretary shall inspect any child care facility that provides services to military families receiving military assistance for child care ~~every 12 months.~~

(c) (1) ~~Except as provided in subsection (b)(2), the following categories of child care facilities which were in compliance on the effective date of this act are not required to be inspected until July 1, 2011: Day care homes, as defined in K.A.R. 28-4-113; group day care homes, as defined in K.A.R. 28-4-113; child care centers, as defined in K.A.R. 28-4-420; preschools, as defined in K.A.R. 28-4-420; school-age programs, as defined in K.A.R. 28-4-576; and drop-in programs, as defined in K.A.R. 28-4-700. The secretary shall create a surveyor certification and provide a minimum of yearly continuing education to qualify for such certification.~~

(2) If a surveyor fails to comply with the certification requirements established by the secretary as provided in paragraph (1), the secretary may require such surveyor to complete an improvement plan.

(3) If such surveyor does not satisfactorily complete the improvement plan, the secretary may terminate such surveyor's current certification.

(d) Persons conducting inspections and surveys pursuant to K.S.A. 65-501 et seq., and amendments thereto, shall hold a certification issued by the secretary.

Sec. 46. K.S.A. 2024 Supp. 65-516 is hereby amended to read as follows: 65-516. (a) No person shall knowingly maintain a child care facility if an employee who, in this state or in other states or the federal government:

(1) (A) Has been convicted of a crime that is classified as a person felony under the Kansas criminal code;

(B) has been convicted of a felony under K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their transfer, or article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or any felony violation of any provision of the uniform controlled substances act prior to July 1, 2009;

(C) has been convicted of any act that is described in articles 34, 35 or 36 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 54, 55 or 56 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 21-6104, 21-6325, 21-6326, 21-6418 through 21-6422 or 21-6424, and amendments thereto, or been convicted of an attempt under K.S.A. 21-3301, prior to its repeal, or K.S.A. 21-5301, and amendments thereto, to commit any such act or been convicted of conspiracy under K.S.A. 21-3302, prior to its repeal, or K.S.A. 21-5302, and amendments thereto, to commit such act, or similar statutes of any other state or the federal government;

(D) has been convicted of any act that is described in K.S.A. 21-4301 or 21-4301a, prior to their repeal, or K.S.A. 21-6401, and amendments thereto, or similar statutes of any other state or the federal government; or

(E) has been convicted of any act that is described in K.S.A. 21-3718 or 21-3719, prior to their repeal, or K.S.A. 21-5812, and amendments thereto, or similar statutes of any other state or the federal government;

(2) except as provided in subsection (b), has been adjudicated a juvenile offender because of having committed an act ~~that~~ which, if ~~done~~ committed by an adult, would constitute the commission of a felony and that is a crime against persons, is any act described in articles 34, 35 or 36 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 54, 55 or 56 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 21-6104, 21-6325, 21-6326, 21-6418 through 21-6422 or 21-6424, and amendments thereto, or similar statutes of any other state or the federal government, or is any act described in K.S.A. 21-4301 or 21-4301a, prior to

their repeal, or K.S.A. 21-6401, and amendments thereto, or similar statutes of any other state or the federal government;

(3) has been convicted or adjudicated of a crime that requires registration as a sex offender under the Kansas offender registration act, K.S.A. 22-4901 et seq., and amendments thereto, as a sex offender in any other state or as a sex offender on the national sex offender registry;

(4) has committed an act of physical, mental or emotional abuse or neglect or sexual abuse and who is listed in the child abuse and neglect registry maintained by the Kansas department for children and families pursuant to K.S.A. 38-2226, and amendments thereto, or any similar child abuse and neglect registries maintained by any other state or the federal government and:

(A) The person has failed to successfully complete a corrective action plan that had been deemed appropriate and approved by the Kansas department for children and families or requirements of similar entities in any other state or the federal government; or

(B) the record has not been expunged pursuant to rules and regulations adopted by the secretary for children and families or similar entities in any other state or the federal government;

(5) has had a child removed from home based on a court order pursuant to K.S.A. 38-2251, and amendments thereto, in this state, or a court order in any other state based upon a similar statute that finds the child to be deprived or a child in need of care based on a finding of physical, mental or emotional abuse or neglect or sexual abuse and the child has not been returned to the home or the child reaches majority before being returned to the home and the person has failed to satisfactorily complete a corrective action plan approved by the department of health and environment;

(6) has had parental rights terminated pursuant to the ~~Kansas juvenile code or K.S.A. 38-2266 through 38-2270, and amendments thereto~~ revised Kansas code for care of children, or a similar statute of other states;

(7) has signed a diversion agreement pursuant to K.S.A. 22-2906 et seq., and amendments thereto, or an immediate intervention agreement pursuant to K.S.A. 38-2346, and amendments thereto, involving a charge of child abuse or a sexual offense; or

(8) has an infectious or contagious disease.

(b) If the secretary determines that there is no safety concern, the secretary may license a family foster home, as defined in K.S.A. 38-134, and amendments thereto, when a person who has been adjudicated as a juvenile offender for an offense described in subsection (a)(2):

(1) Was a child in the custody of the secretary and placed with such family foster home by the secretary;

(2) is 18 years of age or older;

(3) (A) maintains residence at such family foster home; or

(B) has been legally adopted by any person who resides at such family foster home; and

(4) six months have passed since the date of adjudication.

(c) No person shall maintain a child care facility if such person has been found to be a person in need of a guardian or a conservator, or both, as provided in K.S.A. 59-3050 through 59-3095, and amendments thereto.

(d) Any person who resides in a child care facility and who has been found to be in

need of a guardian or a conservator, or both, shall be counted in the total number of children allowed in care.

(e) In accordance with the provisions of this subsection, the secretary of health and environment shall have access to any court orders or adjudications of any court of record, any records of such orders or adjudications, criminal history record information including, but not limited to, diversion agreements, in the possession of the Kansas bureau of investigation and any report of investigations as authorized by K.S.A. 38-2226, and amendments thereto, in the possession of the Kansas department for children and families or court of this state concerning employees in a child care facility. The secretary shall have access to these records for the purpose of determining whether or not the home meets the requirements of K.S.A. 59-2132, 65-503, 65-508 and 65-516, and amendments thereto.

(f) In accordance with the provisions of this subsection, the secretary is authorized to conduct national criminal history record checks to determine criminal history on employees in a child care facility. In order to conduct a national criminal history check the secretary shall require fingerprinting for identification and determination of criminal history in accordance with K.S.A. 2024 Supp. 22-4714, and amendments thereto.

(g) (1) ~~The secretary shall adopt rules and regulations on or before January 1, 2019, to fix a fee for fingerprinting persons residing, working or regularly volunteering employees~~ in a child care facility, as may be required by the department to reimburse the department for the cost of the fingerprinting.

(2) The secretary shall remit all moneys received from the fees established under this section 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 to the credit of the child care criminal background and fingerprinting fund.

~~(h)~~ (h) The child care criminal background and fingerprinting fund is hereby created in the state treasury to be administered by the secretary of health and environment. All moneys credited to the child care criminal background and fingerprinting fund shall be used to pay local and state law enforcement officers and agencies for the processing of fingerprints and criminal history background checks for the department. All expenditures from the child care criminal background and fingerprinting fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary.

~~(i)~~ (i) The secretary shall notify the child care applicant or licensee, within seven days by certified mail with return receipt requested, when the result of the national criminal history record check or other appropriate review reveals unfitness specified in subsections (a)(1) through (8) with regard to the person who is the subject of the review.

~~(j)~~ (j) No child care facility or the employees thereof, shall be liable for civil damages to any person refused employment or discharged from employment by reason of such facility's or home's compliance with the provisions of this section if such home acts in good faith to comply with this section.

~~(k)~~ (k) For the purpose of subsection (a)(3), a person listed in the child abuse and neglect central registry shall not be prohibited from residing, working or volunteering in a child care facility unless such person has:

- (1) Had an opportunity to be interviewed and present information during the

investigation of the alleged act of abuse or neglect; and

(2) been given notice of the agency decision and an opportunity to appeal such decision to the secretary and to the courts pursuant to the Kansas judicial review act.

~~(m)~~(1) In regard to Kansas issued criminal history records:

(1) The secretary of health and environment shall provide in writing information available to the secretary to each child placement agency requesting information under this section, including the information provided by the Kansas bureau of investigation pursuant to this section, for the purpose of assessing the fitness of persons living, working or regularly volunteering in a family foster home under the child placement agency's sponsorship.

(2) The child placement agency is considered to be a governmental entity and the designee of the secretary of health and environment for the purposes of obtaining, using and disseminating information obtained under this section.

(3) The information shall be provided to the child placement agency regardless of whether the information discloses that the subject of the request has been convicted of any offense.

(4) Whenever the information available to the secretary reveals that the subject of the request has no criminal history on record, the secretary shall provide notice thereof in writing to each child placement agency requesting information under this section.

(5) Any staff person of a child placement agency who receives information under this subsection shall keep such information confidential, except that the staff person may disclose such information on a need-to-know basis to:

(A) The person who is the subject of the request for information;

(B) the applicant or operator of the family foster home in which the person lives, works or regularly volunteers;

(C) the department of health and environment;

(D) the Kansas department for children and families;

(E) the department of corrections; and

(F) the courts.

(6) A violation of the provisions of paragraph (5) shall be an unclassified misdemeanor punishable by a fine of \$100 for each violation.

~~(m)~~(1) No person shall maintain a day care facility unless such person is a high school graduate or the equivalent thereof, except where extraordinary circumstances exist, the secretary of health and environment may exercise discretion to make exceptions to this requirement. The provisions of this subsection shall not apply to any person who was maintaining a day care facility on the day immediately prior to July 1, 2010, or who had an application for an initial license or the renewal of an existing license pending on July 1, 2010.

(2) This subsection shall expire on June 30, 2026.

Sec. 47. K.S.A. 65-527 is hereby amended to read as follows: 65-527. (a) As used in this section:

(1) ~~"Drop-in program" means a child care facility that is not located in an individual's residence, that serves exclusively school-age children and youth and where the operator permits children and youth to arrive at and depart from the program at the child or youth's own volition at unscheduled times.~~ "Child" means an individual who is enrolled or attending kindergarten, is less than 18 years of age, is not a volunteer or employee and is attending a youth development program.

(2) "Premises" means the location, including the building and adjoining grounds, for which the applicant has a temporary permit or license to conduct a youth development program.

~~(2)(3)~~ "Public recreation center" means any building used by a political or taxing subdivision of this state, or by an agency of such subdivision, for recreation programs that serve children who are less than 18 years of age.

~~(3)(4)~~ "School" means any building used for instruction of students enrolled in kindergarten or any of the grades one through 12 by a school district or an accredited nonpublic school.

~~(4)(5)~~ "School-age program" means a child care facility that serves exclusively school-age children and youth but does not include a drop-in youth development program.

(6) "Youth development program" means a child care facility where youth activities are conducted that is not located in an individual's residence and that serves children who are enrolled in kindergarten to less than 18 years of age.

(b) No license for a drop-in youth development program or school-age program shall be denied, suspended or revoked on the basis that the building does not meet the requirements for licensure if the building:

(1) Is a public recreation center or school and is used by school-age children and youth that are of the same age as children and youth who are cared for in the drop-in a youth development program or school-age program;

(2) complies, during all hours of operation of the drop-in a youth development program or school-age program, with the Kansas fire prevention code or a building code that is by law deemed to comply with the Kansas fire prevention code; and

(3) complies, except as provided in subsection (c), during all hours of operation of the drop-in a youth development program or school-age program, with all local building code provisions that apply to recreation centers; if the building is a public recreation center; or to schools; if the building is a school.

(c) If the standards that a building is required to comply with pursuant to subsections (b)(2) and (b)(3) conflict or are otherwise inconsistent, then the standards provided by subsection (b)(2) shall control.

(d) No license for a drop-in youth development program or school-age program that operates in accordance with subsection (b)(1) shall be denied, suspended or revoked based on an environmental deficiency and shall be approved or renewed if:

(1) The environmental deficiency does not pose an imminent risk to children and youth;

(2) the environmental deficiency is outside the applicant's or licensee's immediate authority to correct; and

(3) the applicant or licensee has notified the public recreation center or school of the environmental deficiency.

(e) Whenever drop-in program or words of like effect, are referred to or designated by any statute, rule or regulation, contract or any other document, such reference or designation shall apply to a youth development program.

(f) If a licensed youth development program or school age program operates on or within the premises of a public or private school that is required to pass a fire safety inspection each school year pursuant to K.S.A. 31-144(b), and amendments thereto, no additional fire safety inspection of the licensed youth development program or school

age program shall be required by the director, the state fire marshal, the fire chief or any local political or taxing subdivision.

(g) This section shall expire on June 30, 2026.

Sec. 48. K.S.A. 65-531 is hereby amended to read as follows: 65-531. ~~On and after July 1, 1996:~~ (a) Except as provided further, information and records ~~which that~~ pertain to the immunization status of persons against childhood diseases as required by K.S.A. 65-508, and amendments thereto, may be disclosed and exchanged without a parent or guardian's written release authorizing such disclosure, to the following, who need to know such information to assure compliance with state statutes or to achieve ~~age-appropriate~~ age-appropriate immunization status for children:

- (1) Employees of public agencies or departments;
- (2) health records staff of child care facilities, including, but not limited to, facilities licensed by the secretary of health and environment;
- (3) persons other than public employees who are entrusted with the regular care of those under the care and custody of a state agency, including, but not limited to, ~~operators of day care facilities,~~ group homes, residential care facilities and adoptive or foster homes; and
- (4) ~~health care~~ healthcare professionals.

(b) Notwithstanding K.S.A. 60-427, and amendments thereto, or any other Kansas statute ~~which that~~ provides for privileged information between a patient and a ~~health care~~ healthcare provider, there shall be no privilege preventing the furnishing of information and records as authorized by this section by any ~~health care~~ healthcare provider.

(c) Information and records ~~which that~~ pertain to the immunization status of persons against childhood diseases as required by K.S.A. 65-508, and amendments thereto, whose parent or guardian has submitted a written statement of sincerely held religious objection to beliefs regarding immunization as provided in K.S.A. 65-508, and amendments thereto, may not be disclosed or exchanged without a parent or guardian's written release authorizing such disclosure.

Sec. 49. On and after July 1, 2026, K.S.A. 72-4161 is hereby amended to read as follows: 72-4161. As used in this act:

- (a) "Board" means the board of education of any school district.
- (b) "Director" means the director of the Kansas office of early childhood.
- (c) "Infant" or "toddler" means any child under the age of eligibility for school attendance.
- (d) "Parent education program" means a program developed and operated by a board for the purpose of providing expectant parents and parents of infants or toddlers or both with information, advice, assistance, resource materials, guidance and learning experiences regarding such measures as parenting skills and the various styles of parenting, the processes and principles of growth and development of children, home learning activities designed for infants and toddlers, techniques emphasizing a positive approach to discipline, effective methods of communicating and interacting with children to foster the development of self-esteem, strategies for structuring behavioral limits and increasing mutual positive regard and other elements of effective parenting that are conducive to the structuring of a home environment in which children are encouraged to be successful and productive learners.

(e) "School district" means any public school district organized and operating under

the laws of this state.

~~(c) "Parent education program" means a program developed and operated by a board for the purpose of providing expectant parents and parents of infants or toddlers or both with information, advice, assistance, resource materials, guidance and learning experiences regarding such measures as parenting skills and the various styles of parenting, the processes and principles of growth and development of children, home learning activities designed for infants and toddlers, techniques emphasizing a positive approach to discipline, effective methods of communicating and interacting with children so as to foster the development of self-esteem, strategies for structuring behavioral limits and increasing mutual positive regard, and other elements of effective parenting that are conducive to the structuring of a home environment in which children are encouraged to be successful and productive learners.~~

~~(d) "Infant" and "toddler" means any child under the age of eligibility for school attendance.~~

~~(e) "State board" means the state board of education.~~

Sec. 50. On and after July 1, 2026, K.S.A. 72-4162 is hereby amended to read as follows: 72-4162. (a) The board of every school district may:

- (1) Develop and operate a parent education program;
- (2) enter into cooperative or interlocal agreements with one or more other boards for the development and operation of a parent education program;
- (3) contract with private, nonprofit corporations or associations or with any public or private agency or institution, whether located within or outside the state, for the provision of services which that are appropriate to a parent education program; and
- (4) apply for a grant of state moneys to supplement amounts expended by the school district for development and operation of a parent education program.

(b) In order to be eligible to receive a grant of state moneys for the development and operation of a parent education program, a board shall submit to the ~~state board~~ director an application for a grant and a description of the program. The application and description shall be prepared in such form and manner as the ~~state board~~ director shall require and shall be submitted at a time to be determined and specified by the ~~state board~~ director. Approval by the ~~state board~~ director of the program and the application is prerequisite to the award of a grant.

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

Sec. 51. On and after July 1, 2026, K.S.A. 72-4163 is hereby amended to read as follows: 72-4163. (a) The state board, in consultation with the secretary for children and families and the director of early childhood, shall adopt rules and regulations for the administration of this act and shall:

- (1) Establish standards and criteria for reviewing, evaluating and approving parent education programs and applications of school districts for grants;
- (2) conduct a needs-assessment survey of school districts applying for grants;
- (3) evaluate and approve parent education programs;
- (4) establish priorities in accordance with the findings of the needs-assessment survey for the award of grants to school districts and for determination of the amount of such grants;
- (5) be responsible for awarding grants to school districts; and

(6) request of and receive from each school district ~~which~~ that is awarded a grant for development and operation of a parent education program reports containing information with regard to the effectiveness of the program.

(b) In evaluating and approving parent education programs for the award of grants to school districts, the ~~state board~~ director shall consider:

(1) Prior experiences of school districts in the development and operation of parent education programs;

(2) level of effort exhibited by school districts in the development and operation of parent education programs;

(3) the amounts budgeted by school districts for the development and operation of parent education programs; and

(4) the potential effectiveness of the parent education programs for which applications for the grant of state moneys are made.

Sec. 52. On and after July 1, 2026, K.S.A. 72-4164 is hereby amended to read as follows: 72-4164. (a) ~~(1) In the 1990-91 school year, to the extent that appropriations are available therefor, and on the basis of established priorities, the state board shall select for the award of grants of state moneys those school districts, not to exceed 100 school districts, which the state board determines to be most capable of developing and operating successful parent education programs.~~

~~(2) In the 1991-92 school year, to the extent that appropriations are available therefor, and on the basis of established priorities, the state board shall select for the award of grants of state moneys those school districts, not to exceed 200 school districts, which the state board determines to be most capable of developing and operating successful parent education programs.~~

~~(3) In the 1992-93 school year and~~ In each school year ~~thereafter~~, to the extent that appropriations are available therefor, each school district ~~which~~ that has developed and is operating an approved parent education program shall be eligible to receive a grant of state moneys.

(b) The amount of a grant awarded to a school district shall be determined by the ~~state board~~ director in accordance with established priorities and reported to the senate committee on education and the house of representatives committee on K-12 budget, or any successor committees, but in no event shall such amount exceed the amount of actual expenses incurred by the school district in the development and operation of a program. If the amount of appropriations for parent education programs is insufficient to pay in full the amount that each school district is determined to be eligible to receive, the ~~state board~~ director shall prorate the amount appropriated among all school districts in proportion to the amount that each such school district is determined to be eligible to receive.

(c) Any grant awarded under this section shall be included in district budgets with proper notation of such grant awarded.

(d) Review of equity for pre-K programs shall be reviewed by committees on a bi-annual basis.

Sec. 53. On and after July 1, 2026, K.S.A. 72-4166 is hereby amended to read as follows: 72-4166. ~~The state board~~ director, in cooperation with ~~the Kansas department for children and families, the state department of health and environment, and other appropriate associations and organizations,~~ may provide any board, upon its request therefor, with technical advice and assistance regarding the development and operation

of a parent education program or an application for a grant of state moneys; and may make studies and gather and disseminate information regarding materials, resources, procedures and personnel—~~which that~~ are or may become available to assist school districts in the development and operation of parent education programs.

Sec. 54. K.S.A. 38-1901, 38-2103, 65-501, 65-505, 65-508, 65-512, 65-527 and 65-531 and K.S.A. 2024 Supp. 48-3406, 65-503 and 65-516 are hereby repealed.

Sec. 55. On and after July 1, 2026, K.S.A. 65-504, 72-4161, 72-4162, 72-4163, 72-4164 and 72-4166 are hereby repealed.";

Also on page 12, in line 7, by striking "Kansas register" and inserting "statute book";
And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 and 3; in line 4, by striking "insurance" and inserting "child care; relating to licensure of day care facilities, child care homes and child care centers; reducing license fees and training requirements; creating a process for a temporary waiver of certain statutory requirements; authorizing the secretary of health and environment and the director of early childhood to develop and operate pilot programs to increase child care facility availability and capacity; establishing the Kansas office of early childhood and the director of early childhood; transferring administration of day care licensing, parent education programs and the child care subsidy program to the Kansas office of early childhood; creating the day care facilities and child care resource and referral agencies licensing fee fund and the day care criminal background and fingerprinting fund; defining youth development programs"; in line 4, by striking "40-2102, 40-2109, 40-3116, 40-3413 and"; in line 5, by striking "75-4101" and inserting "38-1901, 38-2103, 65-501, 65-504, 65-505, 65-508, 65-512, 65-527, 65-531, 72-4161, 72-4162, 72-4163, 72-4164 and 72-4166 and K.S.A. 2024 Supp. 48-3406, 65-503 and 65-516";

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

BEVERLY GOSSAGE

DINAH SYKES

Conferees on part of Senate

SEAN TARWATER

ADAM TURK

Conferees on part of House

On motion of Rep. Tarwater, the conference committee report on **HB 2045** was adopted.

On roll call, the vote was: Yeas 99; Nays 23; Present but not voting: 0; Absent or not voting: 3.

Yeas: Anderson, Awerkamp, Ballard, Barrett, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Paige, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Hill, Hoffman, Hoheisel, Howell, Howerton, Hoyer, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, McDonald, McNorton, Meyer, Minnix, Moser, Mosley, Neelly, Neighbor, Ohaebosim, Osman, Penn, Pickert, Pishny, Proctor, Reavis, Resman, Roeser, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Schlingensiepen, Schreiber, Seiwert, Simmons, Smith, A., Smith, C., Steele, Stiens, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Waggoner, Ward, Waymaster, White, Wilborn, Willcott, Williams, K., Williams, L., Winn, Wolf, Woodard.

Nays: Amyx, Barth, Featherston, Helgerson, Helwig, Howe, Martinez, Melton, Miller, S., Oropeza, Ousley, Poetter, Rahjes, Rhiley, Clayton, Schmoie, Schwertfeger, Stogsdill, Vaughn, Wasinger, Weigel, Wikle, Xu.

Present but not voting: None.

Absent or not voting: Alcala, Carr, Poskin.

EXPLANATIONS OF VOTE

MR. SPEAKER: My no vote reflects my dissatisfaction with our governor and segments of her administrative staff who have quietly placed faith based child care care in positions of over regulation and disadvantage. This can not continue period exclamation point! However, this bill benefits child care overall, therefore I respectfully request to change my vote to yes on **HB 2045** to help the children. – TIMOTHY JOHNSON

MR. SPEAKER: I vote Nay on the conference committee report brief on **HB 2045**. I oppose it for three reasons. 1.) Rather than seeking to outsource young children's care to paid professionals, policy should seek to help parents spend more time caring for their children themselves, especially in the first five years of life. 2.) No child-care providers have contacted me in support. 3.) I have grown weary of voting on conference committee reports, rather than bills. More time should be granted for all members and their constituents to fully digest policy bills. – STEVEN HOWE

MR. SPEAKER: I vote no on **HB 2045**. I strongly support the creation of the Office of Early Childhood and will work with the administration and others to ensure its success. However, I cannot support the provisions in this bill related to vaccines for children in child care and unlicensed care. I will continue to advocate for every family who needs child care to have access to affordable and high-quality care for their young children. – SUZANNE WIKLE, LINDA FEATHERSTON, SILAS MILLER, ANGELA MARTINEZ, LYNN MELTON, MELISSA OROPEZA, RUI XU, JERRY STOGSDILL, LINDSAY VAUGHN

MR. SPEAKER: As a strong supporter of early childhood initiatives, I vote yes on the motion to adopt the CCR for **HB 2045**. While I have some concerns about inadequate vaccination requirements, this bill streamlines agencies to provide increased availability and investment in childcare will enable more parents to enter the workforce. Dollars spent on early childhood development are always wise investments. – NIKKI McDONALD

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2231** submits the following report:

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

On page 1, following line 11, by inserting:

"New Section 1. (a) At the end of fiscal year 2028, the director of the budget, in consultation with the director of legislative research, shall certify the amount of actual corporate income tax receipt revenues generated pursuant to K.S.A. 79-32,110(c), and amendments thereto, that is in excess of the prior fiscal year's corporate income tax receipts. The director of the budget shall transmit such certification to the secretary of revenue. Upon receipt of such certification, the secretary shall compute the reduction of

the corporate income tax rate pursuant to K.S.A. 79-32,110(c), and amendments thereto. The certified amount shall be computed in dollars by the secretary for a reduction rounded down to the nearest 0.1% in the corporate income tax rate, if any, to go into effect for the next tax year that would reduce the corporate income tax rate in an amount approximately equal to the amount computed by the secretary. The secretary shall reduce the normal tax on corporations. Such rate reductions shall remain in effect unless further reduced pursuant to law.

(b) The secretary shall publish by October 1, 2028, the new income tax rates to take effect for all taxable years commencing after December 31, 2028.

New Sec. 2. (a) The following described property, to the extent herein specified, is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

- (1) Any off-road vehicle that is not operated upon any highway;
- (2) any motorized bicycle, electric-assisted bicycle, electric-assisted scooter, electric personal assistive mobility device and motorized wheelchair as such terms are defined in K.S.A. 8-126, and amendments thereto;
- (3) any trailer having a gross weight of 15,000 pounds or less that is used exclusively for personal use and not for the production of income; and

(4) any marine equipment.

(b) For purposes of this section:

(1) "Marine equipment" means any watercraft trailer designed to launch, retrieve, transport and store watercraft and any watercraft motor designed to operate watercraft on the water;

(2) "off-road motorcycle" means any motorcycle as defined in K.S.A. 8-126, and amendments thereto, that has been manufactured for off-road use only and is used exclusively off roads and highways; and

(3) "off-road vehicle" means:

(A) Any all-terrain vehicle, recreational off-highway vehicle and golf cart as such terms are defined in K.S.A. 8-126, and amendments thereto; and

(B) any off-road motorcycle and snowmobile.

(c) The provisions of this section shall apply to all taxable years commencing after December 31, 2025.

Sec. 3. K.S.A. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the state board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county

where such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the county appraiser with the state board of tax appeals. With regard to a request for exemption from property tax pursuant to the provisions of K.S.A. 79-201g and 82a-409, and amendments thereto, not filed with the board of tax appeals by the county appraiser on or before the effective date of this act, if the county appraiser recommends the exemption request be granted, the exemption shall be provided in the amount recommended by the county appraiser and the county appraiser shall not file the request for exemption and recommendations of the county appraiser with the state board of tax appeals. The county clerk or county assessor shall annually make such adjustment in the taxes levied against the real property as the owner may be entitled to receive under the provisions of K.S.A. 79-201g, and amendments thereto, as recommended by the county appraiser, beginning with the first period, following the date of issue of the certificate of completion on which taxes are regularly levied, and during the years which the landowner is entitled to such adjustment.

(f) Upon receipt of the request for exemption, the board shall docket the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption and the county appraiser's recommendation related thereto, the board may fix a time and place for hearing, and shall notify the applicant and the county appraiser of the time and place so fixed. A request for exemption pursuant to: (1) Section 13 of article 11 of the constitution of the state of Kansas; or (2) K.S.A. 79-201a *Second*, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 through 12-1749, and amendments thereto, prepared in accordance with instructions and assistance which shall be provided by the department of commerce, shall be deemed approved unless scheduled for hearing within 30 days after the date of receipt of all required information and data relating to the request for exemption, and such hearing shall be conducted within 90 days after such date. Such time periods shall be determined without regard to any extension or continuance allowed to either party to such request. In any case where a party to such request for exemption requests a hearing thereon, the same shall be granted. Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act. In all instances where the board sets a request for exemption for hearing, the county shall be represented by its county attorney or county counselor.

(h) Except as otherwise provided by subsection (g), in the event of a hearing, the same shall be originally set not later than 90 days after the filing of the request for exemption with the board.

(i) During the pendency of a request for exemption, no person, firm, unincorporated association, company or corporation charged with real estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, on the tax books in the hands of the county treasurer shall be required to pay the tax from

the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon and the same becomes a final order. In the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question nor shall the unpaid tax be considered delinquent from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon. In the event the board determines an application for exemption is without merit and filed in bad faith to delay the due date of the tax, the tax shall be considered delinquent as of the date the tax would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the board grants the initial request for exemption, the same shall be effective beginning with the date of first exempt use except that, with respect to property the construction of which commenced not to exceed 24 months prior to the date of first exempt use, the same shall be effective beginning with the date of commencement of construction.

(k) In conjunction with its authority to grant exemptions, the board shall have the authority to abate all unpaid taxes that have accrued from and since the effective date of the exemption. In the event that taxes have been paid during the period where the subject property has been determined to be exempt, the board shall have the authority to order a refund of taxes for the year immediately preceding the year in which the exemption application is filed in accordance with subsection (a).

(l) The provisions of this section shall not apply to: (1) Farm machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (2) personal property exempted from ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing apparel, household goods and personal effects exempted from ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all property exempted from ad valorem taxation by K.S.A. 79-201d, and amendments thereto; (6) merchants' and manufacturers' inventories exempted from ad valorem taxation by K.S.A. 79-201m, and amendments thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n, and amendments thereto; (8) property exempted from ad valorem taxation by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all property previously acquired by the secretary of transportation or a predecessor in interest, which is used in the administration, construction, maintenance or operation of the state system of highways. The secretary of transportation shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (9) property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*, and amendments thereto, including all property previously acquired by the Kansas turnpike authority which is used in the administration, construction, maintenance or operation of the Kansas turnpike. The Kansas turnpike authority shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (10) aquaculture machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in this section, "aquaculture" has the same meaning ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (12) property used

exclusively by the state or any municipality or political subdivision of the state for right-of-way purposes. The state agency or the governing body of the municipality or political subdivision shall at the time of acquisition of property for right-of-way purposes notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (13) machinery, equipment, materials and supplies exempted from ad valorem taxation by K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the state or by any political or taxing subdivision thereof and used exclusively for governmental purposes; (15) property used for residential purposes which is exempted pursuant to K.S.A. 79-201x, and amendments thereto, from the property tax levied pursuant to K.S.A. 72-5142, and amendments thereto; (16) from and after July 1, 1998, vehicles which are owned by an organization having as one of its purposes the assistance by the provision of transit services to the elderly and to disabled persons and which are exempted pursuant to K.S.A. 79-201 *Ninth*, and amendments thereto; (17) from and after July 1, 1998, motor vehicles exempted from taxation by K.S.A. 79-5107(e), and amendments thereto; (18) commercial and industrial machinery and equipment exempted from property or ad valorem taxation by K.S.A. 79-223, and amendments thereto; (19) telecommunications machinery and equipment and railroad machinery and equipment exempted from property or ad valorem taxation by K.S.A. 79-224, and amendments thereto; (20) property exempted from property or ad valorem taxation by K.S.A. 79-234, and amendments thereto; (21) recreational vehicles exempted from property or ad valorem taxation by K.S.A. 79-5121(e), and amendments thereto; (22) property acquired by a land bank exempt from property or ad valorem taxation pursuant to K.S.A. 12-5909 or K.S.A. 19-26,111, and amendments thereto; ~~and~~ (23) property belonging exclusively to the United States and exempted from ad valorem taxation by K.S.A. 79-201a *First*, and amendments thereto, except that the provisions of this subsection (l)(23) shall not apply to any such property that the congress of the United States has expressly declared to be subject to state and local taxation; (24) watercraft exempted from property or ad valorem taxation by K.S.A. 79-5501, and amendments thereto; and (25) property exempted from property or ad valorem taxation by section 2, and amendments thereto.

(m) The provisions of this section shall apply to property exempt pursuant to the provisions of section 13 of article 11 of the constitution of the state of Kansas.

(n) The provisions of subsection (k) as amended by this act shall be applicable to all exemption applications filed in accordance with subsection (a) after December 31, 2001.

(o) No exemption authorized by K.S.A. 79-227, and amendments thereto, of property from the payment of ad valorem property taxes assessed shall be granted unless the requesting property owner files an initial request for exemption pursuant to this section within two years of the date in which construction of a new qualifying pipeline property began. The provisions of this subsection shall be applicable to all requests for exemptions filed in accordance with subsection (a) after June 30, 2017.

Sec. 4. K.S.A. 79-1129 is hereby amended to read as follows: 79-1129. (a) Except as otherwise specifically provided, a financial institution whose business activity is taxable both within and without this state shall allocate and apportion its net income as provided in this act. All items of nonbusiness income, income which is not includable in the apportionable income tax base, shall be allocated pursuant to the provisions of

K.S.A. 79-3274 through 79-3278 and amendments thereto. A financial institution organized under the laws of a foreign country, the commonwealth of Puerto Rico, or a territory or possession of the United States whose effectively connected income, as defined under the federal internal revenue code, is taxable both within this state and within another state, other than the state in which it is organized, shall allocate and apportion its net income as provided in this act and its apportionment factors shall include the part of its property, payroll and receipts that is related to its apportionable income.

(b)(1) For taxable years commencing prior to January 1, 2027, all business income shall be apportioned as follows:

All business income, income which is includable in the apportionable income tax base, shall be apportioned to this state by multiplying such income by the apportionment percentage. The apportionment percentage is determined by adding the taxpayer's receipts factor, as described in K.S.A. 79-1130, and amendments thereto, property factor, as described in K.S.A. 79-1131, and amendments thereto, and payroll factor, as described in K.S.A. 79-1132, and amendments thereto, together and dividing the sum by three. If one of the factors is missing, the two remaining factors are added and the sum is divided by two. If two of the factors are missing, the remaining factor is the apportionment percentage. A factor is missing if both its numerator and denominator are zero, but it is not missing merely because its numerator is zero.

(2) For tax years commencing on or after January 1, 2027, all business income shall be apportioned to this state by multiplying the business income by the receipts factor.

(c) Each factor shall be computed according to the method of accounting, cash or accrual basis, used by the taxpayer for the taxable year.

(d) If the allocation and apportionment provisions of this act do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the secretary of revenue may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

- (1) Separate accounting;
- (2) the exclusion of any one or more of the factors;
- (3) the inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or
- (4) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

(e) In the event a combined report is utilized to determine the Kansas income attributable to a unitary group of financial institutions, the financial institutions in the combined group shall include only those institutions which have a branch or office in Kansas.

(f)(1) There shall be allowed as a deduction an amount computed in accordance with this subsection.

(2) As of July 1, 2025, only publicly traded companies, including affiliated corporations participating in the filing of a publicly traded company's financial statements prepared in accordance with generally accepted accounting principles, shall be eligible for this deduction.

(3) If the provisions of this section result in an aggregate increase in the taxpayer's net deferred tax liability or an aggregate decrease in the taxpayer's net deferred tax asset, or an aggregate change from a net deferred tax asset to a net deferred tax liability,

the taxpayer shall be entitled to a deduction, as determined in this subsection. For the purposes of this section, the term "taxpayer" includes a unitary group of businesses that is required to file a combined report. The deferred tax impact deduction provided under this section for a unitary group of businesses that is required to file a combined report shall be calculated using unitary net deferred tax assets and liabilities and deducted against unitary group income.

(4) A taxpayer shall be entitled to a deferred tax impact deduction from the taxpayer's net business income before apportionment equal to the amount necessary to offset the increase in the net deferred tax liability or decrease in the net deferred tax asset, or aggregate change from a net deferred tax asset to a net deferred tax liability. Such increase in the net deferred tax liability, decrease in the net deferred tax asset or the aggregate change from a net deferred tax asset to a net deferred tax liability shall be computed based on the change that would result from the imposition of the single sales factor requirements pursuant to this section, excluding the deduction provided under this paragraph, as of the end of the tax year prior to tax year 2025. The amount of the deduction shall equal the annual deferred tax deduction amount set forth in paragraph (5).

(5) The annual deferred tax deduction amount shall be calculated as follows:

(A) The deferred tax impact determined in paragraph (4) shall be divided by the privilege tax rate in effect for the tax year pursuant to K.S.A. 79-1107 and 79-1108, and amendments thereto;

(B) the resulting amount shall be further divided by the Kansas apportionment factor that was used by the taxpayer in the calculation of the deferred tax assets and deferred tax liabilities as provided in this subsection; and

(C) the result multiplied by $\frac{1}{10}$ shall represent the total net deferred tax deduction available for the first tax year beginning on or after January 1, 2035, and the next nine successive tax years.

(6) The deduction calculated under paragraph (5) shall not be adjusted as a result of any events subsequent to such calculation, including, but not limited to, any disposition or abandonment of assets. Such deduction shall be calculated without regard to any tax liabilities under the federal internal revenue code and shall not alter the tax basis of any asset. If the deduction under this section is greater than the taxpayer's net business income before apportionment, any excess deduction shall be carried forward and applied as a deduction for future tax years until fully utilized.

(7) At the discretion of the taxpayer, the taxpayer shall be allowed to claim other available tax credits before claiming the deferred tax deduction calculated under this section. Any deferred tax deduction calculated under this section not claimed on a return shall be carried forward and applied as a deduction for future tax years until fully utilized.

(8) Any taxpayer intending to claim a deduction under this subsection shall file a statement with the secretary on or before July 1, 2027, specifying the total amount of the deduction that the taxpayer claims. The statement shall be made on such form and in such manner as prescribed by the secretary and shall contain such information or calculations as the secretary may specify. No deduction shall be allowed under this section for any taxable year except to the extent claimed in the manner prescribed on or before July 1, 2027.

(9) For purposes of this subsection:

(A) "Net deferred tax liability" means deferred tax liabilities that exceed the deferred tax assets of the taxpayer, as computed in accordance with generally accepted accounting principles.

(B) "Net deferred tax asset" means that deferred tax assets exceed the deferred tax liabilities of the taxpayer, as computed in accordance with generally accepted accounting principles.

Sec. 5. K.S.A. 79-3279 is hereby amended to read as follows: 79-3279. (a) For tax years commencing before January 1, 2027, all business income of railroads and interstate motor carriers of persons or property ~~for hire~~ for hire shall be apportioned to this state by multiplying the business income by a fraction, in the case of railroads, the numerator of which is the freight car miles in this state and the denominator of which is the freight car miles everywhere, and, in the case of interstate motor carriers, the numerator of which is the total number of miles operated in this state and the denominator of which is the total number of miles operated everywhere.

(b) For tax years commencing before January 1, 2027, all business income of any other taxpayer shall be apportioned to this state by one of the following methods:

(1) By multiplying the business income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three; or

(2) at the election of a qualifying taxpayer, by multiplying the business income by a fraction, the numerator of which is the property factor plus the sales factor, and the denominator of which is two.

(A) For purposes of this subsection (b)(2), a qualifying taxpayer is any taxpayer whose payroll factor for a taxable year exceeds 200% of the average of the property factor and the sales factor. Whenever two or more corporations are engaged in a unitary business and required to file a combined report, the fraction comparison provided by this subsection (b)(2) shall be calculated by using the payroll factor, property factor and sales factor of the combined group of unitary corporations.

(B) An election under this subsection (b)(2) shall be made by including a statement with the original tax return indicating that the taxpayer elects to apply the apportionment method under this subsection (b)(2). The election shall be effective and irrevocable for the taxable year of the election and the following nine taxable years. The election shall be binding on all members of a unitary group of corporations. Notwithstanding the above, the secretary of revenue may upon the request of the taxpayer, grant permission to terminate the election under this subsection (b)(2) prior to expiration of the ten-year period.

(3) At the election of a qualifying telecommunications company, by multiplying the business income by a fraction, the numerator of which is the information carrying capacity of wire and fiber optic cable available for use in this state, and the denominator of which is the information carrying capacity of wire and fiber optic cable available for use everywhere during the tax year.

(A) For purposes of this subsection (b)(3), a qualifying telecommunications company is a telecommunications company that is a qualifying taxpayer under ~~paragraph (A) of subsection (b)(2)~~ (b)(2)(A).

(B) A qualifying telecommunications company shall make the election under this ~~subsection (b)(3) paragraph~~ subsection (b)(3) paragraph in the same manner as provided under ~~paragraph (B) of subsection (b)(2)~~ (b)(2)(B).

(4) At the election of a distressed area taxpayer, by multiplying the business income by the sales factor. The election shall be made by including a statement with the original tax return indicating that the taxpayer elects to apply this apportionment method. The election may be made only once, it must be made on or before December 31, 1999 and it shall be effective for the taxable year of the election and the following nine taxable years for so long as the taxpayer maintains the payroll amount prescribed by ~~subsection (j)~~ of K.S.A. 79-3271(j), and amendments thereto.

(5) At the election of the taxpayer made at the time of filing of the original return, the qualifying business income of any investment funds service corporation organized as a corporation or S corporation which maintains its primary headquarters and operations or is a branch facility that employs at least 100 individuals on a full-time equivalent basis in this state and has any investment company fund shareholders resided in this state shall be apportioned to this state as provided in this subsection, as follows:

(A) By multiplying the investment funds service corporation's qualifying business income from administration, distribution and management services provided to each investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the investment company's fund shareholders resided in this state at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year, and the denominator of which shall be the average of the number of shares owned by the investment company's fund shareholders everywhere at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year.

(B) A separate computation shall be made to determine the qualifying business income from each fund of each investment company. The qualifying business income from each investment company shall be multiplied by the fraction calculated pursuant to paragraph (A) for each fund of such investment company.

(C) The qualifying portion of total business income of an investment funds service corporation shall be determined by multiplying such total business income by a fraction, the numerator of which is the gross receipts from the provision of management, distribution and administration services to or on behalf of an investment company, and the denominator of which is the gross receipts of the investment funds service company. To the extent an investment funds service corporation has business income that is not qualifying business income, such business income shall be apportioned to this state pursuant to subsection (b)(1).

(D) For tax year 2002, the tax liability of an investment funds service corporation that has elected to apportion its business income pursuant to paragraph (5) shall be increased by an amount equal to 50% of the difference of the amount of such tax liability if determined pursuant to subsection (b)(1) less the amount of such tax liability determined with regard to paragraph (5).

(E) When an investment funds service corporation is part of a unitary group, the business income of the unitary group attributable to the investment funds service corporation shall be determined by multiplying the business income of the unitary group by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three. The property factor is a fraction, the numerator of which is the average value of the investment funds service

corporation's real and tangible personal property owned or rented and used during the tax period and the denominator of which is the average value of the unitary group's real and tangible personal property owned or rented and used during the tax period. The payroll factor is a fraction, the numerator of which is the total amount paid during the tax period by the investment funds service corporation for compensation, and the denominator of which is the total compensation paid by the unitary group during the tax period. The sales factor is a fraction, the numerator of which is the total sales of the investment funds service corporation during the tax period, and the denominator of which is the total sales of the unitary group during the tax period.

(F) A taxpayer seeking to make the election available pursuant to subsection (b)(5) of K.S.A. 79-3279, and amendments thereto, shall only be eligible to continue to make such election if the taxpayer maintains at least 95% of the Kansas employees in existence at the time the taxpayer first makes such an election.

(6) At the election of a qualifying taxpayer, by multiplying such taxpayer's business income by the sales factor. The election shall be made by including a statement with the original tax return indicating that the taxpayer elects to apply this apportionment method. The election may be made only once and must be made on or before the last day of the taxable year during which the investment described in paragraph (A) is placed in service, but not later than December 31, 2009, and it shall be effective for the taxable year of the election and the following nine taxable years or for so long as the taxpayer maintains the wage requirements set forth in paragraph (A). If the qualifying taxpayer is a member of a unitary group of corporations, all other members of the unitary group doing business within this state shall apportion their business income to this state pursuant to subsection (b)(1).

(A) For purposes of this subsection, a qualifying taxpayer is any taxpayer making an investment of \$100,000,000 for construction in Kansas of a new business facility identified under the North American industry classification system (NAICS) subsectors of 31-33, as assigned by the secretary of the department of labor, employing 100 or more new employees at such facility after July 1, 2007, and prior to December 31, 2009, and meeting the following requirements for paying such employees higher-than-average wages within the wage region for such facility:

(i) The taxpayer's new Kansas business facility with 500 or fewer full-time equivalent employees will provide an average wage that is above the average wage paid by all Kansas business facilities that share the same assigned NAICS category used to develop wage thresholds and that have reported 500 or fewer employees to the Kansas department of labor on the quarterly wage reports;

(ii) the taxpayer's new Kansas business facility with 500 or fewer full-time equivalent employees is the sole facility within its assigned NAICS category that has reported wages for 500 or fewer employees to the Kansas department of labor on the quarterly wage reports;

(iii) the taxpayer's new Kansas business facility with more than 500 full-time equivalent employees will provide an average wage that is above the average wage paid by all Kansas business facilities that share the same assigned NAICS category used to develop wage thresholds and that have reported more than 500 employees to the Kansas department of labor on the quarterly wage reports;

(iv) the taxpayer's new Kansas business facility with more than 500 full-time equivalent employees is the sole facility within its assigned NAICS category that has

reported wages for more than 500 employees to the Kansas department of labor on the quarterly wage reports, in which event it shall either provide an average wage that is above the average wage paid by all Kansas business facilities that share the same assigned NAICS category and that have reported wages for 500 or fewer employees to the Kansas department of labor on the quarterly wage reports, or be the sole Kansas business facility within its assigned NAICS category that has reported wages to the Kansas department of labor on the quarterly wage reports;

(v) the number of NAICS digits to use in developing each set of wage thresholds for comparison purposes shall be determined by the secretary of commerce;

(vi) the composition of wage regions used in connection with each set of wage thresholds shall be determined by the secretary of commerce; and

(vii) alternatively, a taxpayer may wage-qualify its new Kansas business facility if, after excluding the headcount and wages reported on the quarterly wage reports to the Kansas department of labor for employees at that new Kansas business facility who own five percent or more equity in the taxpayer, the average wage calculated for the taxpayer's new Kansas business facility is greater than or equal to 1.5 times the aggregate state-wide average wage paid by industries covered by the employment security law based on data maintained by the secretary of labor.

(B) For the purposes of the wage requirements in paragraph (A), the number of full-time equivalent employees shall be determined by dividing the number of hours worked by part-time employees during the pertinent measurement interval by an amount equal to the corresponding multiple of a 40-hour work week and adding the quotient to the average number of full-time employees.

(C) When the qualifying taxpayer is part of a unitary group, the business income of the unitary group attributable to the qualifying taxpayer shall be determined by multiplying the business income of the unitary group by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three. The property factor is a fraction, the numerator of which is the average value of the qualifying taxpayer's real and tangible personal property owned or rented and used during the tax period and the denominator of which is the average value of the unitary group's real and tangible personal property owned or rented and used during the tax period. The payroll factor is a fraction, the numerator of which is the total amount paid during the tax period by the qualifying taxpayer for compensation, and the denominator of which is the total compensation paid by the unitary group during the tax period. The sales factor is a fraction, the numerator of which is the total sales of the qualifying taxpayer during the tax period, and the denominator of which is the total sales of the unitary group during the tax period.

(D) For purposes of this subsection, the secretary of revenue, upon a showing of good cause and after receiving a certification by the secretary of commerce of substantial compliance with provisions of this subsection (b)(6), may extend any required performance date provided in this subsection (b)(6) for a period not to exceed six months.

(e) For tax years commencing on or after January 1, 2027, all business income shall be apportioned to this state by multiplying the business income by the sales factor.

(d) Any taxpayer having previously made an election pursuant to subsection (b)(2) shall be permitted to apportion income through the use of the single sales factor.

(e) (1) There shall be allowed as a deduction an amount computed in accordance

with this subsection.

(2) As of July 1, 2025, only publicly traded companies, including affiliated corporations participating in the filing of a publicly traded company's financial statements prepared in accordance with generally accepted accounting principles, shall be eligible for this deduction.

(3) If the provisions of this section result in an aggregate increase in the taxpayer's net deferred tax liability or an aggregate decrease in the taxpayer's net deferred tax asset, or an aggregate change from a net deferred tax asset to a net deferred tax liability, the taxpayer shall be entitled to a deduction, as determined in this subsection. For the purposes of this section, the term "taxpayer" includes a unitary group of businesses that is required to file a combined report. The deferred tax impact deduction provided under this section for a unitary group of businesses that is required to file a combined report shall be calculated using unitary net deferred tax assets and liabilities and deducted against unitary group income.

(4) A taxpayer shall be entitled to a deferred tax impact deduction from the taxpayer's net business income before apportionment equal to the amount necessary to offset the increase in the net deferred tax liability or decrease in the net deferred tax asset, or aggregate change from a net deferred tax asset to a net deferred tax liability. Such increase in the net deferred tax liability, decrease in the net deferred tax asset or the aggregate change from a net deferred tax asset to a net deferred tax liability shall be computed based on the change that would result from the imposition of the single sales factor requirements pursuant to this section, excluding the deduction provided under this paragraph, as of the end of the tax year prior to tax year 2025. The amount of the deduction shall equal the annual deferred tax deduction amount set forth in paragraph (5).

(5) The annual deferred tax deduction amount shall be calculated as follows:

(A) The deferred tax impact determined in paragraph (4) shall be divided by the income tax rate for corporations in effect for the tax year pursuant to K.S.A. 79-32.110, and amendments thereto;

(B) the resulting amount shall be further divided by the Kansas apportionment factor that was used by the taxpayer in the calculation of the deferred tax assets and deferred tax liabilities as provided in this subsection; and

(C) the result multiplied by $\frac{1}{10}$ shall represent the total net deferred tax deduction available for the first tax year beginning on or after January 1, 2035, and the next nine successive tax years.

(6) The deduction calculated under paragraph (5) shall not be adjusted as a result of any events subsequent to such calculation, including, but not limited to, any disposition or abandonment of assets. Such deduction shall be calculated without regard to any tax liabilities under the federal internal revenue code and shall not alter the tax basis of any asset. If the deduction under this section is greater than the taxpayer's net business income before apportionment, any excess deduction shall be carried forward and applied as a deduction for future tax years until fully utilized.

(7) At the discretion of the taxpayer, the taxpayer shall be allowed to claim other available tax credits before claiming the deferred tax deduction calculated under this section. Any deferred tax deduction calculated under this section not claimed on a return shall be carried forward and applied as a deduction for future tax years until fully utilized.

(8) Any taxpayer intending to claim a deduction under this subsection shall file a statement with the secretary on or before July 1, 2027, specifying the total amount of the deduction that the taxpayer claims on such form and in such manner as prescribed by the secretary and shall contain such information or calculations as the secretary may specify. No deduction shall be allowed under this section for any taxable year except to the extent claimed in the manner prescribed on or before July 1, 2027.

(9) For purposes of this subsection:

(A) "Net deferred tax liability" means deferred tax liabilities that exceed the deferred tax assets of the taxpayer, as computed in accordance with generally accepted accounting principles.

(B) "Net deferred tax asset" means that deferred tax assets exceed the deferred tax liabilities of the taxpayer, as computed in accordance with generally accepted accounting principles.

(f) Any manufacturer of alcoholic liquor as defined in K.S.A. 41-102, and amendments thereto, who sells to a distributor as defined in K.S.A. 41-102, and amendments thereto, shall be apportioned to this state by multiplying the business income by a fraction, the numerator of which is the property factor plus the payroll factor and the sales factor, and the denominator of which is three.

Sec. 6. K.S.A. 79-3287 is hereby amended to read as follows: 79-3287. Sales, other than sales of tangible personal property, are in this state if:

~~(a) the income-producing activity is performed in this state; or~~

~~(b) the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance;~~

(a) For tax years commencing before January 1, 2027:

(1) The income-producing activity is performed in this state; or

(2) the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance; and

(b) for tax years commencing after December 31, 2026, the taxpayer's market for the sales is in this state. The taxpayer's market for the sales is in this state if:

(1) In the case of sale of a service, if and to the extent that the service is delivered to a location in this state;

(2) in the case of intangible property, such property is:

(A) Rented, leased or licensed, if and to the extent that the property is used in this state, if that intangible property utilized in marketing a good or service to a consumer is used in this state, provided that such good or service is purchased by a consumer who is in this state; or

(B) that is sold, if and to the extent the property is used in this state, if:

(i) A contract right, government license or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is used in this state if the geographic area includes all or part of this state; or

(ii) net gains from intangible property sales that are contingent on the productivity, use or disposition of the intangible property shall be treated as receipts from the rental, lease or licensing of such intangible property under paragraph (2)(A);

(3) in the case of interest from a loan;

(A) Secured by real property, if and to the extent the property is located in this

state; or

(B) not secured by real property, if and to the extent the borrower is located in this state; or

(c) in the case of dividends, if and to the extent the payor's commercial domicile is located in this state.

(d) If the state or states of assignment of receipts under subsection (a)(1) or (2) cannot be determined, the state or states of assignment shall be reasonably approximated. If the state or states of assignment of receipts or net gains cannot be reasonably approximated, such assignment of receipts shall be excluded from the denominator of the sales factor.

(e) Notwithstanding the provisions of this section, a communications service provider may assign sales, other than sales of tangible personal property, to this state pursuant to this section as it applied to tax years commencing before January 1, 2027.

(f) For purposes of this subsection:

(A) "Communications service" means telecommunications service as defined in K.S.A. 79-3602, and amendments thereto, internet access as defined in section 1105(5) of the internet tax freedom act, 47 U.S.C. § 151, note, and cable service as defined in 47 U.S.C. § 522(6), or any combination thereof.

(B) "Communications service provider" means any person, corporation, partnership or other entity that provides communications service in this state.

Sec. 7. K.S.A. 2024 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110. (a) *Resident individuals.* Except as otherwise provided by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

(A) For tax years 2018 through 2023:

If the taxable income is:	The tax is:
Not over \$30,000.....	3.1% of Kansas
taxable	income
Over \$30,000 but not over \$60,000.....	\$930 plus 5.25% of
excess	over \$30,000
Over \$60,000.....	\$2,505 plus 5.7% of
excess	over \$60,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over \$46,000.....	5.2% of Kansas
taxable	income
Over \$46,000.....	\$2,392 plus 5.58%
of excess	over \$46,000

(2) *All other individuals.*

(A) For tax years 2018 through 2023:

If the taxable income is:	The tax is:
Not over \$15,000.....	3.1% of Kansas
taxable	income
Over \$15,000 but not over \$30,000.....	\$465 plus 5.25% of
excess	over \$15,000
Over \$30,000.....	\$1,252.50 plus
5.7% of excess	over \$30,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over \$23,000.....	5.2% of Kansas
taxable	income
Over \$23,000.....	\$1,196 plus 5.58%
of excess	over \$23,000

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

(c) *Corporations.* A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows unless otherwise modified pursuant to K.S.A. 2024 Supp. 74-50,321 and section 1, and amendments thereto:

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

(2) the surtax shall be in an amount equal to 3% of the Kansas taxable income of such corporation in excess of \$50,000.

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

(e) Notwithstanding the provisions of subsections (a) and (b), for tax years 2018 through 2023, married individuals filing joint returns with taxable income of \$5,000 or less, and all other individuals with taxable income of \$2,500 or less, shall have a tax liability of zero.

Sec. 8. K.S.A. 2024 Supp. 79-32,113 is hereby amended to read as follows: 79-32,113. (a) A person or organization exempt from federal income taxation under the provisions of the federal internal revenue code shall also be exempt from the tax imposed by this act in each year in which such person or organization satisfies the requirements of the federal internal revenue code for exemption from federal income

taxation. If the exemption applicable to any person or organization under the provisions of the federal internal revenue code is limited or qualified in any manner, the exemption from taxes imposed by this article shall be limited or qualified in a similar manner.

(b) Notwithstanding the provisions of subsection (a), the unrelated business taxable income, as computed under the provisions of the federal internal revenue code, of any person or organization otherwise exempt from the tax imposed by this act and subject to the tax imposed on unrelated business income by the federal internal revenue code shall be subject to the tax which would have been imposed by this act but for the provisions of subsection (a).

(c) In addition to the persons or organizations exempt from federal income taxation under the provision of the federal internal revenue code, there shall also be exempt from the tax imposed by this act, insurance companies, banks, trust companies, savings and loan associations, credit unions and any other organizations, entities or persons specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(d) Notwithstanding the provisions of K.S.A. 79-32,110, and amendments thereto, the following entities shall be exempt from the tax imposed by the Kansas income tax act pursuant to K.S.A. 79-32,110, and amendments thereto:

(1) Any utility that is a cooperative as defined in K.S.A. 66-104d, and amendments thereto, or owned by one or more such cooperatives; and

(2) effective for tax years ending on or after January 1, 2021, every electric and natural gas public utility as defined in K.S.A. 66-104, and amendments thereto, that is subject to rate regulation by the state corporation commission.

(e) Every electric and natural gas public utility as defined in K.S.A. 66-104, and amendments thereto, not including any such utility that is a cooperative as defined in K.S.A. 66-104d, and amendments thereto, or owned by one or more such cooperatives shall:

(1) Not be permitted to be included in a consolidated or unitary combined return; ~~and~~

(2) except as provided in K.S.A. 2024 Supp. 66-1,239, and amendments thereto, not collect, as a component of such utility's retail rates, Kansas income tax expenses; ~~and~~

(3) exclude sales from the sales factor from sales to the affiliated utility by members in a unitary business group.;

On page 2, following line 4, by inserting:

"Sec. 10. K.S.A. 79-4301 is hereby amended to read as follows: 79-4301. "The multistate tax compact" is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

MULTISTATE TAX COMPACT

ARTICLE I.—Purposes

The purposes of this compact are to:

(1) Facilitate proper determination of state and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.

(2) Promote uniformity or compatibility in significant components of tax systems.

(3) Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.

(4) Avoid duplicative taxation.

ARTICLE II.—Definitions

As used in this compact:

(1) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(2) "Subdivision" means any governmental unit or special district of a state.

(3) "Taxpayer" means any corporation, partnership, firm, association, governmental unit or agency or person acting as a business entity in more than one state.

(4) "Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.

(5) "Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.

(6) "Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.

(7) "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession or custody of tangible personal property or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a specifically identified commodity or article or class of commodities or articles.

(8) "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership, possession or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property and (b) is complimentary to a sales tax.

(9) "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of articles III, IV and V of this compact shall apply only to the taxes specifically designated therein and the provisions of article IX of this compact shall apply only in respect to determinations pursuant to article IV.

ARTICLE III.—Elements of Income Tax Laws

(1) *Taxpayer option, state and local taxes.* Any taxpayer subject to an income tax whose income is subject to apportionment and allocation for tax purposes pursuant to the laws of a party state or pursuant to the laws of subdivisions in two or more party states may elect to apportion and allocate his income in the manner provided by the laws of such state or by the laws of such states and subdivisions without reference to this compact, or may elect to apportion and allocate in accordance with article IV,

except that for tax years commencing on or after January 1, 2027, any taxpayer subject to the tax imposed by K.S.A. 79-32,110(c), and amendments thereto, shall apportion and allocate in accordance with article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and shall not apportion or allocate in accordance with article IV. This election for any tax year may be made in all party states or subdivisions thereof or in any one or more of the party states or subdivisions thereof without reference to the election made in the others. For the purposes of this paragraph, taxes imposed by subdivisions shall be considered separately from state taxes and the apportionment and allocation also may be applied to the entire tax base. In no instance wherein article IV is employed for all subdivisions of a state may the sum of all apportionments and allocations to subdivisions within a state be greater than the apportionment and allocation that would be assignable to that state if the apportionment or allocation were being made with respect to a state income tax.

(2) *Taxpayer option, short form.* Each party state or any subdivision thereof which imposes an income tax shall provide by law that any taxpayer required to file a return, whose only activities within the taxing jurisdiction consist of sales and do not include owning or renting real estate or tangible personal property, and whose dollar volume of gross sales made during the tax year within the state or subdivision, as the case may be, is not in excess of \$100,000 may elect to report and pay any tax due on the basis of a percentage of such volume, and shall adopt rates which shall produce a tax which reasonably approximates the tax otherwise due. The multistate tax commission, not more than once in five years, may adjust the \$100,000 figure in order to reflect such changes as may occur in the real value of the dollar, and such adjusted figure, upon adoption by the commission, shall replace the \$100,000 figure specifically provided herein. Each party state and subdivision thereof may make the same election available to taxpayers additional to those specified in this paragraph.

(3) *Coverage.* Nothing in this article relates to the reporting or payment of any tax other than in income tax.

ARTICLE IV.—Division of Income

(1) As used in this article, unless the context otherwise requires:

(a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission,

sale, delivery, or furnishing of electricity, water or steam; and (2) whose rates of charges for goods or services have been established or approved by a federal, state or local government or governmental agency.

(g) "Sales" means all gross receipts of the taxpayer not allocated under paragraphs of this article.

(h) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

(i) "This state" means the state in which the relevant tax return is filed or, in the case of application of this article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.

(2) Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this article, the taxpayer may elect to allocate and apportion his entire net income as provided in this article.

(3) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if (1) in that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(4) Rents and royalties from real or tangible personal property, capital gains, interest, dividends or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in paragraphs 5 through 8 of this article.

(5) (a) Net rents and royalties from real property located in this state are allocable to this state.

(b) Net rents and royalties from tangible personal property are allocable to this state: (1) If and to the extent that the property is utilized in this state, or (2) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.

(c) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(6) (a) Capital gains and losses from sales of real property located in this state are allocable to this state.

(b) Capital gains and losses from sales of tangible personal property are allocable to this state if (1) the property had a situs in this state at the time of the sale, or (2) the

taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(c) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

(7) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

(8) (a) Patent and copyright royalties are allocable to this state: (1) If and to the extent that the patent or copyright is utilized by the payer in this state, or (2) if and to the extent that the patent copyright is utilized by the payer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.

(b) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.

(c) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.

(9) All business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

(10) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.

(11) Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

(12) The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

(13) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.

(14) Compensation is paid in this state if:

(a) The individual's service is performed entirely within the state;

(b) The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

(c) Some of the service is performed in the state and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (2) the base of operations or the place from which the service is

directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(15) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

(16) Sales of tangible personal property are in this state if:

(a) The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or

(b) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government or (2) the taxpayer is not taxable in the state of the purchaser.

(17) Sales, other than sales of tangible personal property, are in this state if:

(a) The income-producing activity is performed in this state; or

(b) The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(18) If the allocation and apportionment provisions of this article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(a) Separate accounting;

(b) The exclusion of any one or more of the factors;

(c) The inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or

(d) The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

ARTICLE V.—Elements of Sales and Use Tax Laws

(1) *Tax credit.* Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.

(2) *Exemption certificates, vendors may rely.* Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.

ARTICLE VI.—The Commission

(1) *Organization and management.* (a) The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide

by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or his designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph (1) (e) of this article.

(b) Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the commission member from that state.

(c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The commission shall adopt an official seal to be used as it may provide.

(e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(f) The commission shall elect annually, from among its members, a chairman, a vice-chairman and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.

(h) The commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The commission may establish one or more offices for the transacting of its business.

(k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.

(l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The

commission may make additional reports as it may deem desirable.

(2) *Committees.* (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven members, including the chairman, vice-chairman, treasurer and four other members elected annually by the commission. The executive committee, subject to the provisions of this compact and consistent with the policies of the commission, shall function as provided in the laws of the commission.

(b) The commission may establish advisory and technical committees, membership on which may include private persons and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the commission, including problems of special interest to any party state and problems dealing with particular types of taxes.

(c) The commission may establish such additional committees as its bylaws may provide.

(3) *Powers.* In addition to powers conferred elsewhere in this compact, the commission shall have power to:

(a) Study state and local tax systems and particular types of state and local taxes.

(b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.

(c) Compile and publish information as in its judgment would assist the party states in implementation of the compact and taxpayers in complying with state and local tax laws.

(d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

(4) *Finance.* (a) The commission shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

(b) Each of the commission's budget of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party states. The total amount of appropriations requested under any such budget shall be apportioned among the party states as follows: One-tenth in equal shares; and the remainder in proportion of the amount of revenue collected by each party state and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. In determining such amounts, the commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this paragraph.

(c) The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under paragraph (1) (i) of this article: *Provided*, That the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under paragraph (1) (i), the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The commission shall keep accurate accounts of all receipts and disbursements.

The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

(e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(f) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

ARTICLE VII.—Uniform Regulations and Forms

(1) Whenever any two or more party states, or subdivisions of party states, have uniform or similar provisions of law relating to an income tax, capital stock tax, gross receipts tax, sales or use tax, the commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms. The commission may also act with respect to the provisions of article IV of this compact.

(2) Prior to the adoption of any regulation, the commission shall:

(a) As provided in its bylaws, hold at least one public hearing on due notice to all affected party states and subdivisions thereof and to all taxpayers and other persons who have made timely request of the commission for advance notice of its regulation-making proceedings.

(b) Afford all affected party states and subdivisions and interested persons an opportunity to submit relevant written data and views, which shall be considered fully by the commission.

(3) The commission shall submit any regulations adopted by it to the appropriate officials of all party states and subdivisions to which they might apply. Each such state and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

ARTICLE VIII.—Interstate Audits

(1) This article shall be in force only in those party states that specifically provide therefor by statute.

(2) Any party state or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records or other documents may request the commission to perform the audit on its behalf. In responding to the request, the commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and any relevant property or stock of merchandise. The commission may enter into agreements with party states or their subdivisions for assistance in performance of the audit. The commission shall make charges, to be paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

(3) The commission may require the attendance of any person within the state

where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the commission within the state of which he is a resident: *Provided*, That such state has adopted this article.

(4) The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the object of the order being sought is situated. The provisions of this paragraph apply only to courts in a state that has adopted this article.

(5) The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.

(6) Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

(7) Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

(8) In no event shall the commission make any charge against a taxpayer for an audit.

(9) As used in this article, "tax," in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

ARTICLE IX.—Arbitration

(1) Whenever the commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.

(2) The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

(3) Whenever a taxpayer who has elected to employ article IV, or whenever the laws of the party state or subdivision thereof are substantially identical with the relevant

provisions of article IV, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party states or subdivisions thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

(4) The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provisions of this paragraph shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

(5) The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

(6) The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.

(7) The board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in states that have adopted this article.

(8) Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless he is required on account of his service to forego the regular compensation attaching to his public employment, but any such board member shall be entitled to expenses.

(9) The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.

(10) The board shall file with the commission and with each tax agency represented

in the proceeding: The determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.

(11) The commission shall publish the determinations of boards together with the statements of the reasons therefor.

(12) The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.

(13) Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceeding.

ARTICLE X.—Entry Into Force and Withdrawal

(1) This compact shall enter into force when enacted into law by any seven states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.

(2) Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

(3) No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.

ARTICLE XI.—Effect on Other Laws and Jurisdiction

Nothing in this compact shall be construed to:

(a) Affect the power of any state or subdivision thereof to fix rates of taxation, except that a party state shall be obligated to implement article III (2) of this compact.

(b) Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax: *Provided*, That the definition of "tax" in article VIII (9) may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to article VI (3) may apply.

(c) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.

(d) Supersede or limit the jurisdiction of any court of the United States.

ARTICLE XII.—Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the

applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.";

Also on page 2, in line 31, by striking "(A) For tax years 2022, 2023 and 2024,"; in line 33, by striking all after "less"; in line 34, by striking all before the semicolon; by striking all in lines 35 through 37; in line 38, by striking "(A) For base years 2021, 2022 and 2023,"; in line 39, by striking all after "less"; by striking all in line 40; in line 41, by striking all before the period;

On page 3, in line 1, by striking "2025" and inserting "2022"; in line 6, by striking all after the period; by striking all in lines 7 through 11; following line 20, by inserting:

"Sec. 12. K.S.A. 79-5501 is hereby amended to read as follows: 79-5501. (a) ~~On and after Commencing on July 1, 2013, and through December 31, 2025,~~ watercraft shall be appraised at fair market value determined therefor pursuant to K.S.A. 79-503a, and amendments thereto, and assessed at the percentage of value as follows: (1) 11.5% in tax year 2014; and (2) 5% in tax ~~year years~~ 2015 ~~and all tax years thereafter through~~ 2025. On and after January 1, 2014, the levy used to calculate the tax on watercraft shall be the county average tax rate. In no case shall the assessed value of any watercraft, as determined under the provisions of this section, cause the tax upon such watercraft to be less than \$12.

(b) As used in this section, the term "watercraft" means any watercraft designed to be propelled by machinery, oars, paddles or wind action upon a sail for navigation on the water which, if not for the provisions of this section, would be properly classified under subclass 5 or 6 of class 2 of section 1 of article 11 of the Kansas constitution. This section shall not be construed as taxing any watercraft which otherwise would be exempt from property taxation under the laws of the state of Kansas. Each watercraft may include one trailer which is designed to launch, retrieve, transport and store such watercraft and any nonelectric motor or motors which are necessary to operate such watercraft on the water.

(c) Any watercraft which is designed to be propelled through the water through human power alone shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas.

(d) The "county average tax rate" means the total amount of general property taxes levied within the county by the state, county and all other taxing subdivisions divided by the total assessed valuation of all taxable property within the county as of November 1 of the year prior to the year of valuation as certified by the secretary of revenue.

(e) On and after January 1, 2026, all watercraft shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas."

Also on page 3, in line 21, before "K.S.A" by inserting "K.S.A. 79-213, 79-1129, 79-3279, 79-3287, 79-4301 and 79-5501 and"; also in line 21, after "Supp." by inserting "79-32,110, 79-32,113,";

And by renumbering sections accordingly;

On page 1, in the title, in line 6, by striking all after the first "income"; by striking all in line 7; in line 8, by striking all before the semicolon and inserting "relating to income and privilege taxes; providing for the apportionment of business income by the single sales factor and the apportionment of financial institution income by the receipts factor;

providing for the apportionment pursuant to the three-factor test of a manufacturer who sells alcoholic liquor; requiring the use of single sales factor pursuant to the multistate tax compact; establishing deductions from income when using the single sales factor and receipts factor; providing for the decrease in corporate income tax rates; determining when sales other than tangible personal property are made in the state; excluding sales of a unitary business group of electric and natural gas public utilities; relating to property taxation; providing exemptions for certain personal property including watercraft, marine equipment, off-road vehicles, motorized bicycles and certain trailers"; also in line 8, after "amending" by inserting "K.S.A. 79-213, 79-1129, 79-3279, 79-3287, 79-4301 and 79-5501 and"; also in line 8, after "Supp." by inserting "79-32,110, 79-32,113,";

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

CARYN TYSON

VIRGIL PECK

ETHAN CORSON

Conferees on part of Senate

ADAM SMITH

CARL TURNER

TOM SAWYER

Conferees on part of House

On motion of Rep. Smith, A., the conference committee report on **HB 2231** was adopted.

On roll call, the vote was: Yeas 118; Nays 4; Present but not voting: 0; Absent or not voting: 3.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barrett, Barth, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Hoye, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, Martinez, McDonald, McNorton, Melton, Meyer, Miller, S., Minnix, Moser, Neelly, Neighbor, Ohaebosim, Osman, Ousley, Penn, Pickert, Pishny, Poetter, Proctor, Rahjes, Reavis, Resman, Rhiley, Roeser, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Schwertfeger, Seiwert, Simmons, Smith, A., Smith, C., Steele, Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Vaughn, Waggoner, Ward, Wasinger, Waymaster, Weigel, White, Wikle, Wilborn, Willcott, Williams, K., Williams, L., Wolf, Woodard, Xu.

Nays: Paige, Mosley, Oropeza, Winn.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Poskin.

MESSAGE FROM THE SENATE

The Senate announced the appointment of Senators Alley, Owens and Ware to replace Senators Petersen, Kloos and Ware as conferees on **SB 98**.

The Senate adopts the Conference Committee report on **SB 24**.

The Senate adopts the Conference Committee report on **Sub Bill for HB 2125**.

The Senate adopts the Conference Committee report on **HB 2275**.

The Senate adopts the Conference Committee report on **HB 2335**.

The Senate adopts the Conference Committee report to agree to disagree on **SB 82**, and has appointed Senators Tyson, Peck and Corson as Second conferees on the part of the Senate.

On motion of Rep. Croft, the House recessed until 11:30 a.m.

LATE MORNING SESSION

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

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

On emergency motion of Rep. Croft, **HCR 5018** as follows, was introduced and adopted.

by Representatives Hawkins, Croft and Woodard

A CONCURRENT RESOLUTION providing for the adjournment sine die 2025 of the regular session of the Senate and the House of Representatives.

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the Legislature shall adjourn sine die at the close of business of the daily session convened on April 11, 2025; and

Be it further resolved: That the provisions of this concurrent resolution shall supersede the adjournment sine die date of April 12, 2025, adopted by the Legislature pursuant to 2025 House Concurrent Resolution No. 5017, which adjournment sine die date shall have no effect as a result of the adoption of this concurrent resolution; and

Be it further resolved: That members of the Legislature attending a legislative meeting of whatever nature when authorized pursuant to law, by the legislative coordinating council or by the president of the senate and the speaker of the house of representatives, and members of a select committee attending a meeting of the select committee authorized by the president of the senate or the speaker of the house of representatives shall receive compensation, travel expenses and subsistence allowances as provided by law.

On motion of Rep. Croft, the House recessed until 1:30 p.m.

AFTERNOON SESSION

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

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Croft, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2275**, **HB 2335**, **Sub Bill for HB 2125**.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2275** submits the following report:

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

On page 12, following line 18, by inserting:

"(40) The board of county commissioners of Seward county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway and bridge construction, maintenance 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. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional 10-year periods upon the board of county commissioners of Seward county submitting such question to the electors at an election called and held thereon for each additional 10-year period as provided by law.

(41) The board of county commissioners of Jackson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of supporting hospital services in the county 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.";

On page 17, in line 30, by striking "and"; in line 34, after "1%" by inserting "; and

(oo) the board of county commissioners of Seward county, for the purposes of K.S.A. 12-187(b)(40), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%; and

(pp) the board of county commissioners of Jackson county, for the purposes of K.S.A. 12-187(b)(41), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%";

On page 19, in line 23, after "year" by inserting ", except that the apportionment pursuant to this provision shall not change between July 1, 2025, and December 31, 2026";

On page 21, in line 11, by striking the first "and" and inserting a comma; also in line 11, after "(39)" by inserting ", (40) and (41)";

On page 22, following line 9, by inserting:

"Sec. 4. K.S.A. 79-3651 is hereby amended to read as follows: 79-3651. (a) For the purpose of the proper administration of the Kansas retailers' sales tax act and to prevent evasion of the tax imposed thereunder, it shall be presumed that all gross receipts from the sale of tangible personal property or enumerated services are subject to tax until the contrary is established. The burden of proving that a sale is not subject to tax is upon the seller unless the seller takes from the purchaser an exemption certificate to the effect that the property or service purchased is not subject to tax.

(b) An exemption certificate shall relieve the seller from collecting and remitting tax if the seller has obtained the required identifying information as determined by the director, from the purchaser and the reason for claiming the exemption at the time of purchase and has maintained proper records of exempt transactions pursuant to

~~subsection (a)~~ of K.S.A. 79-3609(a), and amendments thereto, and provided them to the director when requested, except that no such relief from liability shall apply to a seller who: Fraudulently fails to collect the tax; solicits purchasers to participate in the unlawful claim of an exemption; accepts an exemption certificate claiming an entity based exemption when the subject of the transaction is actually received by the purchaser at a location operated by the seller and the director provides an exemption certificate that clearly and affirmatively indicates that the claimed exemption is not available. The seller shall obtain the same information for proof of a claimed exemption regardless of the medium in which the transaction occurred. The purchaser improperly claiming an exemption shall remain liable for the nonpayment of tax.

(c) The exemption certificate shall be substantially in such form as the director may prescribe. The seller shall use the standard form for claiming an exemption electronically as adopted by the director. A seller may require a purchaser to provide a copy of the purchaser's sales tax registration certificate with a resale certificate as a condition for honoring the purchaser's resale exemption claim, except that in the case of drop shipment sales into this state, the third party vendor may claim a resale exemption based on an exemption certificate provided by its customer, re-seller, or any other information acceptable to the secretary available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer, re-seller, is registered to collect and remit sales and use tax in this state. A purchaser is not required to provide a signature to claim an exemption from tax unless a paper exemption certificate is used. A seller is relieved of liability for the tax otherwise applicable if it obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship. Such blanket certificate need not be renewed or updated by the seller for exemption certificate information or data elements when there is a recurring business relationship between the buyer and seller. For purposes of this subsection, a recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.

(d) To lawfully present a resale exemption certificate the purchaser must be engaged in the business of selling property or services of the same kind that is purchased, hold a registration certificate, except as otherwise permitted in subsection (c) for drop shipment sales into this state, and at the time of purchase, either intend to resell the property in the regular course of business or be unable to ascertain whether the property will be resold or used for some other purpose. A resale exemption certificate may be used for resale of services to tangible personal property and not for services to real property.

(e) Any person who issues a resale certificate or other exemption certificate in order to unlawfully avoid payment of tax for business or personal gain shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than \$1,000 or imprisonment for not more than one year, or by both. In addition, if the director determines that a person issued a resale certificate in order to unlawfully avoid payment of tax for business or personal gain, the director shall increase any penalty that is due from the person under K.S.A. 79-3615, and amendments thereto, by \$250 or 10 times the tax due, whichever is greater, on each transaction where the misuse of a resale certificate occurred.

(f) Exemption certificates issued by an entity claiming a specific exemption under K.S.A. 79-3606, and amendments thereto, based on the status of the entity shall bear the

name, address of the entity and identification number issued to the entity pursuant to K.S.A. 79-3692, and amendments thereto. Such certificate shall be signed by an authorized person of the nonprofit entity, if in paper form, and contain the tax identification number of the entity. The certificate shall be substantially in such form as the director may prescribe. A seller may require that payments be made on an exempt entity's check, warrant, voucher or charged to the entity's account as a condition for honoring the entity's exemption claim.

(g) It shall be the duty of every person who purchases tangible personal property or services that are taxable under this act to pay the full amount of tax that is lawfully due to the retailer making the sale. Any person who willfully and intentionally refuses to pay such tax to the retailer shall be guilty of a misdemeanor and upon conviction shall be punished and fined as provided by ~~subsection (g)~~ of K.S.A. 79-3615(h), and amendments thereto.

(h) On and after July 1, 2024, notwithstanding any provisions to the contrary in this section or any other provision of law, purchasers claiming an exemption pursuant to K.S.A. 79-3606(rrrr), and amendments thereto, shall not be required to provide an exemption certificate or form to the seller, and the seller shall not be required to receive and maintain a completed exemption certificate or form for such exempt transactions. If the seller in the ordinary course of business believes that the service qualifies for the exemption pursuant to K.S.A. 79-3606(rrrr), and amendments thereto, the seller shall be relieved from collecting and remitting the tax and shall not have the burden of proving that the service is not subject to tax pursuant to subsection (a). A purchaser improperly claiming the exemption shall remain liable for the nonpayment of tax.

Also on page 22, in line 10, before "K.S.A." by inserting "K.S.A. 79-3651 and";

And by renumbering sections accordingly;

On page 1, in the title, in line 5, by striking "and" and inserting a comma; in line 7, after "operations" by inserting ", for Seward county for the purpose of financing the costs of roadway and bridge construction, maintenance and improvement in the county and for Jackson county for the purpose of supporting hospital services in the county; providing that countywide retailers' sales tax apportionment based on tangible property tax levies remain unchanged until December 31, 2026; relating to exemptions; excluding exempt sales of certain custom meat processing services from exemption certificate requirements"; in line 8, before "K.S.A." by inserting "K.S.A. 79-3651 and";

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

CARYN TYSON
VIRGIL PECK
ETHAN CORSON

Conferees on part of Senate

ADAM SMITH
CARL TURNER
TOM SAWYER

Conferees on part of House

On motion of Rep. Smith, A., the conference committee report on **HB 2275** was adopted.

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

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barrett, Barth, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Bryce, Buehler, Butler, Carlin, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Hoye, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, Martinez, McDonald, McNorton, Melton, Meyer, Miller, S., Minnix, Moser, Neelly, Neighbor, Oropeza, Osman, Ousley, Penn, Pickert, Pishny, Poetter, Proctor, Rahjes, Reavis, Resman, Rhiley, Roeser, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Schwertfeger, Seiwert, Simmons, Smith, A., Smith, C., Steele, Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Vaughn, Waggoner, Ward, Wasinger, Waymaster, Weigel, White, Wikle, Wilborn, Willcott, Williams, K., Williams, L., Wolf, Woodard, Xu.

Nays: Paige, Carmichael, Mosley, Ohaebosim, Winn.

Present but not voting: None.

Absent or not voting: Alcala, Carr, Poskin.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2335** submits the following report:

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

On page 1, by striking all in lines 7 through 35;

By striking all on pages 2 through 4;

On page 5, by striking all in lines 1 through 31; following line 31 by inserting:

"Section 1. (a) On and after January 1, 2026, any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less who is a resident of Kansas, upon compliance with the provisions of this section, may be issued one hunter nation license plate for each such passenger vehicle or truck. Such license plate shall be issued for the same time as other license plates upon proper registration and payment of the regular license fee as provided in K.S.A. 8-143, and amendments thereto, and the payment to the county treasurer of the logo use royalty payment.

(b) Hunter nation, inc., may authorize the use of the organization's logo to be affixed on license plates as provided by this section. Any motor vehicle owner or lessee shall pay an amount of not less than \$25 nor more than \$100, as determined by hunter nation, inc., as a logo use royalty payment for each such license plate to be issued. The logo use royalty payment shall be paid to the county treasurer.

(c) Any applicant for a license plate authorized by this section may make application for such license plate not less than 60 days prior to such person's renewal of registration date, on a form prescribed and furnished by the director of vehicles, and any applicant for such license plate shall pay to the county treasurer the logo use royalty payment. Application for registration of a passenger vehicle or truck and issuance of the license plate under this section shall be made by the owner or lessee in a manner prescribed by the director of vehicles upon forms furnished by the director.

(d) No registration or license plate issued under this section shall be transferable to any other person.

(e) The director of vehicles may transfer a hunter nation license plate from a leased vehicle to a purchased vehicle.

(f) Renewals of registration under this section shall be made annually, upon payment of the fee prescribed in K.S.A. 8-143, and amendments thereto, and in the manner prescribed in K.S.A. 8-132(b), and amendments thereto. No renewal of registration shall be made to any applicant until such applicant provides to the county treasurer the annual royalty payment. If such annual royalty payment is not made to the county treasurer, the applicant shall be required to comply with the provisions of K.S.A. 8-143, and amendments thereto, and return the license plate to the county treasurer of such person's residence.

(g) Hunter nation, inc., with the approval of the director of vehicles, shall design a plate to be issued under the provisions of this section.

(h) As a condition of receiving the hunter nation license plate and any subsequent registration renewal of such license plate, the applicant shall consent to the division authorizing the division's release of motor vehicle record information, including the applicant's name, address, royalty payment amount, plate number and vehicle type to hunter nation, inc., and the state treasurer.

(i) The collection and remittance of annual royalty payments by the county treasurer shall be subject to the provisions of K.S.A. 8-1,141(h), and amendments thereto, except that payments from the hunter nation license plate royalty fund shall be made on a monthly basis to hunter nation foundation, inc.;

Also on page 5, in line 33, by striking "Kansas register" and inserting "statute book";
And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 and 3; in line 4, by striking all before the period and inserting "motor vehicles; relating to distinctive license plates; providing for the hunter nation distinctive license plate";

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

Caryn Tyson

VIRGIL PECK

ETHAN CORSON

Conferees on part of Senate

ADAM SMITH

CARL TURNER

TOM SAWYER

Conferees on part of House

On motion of Rep. Francis, the conference committee report on **HB 2335** was adopted.

On roll call, the vote was: Yeas 98; Nays 24; Present but not voting: 0; Absent or not voting: 3.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barrett, Barth, Bergquist, Blex, Bloom,

Bohi, Borjon, Brantley, Paige, Bryce, Buehler, Butler, B. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Hawkins, Helgerson, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Hoyer, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, McDonald, McNorton, Minnix, Moser, Neelly, Ohaebosim, Penn, Pickert, Pishny, Poetter, Proctor, Rahjes, Reavis, Resman, Rhiley, Roeser, Roth, Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Schwertfeger, Seiwert, Simmons, Smith, C., Steele, Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Waggoner, Ward, Wasinger, Waymaster, White, Wilborn, Willcott, Williams, K., Williams, L., Wolf.

Nays: Bergkamp, Carlin, Carmichael, W. Carpenter, Featherston, Haskins, Martinez, Melton, Meyer, Miller, S., Mosley, Neighbor, Oropeza, Osman, Ousley, Ruiz, L., Ruiz, S., Smith, A., Vaughn, Weigel, Wikle, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: Alcala, Carr, Poskin.

EXPLANATION OF VOTE

MR. SPEAKER: I vote YES on **HB 2335**. License plate fundraisers allow groups to increase public awareness and earn revenue. We do have reporting requirements for distinctive license plates set forth in K.S.A. 8-1,203; but Kansas does not have criteria or standards to participate. The legislature owes it to the taxpayers to scrutinize every request. Hunter Nation, Inc. is a 501(c)(4) and Section 527 Super PAC that can make direct campaign contributions to members of the Kansas House of Representatives. Specifically designating the funds to Hunter Nation Foundation ensures that this organization cannot donate the dollars back to our campaigns. This is a compromise. –
JO ELLA HOYE

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2125** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for Substitute for House Bill No. 2125, as follows:

On page 1, following line 14, by inserting:

"Section 1. K.S.A. 2024 Supp. 72-5142 is hereby amended to read as follows: 72-5142. (a) The board of education of each school district shall levy an ad valorem tax upon the taxable tangible property of the school district in the school years specified in subsection (b) for the purpose of:

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

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

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

amendments thereto, for the financing of redevelopment projects upon property located within the school district.

(b) The tax required under subsection (a) shall be levied at a rate of 20 mills in the school years ~~2023-2024~~ 2025-2026 and ~~2024-2025~~ 2026-2027.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose described in subsection (a)(3), 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 to the credit of the state school district finance fund.

(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

Sec. 2. K.S.A. 74-2438a is hereby amended to read as follows: 74-2438a. (a) Except as provided in subsection (e), the executive director of the state board of tax appeals shall charge and collect a filing fee, established by rules and regulations adopted by the state board of tax appeals, for any appeal in any proceeding under the tax protest, tax grievance or tax exemption statutes or in any other original proceeding for such board to recover all or part of the costs of processing such actions incurred by the state board of tax appeals.

(b) The COTA filing fee fund is hereby renamed the BOTA filing fee fund.

(c) The executive director of the board of tax appeals shall remit to the state treasurer at least monthly all tax appeal filing fees received by the state board of tax appeals. Upon receipt of any such remittance, the state treasurer shall deposit the amount in the state treasury to the credit of the BOTA filing fee fund.

(d) All expenditures from the BOTA filing fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the state board of tax appeals or a person or persons designated by such executive director.

(e) No filing fee of any kind shall be charged by the executive director to:

(1) A taxpayer who has filed an appeal for a previous year that has not been decided by the board and is ~~beyond the time period prescribed by K.S.A. 74-2426, and amendments thereto still pending before the board at the time another appeal is filed for the same parcel;~~

(2) any taxpayer filing in regard to single-family residential property for a refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, or an appeal from a decision rendered pursuant to K.S.A. 79-1448, and amendments thereto;

(3) any not-for-profit organization if the valuation of the property that is the subject of the controversy does not exceed \$100,000; or

(4) any municipality or political subdivision of the state.";

On page 5, in line 24, by striking "tax rate" and inserting "mill levy"; in line 27, after "rate" by inserting "in mills"; in line 36, by striking the second "rate" and inserting "mill levy"; in line 42, after the semicolon by inserting "and";

On page 6, in line 3, by striking "; and"; by striking all in lines 4 through 8; in line 9, by striking all before the period; in line 10, before "Although" by inserting "The columns described in subparagraphs (D) through (G) shall include a total of the amounts at the end of each column. For each taxing subdivision, the notice shall include the total amount of revenue from the property tax levy for the previous year, the

proposed total amount of revenue from the property tax levy for the current year and the difference or change between such amounts, reflected in dollars and a percentage.";

On page 9, by striking all in lines 9 through 29; following line 29, by inserting:

"Sec. 7. K.S.A. 2024 Supp. 79-2989, as amended by section 204 of 2025 Senate Bill No. 125, is hereby amended to read as follows: 79-2989. (a) For calendar years 2024 ~~and~~, 2025 and 2026, if a county clerk has printing or postage costs pursuant to K.S.A. 2024 Supp. 79-2988, and amendments thereto, the county clerk shall notify and provide documentation of such costs to the secretary of revenue. The secretary of revenue shall certify the amount of moneys attributable to such costs and shall transmit a copy of such certification to the director of accounts and reports. Upon such receipt of such certification, the director of accounts and reports shall transfer an amount of moneys equal to such certified amount from the state general fund to the taxpayer notification costs fund of the department of revenue. The secretary of revenue shall transmit a copy of each such certification to the director of legislative research and the director of the budget.

(b) There is hereby established in the state treasury the taxpayer notification costs fund that shall be administered by the secretary of revenue. All expenditures from the taxpayer notification costs fund shall be for the purpose of paying county printing and postage costs pursuant to K.S.A. 2024 Supp. 79-2988, and amendments thereto. All expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of revenue or the secretary's designee.";

Also on page 9, in line 30, before "K.S.A." by inserting "K.S.A. 74-2438a and"; also in line 30, after "Supp." by inserting "72-5142,"; in line 31, after "79-2989" by inserting ", as amended by section 204 of 2025 Senate Bill No. 125,"; in line 33, by striking "statute book" and inserting "Kansas register";

And by renumbering sections accordingly;

On page 1, in the title, in line 10, by striking "years 2025 and" and inserting "year"; also in line 10, after the semicolon by inserting "prohibiting a filing fee when a previous appeal remains pending before the board of tax appeals; authorizing the continuation of the 20-mill statewide property tax levy for schools,"; in line 11, after "amending" by inserting "K.S.A. 74-2438a and"; also in line 11, after "Supp." by inserting "72-5142,"; in line 12, after "79-2989" by inserting ", as amended by section 204 of 2025 Senate Bill No. 125,";

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

CARYN TYSON

VIRGIL PECK

ETHAN CORSON

Conferees on part of Senate

ADAM SMITH

CARL TURNER

TOM SAWYER

Conferees on part of House

On motion of Rep. Smith, A., the conference committee report on **Sub Bill for HB 2125** was adopted.

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

Yeas: Amyx, Anderson, Averkamp, Ballard, Barrett, Barth, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Paige, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Hoye, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, Martinez, McDonald, McNorton, Melton, Meyer, Miller, S., Minnix, Moser, Mosley, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Penn, Pickert, Pishny, Poetter, Proctor, Rahjes, Reavis, Resman, Rhiley, Roeser, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Schwertfeger, Seiwert, Simmons, Smith, A., Smith, C., Steele, Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Vaughn, Waggoner, Ward, Wasinger, Waymaster, Weigel, White, Wikle, Wilborn, Willcott, Williams, K., Williams, L., Winn, Wolf, Woodard, Xu.

Nays: None.

Present but not voting: None.

Absent or not voting: Alcala, Carr, Poskin.

REPORT OF STANDING COMMITTEE

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

Request No. 85, Representative Kristey Williams, congratulating Willy Jon Morales, Augusta High School, 4A State Wrestling Champion 2025;

Request No. 86, Representative Sydney Carlin, congratulating Manhattan High School Chamber Orchestra;

Request No. 87, Representative Featherston, congratulating the JCC College Women's Basketball Team, NCCAA Division II Champions;

Request No. 88, Representative KC Ohaebosim, condolences for Mrs. Regina Munonye;

Request No. 89, Representatives Haskins, Schlingensiepen, Simmons, and Borjon, congratulating the Washburn University Men's Basketball Team for outstanding 2024-2025 season and for participation in the Final Four of the NCAA Division II Men's Championship;

Request No. 90, Representative Allen Reavis, congratulating Maur Hill-Mount Academy Mock Trial Team for winning their 3rd consecutive state championship title for 2023, 2024, and 2025;

Request No. 91, Representative L. Ruiz and Mari-Lynn Poskin, honoring Frank Rushton Elementary School Students, for their participation in the 1st annual Ruby Bridges Walk to School Day, marking the 70th anniversary of Brown v. Board of Education in Topeka;

be approved and the Chief Clerk of the House be directed to order the printing of said certificates and order drafting of said resolutions. On motion of Representative Croft the committee report was adopted.

MESSAGES FROM THE SENATE

Announcing adoption of **HCR 5018**.

The Senate adopts the Conference Committee report on **HB 2007**.

The Senate adopts the Conference Committee report on **HB 2289**.

On motion of Rep. Croft, the House recessed until 3:15 p.m.

LATE AFTERNOON SESSION

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

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Hoffman, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **SB 82, SB 98, Sub Bill for HB 2007, HB 2289**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 82** submits the following report:

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

On page 1, by striking all in lines 7 through 26; following line 26 by inserting:

"New Section 1. (a) The governing body of any taxing jurisdiction shall not approve any appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b) unless the governing body of such taxing jurisdiction approves exceeding the amount provided in subsection (b) with a vote of at least 80% of the members of the governing body. Such vote of the governing body shall be conducted at a public hearing and shall be a roll call vote. A copy of the resolution or ordinance to approve an increase in property tax revenues for the taxing jurisdiction in excess of the amount provided in subsection (b) and a certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body shall be published on the website of the department of administration.

(b) A taxing jurisdiction shall be limited in its budget to a total amount of ad valorem tax to be levied in an amount that is equal to or less than the lesser of:

(1) (A) The total amount of ad valorem tax levied for the preceding tax year increased by 3%; and

(B) increased property tax revenues that, in the current year, are produced and attributable to the taxation of the construction of any new structures or improvements or the remodeling or renovation of any existing structures or improvements on real property, excluding any ordinary maintenance or repair of any existing structures or improvements on the property. The director of property valuation shall provide to the state treasurer any information required under this paragraph; or

(2) the total ad valorem tax levied for the preceding tax year increased by

following:

(A) An increase reflecting the amount of the annual percentage of consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor, which shall not be less than zero, multiplied by the total amount of ad valorem tax levied for the preceding tax year;

(B) increased property tax revenues that, in the current year, are produced and attributable to the taxation of the construction of any new structures or improvements or the remodeling or renovation of any existing structures or improvements on real property, excluding any ordinary maintenance or repair of any existing structures or improvements on the property. The director of property valuation shall provide to the state treasurer any information required under this paragraph; and

(C) increased property tax revenues that are dedicated to paying off a bond issuance that was approved by a vote of the electors at an election held on and after July 1, 2025.

(c) The provisions of this section shall not apply to the state of Kansas or a school district.

New Sec. 2. (a) There is hereby created the advancing stewardship of tax revenue and appropriations (ASTRA) fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On July 1 of each year, the director of the budget shall certify to the director of accounts and reports the amount of moneys in the advancing stewardship of tax revenue and appropriations (ASTRA) fund. On July 15 of each year, or as soon thereafter as moneys are available, \$60,000,000, hereafter referred to as the base year amount, subject to any decrease as provided in this subsection, shall be transferred by the director of accounts and reports from the state general fund to the advancing stewardship of tax revenue and appropriations (ASTRA) fund. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund. Commencing with the transfer on July 15, 2026, the amount to be transferred pursuant to this subsection shall be increased by 2% from the base year amount including any subsequent increases pursuant to this subsection. Commencing with the transfer on July 15, 2026, the amount to be transferred shall then be decreased by the amount certified by the director of the budget for the amount of moneys in the advancing stewardship of tax revenue and appropriations (ASTRA) fund on July 1.

(c) (1) The state treasurer shall calculate the apportionment for each county based on the following: (A) 65% of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1 of the preceding year; and (B) 35% of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation. The county and each city contained therein, if eligible pursuant to subsection (d), shall receive a proportion of such apportionment based on the total assessed valuations used to calculate such county's and each city's ad valorem property taxes in the preceding year.

(2) Payments shall be further calculated as follows:

(A) For a county or city that did not exceed the revenue neutral rate pursuant to K.S.A. 79-2988, and amendments thereto, in calculating its budget, such county or city shall be entitled to 100% of the apportionment for the county or city;

(B) for a county or city that exceeded the revenue neutral rate pursuant to K.S.A. 79-2988, and amendments thereto, in calculating its budget, but such increase was equal to or less than 50% of the amount provided in section 1(b), and amendments thereto, as an increase in amount above the preceding tax year, such county or city shall be entitled to 75% of the apportionment for the county or city; and

(C) for a county or city that exceeded the increase provided in section 1(b), and amendments thereto, above 50% but did not exceed the amount provided in section (1) (b), and amendments thereto, such county or city shall be entitled to 50% of the apportionment for the county or city.

(d) The county clerk shall certify to the state treasurer on or before November 15, if the county's or any city's budget provides for a total amount of ad valorem tax to be levied in an amount that is less than or equal to the maximum amount provided in section 1(b), and amendments thereto, and such city or county did not attempt to exceed the amount provided in section 1(b), and amendments thereto, through a vote of the governing body of the city or county. In the event that the governing body of the city or county held a vote to exceed the maximum amount provided in section 1(b), such city or county shall not be eligible for a payment from the advancing stewardship of tax revenue and appropriations (ASTRA) fund. To be eligible to receive a payment from the advancing stewardship of tax revenue and appropriations (ASTRA) fund, a county or city must have adopted a budget that provides for a total amount of ad valorem tax to be levied that does not exceed the maximum amount provided in section 1(b), and amendments thereto.

(e) On or before January 15 following the transfer provided in subsection (b), the state treasurer shall pay the amount specified in subsection (c) to each eligible county and city. Such funds shall only be used for services, including, but not limited to, roads and bridges, law enforcement, elections, public health and safety or any other services mandated by law.

(f) If it is determined that a county or city received payment and was not entitled to the payment, the county or city shall return or remit such payment to the state treasurer. The state treasurer may request and shall be entitled to receive any records necessary to confirm that a city or county was eligible to receive payment. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the advancing stewardship of tax revenue and appropriations (ASTRA) fund.

(g) The state treasurer shall provide to the house committee on taxation and the senate committee on assessment and taxation on or before January 31 of each year the list of cities and counties that received a transfer from the advancing stewardship of tax revenue and appropriations (ASTRA) fund and a list of those cities and counties that did not receive a transfer.

New Sec. 3.

STATE TREASURER

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2026, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Advancing stewardship of tax revenue and appropriations
(ASTRA) fund No limit";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 and 3; in line 4, by striking all before the period and inserting "taxation; relating to property tax; requiring a vote of at least 80% of the members of a governing body of a taxing jurisdiction in the event that a taxing jurisdiction exceeds property tax revenues above a certain amount; establishing the advancing stewardship of tax revenue and appropriations (ASTRA) fund and authorizing certain transfers from the state general fund to qualifying cities and counties; requiring reporting by the state treasurer of the cities and counties that receive transfers";

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

ADAM SMITH

CARL TURNER

Conferees on part of House

CARYN TYSON

VIRGIL PECK

Conferees on part of Senate

On motion of Rep. Smith, A., the conference committee report on **SB 82** was adopted.

On roll call, the vote was: Yeas 74; Nays 48; Present but not voting: 0; Absent or not voting: 3.

Yeas: Anderson, Awerkamp, Barrett, Barth, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Bryce, Buehler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Collins, Corbet, Croft, Delperdang, Droge, Esau, Essex, Estes, Francis, Goddard, Hawkins, Helwig, Hill, Hoffman, Hoheisel, Howell, Howerton, Huebert, Humphries, James, Kessler, King, Lewis, Miller, S., Minnix, Moser, Neelly, Penn, Pickert, Poetter, Proctor, Rahjes, Reavis, Resman, Roeser, Sanders, Schmoie, Schwertfeger, Seiwert, Smith, A., Smith, C., Steele, Stiens, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Waggoner, Ward, Waymaster, White, Willcott, Williams, K., Williams, L., Wolf.

Nays: Amyx, Ballard, Bergkamp, Paige, Butler, Chauncey, Curtis, Ellis, Fairchild, Featherston, Gardner, Goetz, Haskins, Helgerson, Howe, Hoyer, T. Johnson, Long, Martinez, McDonald, McNorton, Melton, Meyer, Mosley, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Pishny, Rhiley, Roth, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Schreiber, Simmons, Stogsdill, Vaughn, Wasinger, Weigel, Wikle, Wilborn, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Poskin.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 98** submits the following report:

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

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 18; following line 18, by inserting:

"New Section 1. For purposes of sections 1 through 3, and amendments thereto:

(a) "Commencement of construction" means the date that construction, reconstruction, enlargement or remodeling of a qualified data center by a qualified firm commences, as determined in the agreement required by section 2, and amendments thereto.

(b) "Commencement of operations" means the date that the qualified firm commences operations at a qualified data center, as determined in the agreement required by section 2, and amendments thereto.

(c) "Data center equipment" means equipment or software purchased or leased for the processing, storage, retrieval or communication of data, regardless of whether the property is or is not affixed to or incorporated into real property, including the following:

(1) Servers, routers and connections and computer equipment, monitoring and security equipment or systems;

(2) equipment used in the operation of the qualified data center, including, but not limited to, backup generators, component parts, installations, refreshments, replacements and upgrades;

(3) all equipment necessary to cool and maintain a controlled environment for the operation of the computer servers and other components of the qualified data center, including, but not limited to, chillers, mechanical equipment, refrigerant piping, fuel piping and storage, adiabatic and free cooling systems, cooling towers, water softeners, air handling units, indoor direct exchange units, fans, ducting and filters;

(4) all water conservation systems, including facilities or mechanisms that are designed to collect, conserve and reuse water;

(5) all computer server equipment, chassis, networking equipment, switches, racks, fiber optic and copper cabling, trays and conduit;

(6) all conduit, ducting and fiber optic and copper cabling directly related to connecting one or more distributed qualified data center locations regardless of whether located inside or outside a data center;

(7) all software; and

(8) other personal property that is essential to the operations of a qualified data center, excluding such property used in the administration of the qualified data center.

(d) "Department" means the department of commerce.

(e) (1) "Eligible data center costs" means expenditures for the development, acquisition, construction and operation of a qualified data center by a qualified firm, including, but not limited to, costs of land, buildings, site improvements, data center equipment, data center equipment acquisition and permitting, lease payments, site characterization and assessment, engineering and design used directly and exclusively

for a qualified data center.

(2) "Eligible data center costs" does not include the cost of electricity.

(f) "New jobs" means newly created jobs with a qualified firm at a qualified data center or directly associated with a qualified data center filled by Kansas residents and the primary work locations of such jobs are in Kansas.

(g) "Qualified data center" means one or more buildings that are constructed, reconstructed, enlarged, remodeled or leased to house a group of networked computer servers in this state to centralize the storage, management and dissemination of data and information pertaining to a particular business, taxonomy or body of knowledge and such buildings are connected to each other by fiber and associated equipment required for operating a fiber transmission network between data center buildings and internet points for the purpose of providing redundancy and resiliency for the data center services provided in each building.

(h) "Qualified firm" means a business or an affiliate thereof that is registered with the secretary of state and is engaged in the development, operation or leasing of a qualified data center. "Qualified firm" does not include a telecommunications carrier or local exchange carrier as defined in K.S.A. 66-1,187, and amendments thereto, electing carrier as defined in K.S.A. 66-2005(x), and amendments thereto, wireless services provider as defined in K.S.A. 66-2019, and amendments thereto, or video service provider as defined in K.S.A. 12-2022, and amendments thereto.

(i) "Secretary" means the secretary of commerce.

New Sec. 2. (a) A qualified firm that makes an investment in eligible data center costs in a qualified data center of at least \$250,000,000 in the aggregate by the fifth year of operations and creates and maintains at least 20 new jobs at the qualified data center within two calendar years after the commencement of operations shall receive a sales tax exemption, as provided by K.S.A. 79-3606(XXXX), and amendments thereto, and section 3, and amendments thereto, for:

(1) Eligible data center costs of the qualified data center; and

(2) labor services to install, apply, repair, service, alter or maintain data center equipment.

(b) To be eligible to receive such sales tax exemption, a qualified firm shall:

(1) Submit an application to the secretary in the form and manner as required by the secretary;

(2) commit to an investment in eligible data center costs of at least \$250,000,000 in the qualified data center, to be completed by the fifth year of operations or on such earlier date as specified in the agreement pursuant to paragraph (6);

(3) commit to begin construction of the project within 10 years of the date of the agreement with the secretary or on such earlier date as specified in the agreement pursuant to paragraph (6);

(4) commit to purchase electricity for 10 years from the public utility that is certified to provide retail electric service in the territory where the qualified data center is located;

(5) commit to undertake practices that will conserve, reuse and replace water, including, but not limited to:

(A) Using water efficient fixtures and practices;

(B) treating, infiltrating and harvesting rainwater;

(C) recirculating and recycling water before discharging;

(D) partnering with state and local governmental entities and private individuals and entities to use discharged water for irrigation, water conservation or other beneficial purposes;

(E) using reclaimed water when possible; and

(F) supporting water restoration efforts in local watersheds; and

(6) if the application is approved by the secretary, enter into an agreement with the secretary upon such terms and conditions as the secretary may require, including the commitments or conditions required by paragraphs (2) through (5) and subsections (c) and (d)(1) and (2). The agreement shall be entered into before any sales tax exemption may be provided under this act.

(c) If it is determined by the secretary that the qualified firm has breached a term or condition of the agreement, the secretary shall provide written notice to the qualified firm as to which terms or conditions were breached and allow the qualified firm 120 days to cure the breached terms or conditions. If the breached terms or conditions have not been cured within such time, the secretary may require the qualified firm to repay all or a part of the amount of the sales tax exemption received, terminate the sales tax exemption or suspend all or a part of the sales tax exemption until the breach is cured.

(d) As a condition of receiving the sales tax exemption, a qualified firm shall agree to:

(1) Cooperate with audits undertaken by the secretary of revenue as provided by subsection (f); and

(2) provide the secretary of commerce information required:

(A) For publication in the economic development incentive program information database pursuant to K.S.A. 74-50,226, and amendments thereto;

(B) for the secretary's report pursuant to K.S.A. 74-50,320, and amendments thereto; and

(C) by the secretary of commerce or the secretary of revenue pursuant to subsection (e)(1).

(e) (1) Every five years, the secretary may conduct a review of the activities undertaken by a qualified firm to ensure that the qualified firm remains in good standing with the state, is in compliance with the provisions of this act, any rules and regulations adopted by the secretary with respect to this act and any agreement entered into pursuant to this section and continues to meet the requirements for the sales tax exemption provided under this act. The secretary of commerce shall certify every five years to the secretary of revenue whether the qualified firm meets the criteria for designation as a qualified firm and is eligible for such sales tax exemption. The qualified firm shall provide the secretary of commerce all information reasonably necessary to determine such eligibility. Except as provided by paragraph (2), information obtained under this paragraph shall not be subject to disclosure pursuant to K.S.A. 45-215 et seq., and amendments thereto, unless such information is subject to disclosure pursuant to subsection (d)(1) or (2), but shall, upon request, be made available to the legislative post audit division. The provisions of this paragraph providing for confidentiality of records shall expire on July 1, 2030, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2030.

(2) If, in the judgment of the secretary, any confidential information, trade secret or other information obtained under this section would place the qualified firm at a

disadvantage in the marketplace or would significantly interfere with the purposes of this act, if known, shall not be subject to disclosure pursuant to K.S.A. 45-215 et seq., and amendments thereto, but shall, upon request, be made available to the legislative post audit division. The provisions of this paragraph providing for confidentiality of records shall expire on July 1, 2030, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2030.

(f) The books and records that pertain to eligibility for benefits or compliance with the requirements of this act shall be available for inspection by the secretary or the secretary's duly authorized agents or employees during business hours on at least 60 days' prior written notice. The secretary may request the department of revenue to audit the qualified firm, or a third party if applicable, for compliance with the provisions of this act.

(g) The secretary of commerce shall certify to the secretary of revenue when the qualified firm has met the conditions to receive a sales tax exemption as provided by sections 3 and 4, and amendments thereto, and shall provide notice when the sales tax exemption is modified, suspended or terminated pursuant to subsection (c).

(h) The secretary of commerce or the secretary of revenue may adopt rules and regulations for the implementation of this act.

New Sec. 3. (a) On and after July 1, 2025, a qualified firm that meets the requirements of section 2, and amendments thereto, may be eligible for a sales tax exemption as provided by this section and the provisions of K.S.A. 79-3606(xxxx), and amendments thereto.

(b) The sales tax exemption shall be valid for 20 years after the date of commencement of operations.

(c) No sales tax exemption shall be approved by the secretary of revenue unless the qualified firm has been certified by the secretary of commerce, as provided in section 2, and amendments thereto, as meeting all requirements of this act, the rules and regulations of the secretary, if any, and the agreement executed pursuant to section 2, and amendments thereto.

(d) A sales tax exemption shall be revoked, suspended or modified by the secretary of revenue as requested by the secretary of commerce upon notification by the secretary of commerce as provided by section 2(c) and (g), and amendments thereto.

New Sec. 4. (a) Prior to awarding any public financial assistance or benefits to a qualified data center project, including, but not limited to, the sales tax exemption established pursuant to K.S.A. 79-3606(xxxx), and amendments thereto, and sections 1 through 3, and amendments thereto, the secretary of commerce shall seek and receive approval from the fusion center oversight board established pursuant to K.S.A. 48-3705, and amendments thereto.

(b) Upon receipt of an application from the secretary of commerce, the Kansas intelligence fusion center shall evaluate the equipment and associated software of the qualified data center for potential security threats to critical infrastructure and advise the fusion center oversight board of any risks associated with such equipment and associated software.

(c) The fusion center oversight board may approve the project, recommend or require changes to protect critical infrastructure or deny such project if the qualified data center, as configured, would pose a threat to the critical infrastructure of the state

of Kansas.

(d) As used in this section, "qualified data center" means the same as defined in section 1, and amendments thereto.

Sec. 5. K.S.A. 2024 Supp. 66-101j is hereby amended to read as follows: 66-101j.

(a) Notwithstanding the provisions of K.S.A. 66-101b or 66-109, and amendments thereto, the commission shall authorize an electric public utility to implement economic development rate schedules that provide discounts from otherwise applicable standard rates for electric service for new or expanded facilities of industrial or commercial customers that are not in the business of selling or providing goods or services directly to the general public. To be eligible for such discounts, such customer shall:

(1) Have incentives from one or more local, regional, state or federal economic development agencies to locate such new or expanded facilities in the electric public utility's certified service territory;

(2) qualify for service under the electric public utility's non-residential and non-lighting rate schedules for such new or expanded facility; and

(3) not receive the discount together with service provided by the electric public utility pursuant to any other special contract agreements.

(b) The discount authorized by this section shall only be applicable to new facilities or expanded facilities that have:

(1) A peak demand that is reasonably projected to be at least 200 kilowatts within two years of the date the customer first receives service under the discounted rate and is not the result of shifting existing demand from other facilities of the customer in the electric public utility's certified service territory and:

(A) Has an annual load factor that is reasonably projected to equal or exceed the electric public utility's annual system load factor within two years of the date the customer first receives service under the discounted rate; or

(B) otherwise warrants a discounted rate based on any of the following factors:

(i) The number of new permanent full-time jobs created or the percentage increase in existing permanent full-time jobs created;

(ii) the level of capital investment;

(iii) additional off-peak usage;

(iv) curtailable or interruptible load;

(v) new industry or technology; or

(vi) competition with existing industrial customers;

(2) a peak demand that is reasonably projected to be at least 300 kilowatts within two years of the date the customer first receives service under the discounted rate and is not the result of shifting existing demand from other facilities of the customer in the electric public utility's certified service territory and:

(A) An annual load factor that is reasonably projected to be at least 55% within two years of the date the customer first receives service under the discounted rate; and

(B) the facility shall, once first achieved, maintain the peak demand and load factor for the remaining duration of the discounted rate; or

(3) a peak demand that is reasonably projected to be at least 25 megawatts within two years of the date the customer first receives service under the discounted rate and is not the result of shifting existing demand from other facilities of the customer in the electric public utility's certified service territory and:

(A) An annual load factor that is reasonably projected to be at least 55% within two

years of the date the customer first receives service under the discounted rate; and

(B) the facility shall, once first achieved, maintain the peak demand and load factor for the remaining duration of the discounted rate.

(c) A customer shall not be eligible for the discount authorized by this section for any new or expanded facility that is a qualified data center as defined in section 1, and amendments thereto.

(d) The discount authorized by this section shall be determined by reducing otherwise applicable charges associated with the rate schedule applicable to the new or expanded existing facility by a fixed percentage for each year of service under the discount for a period of up to:

- (1) Five years to facilities that qualify pursuant to subsection (b)(1) or (b)(2); and
- (2) 10 years to facilities that qualify pursuant to subsection (b)(3).

~~(d)(e)~~ (1) For discounts to facilities that qualify pursuant to subsection (b)(1), the average of the annual discount percentages shall not exceed 20%, except that such discounts may be between 5% to 30% in any year of such five-year period.

(2) For discounts to facilities that qualify pursuant to subsection (b)(2), the average of the annual discount percentages shall not exceed 40%, except that such discounts may be between 20% and 50% in any year of such five-year period.

(3) For discounts to facilities that qualify pursuant to subsection (b)(3), the average of the annual discount percentages shall not exceed:

(A) For the first five years of the discount period, 40%, except that such discounts may be between 20% to 50% in any year of such five-year period; and

(B) for the final five years of the discount period, 20%, except that such discounts may be between 10% and 30% in any year of such five-year period.

~~(f)~~ (1) Except as provided in paragraph (2), on and after July 1, 2024, the difference in revenues generated by applying the discounted rates authorized pursuant to this section and the revenues that would have been generated without such discounts shall not be imputed into the electric public utility's revenue requirement.

(2) Any reduction in revenue resulting from any discount provided pursuant to this section that was tracked by the public utility and deferred to a regulatory asset prior to July 1, 2024, shall be recoverable in any general rate proceeding initiated on or after July 1, 2024, through an equal percentage adjustment to the revenue requirement responsibility for all customer classes of the public utility, including the customer classes that include customers qualifying for discounts pursuant to this section.

~~(f)(g)~~ The provisions of this section shall not apply to rates for service provided to customers under contract rates approved by the commission pursuant to K.S.A. 2024 Supp. 66-101i, and amendments thereto, or the commission's general ratemaking authority according to custom and practice of the commission in place prior to the effective date of this section.

~~(g)~~ (h) Starting in January 2023, the commission shall biennially provide a status report to the legislature about any discounts from tariffed rates authorized pursuant to this section. Such report shall include the:

- (1) Number of entities with such discounts;
- (2) number of entities with increased load;
- (3) number of entities with decreased load;
- (4) aggregate load and change in aggregate load on an annual basis;
- (5) total subsidy and the subsidy for each individual contract;

(6) annual and cumulative rate impact on non-contract rate customers; and
 (7) estimated economic development impact of entities with discounted rates that occurred as a result of such discounts through an evaluation of the annual: (A) Total employment for such entities; (B) change in employment for such entities; and (C) tax revenue generated by such entities.

~~(h)~~(i) An electric public utility shall be authorized to only implement discounted rates for facilities that qualify for such discounted rates pursuant to subsection (b)(3) until December 31, 2030, except that, upon application by such public utility, the commission may authorize the public utility to continue to implement such discounted rates for facilities that qualify for such discounted rates pursuant to subsection (b)(3) until December 31, 2036. Any such application shall be filed with the commission on or before December 31, 2028. The commission shall issue a determination on an application filed pursuant to this subsection within 240 days of the date that such application is filed. If requested by the public utility, an intervenor in the application docket or commission staff, the commission shall hold a hearing on such application. When considering and making a determination upon such application, the commission may consider factors that the commission deems just and reasonable and condition the commission's determination on any factors that are relevant to the discounted rates for facilities that qualify for such discounted rates pursuant to subsection (b)(3). If the commission denies the public utility's application, such denial shall only act to prohibit the public utility from implementing discounted rates for facilities that qualify for such discounted rates pursuant to subsection (b)(3) after December 31, 2030, and shall not otherwise affect or terminate any discounted rates implemented by the public utility pursuant to this section or any regulatory or ratemaking treatment of such discounted rates.

~~(h)~~(j) For the purposes of this section:

(1) "Electric public utility" means the same as defined in K.S.A. 66-101a, and amendments thereto, but does not include any such utility that is a cooperative as defined in K.S.A. 66-104d, and amendments thereto, or owned by one or more such cooperatives;

(2) "expanded facility" means a separately metered facility of the customer, unless the utility determines that the additional costs of separate metering of such facility would exceed the associated benefits or that it would be difficult or impractical to install or read the meter, that has not received service in the electric utility's certified service territory in the previous 12 months; and

(3) "new facility" means a building of the customer that has not received electric service in the electric utility's certified service territory in the previous 12 months.

Sec. 6. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes and electronic cigarettes as defined by K.S.A. 79-3301, and amendments thereto, including consumable material for such electronic cigarettes, cereal malt beverages and malt products as defined by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt, malt syrup and malt extract, that is not subject to taxation under the provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A. 65-3424d, and

amendments thereto, drycleaning and laundry services taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross receipts from regulated sports contests taxed pursuant to the Kansas professional regulated sports act, and amendments thereto;

(b) all sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased directly by the state of Kansas, a political subdivision thereof, other than a school or educational institution, or purchased by a public or private nonprofit hospital, public hospital authority, nonprofit blood, tissue or organ bank or nonprofit integrated community care organization and used exclusively for state, political subdivision, hospital, public hospital authority, nonprofit blood, tissue or organ bank or nonprofit integrated community care organization purposes, except when: (1) Such state, hospital or public hospital authority is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business; or (2) such political subdivision is engaged or proposes to engage in the business of furnishing gas, electricity or heat to others and such items of personal property or service are used or proposed to be used in such business;

(c) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation, except that such exemption shall apply to the erection, construction, repair, enlargement or equipment of buildings used for human habitation by the cerebral palsy research foundation of Kansas located in Wichita, Kansas, multi community diversified services, incorporated, located in McPherson, Kansas, the Kansas state school for the blind and the Kansas state school for the deaf;

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, a public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state use and ownership, that would be exempt from taxation under the provisions of this act if purchased directly by such hospital or public hospital authority, school, educational institution or a state correctional institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or district described in subsection (s), the total cost of which is paid from funds of such political subdivision or district and that would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision or district. Nothing in this subsection or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or any such district. As used in this subsection, K.S.A. 12-3418 and 79-3640,

and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities that are to be leased to the donor. When any political subdivision of the state, district described in subsection (s), public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state use and ownership shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or department of corrections concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or the contractor contracting with the department of corrections for a correctional institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United States, its agencies or instrumentalities, that would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or

instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(f) tangible personal property purchased by a railroad or public utility for consumption or movement directly and immediately in interstate commerce;

(g) sales of aircraft including remanufactured and modified aircraft sold to persons using directly or through an authorized agent such aircraft as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government or sold to any foreign government or agency or instrumentality of such foreign government and all sales of aircraft for use outside of the United States and sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft;

(h) all rentals of nonsectarian textbooks by public or private elementary or secondary schools;

(i) the lease or rental of all films, records, tapes, or any type of sound or picture transcriptions used by motion picture exhibitors;

(j) meals served without charge or food used in the preparation of such meals to employees of any restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public if such employees' duties are related to the furnishing or sale of such meals or drinks;

(k) any motor vehicle, semitrailer or pole trailer, as such terms are defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and delivered in this state to a bona fide resident of another state, which motor vehicle, semitrailer, pole trailer or aircraft is not to be registered or based in this state and which vehicle, semitrailer, pole trailer or aircraft will not remain in this state more than 10 days;

(l) all isolated or occasional sales of tangible personal property, services, substances or things, except isolated or occasional sale of motor vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and amendments thereto;

(m) all sales of tangible personal property that become an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail within or without the state of Kansas; and any such producer, manufacturer or compounder may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for use as an ingredient or component part of the property or services produced, manufactured or compounded;

(n) all sales of tangible personal property that is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the treating of by-products or wastes derived from any such production process, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, treating, irrigation and in providing such services;

(o) all sales of animals, fowl and aquatic plants and animals, the primary purpose of which is use in agriculture or aquaculture, as defined in K.S.A. 47-1901, and amendments thereto, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber or fur, or the production of offspring for use for any such purpose or purposes;

(p) all sales of drugs dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "drug" means a compound, substance or preparation and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements or alcoholic beverages, recognized in the official United States pharmacopeia, official homeopathic pharmacopoeia of the United States or official national formulary, and supplement to any of them, intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease or intended to affect the structure or any function of the body, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of drugs used in the performance or induction of an abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(q) all sales of insulin dispensed by a person licensed by the state board of pharmacy to a person for treatment of diabetes at the direction of a person licensed to practice medicine by the state board of healing arts;

(r) all sales of oxygen delivery equipment, kidney dialysis equipment, enteral feeding systems, prosthetic devices and mobility enhancing equipment prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry, and in addition to such sales, all sales of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto, and repair and replacement parts therefor, including batteries, by a person licensed in the practice of dispensing and fitting hearing aids pursuant to the provisions of K.S.A. 74-5808, and amendments thereto. For the purposes of this subsection: (1) "Mobility enhancing equipment" means equipment including repair and replacement parts to same, but does not include durable medical equipment, which is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; is

not generally used by persons with normal mobility; and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer; and (2) "prosthetic device" means a replacement, corrective or supportive device including repair and replacement parts for same worn on or in the body to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction or support a weak or deformed portion of the body;

(s) except as provided in K.S.A. 82a-2101, and amendments thereto, all sales of tangible personal property or services purchased directly or indirectly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 et seq., and amendments thereto, by a rural water district organized or operating under the authority of K.S.A. 82a-612, and amendments thereto, or by a water supply district organized or operating under the authority of K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which property or services are used in the construction activities, operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include a work-site utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, and is equipped with a bed or cargo box for hauling materials, and shall also include machinery and equipment used in the operation of Christmas tree farming but shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm machinery and equipment" includes precision farming equipment that is portable or is installed or purchased to be installed on farm machinery and equipment. "Precision farming equipment" includes the following items used only in computer-assisted farming, ranching or aquaculture production operations: Soil testing sensors, yield monitors, computers, monitors, software, global positioning and mapping systems, guiding systems, modems, data communications equipment and any necessary mounting hardware, wiring and antennas. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farming or ranching shall include the operation of a feedlot and farm and ranch work for hire and the operation of a nursery;

(u) all leases or rentals of tangible personal property used as a dwelling if such tangible personal property is leased or rented for a period of more than 28 consecutive days;

(v) all sales of tangible personal property to any contractor for use in preparing meals for delivery to homebound elderly persons over 60 years of age and to homebound disabled persons or to be served at a group-sitting at a location outside of the home to otherwise homebound elderly persons over 60 years of age and to otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization, and all sales of tangible personal

property for use in preparing meals for consumption by indigent or homeless individuals whether or not such meals are consumed at a place designated for such purpose, and all sales of food products by or on behalf of any such contractor or organization for any such purpose;

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes: (1) To residential premises for noncommercial use by the occupant of such premises; (2) for agricultural use and also, for such use, all sales of propane gas; (3) for use in the severing of oil; and (4) to any property which is exempt from property taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this paragraph, "severing" means the same as defined in K.S.A. 79-4216(k), and amendments thereto. For all sales of natural gas, electricity and heat delivered through mains, lines or pipes pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions of this subsection shall expire on December 31, 2005;

(x) 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 occurring prior to January 1, 2006;

(y) all sales of materials and services used in the repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States;

(z) all sales of tangible personal property and services purchased directly by a port authority or by a contractor therefor as provided by the provisions of K.S.A. 12-3418, and amendments thereto;

(aa) all sales of materials and services applied to equipment that is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and that is subsequently transported outside the state for use in the transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

(bb) all sales of used mobile homes or manufactured homes. As used in this subsection: (1) "Mobile homes" and "manufactured homes" mean the same as defined in K.S.A. 58-4202, and amendments thereto; and (2) "sales of used mobile homes or manufactured homes" means sales other than the original retail sale thereof;

(cc) all sales of tangible personal property or services purchased prior to January 1, 2012, except as otherwise provided, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business that meets the requirements established in K.S.A. 74-50,115, and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business, and all sales of tangible personal property or services purchased on or after January 1, 2012, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business that meets the requirements established in K.S.A. 74-50,115(e), and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers

from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "business" and "retail business" mean the same as defined in K.S.A. 74-50,114, and amendments thereto. Project exemption certificates that have been previously issued under this subsection by the department of revenue pursuant to K.S.A. 74-50,115, and amendments thereto, but not including K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012, and have not expired will be effective for the term of the project or two years from the effective date of the certificate, whichever occurs earlier. Project exemption certificates that are submitted to the department of revenue prior to January 1, 2012, and are found to qualify will be issued a project exemption certificate that will be effective for a two-year period or for the term of the project, whichever occurs earlier;

(dd) all sales of tangible personal property purchased with food stamps issued by the United States department of agriculture;

(ee) all sales of lottery tickets and shares made as part of a lottery operated by the state of Kansas;

(ff) on and after July 1, 1988, all sales of new mobile homes or manufactured homes to the extent of 40% of the gross receipts, determined without regard to any trade-in allowance, received from such sale. As used in this subsection, "mobile homes" and "manufactured homes" mean the same as defined in K.S.A. 58-4202, and amendments thereto;

(gg) all sales of tangible personal property purchased in accordance with vouchers issued pursuant to the federal special supplemental food program for women, infants and children;

(hh) all sales of medical supplies and equipment, including durable medical equipment, purchased directly by a nonprofit skilled nursing home or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923, and amendments thereto, for the purpose of providing medical services to residents thereof. This exemption shall not apply to tangible personal property customarily used for human habitation purposes. As used in this subsection, "durable medical equipment" means equipment including repair and replacement parts for such equipment, that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury and is not worn in or on the body, but does not include mobility enhancing equipment as defined in subsection (r), oxygen delivery equipment, kidney dialysis equipment or enteral feeding systems;

(ii) all sales of tangible personal property purchased directly by a nonprofit organization for nonsectarian comprehensive multidiscipline youth development

programs and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based facility for people with intellectual disability or mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto, and licensed in accordance with the provisions of K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible personal property or services purchased by contractors during the time period from July, 2003, through June, 2006, for the purpose of constructing, equipping, maintaining or furnishing a new facility for a community-based facility for people with intellectual disability or mental health center located in Riverton, Cherokee County, Kansas, that would have been eligible for sales tax exemption pursuant to this subsection if purchased directly by such facility or center. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(kk) (1) (A) all sales of machinery and equipment that are used in this state as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility;

(B) all sales of installation, repair and maintenance services performed on such machinery and equipment; and

(C) all sales of repair and replacement parts and accessories purchased for such machinery and equipment.

(2) For purposes of this subsection:

(A) "Integrated production operation" means an integrated series of operations engaged in at a manufacturing or processing plant or facility to process, transform or convert tangible personal property by physical, chemical or other means into a different form, composition or character from that in which it originally existed. Integrated production operations shall include: (i) Production line operations, including packaging operations; (ii) preproduction operations to handle, store and treat raw materials; (iii) post production handling, storage, warehousing and distribution operations; and (iv) waste, pollution and environmental control operations, if any;

(B) "production line" means the assemblage of machinery and equipment at a manufacturing or processing plant or facility where the actual transformation or processing of tangible personal property occurs;

(C) "manufacturing or processing plant or facility" means a single, fixed location owned or controlled by a manufacturing or processing business that consists of one or more structures or buildings in a contiguous area where integrated production operations are conducted to manufacture or process tangible personal property to be ultimately sold at retail. Such term shall not include any facility primarily operated for the purpose of conveying or assisting in the conveyance of natural gas, electricity, oil or water. A business may operate one or more manufacturing or processing plants or facilities at different locations to manufacture or process a single product of tangible personal property to be ultimately sold at retail;

(D) "manufacturing or processing business" means a business that utilizes an integrated production operation to manufacture, process, fabricate, finish or assemble items for wholesale and retail distribution as part of what is commonly regarded by the

general public as an industrial manufacturing or processing operation or an agricultural commodity processing operation. (i) Industrial manufacturing or processing operations include, by way of illustration but not of limitation, the fabrication of automobiles, airplanes, machinery or transportation equipment, the fabrication of metal, plastic, wood or paper products, electricity power generation, water treatment, petroleum refining, chemical production, wholesale bottling, newspaper printing, ready mixed concrete production, and the remanufacturing of used parts for wholesale or retail sale. Such processing operations shall include operations at an oil well, gas well, mine or other excavation site where the oil, gas, minerals, coal, clay, stone, sand or gravel that has been extracted from the earth is cleaned, separated, crushed, ground, milled, screened, washed or otherwise treated or prepared before its transmission to a refinery or before any other wholesale or retail distribution. (ii) Agricultural commodity processing operations include, by way of illustration but not of limitation, meat packing, poultry slaughtering and dressing, processing and packaging farm and dairy products in sealed containers for wholesale and retail distribution, feed grinding, grain milling, frozen food processing, and grain handling, cleaning, blending, fumigation, drying and aeration operations engaged in by grain elevators or other grain storage facilities. (iii) Manufacturing or processing businesses do not include, by way of illustration but not of limitation, nonindustrial businesses whose operations are primarily retail and that produce or process tangible personal property as an incidental part of conducting the retail business, such as retailers who bake, cook or prepare food products in the regular course of their retail trade, grocery stores, meat lockers and meat markets that butcher or dress livestock or poultry in the regular course of their retail trade, contractors who alter, service, repair or improve real property, and retail businesses that clean, service or refurbish and repair tangible personal property for its owner;

(E) "repair and replacement parts and accessories" means all parts and accessories for exempt machinery and equipment, including, but not limited to, dies, jigs, molds, patterns and safety devices that are attached to exempt machinery or that are otherwise used in production, and parts and accessories that require periodic replacement such as belts, drill bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick and other refractory items for exempt kiln equipment used in production operations;

(F) "primary" or "primarily" mean more than 50% of the time.

(3) For purposes of this subsection, machinery and equipment shall be deemed to be used as an integral or essential part of an integrated production operation when used to:

(A) Receive, transport, convey, handle, treat or store raw materials in preparation of its placement on the production line;

(B) transport, convey, handle or store the property undergoing manufacturing or processing at any point from the beginning of the production line through any warehousing or distribution operation of the final product that occurs at the plant or facility;

(C) act upon, effect, promote or otherwise facilitate a physical change to the property undergoing manufacturing or processing;

(D) guide, control or direct the movement of property undergoing manufacturing or processing;

(E) test or measure raw materials, the property undergoing manufacturing or processing or the finished product, as a necessary part of the manufacturer's integrated

production operations;

(F) plan, manage, control or record the receipt and flow of inventories of raw materials, consumables and component parts, the flow of the property undergoing manufacturing or processing and the management of inventories of the finished product;

(G) produce energy for, lubricate, control the operating of or otherwise enable the functioning of other production machinery and equipment and the continuation of production operations;

(H) package the property being manufactured or processed in a container or wrapping in which such property is normally sold or transported;

(I) transmit or transport electricity, coke, gas, water, steam or similar substances used in production operations from the point of generation, if produced by the manufacturer or processor at the plant site, to that manufacturer's production operation; or, if purchased or delivered from off-site, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;

(J) cool, heat, filter, refine or otherwise treat water, steam, acid, oil, solvents or other substances that are used in production operations;

(K) provide and control an environment required to maintain certain levels of air quality, humidity or temperature in special and limited areas of the plant or facility, where such regulation of temperature or humidity is part of and essential to the production process;

(L) treat, transport or store waste or other byproducts of production operations at the plant or facility; or

(M) control pollution at the plant or facility where the pollution is produced by the manufacturing or processing operation.

(4) The following machinery, equipment and materials shall be deemed to be exempt even though it may not otherwise qualify as machinery and equipment used as an integral or essential part of an integrated production operation: (A) Computers and related peripheral equipment that are utilized by a manufacturing or processing business for engineering of the finished product or for research and development or product design; (B) machinery and equipment that is utilized by a manufacturing or processing business to manufacture or rebuild tangible personal property that is used in manufacturing or processing operations, including tools, dies, molds, forms and other parts of qualifying machinery and equipment; (C) portable plants for aggregate concrete, bulk cement and asphalt including cement mixing drums to be attached to a motor vehicle; (D) industrial fixtures, devices, support facilities and special foundations necessary for manufacturing and production operations, and materials and other tangible personal property sold for the purpose of fabricating such fixtures, devices, facilities and foundations. An exemption certificate for such purchases shall be signed by the manufacturer or processor. If the fabricator purchases such material, the fabricator shall also sign the exemption certificate; (E) a manufacturing or processing business' laboratory equipment that is not located at the plant or facility, but that would otherwise qualify for exemption under subsection (3)(E); (F) all machinery and equipment used in surface mining activities as described in K.S.A. 49-601 et seq., and amendments thereto, beginning from the time a reclamation plan is filed to the acceptance of the completed final site reclamation.

(5) "Machinery and equipment used as an integral or essential part of an integrated production operation" shall not include:

(A) Machinery and equipment used for nonproduction purposes, including, but not limited to, machinery and equipment used for plant security, fire prevention, first aid, accounting, administration, record keeping, advertising, marketing, sales or other related activities, plant cleaning, plant communications and employee work scheduling;

(B) machinery, equipment and tools used primarily in maintaining and repairing any type of machinery and equipment or the building and plant;

(C) transportation, transmission and distribution equipment not primarily used in a production, warehousing or material handling operation at the plant or facility, including the means of conveyance of natural gas, electricity, oil or water, and equipment related thereto, located outside the plant or facility;

(D) office machines and equipment including computers and related peripheral equipment not used directly and primarily to control or measure the manufacturing process;

(E) furniture and other furnishings;

(F) buildings, other than exempt machinery and equipment that is permanently affixed to or becomes a physical part of the building, and any other part of real estate that is not otherwise exempt;

(G) building fixtures that are not integral to the manufacturing operation, such as utility systems for heating, ventilation, air conditioning, communications, plumbing or electrical;

(H) machinery and equipment used for general plant heating, cooling and lighting;

(I) motor vehicles that are registered for operation on public highways; or

(J) employee apparel, except safety and protective apparel that is purchased by an employer and furnished gratuitously to employees who are involved in production or research activities.

(6) Paragraphs (3) and (5) shall not be construed as exclusive listings of the machinery and equipment that qualify or do not qualify as an integral or essential part of an integrated production operation. When machinery or equipment is used as an integral or essential part of production operations part of the time and for nonproduction purposes at other times, the primary use of the machinery or equipment shall determine whether or not such machinery or equipment qualifies for exemption.

(7) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this subsection;

(ll) all sales of educational materials purchased for distribution to the public at no charge by a nonprofit corporation organized for the purpose of encouraging, fostering and conducting programs for the improvement of public health, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such materials purchased by a nonprofit corporation which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(mm) all sales of seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides and fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use;

(nn) except as otherwise provided in this act, all sales of services rendered by an advertising agency or licensed broadcast station or any member, agent or employee thereof;

(oo) all sales of tangible personal property purchased by a community action group or agency for the exclusive purpose of repairing or weatherizing housing occupied by

low-income individuals;

(pp) all sales of drill bits and explosives actually utilized in the exploration and production of oil or gas;

(qq) all sales of tangible personal property and services purchased by a nonprofit museum or historical society or any combination thereof, including a nonprofit organization that is organized for the purpose of stimulating public interest in the exploration of space by providing educational information, exhibits and experiences, that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(rr) all sales of tangible personal property that will admit the purchaser thereof to any annual event sponsored by a nonprofit organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such tangible personal property purchased by a nonprofit organization which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(ss) all sales of tangible personal property and services purchased by a public broadcasting station licensed by the federal communications commission as a noncommercial educational television or radio station;

(tt) all sales of tangible personal property and services purchased by or on behalf of a not-for-profit corporation that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the sole purpose of constructing a Kansas Korean War memorial;

(uu) all sales of tangible personal property and services purchased by or on behalf of any rural volunteer fire-fighting organization for use exclusively in the performance of its duties and functions;

(vv) all sales of tangible personal property purchased by any of the following organizations that are exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the following purposes, and all sales of any such property by or on behalf of any such organization for any such purpose:

(1) The American heart association, Kansas affiliate, inc. for the purposes of providing education, training, certification in emergency cardiac care, research and other related services to reduce disability and death from cardiovascular diseases and stroke;

(2) the Kansas alliance for the mentally ill, inc. for the purpose of advocacy for persons with mental illness and to education, research and support for their families;

(3) the Kansas mental illness awareness council for the purposes of advocacy for persons who are mentally ill and for education, research and support for them and their families;

(4) the American diabetes association Kansas affiliate, inc. for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training;

(5) the American lung association of Kansas, inc. for the purpose of eliminating all lung diseases through medical research, public education including information on coping with lung diseases, professional education and training related to lung disease

and other related services to reduce the incidence of disability and death due to lung disease;

(6) the Kansas chapters of the Alzheimer's disease and related disorders association, inc. for the purpose of providing assistance and support to persons in Kansas with Alzheimer's disease, and their families and caregivers;

(7) the Kansas chapters of the Parkinson's disease association for the purpose of eliminating Parkinson's disease through medical research and public and professional education related to such disease;

(8) the national kidney foundation of Kansas and western Missouri for the purpose of eliminating kidney disease through medical research and public and private education related to such disease;

(9) the heartstrings community foundation for the purpose of providing training, employment and activities for adults with developmental disabilities;

(10) the cystic fibrosis foundation, heart of America chapter, for the purposes of assuring the development of the means to cure and control cystic fibrosis and improving the quality of life for those with the disease;

(11) the spina bifida association of Kansas for the purpose of providing financial, educational and practical aid to families and individuals with spina bifida. Such aid includes, but is not limited to, funding for medical devices, counseling and medical educational opportunities;

(12) the CHWC, Inc., for the purpose of rebuilding urban core neighborhoods through the construction of new homes, acquiring and renovating existing homes and other related activities, and promoting economic development in such neighborhoods;

(13) the cross-lines cooperative council for the purpose of providing social services to low income individuals and families;

(14) the dreams work, inc., for the purpose of providing young adult day services to individuals with developmental disabilities and assisting families in avoiding institutional or nursing home care for a developmentally disabled member of their family;

(15) the KSDS, Inc., for the purpose of promoting the independence and inclusion of people with disabilities as fully participating and contributing members of their communities and society through the training and providing of guide and service dogs to people with disabilities, and providing disability education and awareness to the general public;

(16) the lyme association of greater Kansas City, Inc., for the purpose of providing support to persons with lyme disease and public education relating to the prevention, treatment and cure of lyme disease;

(17) the dream factory, inc., for the purpose of granting the dreams of children with critical and chronic illnesses;

(18) the Ottawa Suzuki strings, inc., for the purpose of providing students and families with education and resources necessary to enable each child to develop fine character and musical ability to the fullest potential;

(19) the international association of lions clubs for the purpose of creating and fostering a spirit of understanding among all people for humanitarian needs by providing voluntary services through community involvement and international cooperation;

(20) the Johnson county young matrons, inc., for the purpose of promoting a

positive future for members of the community through volunteerism, financial support and education through the efforts of an all volunteer organization;

(21) the American cancer society, inc., for the purpose of eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy and service;

(22) the community services of Shawnee, inc., for the purpose of providing food and clothing to those in need;

(23) the angel babies association, for the purpose of providing assistance, support and items of necessity to teenage mothers and their babies; and

(24) the Kansas fairgrounds foundation for the purpose of the preservation, renovation and beautification of the Kansas state fairgrounds;

(ww) all sales of tangible personal property purchased by the habitat for humanity for the exclusive use of being incorporated within a housing project constructed by such organization;

(xx) all sales of tangible personal property and services purchased by a nonprofit zoo that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, or on behalf of such zoo by an entity itself exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986 contracted with to operate such zoo and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo that would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit zoo or the entity operating such zoo. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo. When any nonprofit zoo shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the nonprofit zoo concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the nonprofit zoo concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise

dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(yy) all sales of tangible personal property and services purchased by a parent-teacher association or organization, and all sales of tangible personal property by or on behalf of such association or organization;

(zz) all sales of machinery and equipment purchased by over-the-air, free access radio or television station that is used directly and primarily for the purpose of producing a broadcast signal or is such that the failure of the machinery or equipment to operate would cause broadcasting to cease. For purposes of this subsection, machinery and equipment shall include, but not be limited to, that required by rules and regulations of the federal communications commission, and all sales of electricity which are essential or necessary for the purpose of producing a broadcast signal or is such that the failure of the electricity would cause broadcasting to cease;

(aaa) all sales of tangible personal property and services purchased by a religious organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise

dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after July 1, 1998, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted 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 sales tax paid as determined under the provisions of this subsection. All 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 or the director's designee;

(bbb) all sales of food for human consumption by an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, pursuant to a food distribution program that offers such food at a price below cost in exchange for the performance of community service by the purchaser thereof;

(ccc) on and after July 1, 1999, all sales of tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically underserved individuals and families, and that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center that would be exempt from taxation under the provisions of this section if purchased directly by such clinic or center, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such tangible personal property and services purchased by a primary care clinic or health center which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center. When any such clinic or center shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such clinic or center concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or

compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such clinic or center concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of sales tax that would have been payable except for the operation of this subsection shall be recouped in accordance with rules and regulations adopted for such purpose by the secretary of revenue;

(eee) on and after January 1, 1999, and before January 1, 2001, all sales of materials and services purchased for the original construction, reconstruction, repair or replacement of grain storage facilities, including railroad sidings providing access thereto;

(fff) all sales of material handling equipment, racking systems and other related machinery and equipment that is used for the handling, movement or storage of tangible personal property in a warehouse or distribution facility in this state; all sales of installation, repair and maintenance services performed on such machinery and equipment; and all sales of repair and replacement parts for such machinery and equipment. For purposes of this subsection, a warehouse or distribution facility means a single, fixed location that consists of buildings or structures in a contiguous area where storage or distribution operations are conducted that are separate and apart from the business' retail operations, if any, and that do not otherwise qualify for exemption as occurring at a manufacturing or processing plant or facility. Material handling and storage equipment shall include aeration, dust control, cleaning, handling and other such equipment that is used in a public grain warehouse or other commercial grain storage facility, whether used for grain handling, grain storage, grain refining or processing, or other grain treatment operation;

(ggg) all sales of tangible personal property and services purchased by or on behalf of the Kansas academy of science, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and used solely by such academy for the preparation, publication and dissemination of education materials;

(hhh) all sales of tangible personal property and services purchased by or on behalf of all domestic violence shelters that are member agencies of the Kansas coalition

against sexual and domestic violence;

(iii) all sales of personal property and services purchased by an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and such personal property and services are used by any such organization in the collection, storage and distribution of food products to nonprofit organizations that distribute such food products to persons pursuant to a food distribution program on a charitable basis without fee or charge, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities used for the collection and storage of such food products for any such organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after July 1, 2005, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted 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 sales

tax paid as determined under the provisions of this subsection. All 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 or the director's designee;

(jjj) all sales of dietary supplements dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "dietary supplement" means any product, other than tobacco, intended to supplement the diet that: (1) Contains one or more of the following dietary ingredients: A vitamin, a mineral, an herb or other botanical, an amino acid, a dietary substance for use by humans to supplement the diet by increasing the total dietary intake or a concentrate, metabolite, constituent, extract or combination of any such ingredient; (2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap or liquid form, or if not intended for ingestion, in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and (3) is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. § 101.36;

(lll) all sales of tangible personal property and services purchased by special olympics Kansas, inc. for the purpose of providing year-round sports training and athletic competition in a variety of olympic-type sports for individuals with intellectual disabilities by giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other special olympics athletes and the community, and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization;

(mmm) all sales of tangible personal property purchased by or on behalf of the Marillac center, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing psycho-social-biological and special education services to children, and all sales of any such property by or on behalf of such organization for such purpose;

(nnn) all sales of tangible personal property and services purchased by the west Sedgwick county-sunrise rotary club and sunrise charitable fund for the purpose of constructing a boundless playground which is an integrated, barrier free and developmentally advantageous play environment for children of all abilities and disabilities;

(ooo) all sales of tangible personal property by or on behalf of a public library serving the general public and supported in whole or in part with tax money or a not-for-profit organization whose purpose is to raise funds for or provide services or other benefits to any such public library;

(ppp) all sales of tangible personal property and services purchased by or on behalf of a homeless shelter that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal income tax code of 1986, and used by any such homeless shelter to provide emergency and transitional housing for individuals and families experiencing homelessness, and all sales of any such property by or on behalf of any such homeless shelter for any such purpose;

(qqq) all sales of tangible personal property and services purchased by TLC for children and families, inc., hereinafter referred to as TLC, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of

1986, and such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of TLC for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by TLC. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC. When TLC contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(rrr) all sales of tangible personal property and services purchased by any county law library maintained pursuant to law and sales of tangible personal property and services purchased by an organization that would have been exempt from taxation under the provisions of this subsection if purchased directly by the county law library for the purpose of providing legal resources to attorneys, judges, students and the general public, and all sales of any such property by or on behalf of any such county law library;

(sss) all sales of tangible personal property and services purchased by catholic charities or youthville, hereinafter referred to as charitable family providers, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected

children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of charitable family providers for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for charitable family providers for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by charitable family providers. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for charitable family providers. When charitable family providers contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to charitable family providers a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, charitable family providers shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(ttt) all sales of tangible personal property or services purchased by a contractor for a project for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility owned by a nonprofit museum that has been granted an exemption pursuant to subsection (qq), which such home or facility is located in a city that has been designated as a qualified hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and amendments thereto, and which such project is related to the purposes of K.S.A. 75-5071 et seq., and amendments thereto, and that would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit museum. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility for any such nonprofit

museum. When any such nonprofit museum shall contract for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such nonprofit museum a sworn statement on a form to be provided by the director of taxation that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in a home or facility or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such nonprofit museum shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(uuu) all sales of tangible personal property and services purchased by Kansas children's service league, hereinafter referred to as KCSL, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing for the prevention and treatment of child abuse and maltreatment as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of KCSL for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for KCSL for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by KCSL. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for KCSL. When KCSL contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to KCSL a sworn statement, on a form to be

provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, KCSL shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(vvv) all sales of tangible personal property or services, including the renting and leasing of tangible personal property or services, purchased by jazz in the woods, inc., a Kansas corporation that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing jazz in the woods, an event benefiting children-in-need and other nonprofit charities assisting such children, and all sales of any such property by or on behalf of such organization for such purpose;

(www) all sales of tangible personal property purchased by or on behalf of the Frontenac education foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing education support for students, and all sales of any such property by or on behalf of such organization for such purpose;

(xxx) all sales of personal property and services purchased by the booth theatre foundation, inc., an organization, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such personal property and services are used by any such organization in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling of the booth theatre, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling the booth theatre for such organization, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor

shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after January 1, 2007, but prior to the effective date of this act upon the gross receipts received from any sale which would have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted 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 sales tax paid as determined under the provisions of this subsection. All 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 or the director's designee;

(yyy) all sales of tangible personal property and services purchased by TLC charities foundation, inc., hereinafter referred to as TLC charities, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of encouraging private philanthropy to further the vision, values, and goals of TLC for children and families, inc.; and all sales of such property and services by or on behalf of TLC charities for any such purpose and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC charities for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by TLC charities. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC charities. When TLC charities contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor

an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC charities a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be incorporated into the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC charities shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(zzz) all sales of tangible personal property purchased by the rotary club of shawnee foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, as amended, used for the purpose of providing contributions to community service organizations and scholarships;

(aaaa) all sales of personal property and services purchased by or on behalf of victory in the valley, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing a cancer support group and services for persons with cancer, and all sales of any such property by or on behalf of any such organization for any such purpose;

(bbbb) all sales of entry or participation fees, charges or tickets by Guadalupe health foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for such organization's annual fundraising event which purpose is to provide health care services for uninsured workers;

(cccc) all sales of tangible personal property or services purchased by or on behalf of wayside waifs, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing such organization's annual fundraiser, an event whose purpose is to support the care of homeless and abandoned animals, animal adoption efforts, education programs for children and efforts to reduce animal over-population and animal welfare services, and all sales of any such property, including entry or participation fees or charges, by or on behalf of such organization for such purpose;

(dddd) all sales of tangible personal property or services purchased by or on behalf

of goodwill industries or Easter seals of Kansas, inc., both of which are exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing education, training and employment opportunities for people with disabilities and other barriers to employment;

(eeee) all sales of tangible personal property or services purchased by or on behalf of all American beef battalion, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of educating, promoting and participating as a contact group through the beef cattle industry in order to carry out such projects that provide support and morale to members of the United States armed forces and military services;

(ffff) all sales of tangible personal property and services purchased by sheltered living, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing residential and day services for people with developmental disabilities or intellectual disability, or both, and all sales of any such property by or on behalf of sheltered living, inc., for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of rehabilitating, constructing, maintaining, repairing, enlarging, furnishing or remodeling homes and facilities for sheltered living, inc., for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by sheltered living, inc. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such homes and facilities for sheltered living, inc. When sheltered living, inc., contracts for the purpose of rehabilitating, constructing, maintaining, repairing, enlarging, furnishing or remodeling such homes and facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to sheltered living, inc., a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, sheltered living, inc., shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon

conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(gggg) all sales of game birds for which the primary purpose is use in hunting;

(hhhh) all sales of tangible personal property or services purchased on or after July 1, 2014, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business identified under the North American industry classification system (NAICS) subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and installation of machinery and equipment purchased for installation at any such business. The exemption provided in this subsection shall not apply to projects that have actual total costs less than \$50,000. When a person contracts for the construction, reconstruction, enlargement or remodeling of any such business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to the owner of the business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor of the contractor, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(iii) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for Wichita children's home for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by Wichita children's home. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for Wichita children's home. When Wichita children's home contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to Wichita children's home a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so

incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, Wichita children's home shall be liable for the tax on all materials purchased for the project, and upon payment, it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(jjjj) all sales of tangible personal property or services purchased by or on behalf of the beacon, inc., that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing those desiring help with food, shelter, clothing and other necessities of life during times of special need;

(kkkk) all sales of tangible personal property and services purchased by or on behalf of reaching out from within, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of sponsoring self-help programs for incarcerated persons that will enable such incarcerated persons to become role models for non-violence while in correctional facilities and productive family members and citizens upon return to the community;

(llll) all sales of tangible personal property and services purchased by Gove county healthcare endowment foundation, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of constructing and equipping an airport in Quinter, Kansas, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing and equipping an airport in Quinter, Kansas, for such organization, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing or equipping of facilities for such organization. When such organization shall contract for the purpose of constructing or equipping an airport in Quinter, Kansas, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation no later than the 20th day of the month following

the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. The provisions of this subsection shall expire and have no effect on and after July 1, 2019;

(mmmm) all sales of gold or silver coins; and palladium, platinum, gold or silver bullion. For the purposes of this subsection, "bullion" means bars, ingots or commemorative medallions of gold, silver, platinum, palladium, or a combination thereof, for which the value of the metal depends on its content and not the form;

(nnnn) all sales of tangible personal property or services purchased by friends of hospice of Jefferson county, an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the purpose of providing support to the Jefferson county hospice agency in end-of-life care of Jefferson county families, friends and neighbors, and all sales of entry or participation fees, charges or tickets by friends of hospice of Jefferson county for such organization's fundraising event for such purpose;

(oooo) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a qualified business facility by a qualified firm or qualified supplier that meets the requirements established in K.S.A. 2024 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has been approved for a project exemption certificate by the secretary of commerce, and the sale and installation of machinery and equipment purchased by such qualified firm or qualified supplier for installation at any such qualified business facility. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such qualified business facility, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to the owner of the qualified firm or qualified supplier a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "qualified business

facility," "qualified firm" and "qualified supplier" mean the same as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

(pppp) (1) all sales of tangible personal property or services purchased by a not-for-profit corporation that is designated as an area agency on aging by the secretary for aging and disabilities services and is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code for the purpose of coordinating and providing seniors and those living with disabilities with services that promote person-centered care, including home-delivered meals, congregate meal settings, long-term case management, transportation, information, assistance and other preventative and intervention services to help service recipients remain in their homes and communities or for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for such area agency on aging; and

(2) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for an area agency on aging that would be exempt from taxation under the provisions of this section if purchased directly by such area agency on aging. Nothing in this paragraph shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for an area agency on aging. When an area agency on aging contracts for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and such contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such area agency on aging a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the area agency on aging concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof, the area agency on aging may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(qqqq) all sales of tangible personal property or services purchased by Kansas suicide prevention HQ, inc., an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the purpose of bringing suicide prevention training and awareness to communities across the state;

(rrrr) all sales of the services of slaughtering, butchering, custom cutting, dressing, processing and packaging of an animal for human consumption when the animal is delivered or furnished by a customer that owns the animal and such meat or poultry is for use or consumption by such customer;

(ssss) all sales of tangible personal property or services purchased by or on behalf of doorstep inc., an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the purpose of providing short-term emergency aid to families and individuals in need, including assistance with food, clothing, rent, prescription medications, transportation and utilities, and providing information on services to promote long-term self-sufficiency;

(tttt) on and after January 1, 2024, all sales of tangible personal property or services purchased by exploration place, inc., an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and which such property and services are used for the purpose of constructing, remodeling, furnishing or equipping a riverfront amphitheater, a destination playscape, an education center and indoor renovations at exploration place in Wichita, Kansas, all sales of tangible personal property or services purchased by Kansas children's discovery center inc. in Topeka, Kansas, and which such property and services are used for the purpose of constructing, remodeling, furnishing or equipping projects that include indoor-outdoor classrooms, an expanded multi-media gallery, a workshop and loading dock and safety upgrades such as a tornado shelter, lactation room, first aid room and sensory room and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, remodeling, furnishing or equipping such projects, for such organizations, that would be exempt from taxation under the provisions of this section if purchased directly by such organizations. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, remodeling, furnishing or equipping of facilities for such organization. When such organization shall contract for the purpose of constructing, remodeling, furnishing or equipping such projects, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such organization a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation no later than the 20th day of the month following

the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization shall be liable for tax on all materials purchased for the project, and upon payment thereof may recover the same from the contractor together with reasonable attorney fees. Any contractor or agent, employee or subcontractor thereof, who purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after January 1, 2024, but prior to the effective date of this act, upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted 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 sales tax paid as determined under the provisions of this subsection. All 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 or the director's designee. The provisions of this subsection shall expire and have no effect on and after December 31, 2030;

(uuu) (1) (A) all sales of equipment, machinery, software, ancillary components, appurtenances, accessories or other infrastructure purchased for use in the provision of communications services; and

(B) all services purchased by a provider in the provision of the communications service used in the repair, maintenance or installation in such communications service.

(2) As used in this subsection:

(A) "Communications service" means internet access service, telecommunications service, video service or any combination thereof.

(B) "Equipment, machinery, software, ancillary components, appurtenances, accessories or other infrastructure" includes, but is not limited to:

(i) Wires, cables, fiber, conduits, antennas, poles, switches, routers, amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers, transmitters, circuit cards, insulating and protective materials and cases, power equipment, backup power equipment, diagnostic equipment, storage devices, modems, cable modem termination systems and servers;

(ii) other general central office or headend equipment, such as channel cards, frames and cabinets;

(iii) equipment used in successor technologies, including items used to monitor, test, maintain, enable or facilitate qualifying equipment, machinery, software, ancillary components, appurtenances and accessories; and

(iv) other infrastructure that is used in whole or in part to provide communications services, including broadcasting, distributing, sending, receiving, storing, transmitting, retransmitting, amplifying, switching, providing connectivity for or routing communications services.

(C) "Internet access service" means the same as internet access as defined in section 1105 of the internet tax freedom act amendments of 2007, public law 110-108.

(D) "Provider" means a person or entity that sells communications service, including an affiliate or subsidiary.

(E) "Telecommunications service" means the same as defined in K.S.A. 79-3602, and amendments thereto.

(F) "Video service" means the same as defined in K.S.A. 12-2022, and amendments thereto.

(3) The provisions of this subsection shall expire and have no effect on and after July 1, 2029;

(vvvv) (1) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a building that is operated by, or is intended to be operated by, the Kansas fairgrounds foundation, a not-for-profit corporation exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and located on the grounds of the Kansas state fair, and such tangible personal property would be exempt from taxation under the provisions of this paragraph if purchased directly by such eligible not-for-profit corporation. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a building for such eligible not-for-profit corporation. When such eligible not-for-profit corporation contracts for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a building, such corporation shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and such contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering such purchases bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such eligible not-for-profit corporation a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or returned for credit, the contractor shall report and pay the sales or compensating tax to the director of taxation not later than the 20th day of the month following the close of the month in which it is determined that such materials will not be used for the purpose for which such certificate was issued. The eligible not-for-profit corporation concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof, the eligible not-for-profit corporation may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto.

(2) Sales tax paid on and after May 19, 2023, but prior to the effective date of this act upon the gross receipts received from any sale which would have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted

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 sales tax paid as determined under the provisions of this subsection. All 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 or the director's designee; ~~and~~

(www) (1) all sales of tangible personal property or services purchased by a pregnancy resource center or residential maternity facility.

(2) As used in this subsection, "pregnancy resource center" or "residential maternity facility" means an organization that is:

(A) Exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(B) a nonprofit organization organized under the laws of this state; and

(C) a pregnancy resource center or residential maternity facility that:

(i) Maintains a dedicated phone number for clients;

(ii) maintains in this state its primary physical office, clinic or residential home that is open for clients for a minimum of 20 hours per week, excluding state holidays;

(iii) offers services, at no cost to the client, for the express purpose of providing assistance to women in order to carry their pregnancy to term, encourage parenting or adoption, prevent abortion and promote healthy childbirth; and

(iv) utilizes trained healthcare providers, as defined by K.S.A. 2024 Supp. 79-32,316, and amendments thereto, to perform any available medical procedures; ~~and~~

(xxxx) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a qualified data center by a qualified firm that meets the requirements established in sections 1 through 3, and amendments thereto, and has been approved and certified for a project exemption certificate by the secretary of commerce, the sale and installation of machinery and data center equipment and eligible data center costs purchased by such qualified firm for such qualified data center and labor services to install, apply, repair, service, alter or maintain data center equipment of such qualified firm at such qualified data center. When a person contracts for the construction, reconstruction, enlargement or remodeling of any such qualified data center, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering such purchases bearing the number of such certificates. Upon completion of the project, the contractor shall furnish to the owner of the qualified firm a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "data center

equipment." "eligible data center costs." "qualified data center" and "qualified firm" mean the same as defined in section 1, and amendments thereto.

Sec. 7. K.S.A. 2024 Supp. 66-101j and 79-3606 are hereby repealed.";

Also on page 2, in line 20, by striking "Kansas register" and inserting "statute book";
And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking "plate" and inserting "data centers; relating to economic development; providing a sales tax exemption for the construction or remodeling of a qualified data center in Kansas, the purchase of data center equipment, eligible data center costs and certain labor costs to qualified firms that commit to a minimum investment of \$250,000,000 and meet new Kansas jobs and other requirements; prohibiting public utilities from authorizing discounted economic development electric rates for customers that construct new or expanded facilities that are data centers; requiring qualified data centers to be reviewed and approved by the Kansas intelligence fusion center prior to awarding public financial assistance or benefits; amending K.S.A. 2024 Supp. 66-101j and 79-3606 and repealing the existing sections";

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

SEAN TARWATER

ADAM TURK

STEPHANIE SAWYER CLAYTON

Conferees on part of House

LARRY ALLEY

STEPHEN OWENS

MARY WARE

Conferees on part of Senate

On motion of Rep. Delperdang, the conference committee report on **SB 98** was adopted.

On roll call, the vote was: Yeas 85; Nays 37; Present but not voting: 0; Absent or not voting: 3.

Yeas: Anderson, Awerkamp, Ballard, Bergquist, Blex, Bohi, Borjon, Brantley, Paige, Bryce, Buehler, Carlin, B. Carpenter, W. Carpenter, Collins, Croft, Curtis, Delperdang, Droge, Essex, Estes, Francis, Goddard, Goetz, Haskins, Hawkins, Hoffman, Hoheisel, Howell, Howerton, Hoyer, Huebert, Humphries, T. Johnson, Kessler, Lewis, Long, McDonald, McNorton, Melton, Miller, S., Minnix, Mosley, Neely, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Penn, Pickert, Poetter, Proctor, Rahjes, Reavis, Rhiley, Roeser, Roth, Ruiz, L., Sanders, Sawyer, Clayton, Schlingensiepen, Schreiber, Schwertfeger, Smith, C., Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, VanHouden, Ward, Waymaster, White, Wickle, Wilborn, Willcott, Williams, K., Williams, L., Winn, Wolf, Woodard.

Nays: Amyx, Barrett, Barth, Bergkamp, Bloom, Butler, Carmichael, Chauncey, Corbet, Ellis, Esau, Fairchild, Featherston, Gardner, Helgerson, Helwig, Hill, Howe, James, King, Martinez, Meyer, Moser, Pishny, Resman, Ruiz, S., Schmoie, Seiwert, Simmons, Smith, A., Steele, Turner, Vaughn, Waggoner, Wasinger, Weigel, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Poskin.

EXPLANATION OF VOTE

MR. SPEAKER: I vote NO on **SB 98**. These data centers use huge amounts of energy and water yet produce minimal amounts of jobs. The dollar figures for the investment is impressive (\$250 million and up) but the number of jobs produced (20 or more) is not. Further, a single data center uses 300,000-500,000 gallons of water per day. The bill “encourages” conservation and reuse of water but has absolutely NO goals or mandated reductions. It is poor policy to forego taxes that every other Kansas business has to pay to encourage such companies. – PAUL WAGGONER

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2289** submits the following report:

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

On page 1, by striking all in lines 12 through 35;

By striking all on pages 2 through 6;

On page 7, by striking all in lines 1 through 20; following line 20, by inserting:

"Section 1. K.S.A. 2024 Supp. 79-32,306 is hereby amended to read as follows: 79-32,306. (a) For all taxable years commencing after December 31, 2022, except as provided in subsection (i), there shall be allowed a credit against the income tax liability imposed pursuant to the Kansas income tax act, the privilege tax liability imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premium tax liability imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for each qualified development for each year of the credit period, in an amount equal to the federal tax credit allocated or allowed by the KHRC to such qualified development, except that there shall be no reduction in the credit allowable in the first year of the credit period due to the calculation in section 42(f)(2) of the federal internal revenue code.

(b) The KHRC shall issue an allocation certificate to an owner of a qualified development to which a credit has been allocated. The KHRC shall issue an allocation certificate to the qualified development simultaneously with issuance of federal form 8609 with respect to the federal tax credits.

(c) All allocations shall be made pursuant to the qualified allocation plan.

(d) If an owner of a qualified development receiving an allocation of a credit is a pass-through entity, the owner may allocate the credit among its partners or members in any manner agreed to by such persons regardless of whether: (1) Any such person is allocated or allowed any portion of any federal tax credit with respect to the qualified project; (2) the allocation of the credit under the terms of the agreement has substantial economic effect within the meaning of section 704(b) of the federal internal revenue code; or (3) any such person is deemed a partner for federal income tax purposes, if the partner or member would be considered a partner or member under applicable state law governing such entity and has been admitted as a partner or member on or prior to the date for filing the qualified taxpayer's tax return, including any amendments to such tax return, with respect to the year of the credit. In the case of multiple tiers of pass-through

entities, the credit may be so allocated through any number of pass-through entities in any manner agreed by the owners of such pass-through entities, none of which shall be considered a transfer. Any pass-through entity allocating a credit to its partners or members shall attach a pass-through certification to its tax return annually. Each partner or member shall be allowed to claim or further allocate such amount subject to any restrictions set forth in this act.

(e) An owner of a qualified development to which a credit has been allocated and each qualified taxpayer to which such owner has allocated a portion of such credit, if any, shall file with their state income, privilege or premium tax return a copy of the allocation certificate issued by the KHRC with respect to such qualified development and a copy of any pass-through certification, as prescribed by the director.

(f) No credit shall be allocated pursuant to this act unless the qualified development is the subject of a recorded restrictive covenant requiring the development to be maintained and operated as a qualified development and is in accordance with the accessibility and adaptability requirements of the federal tax credits and title VIII of the civil rights act of 1968, as amended by the fair housing amendments act of 1988, for a period of 15 taxable years, or such longer period as may be agreed to between the KHRC and the owner of the qualified development, beginning with the first taxable year of the credit period.

(g) The allocated credit amount may be taken against the income, privilege or premium taxes imposed for each taxable year of the credit period. Any amount of credit that exceeds the income, privilege or premium tax liability of a qualified taxpayer for a taxable year may be carried forward as a credit against subsequent years' tax liability up to 11 tax years following the tax year in which the allocation was made and shall be applied first to the earliest years possible. Any amount of the credit that is not used shall not be refunded to the taxpayer.

(h) Unless otherwise provided in this act or the context or law requires otherwise, the KHRC shall determine eligibility for a credit and allocate credits in accordance with the standards and requirements set forth in section 42 of the federal internal revenue code. Any combination of federal tax credits and credits allowed pursuant to this act shall be the least amount necessary to ensure the financial feasibility of a qualified development.

(i) (1) Notwithstanding the foregoing provisions, the total amount of Kansas affordable housing tax credits awarded by the KHRC to all qualified developments for qualified allocation plan year 2025 shall not exceed \$25,000,000. Commencing with the qualified allocation plan adopted for 2026 and ending with the qualified allocation plan adopted for 2028, the total amount of Kansas affordable housing tax credits awarded by the KHRC to all qualified developments in each qualified allocation plan year shall not exceed \$8,800,000. On and after November 15, 2025, the KHRC shall not accept any application for, or award any additional allocation of, credit under this act to a qualified development receiving a 4% federal tax credit, which is defined as a qualified development financed by tax-exempt bonds as provided under section 42(h)(4) of the federal internal revenue code. The KHRC shall continue to award credit under this act to qualified developments receiving 9% federal tax credits in accordance with the provisions of this act for the 2026, 2027 and 2028 qualified allocation plans. A qualified development receiving a 4% federal tax credit awarded a credit allocation under this act by the KHRC on or before November 14, 2025, pursuant to the 2025 qualified

allocation plan or any previous qualified allocation plan, shall continue to receive the awarded credit throughout the authorized credit period and any applicable carryforward period.

(2) Subsequent to awards for the 2028 qualified allocation plan, the KHRC shall not accept any application for, or award any additional allocation of, credit under this act in any amount to a qualified development. No credits under this act shall be allocated or awarded after the 2028 qualified allocation plan or after December 31, 2028. A qualified development receiving a 9% federal tax credit awarded a credit allocation under this act by the KHRC pursuant to the 2028 qualified allocation plan or any previous qualified allocation plan shall continue to receive the awarded credit throughout the authorized credit period and any applicable carryforward period.

Sec. 2. K.S.A. 2024 Supp. 79-32,313 is hereby amended to read as follows: 79-32,313. (a) (1) For tax year 2022 and all tax years thereafter, a credit against the income tax liability imposed pursuant to the Kansas income tax act, the privilege tax liability imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premium tax liability imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, shall be allowed to:

(A) A qualified investor for a cash investment in a qualified housing project that has been approved and issued a tax credit by the director. The tax credit may be claimed in its entirety in the taxable year the cash investment is made; and

(B) a project builder or developer of a qualified housing project that has been approved and issued a tax credit by the director.

(2) To claim such tax credit, the qualified investor, project builder or developer or transferee shall provide all information or documentation in the form and manner required by the secretary of revenue. If the amount of the credit exceeds the taxpayer's tax liability in any one taxable year, the remaining portion of the credit may be carried forward in the succeeding taxable years until the total amount of the credit is used, except that no credit may be claimed after four taxable years next succeeding the taxable year that such credit was issued, and any remaining credit shall be forfeited. Any portion of the credit that is carried forward may be transferred pursuant to subsection (d) and claimed by the transferee in the same manner as the transferor.

(b) (1) Tax credits may be issued by the director for a qualified housing project as follows:

(A) For qualified housing projects located in a county with a population of not more than 8,000, in an amount of not to exceed \$35,000 per residential unit;

(B) for qualified housing projects located in a county with a population of more than 8,000 but not more than 25,000, in an amount of not to exceed \$32,000 per residential unit; and

(C) for all other qualified housing projects, in an amount of not to exceed \$30,000.

(2) A qualified housing project shall be limited to a total of 40 such residential units per year for both single-family and multi-family dwellings.

(3) Tax credits may be issued to a qualified investor in the amount of a cash investment of up to the total amount that may be issued by the director under this subsection for the qualified housing project, or as provided in the agreement required by K.S.A. 2024 Supp. 79-32,312, and amendments thereto. Project builders or developers

may apply to the director each year for tax credits for additional units or phases of a project. Qualified investors may be issued tax credits for cash investments in multiple qualified housing projects. Project builders or developers may apply and be approved for multiple qualified housing projects in the same tax year.

(4) The aggregate amount of tax credits that may be issued under this section shall not exceed \$13,000,000 each tax year, except that if the director issues an aggregate amount of tax credits in one tax year that is less than \$13,000,000, then the director may carry forward the difference and issue such amount of tax credits in the immediately succeeding tax year in addition to the statutory amount that may be issued under this section. Of the aggregate amount of tax credits issued in one tax year, the director shall allocate:

(A) Not less than \$2,500,000 in tax credits for qualified housing projects located in counties with a population of not more than 8,000;

(B) not less than \$2,500,000 in tax credits for qualified housing projects located in counties with a population of more than 8,000 but not more than 25,000; and

(C) up to \$8,000,000 in tax credits for qualified housing projects located in counties with a population of more than 25,000 but not more than 75,000.

(c) A cash investment in a qualified housing project shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined by the director.

(d) Any qualified investor who receives a tax credit pursuant to this section shall be deemed to acquire an interest in the nature of a transferable credit limited to the amount of the credit issued to the qualified investor by the director. All or a portion of such credit may be transferred by the qualified investor or any subsequent transferee to one or more persons, whether or not such transferee is then a qualified investor, and ~~be~~ claimed by the transferee as a credit against the transferee's Kansas tax liability in the same manner as ~~the transferor beginning in the year the credit is transferred~~ provided in subsection (a) beginning in the year that the cash investment was originally made by the qualified investor. The credit may be carried forward as permitted by subsection (a). There shall be no limit on the number of times a credit or any portion thereof can be transferred. No person shall be entitled to a refund for any interest on such tax credit that may be created under this section. A credit acquired by transfer shall be subject to the limitations prescribed in this section. Any such transferee succeeds to all remaining rights and restrictions of the transferor with respect to the credit being transferred on the date of such transfer. Documentation of any credit acquired by transfer shall be provided by the taxpayer claiming such credit in the manner required by the secretary of revenue. The qualified investor or subsequent transferee transferring such credit shall provide the director and the secretary of revenue with the name, address and taxpayer identification number of each person to whom credits have been transferred and such other information as may be required by the director or the secretary of revenue. The provisions of this subsection shall apply to credits issued for tax year 2022 and all tax years thereafter.

(e) The secretary of revenue may adopt rules and regulations as necessary to implement and administer the provisions of this act.

(f) For purposes of calculating any tax due under K.S.A. 40-253, and amendments thereto, the credit allowed by this section shall be treated as a tax paid under K.S.A. 40-252, and amendments thereto.

(g) The provisions of subsection (d), as amended by this act, shall apply retroactively to any credits issued for tax year 2022 and all tax years thereafter.

Sec. 3. K.S.A. 2024 Supp. 79-32,306 and 79-32,313 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.";

On page 1, in the title, in line 1, by striking all after "concerning"; by striking lines 2 through 8; in line 9, by striking all before the period and inserting "taxation; relating to the Kansas affordable housing tax credit act; discontinuing such credit for qualified developments receiving a 4% federal tax credit; limiting the aggregate amount of such credit and discontinuing such credit after qualified allocation plan year 2028; relating to the Kansas housing investor tax credit; providing for transferability of credits from the year that the credit was originally issued; amending K.S.A. 2024 Supp. 79-32,306 and 79-32,313 and repealing the existing sections";

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

LARRY ALLEY

STEPHEN OWENS

MARY WARE

Conferees on part of Senate

SEAN TARWATER

ADAM TURK

STEPHANIE SAWYER CLAYTON

Conferees on part of House

On motion of Rep. Tarwater, the conference committee report on **HB 2289** was adopted.

On roll call, the vote was: Yeas 98; Nays 23; Present but not voting: 0; Absent or not voting: 4.

Yeas: Anderson, Awerkamp, Ballard, Barrett, Bergkamp, Bergquist, Blex, Bloom, Bohi, Borjon, Brantley, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Hawkins, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, Martinez, McDonald, McNorton, Melton, Minnix, Moser, Neelly, Ohaebosim, Oropenza, Penn, Pickert, Pishny, Proctor, Rahjes, Reavis, Resman, Rhiley, Roerer, Roth, Ruiz, L., Sanders, Sawyer, Schlingensiepen, Schmoie, Schreiber, Schwerfeger, Seiwert, Smith, A., Smith, C., Steele, Stiens, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Waggoner, Ward, Wasinger, Waymaster, White, Wilborn, Willcott, Williams, K., Williams, L., Winn, Wolf.

Nays: Amyx, Barth, Paige, Curtis, Featherston, Haskins, Helgerson, Hoyer, Meyer, Miller, S., Mosley, Osman, Ousley, Poetter, Ruiz, S., Clayton, Simmons, Stogsdill, Vaughn, Weigel, Wike, Woodard, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Neighbor, Poskin.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2007** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for Substitute for House Bill No. 2007 with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 13 through 35;

By striking all on pages 2 through 375;

On page 376, by striking all in lines 1 through 32; following line 32, by inserting:

"Section 1. K.S.A. 2024 Supp. 8-1,141 is hereby amended to read as follows: 8-1,141. (a) (1) Except as provided in paragraph (2), any new distinctive license plate authorized for issuance on and after July 1, 1994, shall be subject to the personalized license plate fee prescribed by K.S.A. 8-132(d), and amendments thereto. This section shall not apply to any distinctive license plate authorized prior to July 1, 1994.

(2) On and after January 1, 2025, any distinctive license plate may be a personalized license plate subject to the provisions of K.S.A. 8-132, and amendments thereto. Any personalized distinctive license plate shall be subject to a fee that is double the amount prescribed by K.S.A. 8-132(d), and amendments thereto.

(b) The director of vehicles shall not issue any new distinctive license plate unless there is a guarantee of an initial issuance of at least 250 license plates.

(c) The provisions of this section shall not apply to distinctive license plates issued under the provisions of K.S.A. 8-177d, 8-1,145, 8-1,163, 8-1,166, 8-1,185, 8-1,186, 8-1,187, 8-1,188, 8-1,194, 8-1,195, 8-1,196, 8-1,197, 8-1,198, 8-1,199, 8-1,204 or 8-1,205, and amendments thereto, or K.S.A. 2024 Supp. 8-1,221 or 8-1,222, and amendments thereto, except that such distinctive license plates may be personalized license plates pursuant to subsection (a)(2) if an applicant pays the personalized license plate fee prescribed by K.S.A. 8-132(d), and amendments thereto.

(d) The provisions of subsection (a) shall not apply to distinctive license plates issued under the provisions of K.S.A. 8-1,146, 8-1,148, 8-1,153, 8-1,158 or 8-1,161, and amendments thereto, except that such distinctive license plates may be personalized license plates pursuant to subsection (a)(2) if an applicant pays the personalized license plate fee prescribed by K.S.A. 8-132(d), and amendments thereto.

(e) The provisions of subsection (f) shall not apply to distinctive license plates issued under the provisions of K.S.A. 8-1,160, and 8-1,183, and amendments thereto, and K.S.A. 2024 Supp. 8-1,211 and 8-1,219, and amendments thereto, except that the division shall delay the manufacturing and issuance of such distinctive license plate until the division has received not fewer than 100 orders for such plate, including payment of the personalized license plate fee required under subsection (a). Upon certification by the director of vehicles to the director of accounts and reports that not less than 100 paid orders for such plate have been received, the director of accounts and reports shall transfer \$4,000 from the state highway fund to the distinctive license plate fund.

(f) (1) Any person or organization sponsoring any distinctive license plate authorized by the legislature shall submit to the division of vehicles a nonrefundable amount not to exceed \$5,000, to defray the division's cost for developing such distinctive license plate.

(2) All moneys received under this subsection shall be remitted by the secretary of revenue 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 to the credit of the distinctive license plate fund which is hereby created in the state treasury. All moneys credited to the distinctive license plate fund shall be used by the department of revenue only for the purpose associated with the development of distinctive license plates. All expenditures from the distinctive license plate application fee fund shall be made in accordance with appropriation acts, upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of the department of revenue.

(g) The director of vehicles shall discontinue the issuance of any distinctive license plate if:

(1) Fewer than 250 plates, including annual renewals, are issued for that distinctive license plate by the end of the second year of sales; and

(2) fewer than 125 license plates, including annual renewals, are issued for that distinctive license plate during any subsequent two-year period.

(h) An application for any distinctive license plate issued and the corresponding royalty fee may be collected either by the county treasurer or the entity benefiting from the issuance of the distinctive license plate. Annual royalty payments collected by the county treasurers 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 to the credit of a segregated royalty fund which shall be administered by the state treasurer. All expenditures from the royalty fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state treasurer or the state treasurer's designee. Payments from the royalty fund shall be made to the entity benefiting from the issuance of the distinctive license plate on a monthly basis.

(i) Notwithstanding any other provision of law, for any distinctive license plate, the division shall produce such distinctive license plate for a motorcycle upon request to the division by the organization sponsoring the distinctive license plate.

(j) In addition to any residency requirements for all distinctive license plates, any person not a resident of Kansas, serving as a member of the armed forces stationed in this state shall be eligible to apply for any distinctive license plate as if the individual was a resident of this state. Such person shall be eligible to renew the distinctive license plate registration as long as the person is still stationed in this state at the time the registration is renewed.

Sec. 2. K.S.A. 17-7929, as amended by section 4 of 2025 House Bill No. 2117, is hereby amended to read as follows: 17-7929. (a) The resident agent of a covered entity, including a resident agent that no longer qualifies to be a resident agent under K.S.A. 17-7925, and amendments thereto, may resign without appointing a successor by paying a fee if authorized by law, as provided by K.S.A. 17-7910, and amendments thereto, and filing a certificate of resignation, with the secretary of state stating that the resident agent resigns as resident agent for the covered entity or entities identified in the certificate, but such resignation shall not become effective until 30 days after the certificate is filed. The certificate shall be executed by the resident agent, shall contain a statement that written notice of resignation was given to ~~each affected~~ the covered

entity at least 30 days prior to the filing of the certificate by mailing or delivering such notice to the covered entity at its address last known to the resident agent and shall set forth the date of such notice. The certificate shall also include the postal address and name and contact information of an officer, director, employee or designated agent who is then authorized to receive communications from the resident agent with respect to the affected covered entities last known to the resident agent.

(b) After receipt of the notice of the resignation of its resident agent, provided for in subsection (a), any covered entity for which such resident agent was acting shall obtain and designate a new resident agent to take the place of the resident agent so resigning. Such covered entity shall pay a fee if authorized by law, as provided by K.S.A. 17-7910, and amendments thereto, and file with the secretary of state a certificate setting forth the name and postal address of the successor resident agent. Upon such filing, the successor resident agent shall become the resident agent of such covered entity and the successor resident agent's postal address, as stated in such certificate, shall become the postal address of the covered entity's registered office in this state. If such covered entity fails to obtain and designate a new resident agent as aforesaid, prior to the expiration of the period of 60 days after the filing by the resident agent of the certificate of resignation, the secretary of state shall declare the entity's organizing documents forfeited.

(c) After the resignation of the resident agent shall have become effective, as provided in subsection (a), and if no new resident agent shall have been obtained and designated in the time and manner provided for in subsection (b), service of legal process against the covered entity, or in the case of a domestic or foreign limited liability company, any series of such limited liability company, for which the resigned resident agent had been acting shall thereafter be upon the secretary of state in the manner prescribed by K.S.A. 60-304, and amendments thereto.

(d) Any covered entity affected by the filing of a certificate under this section shall not be required to take any further action to amend its public organic documents to reflect a change of registered office or resident agent.

Sec. 3. K.S.A. 25-4180, as amended by section 1 of 2025 House Bill No. 2106, is hereby amended to read as follows: 25-4180. (a) Every person who engages in any activity promoting or opposing the adoption or repeal of any provision of the constitution of the state of Kansas and who accepts moneys or property for the purpose of engaging in such activity shall make an annual report to the secretary of state of individual contributions or contributions in kind in an aggregate amount or value in excess of \$50 received during the preceding calendar year for such purposes. The report shall show the name and address of each contributor for the activity and the amount or value of the individual contribution made, together with a total value of all contributions received, and also shall account for expenditures in an aggregate amount or value in excess of \$50 from such contributions, by showing the amount or value expended to each payee and the purpose of each such expenditure, together with a total value of all expenditures made. Each person who submits a report shall certify that:

(1) Such person has not knowingly accepted contributions or expenditures either directly or indirectly from a foreign national; and

(2) each donor named in such report is not a foreign national and has not knowingly accepted contributions or expenditures either directly or indirectly from any foreign national that in the aggregate exceed \$100,000 within the four-year period

immediately preceding the date of such donor's contribution or expenditure. The annual report shall be filed on or before February 15 of each year for the preceding calendar year.

(b) Each person who accepts contributions or expenditures as described in subsection (a) shall require each donor to certify that such donor is not a foreign national and has not knowingly accepted contributions or expenditures either directly or indirectly from any foreign national that in the aggregate exceed \$100,000 within the four-year period immediately preceding the date of such donor's contribution or expenditure.

(c) Each person making an independent expenditure for any activity promoting or opposing the adoption or repeal of any provision of the constitution of the state of Kansas shall, within 48 hours of making such expenditure, certify to the commission that such person has not knowingly accepted any moneys either directly or indirectly from any foreign national that in the aggregate exceed \$100,000 within the four-year period immediately preceding the date of such person's expenditure and shall not accept any such moneys during the remainder of the calendar year in which the question of amending the constitution of the state of Kansas is on the ballot.

(d) (1) No person shall accept, directly or indirectly, any contribution or expenditure from a foreign national made for any activity promoting or opposing the adoption or repeal of any provision of the constitution of the state of Kansas.

(2) The attorney general may prosecute any person who violates this subsection. Any person who believes the provisions of this subsection have been violated may file a complaint with the attorney general.

(3) In any civil action brought by the commission or the attorney general against a person who violates this subsection, the court may award injunctive relief sufficient to prevent any subsequent violations of this subsection by such person and statutory damages of not to exceed an amount that is twice the amount of the prohibited contribution or expenditure.

(e) As used in this section, "foreign national" means:

(1) An individual who is not a citizen or lawful permanent resident of the United States;

(2) a government or subdivision of a foreign country or municipality thereof;

(3) a foreign political party;

(4) any entity, such as a partnership, association, corporation, organization or other combination of persons, that is organized under the laws of, or has its principal place of business in, a foreign country; or

(5) any United States entity, such as a partnership, association, corporation or organization, that is wholly or majority-owned by any foreign national, unless: (1) Any contribution or expenditure that such entity makes is derived entirely from funds generated by such United States entity's United States operations; and (2) all decisions concerning the contribution or expenditure are made by individuals who are United States citizens or permanent residents, except for setting overall budget amounts.

(f) In addition to the annual report, a person engaging in an activity promoting the adoption or repeal of a provision of the Kansas constitution who accepts any contributed moneys for such activity shall make a preliminary report to the secretary of state 15 days prior to each election at which a proposed constitutional amendment is submitted. Such report shall show the name and address of each individual contributor,

together with the amount contributed or contributed in kind in an aggregate amount or value in excess of \$50, the expenditures in an aggregate amount or value in excess of \$50 from such contributions, by showing the amount paid to each payee, and the purpose of the expenditure. A supplemental report in the same format as the preliminary report shall be filed with the secretary of state within 15 days after any election on a constitutional proposition where contributed funds are received and expended in opposing or promoting such proposition.

(g) Any person who engages in any activity promoting or opposing the adoption or repeal of any provision of the Kansas constitution shall be considered engaged in such activity upon the date that the concurrent resolution passes the Kansas house of representatives and the senate in its final form. Upon such date, if the person has funds in the constitutional amendment campaign treasury, such person shall be required to report such funds as provided by this section.

(h) (1) The commission shall send a notice by registered or certified mail to any person failing to file any report required by subsection (a), ~~(f)~~ or (g) within the time period prescribed therefor. The notice shall state that the required report has not been filed with the office of the secretary of state. The notice also shall state that such person shall have 15 days from the date that such notice is deposited in the mail to comply with the reporting requirements before a civil penalty shall be imposed for each day that the required documents remain unfiled. If such person fails to comply within the prescribed period, such person shall pay to the state a civil penalty of \$10 per day for each day that such report remains unfiled, except that no such civil penalty shall exceed \$300. The commission may waive, for good cause, payment of any civil penalty imposed by this section.

(2) Civil penalties provided for by this section 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 to the credit of the ~~governmental ethics~~ Kansas public disclosure commission fee fund.

(3) If a person fails to pay a civil penalty provided for by this section, it shall be the duty of the commission to bring an action to recover such civil penalty in the district court of the county in which such person resides.

(i) The intentional failure to file any report required by subsection (a) is a class A misdemeanor.

(j) This section shall be a part of and supplemental to the campaign finance act.

Sec. 4. K.S.A. 2024 Supp. 39-923 is hereby amended to read as follows: 39-923. (a) As used in this act:

(1) "Adult care home" means any nursing facility, nursing facility for mental health, intermediate care facility for people with intellectual disability, assisted living facility, residential healthcare facility, home plus, boarding care home and adult day care facility, all of which are classifications of adult care homes and are required to be licensed by the secretary for aging and disability services.

(2) "Nursing facility" means any place or facility operating 24 hours a day, seven days a week, caring for six or more individuals not related within the third degree of relationship to the administrator or owner by blood or marriage and who, due to functional impairments, need skilled nursing care to compensate for activities of daily living limitations.

(3) "Nursing facility for mental health" means any place or facility operating 24 hours a day, seven days a week, caring for six or more individuals not related within the third degree of relationship to the administrator or owner by blood or marriage and who, due to functional impairments, need skilled nursing care and special mental health services to compensate for activities of daily living limitations.

(4) "Intermediate care facility for people with intellectual disability" means any place or facility operating 24 hours a day, seven days a week, caring for four or more individuals not related within the third degree of relationship to the administrator or owner by blood or marriage and who, due to functional impairments caused by intellectual disability or related conditions, need services to compensate for activities of daily living limitations.

(5) "Assisted living facility" means any place or facility caring for six or more individuals not related within the third degree of relationship to the administrator, operator or owner by blood or marriage and who, by choice or due to functional impairments, may need personal care and supervised nursing care to compensate for activities of daily living limitations and in which the place or facility includes apartments for residents and provides or coordinates a range of services including personal care or supervised nursing care available 24 hours a day, seven days a week, for the support of resident independence. The provision of skilled nursing procedures to a resident in an assisted living facility is not prohibited by this act. Generally, the skilled services provided in an assisted living facility shall be provided on an intermittent or limited term basis, or if limited in scope, a regular basis.

(6) "Residential healthcare facility" means any place or facility, or a contiguous portion of a place or facility, caring for six or more individuals not related within the third degree of relationship to the administrator, operator or owner by blood or marriage and who, by choice or due to functional impairments, may need personal care and supervised nursing care to compensate for activities of daily living limitations and where such place or facility includes individual living units and provides or coordinates personal care or supervised nursing care available 24 hours a day, seven days a week for the support of resident independence. The provision of skilled nursing procedures to a resident in a residential healthcare facility is not prohibited by this act. Generally, the skilled services provided in a residential healthcare facility shall be provided on an intermittent or limited term basis, or if limited in scope, a regular basis.

(7) "Home plus" means any residence or facility caring for not more than 12 individuals not related within the third degree of relationship to the operator or owner by blood or marriage unless the resident in need of care is approved for placement by the secretary for children and families, and who, due to functional impairment, needs personal care and may need supervised nursing care to compensate for activities of daily living limitations. The level of care provided to residents shall be determined by preparation of the staff and rules and regulations developed by the Kansas department for aging and disability services. An adult care home may convert a portion of one wing of the facility to a not less than five-bed but not more than 12-bed home plus facility if the home plus facility remains separate from the adult care home and each facility remains contiguous. Any home plus that provides care for more than eight individuals after the effective date of this act shall adjust staffing personnel and resources as necessary to meet residents' needs in order to maintain the current level of nursing care standards. Personnel of any home plus who provide services for residents with dementia

shall be required to take annual dementia care training.

(8) "Boarding care home" means any place or facility operating 24 hours a day, seven days a week, caring for not more than 10 individuals not related within the third degree of relationship to the operator or owner by blood or marriage and who, due to functional impairment, need supervision of activities of daily living but who are ambulatory and essentially capable of managing their own care and affairs.

(9) "Continuing care retirement community" means any place or facility that combines a range of housing and services to encompass the continuum of aging care needs provided at an independent living facility, an assisted living facility, a residential healthcare facility, home plus or a skilled nursing care facility within a single place or facility to avoid the need for residents to relocate to a separate place or facility. The provision of community care includes the multiple levels of care provided as part of a continuing care retirement community.

(10) "Adult day care" means any place or facility operating less than 24 hours a day caring for individuals not related within the third degree of relationship to the operator or owner by blood or marriage and who, due to functional impairment, need supervision of or assistance with activities of daily living.

(11) "Place or facility" means a building or any one or more complete floors of a building, or any one or more complete wings of a building, or any one or more complete wings and one or more complete floors of a building. "Place or facility" includes multiple buildings.

(12) "Skilled nursing care" means services performed by or under the immediate supervision of a registered professional nurse and additional licensed nursing personnel. Skilled nursing includes administration of medications and treatments as prescribed by a licensed physician or dentist and other nursing functions that require substantial nursing judgment and skill based on the knowledge and application of scientific principles.

(13) "Supervised nursing care" means services provided by or under the guidance of a licensed nurse with initial direction for nursing procedures and periodic inspection of the actual act of accomplishing the procedures administration of medications and treatments as prescribed by a licensed physician or dentist and assistance of residents with the performance of activities of daily living.

(14) "Resident" means all individuals kept, cared for, treated, boarded or otherwise accommodated in any adult care home.

(15) "Person" means any individual, firm, partnership, corporation, company, association or joint-stock association, and the legal successor thereof.

(16) "Operate an adult care home" means to own, lease, sublease, establish, maintain, conduct the affairs of or manage an adult care home, except that for the purposes of this definition the words "own" and "lease" do not include hospital districts, cities and counties that hold title to an adult care home purchased or constructed through the sale of bonds.

(17) "Licensing agency" means the secretary for aging and disability services.

(18) "Skilled nursing home" means a nursing facility.

(19) "Intermediate nursing care home" means a nursing facility.

(20) "Apartment" means a private unit that includes, but is not limited to, a toilet room with bathing facilities, a kitchen, sleeping, living and storage area and a lockable door.

(21) "Individual living unit" means a private unit that includes, but is not limited to, a toilet room with bathing facilities, sleeping, living and storage area and a lockable door.

(22) "Operator" means an individual registered pursuant to the operator registration act, K.S.A. 39-973 et seq., and amendments thereto, who may be appointed by a licensee to have the authority and responsibility to oversee an assisted living facility or residential healthcare facility with fewer than 61 residents, a home plus or adult day care facility.

(23) "Activities of daily living" means those personal, functional activities required by an individual for continued well-being, including, but not limited to, eating, nutrition, dressing, personal hygiene, mobility and toileting.

(24) "Personal care" means care provided by staff to assist an individual with or to perform activities of daily living.

(25) "Functional impairment" means an individual has experienced a decline in physical, mental and psychosocial well-being and, as a result, is unable to compensate for the effects of the decline.

(26) "Kitchen" means a food preparation area that includes a sink, refrigerator and a microwave oven or stove.

(27) "Intermediate personal care home" for purposes of those individuals applying for or receiving veterans' benefits means residential healthcare facility.

(28) "Paid nutrition assistant" means an individual who is paid to feed residents of an adult care home, or who is used under an arrangement with another agency or organization, who is trained by a person meeting nurse aide instructor qualifications as prescribed by 42 C.F.R. § 483.152, 42 C.F.R. § 483.160 and 42 C.F.R. § 483.35(h), and who provides such assistance under the supervision of a registered professional or licensed practical nurse.

(29) "Medicaid program" means the Kansas program of medical assistance for which federal or state moneys, or any combination thereof, are expended any successor federal or state, or both, health insurance program or waiver granted thereunder.

(30) "Licensee" means any person or persons acting jointly or severally who are licensed by the secretary for aging and disability services pursuant to the adult care home licensure act, K.S.A. 39-923 et seq., and amendments thereto.

(31) "Insolvent" means that the adult care home or any individual or entity that operates an adult care home or appears on the adult care home license and has stopped paying debts in the ordinary course of business or is unable to pay debts as they come due in the ordinary course of business.

(b) ~~The term~~ "Adult care home" does not include institutions operated by federal or state governments, except institutions operated by the director of the Kansas ~~commission on veterans affairs~~ office of veterans services, hospitals or institutions for the treatment and care of psychiatric patients, child care facilities, maternity centers, hotels, offices of physicians or hospices that are certified to participate in the medicare program under 42 C.F.R. § 418.1 et seq., and provide services only to hospice patients, or centers approved by the centers for medicare and medicaid services as a program for all-inclusive care for the elderly (PACE) under 42 C.F.R. § 460 et seq., that provides services only to PACE participants.

(c) Nursing facilities in existence on the effective date of this act changing licensure categories to become residential healthcare facilities shall be required to

provide private bathing facilities in a minimum of 20% of the individual living units.

(d) Facilities licensed under the adult care home licensure act on the day immediately preceding the effective date of this act shall continue to be licensed facilities until the annual renewal date of such license and may renew such license in the appropriate licensure category under the adult care home licensure act subject to the payment of fees and other conditions and limitations of such act.

(e) Nursing facilities with fewer than 60 beds converting a portion of the facility to residential healthcare shall have the option of licensing for residential healthcare for fewer than six individuals but not less than 10% of the total bed count within a contiguous portion of the facility.

(f) The licensing agency may by rule and regulation change the name of the different classes of homes when necessary to avoid confusion in terminology, and such agency may further amend, substitute, change and in a manner consistent with the definitions established in this section, further define and identify the specific acts and services that shall fall within the respective categories of facilities so long as the above categories for adult care homes are used as guidelines to define and identify the specific acts.

Sec. 5. K.S.A. 2024 Supp. 39-2009 is hereby amended to read as follows: 39-2009.

(a) As used in this section:

(1) "Applicant" means an individual who applies for employment with a center, facility, hospital or a provider of services or applies to work for an employment agency or as an independent contractor that provides staff to a center, facility, hospital or a provider of services.

(2) "Completion of the sentence" means the last day of the entire term of incarceration imposed by a sentence, including any term that is deferred, suspended or subject to parole, probation, diversion, community corrections, fines, fees, restitution or any other imposed sentencing requirements.

(3) "Department" means the Kansas department for aging and disability services.

(4) "Direct access" means work that involves an actual or reasonable expectation of one-on-one interaction with a consumer or a consumer's property, personally identifiable information, medical records, treatment information or financial information.

(5) "Direct supervision" means that a supervisor is physically present within an immediate distance to a supervisee and is available to provide constant direction, feedback and assistance to a client and the supervisee.

(6) "Employment agency" means an organization or entity that has a contracted relationship with a center, hospital, facility or provider of services to provide staff with direct access to consumers.

(7) "Independent contractor" means an organization, entity, agency or individual that provides contracted workers or services to a center, facility, hospital or provider of services.

(8) "Day service provider" means a provider of day support services for development in self-help, social skills, recreational skills and work skills for adults with intellectual or developmental disabilities that is licensed by the department or a separate and distinct dedicated division of a provider of day support services for development in self-help, social skills, recreational skills and work skills for adults with intellectual or developmental disabilities licensed by the department.

(b) (1) No licensee shall knowingly operate a center, facility, hospital or be a provider of services if any person who works in the center, facility, hospital or for a provider of services has adverse findings on any state or national registry, as defined in rules and regulations adopted by the secretary for aging and disability services, or has been convicted of or has been adjudicated a juvenile offender because of having committed an act which, if committed by an adult, would constitute the commission of capital murder, pursuant to K.S.A. 21-3439, prior to its repeal, or K.S.A. 21-5401, and amendments thereto, first degree murder, pursuant to K.S.A. 21-3401, prior to its repeal, or K.S.A. 21-5402, and amendments thereto, second degree murder, pursuant to K.S.A. 21-3402(a), prior to its repeal, or K.S.A. 21-5403(a), and amendments thereto, voluntary manslaughter, pursuant to K.S.A. 21-3403, prior to its repeal, or K.S.A. 21-5404, and amendments thereto, assisting suicide, pursuant to K.S.A. 21-3406, prior to its repeal, or K.S.A. 21-5407, and amendments thereto, mistreatment of a dependent adult or mistreatment of an elder person, pursuant to K.S.A. 21-3437, prior to its repeal, or K.S.A. 21-5417, and amendments thereto, human trafficking, pursuant to K.S.A. 21-3446, prior to its repeal, or K.S.A. 21-5426(a), and amendments thereto, aggravated human trafficking, pursuant to K.S.A. 21-3447, prior to its repeal, or K.S.A. 21-5426(b), and amendments thereto, rape, pursuant to K.S.A. 21-3502, prior to its repeal, or K.S.A. 21-5503, and amendments thereto, indecent liberties with a child, pursuant to K.S.A. 21-3503, prior to its repeal, or K.S.A. 21-5506(a), and amendments thereto, aggravated indecent liberties with a child, pursuant to K.S.A. 21-3504, prior to its repeal, or K.S.A. 21-5506(b), and amendments thereto, aggravated criminal sodomy, pursuant to K.S.A. 21-3506, prior to its repeal, or K.S.A. 21-5504(b), and amendments thereto, indecent solicitation of a child, pursuant to K.S.A. 21-3510, prior to its repeal, or K.S.A. 21-5508(a), and amendments thereto, aggravated indecent solicitation of a child, pursuant to K.S.A. 21-3511, prior to its repeal, or K.S.A. 21-5508(b), and amendments thereto, sexual exploitation of a child, pursuant to K.S.A. 21-3516, prior to its repeal, or K.S.A. 21-5510, and amendments thereto, sexual battery, pursuant to K.S.A. 21-3517, prior to its repeal, or K.S.A. 21-5505(a), and amendments thereto, aggravated sexual battery, pursuant to K.S.A. 21-3518, prior to its repeal, or K.S.A. 21-5505(b), and amendments thereto, commercial sexual exploitation of a child, pursuant to K.S.A. 21-6422, and amendments thereto, an attempt to commit any of the crimes listed in this paragraph, pursuant to K.S.A. 21-3301, prior to its repeal, or K.S.A. 21-5301, and amendments thereto, a conspiracy to commit any of the crimes listed in this paragraph, pursuant to K.S.A. 21-3302, prior to its repeal, or K.S.A. 21-5302, and amendments thereto, or criminal solicitation of any of the crimes listed in this paragraph, pursuant to K.S.A. 21-3303, prior to its repeal, or K.S.A. 21-5303, and amendments thereto, or similar statutes of other states or the federal government.

(2) (A) A licensee operating a center, facility or hospital or as a provider of services may employ an applicant who has been convicted of any of the following if six or more years have elapsed since completion of the sentence imposed or the applicant was discharged from probation, a community correctional services program, parole, postrelease supervision, conditional release or a suspended sentence; if six or more years have elapsed since a community correctional services program, parole, postrelease supervision, conditional release or a suspended sentence; or if the applicant has been granted a waiver of such six-year disqualification: A felony conviction for a crime that is described in: (i) Article 34 of chapter 21 of the Kansas Statutes Annotated,

prior to their repeal, or article 54 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, except those crimes listed in paragraph (1); (ii) article 35 or 36 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, prior to their repeal, or article 55 or 56 of chapter 21 of the Kansas Statutes Annotated or K.S.A. 21-6420, and amendments thereto, except those crimes listed in paragraph (1); (iii) K.S.A. 21-3701, prior to its repeal, or K.S.A. 21-5801, and amendments thereto; (iv) an attempt to commit any of the crimes listed in this paragraph pursuant to K.S.A. 21-3301, prior to its repeal, or K.S.A. 21-5301, and amendments thereto; (v) a conspiracy to commit any of the crimes listed in this paragraph pursuant to K.S.A. 21-3302, prior to its repeal, or K.S.A. 21-5302, and amendments thereto; (vi) criminal solicitation of any of the crimes listed in this paragraph pursuant to K.S.A. 21-3303, prior to its repeal, or K.S.A. 21-5303, and amendments thereto; or (vii) similar statutes of other states or the federal government.

(B) An individual who has been disqualified for employment due to conviction or adjudication of an offense listed in this paragraph may apply to the secretary for aging and disability services for a waiver of such disqualification if five years have elapsed since completion of the sentence for such conviction. The secretary shall adopt rules and regulations establishing the waiver process and the criteria to be utilized by the secretary in evaluating any such waiver request.

(3) (A) A licensee operating a center, facility, hospital or as a provider of services may employ an applicant who has been convicted of any of the following if six or more years have elapsed since completion of the sentence imposed or the applicant was discharged from probation, a community correctional services program, parole, postrelease supervision, conditional release or a suspended sentence; if six or more years have elapsed since the applicant has been finally discharged from the custody of the secretary of corrections or from probation or has been adjudicated a juvenile offender, whichever time is longer; or if the applicant has been granted a waiver of such six-year disqualification:

(i) Interference with custody of a committed person pursuant to K.S.A. 21-3423, prior to its repeal, or K.S.A. 21-5410, and amendments thereto; mistreatment of a confined person pursuant to K.S.A. 21-3425, prior to its repeal, or K.S.A. 21-5416, and amendments thereto; unlawful administration of a substance pursuant to K.S.A. 21-3445, prior to its repeal, or K.S.A. 21-5425, and amendments thereto; violation of a protective order pursuant to K.S.A. 21-3843, prior to its repeal, or K.S.A. 21-5924; promoting obscenity or promoting obscenity to minors pursuant to K.S.A. 21-4301 or 21-4301a, prior to their repeal, or K.S.A. 21-6401, and amendments thereto; or cruelty to animals pursuant to K.S.A. 21-3727, 21-4310 or 21-4311, prior to their repeal, or K.S.A. 21-6412, and amendments thereto; or

(ii) any felony conviction of: Unlawful manufacture of a controlled substance pursuant to K.S.A. 2010 Supp. 21-36a03, prior to its repeal, or K.S.A. 21-5703, and amendments thereto; unlawful cultivation or distribution of a controlled substance pursuant to K.S.A. 2010 Supp. 21-36a05, prior to its repeal, or K.S.A. 21-5705, and amendments thereto; unlawful manufacture, distribution, cultivation or possession of a controlled substance using a communication facility pursuant to K.S.A. 2010 Supp. 21-36a07, prior to its repeal, or K.S.A. 21-5707, and amendments thereto; unlawful obtainment or sale of a prescription-only drug pursuant to K.S.A. 2010 Supp. 21-36a08, prior to its repeal, or K.S.A. 21-5708, and amendments thereto; unlawful distribution of

drug precursors or drug paraphernalia pursuant to K.S.A. 2010 Supp. 21-36a10, prior to its repeal, or K.S.A. 21-5710, and amendments thereto; unlawful distribution or possession of a simulated controlled substance pursuant to K.S.A. 2010 Supp. 21-36a13, prior to its repeal, or K.S.A. 21-5713, and amendments thereto; forgery pursuant to K.S.A. 21-3710, prior to its repeal, or K.S.A. 21-5823, and amendments thereto; criminal use of a financial card pursuant to K.S.A. 21-3729, prior to its repeal, or K.S.A. 21-5828, and amendments thereto; any violation of the Kansas medicaid fraud control act pursuant to K.S.A. 21-3844 et seq., prior to their repeal, or K.S.A. 21-5925 et seq., and amendments thereto; making a false claim, statement or representation to the medicaid program pursuant to K.S.A. 21-3846, prior to its repeal, or K.S.A. 21-5927, and amendments thereto; unlawful acts relating to the medicaid program pursuant to K.S.A. 21-3847, prior to its repeal, or K.S.A. 21-5928, and amendments thereto; obstruction of a medicaid fraud investigation pursuant to K.S.A. 21-3856, prior to its repeal, or K.S.A. 21-5929, and amendments thereto; identity theft or identity fraud pursuant to K.S.A. 2010 Supp. 21-4018, prior to its repeal, or K.S.A. 21-6107, and amendments thereto; or social welfare fraud pursuant to K.S.A. 39-720, and amendments thereto. The provisions of this paragraph shall not apply to any person who is employed by a center, facility, hospital or provider of services on or before July 1, 2018, and is continuously employed by the same center, facility, hospital or provider of services or to any person during or upon successful completion of a diversion agreement.

(B) An individual who has been disqualified for employment due to conviction or adjudication of an offense listed in this paragraph may apply to the secretary for aging and disability services for a waiver of such disqualification if five years have elapsed since completion of the sentence for such conviction or adjudication. The secretary shall adopt rules and regulations establishing the waiver process and criteria to be considered by the secretary in evaluating any such waiver request.

(c) No licensee shall operate a center, facility, hospital or be a provider of services if such licensee has been found to be an adult with an impairment in need of a guardian or a conservator, or both, as provided in the act for obtaining a guardian or conservator, or both. The provisions of this subsection shall not apply to an individual who, as a minor, was found to be in need of a guardian or conservator for reasons other than impairment.

(d) (1) The Kansas bureau of investigation shall release all records of adult and juvenile convictions and adjudications and adult and juvenile convictions and adjudications of any other state or country concerning persons working in a center, facility, hospital or for a provider of services to the secretary for aging and disability services in accordance with K.S.A. 22-4714, and amendments thereto. ~~The Kansas bureau of investigation may charge to the Kansas department for aging and disability services a reasonable fee for providing criminal history record information under this subsection.~~

(2) The department ~~shall~~ may require an applicant to be fingerprinted and to submit to a state and national criminal history record check in accordance with K.S.A. 22-4714, and amendments thereto. ~~The fingerprints shall be used to identify the individual and to determine whether the individual has a record of criminal history in this state or other jurisdiction. The department is authorized to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national~~

~~criminal history record check. The department may use the information obtained from fingerprinting and the criminal history record check for purposes of verifying the identification of the person and for making an official determination of the qualifications and fitness of the person to work in the center, facility, hospital or for a provider of services.~~

(3) An applicant for employment in a center, facility, hospital or for a provider of services shall have 20 calendar days after receipt of authorization to submit the applicant's fingerprints through an authorized collection site in order to be eligible for provisional employment or the applicant's application shall be deemed withdrawn.

(4) (A) The current or prospective employer of an applicant shall pay a reasonable fee not to exceed \$19 of the total cost for criminal history record information to the department for each applicant submitted.

(B) The prospective employer, employee or independent contractor shall pay the fingerprint collection fee at the time of fingerprinting to the authorized collection site.

(5) If an applicant disputes the contents of a criminal history record check, then the applicant may file an appeal with the Kansas bureau of investigation.

(6) Individuals who have been disqualified for employment by reason of their criminal history records and who have met the requirements of this subsection may apply for a waiver with the department within 30 days of the receipt of the notice of employment prohibition.

(7) The department shall adopt rules and regulations specifying the criteria and procedure for issuing a waiver of the employment prohibition. The secretary shall consider the following criteria when rendering a decision on such a waiver request: Passage of time; extenuating circumstances; demonstration of rehabilitation; and relevancy of the criminal history record information to the position for which the applicant is applying. Any employment prohibition issued shall remain in effect unless or until a waiver is granted.

(e) The secretary shall provide each licensee requesting information under this section with a pass or fail determination after review of any criminal history record information in writing and within three working days of receipt of such information from the Kansas bureau of investigation or the federal bureau of investigation.

(f) Any licensee or member of the staff who receives information concerning the fitness or unfitness of any person shall keep such information confidential, except that the staff person may disclose such information to the person who is the subject of the request for information. A violation of this subsection shall be an unclassified misdemeanor punishable by a fine of \$100.

(g) For the purpose of complying with this section, the licensee operating a center, facility, hospital or a provider of services shall request from the Kansas department for aging and disability services an eligibility determination regarding adult and juvenile convictions and adjudications. For the purpose of complying with this section, the licensee operating a center, facility, hospital or a provider of services shall receive from any employment agency or independent contractor that provides employees to work in the center, facility, hospital or for the provider of services written certification that such employees are not prohibited from working in the center, facility, hospital or for the provider of services under this section. For the purpose of complying with this section, a licensee may hire an applicant for provisional employment on a one-time basis of 60 calendar days pending the results from the Kansas department for aging and disability

services of an eligibility determination under this subsection. A provisional employee may only be supervised by an employee who has completed all training required by federal regulations, department rules and regulations and the center's, facility's, hospital's or provider of services' policies and procedures. No licensee, its contractors or employees, shall be liable for civil damages to any person refused employment or discharged from employment by reason of such licensee's compliance with the provisions of this section if such licensee acts in good faith to comply with this section.

(h) The licensee operating a center, facility, hospital or a provider of services shall not require an applicant under this section to be fingerprinted, if the applicant has been the subject of a criminal history record check under this act within one year prior to the application for employment with the licensee operating a center, facility, hospital or a provider of services and has maintained a record of continuous employment, with no lapse of employment of over 90 days in any center, facility, hospital or a provider of services covered by this act.

Sec. 6. K.S.A. 40-252, as amended by section 9 of 2025 House Bill No. 2050, is hereby amended to read as follows: 40-252. Not later than December 1 of each year, the commissioner shall set and cause to be published in the Kansas register the fees required pursuant to this section for the next calendar year.

Every insurance company or fraternal benefit society organized under the laws of this state or doing business in this state shall pay to the commissioner of insurance fees and taxes not to exceed the amounts specified in the following schedule:

A

Insurance companies organized under the laws of this state:

1. Capital stock insurance companies and mutual legal reserve life insurance companies:

Filing application for sale of stock or certificates of indebtedness.....	\$25
Admission fees:	
Examination of charter and other documents.....	500
Filing annual statement.....	100
Certificate of authority.....	10
Annual fees:	
Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Mutual life, accident and health associations:

Admission fees:	
Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority provided in this code, all such companies shall pay a one-time fee of \$2 for each newly certified agent. Such fee shall be non-recurrent and constitute the only appointment fee charged for the duration of such newly certified agent's employment with the appointing company. Such companies shall also pay a tax annually upon all premiums received on risk located in this state at the rate of 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum less any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company for the current tax year shall be determined by the commissioner of insurance by dividing: (A) The total amount of credits against the tax imposed by this section for taxes paid by all such companies on business in this state under K.S.A. 40-1701 through 40-1707, and amendments thereto, for tax year 1983, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums that, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, all premiums received for reinsurance from any other company authorized to do business in this state, dividends returned to policyholders and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years

commencing on or after January 1, 1997.

B

Fraternal benefit societies organized under the laws of this state:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

C

Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of this state:

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

3. Nonprofit dental service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

4. Nonprofit optometric service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

5. Nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum of the total of all premiums, subscription charges, or any other term that may be used to describe the charges made by such corporation or association to subscribers for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

D

Insurance companies organized under the laws of any other state, territory or country:

1. Capital stock insurance companies and mutual legal reserve life insurance companies:
 - Filing application for sale of stock or certificates of indebtedness.....\$25

Admission fees:

- Examination of charter and other documents.....500
- Filing annual statement.....100
- Certificate of authority.....10

Annual fees:

- Filing annual statement.....100
- Continuation of certificate of authority.....10

In addition to the above fees, all such companies shall pay a one-time fee of \$5 for each newly certified agent. Such fee shall be non-recurrent and constitute the only appointment fee charged for the duration of such newly certified agent's employment with the appointing company, except as otherwise provided by law.

As a condition precedent to the continuation of the certificate of authority, provided in this code, every company organized under the laws of any other state of the United States or of any foreign country shall pay a tax upon all premiums received during the preceding year at the rate of 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums that, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

2. Mutual life, accident and health associations:

Admission fees:

- Examination of charter and other documents.....\$500
- Filing annual statement.....100
- Certificate of authority.....10

Annual fees:

- Filing annual statement.....100
- Continuation of certificate of authority.....10

In addition to the above fees, every such company organized under the laws of any other state of the United States shall pay a one-time fee of \$5 for each newly certified agent. Such fee shall be non-recurrent and constitute the only appointment fee charged for the duration of such newly certified agent's employment with the appointing company. Such companies shall pay a tax annually upon all premiums received at the rate of 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums that, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

3. Mutual fire, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

Examination of charter and other documents and issuance of certificate of authority.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees, every such company or association organized under the laws of any other state of the United States shall pay a one-time fee of \$5 for each newly certified agent. Such fee shall be non-recurrent and constitute the only appointment fee charged for the duration of such newly certified agent's employment with the appointing company. Such companies shall also pay a tax annually upon all premiums received at the rate of 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum.

For tax years 1998 and thereafter, the annual tax shall be reduced by the "applicable percentage" of: (1) Any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto; and (2) the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company taxable under this subsection for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1701 to

40-1707, and amendments thereto, for tax year 1983 as then in effect, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year. The "applicable percentage" shall be as follows: 100%.

Tax Year	Applicable Percentage
1998	10%
1999	20%
2000	40%
2002	50%
2003	60%
2004	70%
2005	80%
2006	90%
2007 and thereafter	100%

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, all premiums received for reinsurance from any other company authorized to do business in this state, and dividends returned to policyholders.

E

Fraternal benefit societies organized under the laws of any other state, territory or country:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

F

Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of any other state, territory or country:

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 2% for tax year 2025 and 1.98% for tax year 2026, and all tax years thereafter, per annum of the total of all premiums, subscription charges, or any other term that may be used to describe the charges made by such corporation or association to subscribers in this state for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

G

Payment of Taxes.

For the purpose of insuring the collection of the tax upon premiums, assessments and charges as set out in subsection A, C, D or F, every insurance company, corporation or association shall at the time it files its annual statement, as required by the provisions of K.S.A. 40-225, and amendments thereto, make a return, generated by or at the direction of its president and secretary or other chief officers, under penalty of K.S.A. 21-5824, and amendments thereto, to the commissioner of insurance, stating the amount of all premiums, assessments and charges received by the companies or corporations in this state, whether in cash or notes, during the year ending on the December 31 next preceding.

Commencing in 1985 and annually thereafter the estimated taxes shall be paid as follows: On or before June 15 and December 15 of such year an amount equal to 50% of the full amount of the prior year's taxes as reported by the company shall be remitted to the commissioner of insurance. As used in this paragraph, "prior year's taxes" includes: (1) Taxes assessed pursuant to this section for the prior calendar year; (2) fees and taxes assessed pursuant to K.S.A. 40-253, and amendments thereto, for the prior calendar year; and (3) taxes paid for maintenance of the department of the state fire marshal pursuant to K.S.A. 75-1508, and amendments thereto, for the prior calendar year.

Upon the receipt of such returns the commissioner of insurance shall verify the same and assess the taxes upon such companies, corporations or associations on the basis and at the rate provided herein and the balance of such taxes shall thereupon become due and payable giving credit for amounts paid pursuant to the preceding paragraph, or the commissioner shall make a refund if the taxes paid in the prior June and December are in excess of the taxes assessed.

All reports and returns required by this act and rules and regulations adopted pursuant thereto shall be preserved for three years and thereafter until the commissioner orders them to be destroyed.

H

The fee prescribed for the examination of charters and other documents shall apply to each company's initial application for admission and shall not be refundable for any reason.

Sec. 7. K.S.A. 40-3401, as amended by section 1 of 2025 House Bill No. 2039, is hereby amended to read as follows: 40-3401. As used in this act:

- (a) "Applicant" means any healthcare provider.
- (b) "Basic coverage" means a policy of professional liability insurance required to be maintained by each healthcare provider pursuant to the provisions of K.S.A. 40-3402(a) or (b), and amendments thereto.
- (c) "Commissioner" means the commissioner of insurance.
- (d) "Fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of July thereafter.
- (e) "Fund" means the healthcare stabilization fund established pursuant to K.S.A. 40-3403(a), and amendments thereto.
- (f) (1) "Healthcare provider" means a:
 - (A) Person licensed to practice any branch of the healing arts by the state board of healing arts;
 - (B) person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts;
 - (C) person engaged in a postgraduate training program approved by the state board of healing arts;
 - (D) medical care facility licensed by the state of Kansas;
 - (E) podiatrist licensed by the state board of healing arts;
 - (F) health maintenance organization issued a certificate of authority by the commissioner;
 - (G) optometrist licensed by the board of examiners in optometry;
 - (H) pharmacist licensed by the state board of pharmacy;

(I) licensed professional nurse who is authorized to practice as a registered nurse anesthetist;

(J) licensed professional nurse who has been granted a temporary authorization to practice nurse anesthesia under K.S.A. 65-1153, and amendments thereto;

(K) professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and are healthcare providers as defined by this subsection;

(L) Kansas limited liability company organized for the purpose of rendering professional services by its members who are healthcare providers as defined by this subsection and legally authorized to render the professional services for which the limited liability company is organized;

(M) partnership of persons who are healthcare providers under this subsection;

(N) Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are healthcare providers as defined by this subsection;

(O) nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine;

(P) dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899, and amendments thereto;

(Q) psychiatric hospital licensed prior to January 1, 1988, and continuously thereafter under K.S.A. 2015 Supp. 75-3307b, prior to its repeal, and K.S.A. 39-2001 et seq., and amendments thereto, or a mental health center or mental health clinic licensed by the state of Kansas;

(R) physician assistant licensed by the state board of healing arts;

(S) licensed advanced practice registered nurse who is authorized by the board of nursing to practice as an advanced practice registered nurse in the classification of a nurse-midwife;

(T) maternity center, if such maternity center has been granted accreditation by the commission for accreditation of birth centers and is a maternity center as defined in K.S.A. 65-503, and amendments thereto;

(U) licensed advanced practice registered nurse who has been granted a temporary authorization by the board of nursing to practice as an advanced practice registered nurse in the classification of a nurse-midwife;

(V) nursing facility licensed by the state of Kansas;

(W) assisted living facility licensed by the state of Kansas; or

(X) a residential healthcare facility licensed by the state of Kansas.

(2) "Healthcare provider" does not include:

(A) Any state institution for people with intellectual disability;

(B) any state psychiatric hospital;

(C) any person holding an exempt license issued by the state board of healing arts or the board of nursing;

(D) any person holding a visiting clinical professor license from the state board of healing arts;

(E) any person holding an inactive license issued by the state board of healing arts;

(F) any person holding a federally active license issued by the state board of healing arts;

(G) an advanced practice registered nurse who is authorized by the board of nursing to practice as an advanced practice registered nurse in the classification of nurse-midwife or nurse anesthetist and who practices solely in the course of employment or active duty in the United States government or any of its departments, bureaus or agencies or provides professional services as a charitable healthcare provider as defined under K.S.A. 75-6102, and amendments thereto; or

(H) a physician assistant licensed by the state board of healing arts who practices solely in the course of employment or active duty in the United States government or any of its departments, bureaus or agencies or provides professional services as a charitable healthcare provider as defined under K.S.A. 75-6102, and amendments thereto.

(g) "Inactive healthcare provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such healthcare provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a healthcare provider.

(h) "Insurer" means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workers compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(i) "Plan" means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to healthcare providers.

(j) "Professional liability insurance" means insurance providing coverage for legal liability arising out of the performance of professional services rendered or that should have been rendered by a healthcare provider.

(k) "Rating organization" means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-956, and amendments thereto, to make rates for professional liability insurance.

(l) "Self-insurer" means a healthcare provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414, and amendments thereto.

(m) "Medical care facility" means the same when used in the healthcare provider insurance availability act as defined in K.S.A. 65-425, and amendments thereto, except that, as used in the healthcare provider insurance availability act, such term, as it relates to insurance coverage under the healthcare provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility.

(n) "Mental health center" means a mental health center licensed by the state of Kansas under K.S.A. 39-2001 et seq., and amendments thereto, except that, as used in the healthcare provider insurance availability act, such term, as it relates to insurance coverage under the healthcare provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center.

(o) "Mental health clinic" means a mental health clinic licensed by the state of Kansas under K.S.A. 39-2001 et seq., and amendments thereto, except that, as used in the healthcare provider insurance availability act, such term, as it relates to insurance coverage under the healthcare provider insurance availability act, also includes any

director, trustee, officer or administrator of a mental health clinic.

(p) "State institution for people with intellectual disability" means ~~Winfield state hospital and training center, Parsons state hospital and training center~~ and the Kansas neurological institute.

(q) "State psychiatric hospital" means Larned state hospital, Osawatomie state hospital and ~~Rainbow mental health facility~~ south central regional mental health hospital.

(r) "Person engaged in residency training" means:

(1) A person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities that do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and that have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center. Persons engaged in residency training shall be considered resident healthcare providers for purposes of K.S.A. 40-3401 et seq., and amendments thereto; and

(2) a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine or who is employed by an affiliate of the university of Kansas school of medicine as defined in K.S.A. 76-367, and amendments thereto, only when such person is engaged in medical activities that do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and that have not been approved by the chief operating officer of the nonprofit corporation or the chief operating officer of the affiliate and the executive vice-chancellor of the university of Kansas medical center.

(s) "Full-time physician faculty employed by the university of Kansas medical center" means a person licensed to practice medicine and surgery who holds a full-time appointment at the university of Kansas medical center when such person is providing healthcare. A person licensed to practice medicine and surgery who holds a full-time appointment at the university of Kansas medical center may also be employed part-time by the United States department of veterans affairs if such employment is approved by the executive vice-chancellor of the university of Kansas medical center.

(t) "Sexual act" or "sexual activity" means sexual conduct that constitutes a criminal or tortious act under the laws of the state of Kansas.

(u) "Board" means the board of governors created by K.S.A. 40-3403, and amendments thereto.

(v) "Board of directors" means the governing board created by K.S.A. 40-3413, and amendments thereto.

(w) "Locum tenens contract" means a temporary agreement not exceeding 182 days per calendar year that employs a healthcare provider to actively render professional services in this state.

(x) "Professional services" means patient care or other services authorized under the act governing licensure of a healthcare provider.

(y) "Healthcare facility" means a nursing facility, an assisted living facility or a residential healthcare facility as all such terms are defined in K.S.A. 39-923, and amendments thereto.

(z) "Charitable healthcare provider" means the same as defined in K.S.A. 75-6102, and amendments thereto.

Sec. 8. K.S.A. 2024 Supp. 40-4302, as amended by section 24 of 2025 House Bill No. 2334, is hereby amended to read as follows: 40-4302. (a) Any captive insurance company, when permitted by its organizational documents, may apply to the commissioner for a certificate of authority to do any and all insurance comprised in K.S.A. 40-901 et seq., 40-1102(1)(a); and (1)(c) through (1)(n), and amendments thereto, and to issue life, accident and health insurance policies, except that:

(1) A pure captive insurance company shall not insure any risks other than those of its parent and affiliated companies, any controlled unaffiliated business or combination thereof;

(2) no association captive insurance company shall insure any risks other than those of its association and those of the member organizations of its association. No association captive insurance company shall expose itself to loss on any one risk or hazard in an amount exceeding 10% of its paid-up capital and surplus;

(3) no captive insurance company shall provide personal lines of insurance, employers' liability insurance coverage, long-term care coverage, critical care coverage, surety, title insurance, credit insurance or any component thereof, except that a technology-enabled fiduciary financial institution insurance company shall be permitted to provide contracts of suretyship and credit insurance in accordance with K.S.A. 2024 Supp. 40-4354, and amendments thereto;

(4) a captive insurance company may provide workers compensation insurance, insurance in the nature of workers compensation insurance and the reinsurance of such policies unless prohibited by federal law, the provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any other state having jurisdiction over the transaction;

(5) a captive insurance company may provide excess or stop-loss accident and health insurance unless prohibited by federal law or the laws of the state having jurisdiction over the transaction;

(6) any captive insurance company may provide workers compensation insurance, insurance in the nature of workers' compensation insurance and reinsurance of such policies unless prohibited by federal law, the laws of the state of Kansas or any other state having jurisdiction over the transaction;

(7) no captive insurance company shall provide accident and health, life insurance or annuities on a direct basis;

(8) no captive insurance company authorized as a life insurance company shall transact business other than life insurance; and

(9) no captive insurance company authorized to transact business under article 9 or 11 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, shall engage in the business of life insurance.

(b) No captive insurance company organized under the laws of this state shall do any insurance business in this state unless such captive insurance company:

(1) First obtains from the commissioner a certificate of authority authorizing it to do insurance business in this state;

(2) has its board of directors, members, partners, managers, committee of managers or other governing body hold at least one meeting each year in this state;

(3) maintains its principal place of business in this state; and

(4) authorizes the commissioner to accept service of process on its behalf in accordance with K.S.A. 40-218, and amendments thereto.

(c) Before receiving a certificate of authority, an applicant captive insurance company shall file with the commissioner:

(1) A copy of the applicant captive insurance company's organizational documents; and

(2) a plan of operation or a feasibility study describing the anticipated activities and results of the applicant captive insurance company that shall include:

(A) The company's loss prevention program of its parent and insureds, as applicable;

(B) historical and expected loss experience of the risks to be insured or reinsured by the applicant captive insurance company;

(C) pro forma financial statements and projections of the proposed business operations of the applicant captive insurance company;

(D) an analysis of the adequacy of the applicant captive insurance company's proposed premiums, assets and capital and surplus levels relative to the risks to be insured or reinsured by the captive insurance company;

(E) a statement of the applicant captive insurance company's net retained limited liability on any contract of insurance or reinsurance that such insurance company intends to issue and the nature of any reinsurance it intends to cede;

(F) a statement certifying that the applicant captive insurance company's investment policy is in compliance with this act and specifying the type of investments to be made;

(G) a statement identifying the geographic areas in which the applicant captive insurance company intends to operate;

(H) a statement identifying the persons or organizations that will perform the applicant captive insurance company's major operational functions, including management, underwriting, accounting, asset investment, claims adjusting and loss control and the adequacy of the expertise, experience and character of such persons or organizations; and

(I) whenever required by the commissioner, an appropriate opinion by a qualified independent actuary regarding the adequacy of the applicant captive insurance company's proposed capital, surplus and premium levels;

(3) a description of the coverages, deductibles, coverage limits, rates and forms, together with any additional information that the commissioner may require;

(4) such other items deemed to be relevant by the commissioner in ascertaining whether the proposed captive insurance company will be able to meet its obligations; and

(5) any modification or change in the items required under this subsection that shall require the prior approval of the commissioner.

(d) Notwithstanding any other provision of this act, the commissioner may issue a provisional certificate of authority to any applicant captive insurance company if the commissioner deems that the public interest will be served by the issuance of such a provisional certificate.

(1) As a condition precedent to the issuance of a provisional certificate of authority under this subsection, the applicant shall have filed a complete application containing all information required in subsection (c) and paid all necessary fees. The commissioner

shall have made a preliminary finding that the expertise, experience and character of the person who shall control and manage the applicant captive are acceptable.

(2) The commissioner may by order limit the authority of any provisional certificate holder in any way deemed to be necessary in order to protect insureds and the public. The commissioner may revoke a provisional certificate holder if the interests of the insureds or the public are endangered. If the applicant fails to complete the regular application for a certificate of authority, the provisional certificate of authority shall terminate by operation of law.

(3) The commissioner may enact all rules and regulations necessary to implement a program for the issuance of provisional certificates of authority.

(e) Each captive insurance company shall pay to the commissioner a nonrefundable fee of up to \$2,500 for examining, investigating and processing its application for a certificate of authority. The commissioner is authorized to retain legal, financial, actuarial, analysis and examination services from outside the department, the reasonable costs of which shall be charged against the applicant. In addition, it shall pay a renewal fee of \$2,500 for each year thereafter. Not later than December 1 of each year, the commissioner shall set and cause to be published in the Kansas register the fee required by this subsection for the next calendar year.

~~(f) Each captive insurance company shall pay an annual renewal fee of \$110 until January 1, 2028, after which date, the provisions of subsection (e) shall apply.~~

~~(g)~~—If the commissioner is satisfied that the documents and statements that such captive insurance company has filed comply with the provisions of this act, the commissioner may grant a certificate of authority authorizing a:

(1) Captive insurance company other than a technology-enabled fiduciary financial institution to do insurance business in this state until March 1 thereafter, which certificate of authority may be renewed; and

(2) technology-enabled fiduciary financial institution insurance company to do insurance business in this state until the later of March 1 thereafter or the maturity date of the last payment-in-kind asset held by such technology-enabled fiduciary financial institution insurance company pursuant to this act.

~~(h)~~(g) Information submitted under this section shall be and remain confidential and shall not be made public by the commissioner or any employee or agent of the commissioner without the written consent of the company, except that:

(1) Such information may be discoverable by a party in a civil action or contested case to which the captive insurance company that submitted such information is a party, upon a showing by the party seeking to discover such information that:

(A) The information sought is relevant to and necessary for the furtherance of such action or case;

(B) the information sought is unavailable from other nonconfidential sources;

(C) a subpoena issued by a judicial or administrative officer or competent jurisdiction has been submitted to the commissioner; and

(D) the privacy of a qualified policyholder shall be protected in any court proceeding concerning such qualified policyholder if the technology-enabled fiduciary financial institution insurance company so petitions the court. Upon the filing of such petition, any information, including, but not limited to, an instrument, inventory, statement or verified report produced by the technology-enabled fiduciary financial institution insurance company regarding a policy issued to a qualified policyholder or

payment-in-kind assets held by the technology-enabled fiduciary financial institution insurance company to satisfy claims of such qualified policyholder, all payment-in-kind policies, all petitions relevant to such information and all court orders thereon, shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the commissioner, the technology-enabled fiduciary financial institution insurance company, their attorneys and to such other interested persons as the court may order upon a showing of good cause;

(2) the commissioner may disclose such information to a public officer having jurisdiction over the regulation of insurance in another state, ~~provided that if:~~

(A) Such public official shall agree in writing to maintain the confidentiality of such information; and

(B) the laws of the state in which such public official serves requires such information to be and to remain confidential;

(3) access may also be granted to the national association of insurance commissioners and its affiliates, and the international association of supervisors and its affiliates. Such parties ~~must shall~~ agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this section, unless the company gives prior written consent; and

(4) the privacy of those who have established an affiliated fidfin trust or alternative asset custody account shall be protected in any court proceeding concerning such trust or custody account if the acting trustee, custodian, trustor or any beneficiary so petition the court. Upon the filing of such a petition, the instrument, inventory, statement filed by any trustee or custodian, annual verified report of the trustee or custodian and all petitions relevant to trust administration and all court orders thereon shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the trustor, the trustee, the custodian, any beneficiary, their attorneys and to such other interested persons as the court may order upon a showing of good cause.

Sec. 9. On and after July 1, 2026, K.S.A. 2024 Supp. 45-229, as amended by section 1 of 2025 House Bill No. 2166, is hereby amended to read as follows: 45-229.

(a) It is the intent of the legislature that exceptions to disclosure under the open records act shall be created or maintained only if:

(1) The public record is of a sensitive or personal nature concerning individuals;

(2) the public record is necessary for the effective and efficient administration of a governmental program; or

(3) the public record affects confidential information.

The maintenance or creation of an exception to disclosure must be compelled as measured by these criteria. Further, the legislature finds that the public has a right to have access to public records unless the criteria in this section for restricting such access to a public record are met and the criteria are considered during legislative review in connection with the particular exception to disclosure to be significant enough to override the strong public policy of open government. To strengthen the policy of open government, the legislature shall consider the criteria in this section before enacting an exception to disclosure.

(b) Subject to the provisions of subsections (g) and (h), any new exception to disclosure or substantial amendment of an existing exception shall expire on July 1 of

the fifth year after enactment of the new exception or substantial amendment, unless the legislature acts to continue the exception. A law that enacts a new exception or substantially amends an existing exception shall state that the exception expires at the end of five years and that the exception shall be reviewed by the legislature before the scheduled date.

(c) For purposes of this section, an exception is substantially amended if the amendment expands the scope of the exception to include more records or information. An exception is not substantially amended if the amendment narrows the scope of the exception.

(d) This section is not intended to repeal an exception that has been amended following legislative review before the scheduled repeal of the exception if the exception is not substantially amended as a result of the review.

(e) In the year before the expiration of an exception, the revisor of statutes shall certify to the president of the senate and the speaker of the house of representatives, by July 15, the language and statutory citation of each exception that will expire in the following year that meets the criteria of an exception as defined in this section. Any exception that is not identified and certified to the president of the senate and the speaker of the house of representatives is not subject to legislative review and shall not expire. If the revisor of statutes fails to certify an exception that the revisor subsequently determines should have been certified, the revisor shall include the exception in the following year's certification after that determination.

(f) "Exception" means any provision of law that creates an exception to disclosure or limits disclosure under the open records act pursuant to K.S.A. 45-221, and amendments thereto, or pursuant to any other provision of law.

(g) A provision of law that creates or amends an exception to disclosure under the open records law shall not be subject to review and expiration under this act if such provision:

- (1) Is required by federal law;
- (2) applies solely to the legislature or to the state court system;
- (3) has been reviewed and continued in existence twice by the legislature; or
- (4) has been reviewed and continued in existence by the legislature during the 2013 legislative session and thereafter; or

~~(5) is a report of the results of an audit conducted by the United States cybersecurity and infrastructure security agency.~~

(h) (1) The legislature shall review the exception before its scheduled expiration and consider as part of the review process the following:

- (A) What specific records are affected by the exception;
- (B) whom does the exception uniquely affect, as opposed to the general public;
- (C) what is the identifiable public purpose or goal of the exception;
- (D) whether the information contained in the records may be obtained readily by alternative means and how it may be obtained;

(2) an exception may be created or maintained only if it serves an identifiable public purpose and may be no broader than is necessary to meet the public purpose it serves. An identifiable public purpose is served if the legislature finds that the purpose is sufficiently compelling to override the strong public policy of open government and cannot be accomplished without the exception and if the exception:

- (A) Allows the effective and efficient administration of a governmental program

that would be significantly impaired without the exception;

(B) protects information of a sensitive personal nature concerning individuals, the release of such information would be defamatory to such individuals or cause unwarranted damage to the good name or reputation of such individuals or would jeopardize the safety of such individuals. Only information that would identify the individuals may be excepted under this paragraph; or

(C) protects information of a confidential nature concerning entities, including, but not limited to, a formula, pattern, device, combination of devices, or compilation of information that is used to protect or further a business advantage over those who do not know or use it, if the disclosure of such information would injure the affected entity in the marketplace.

(3) Records made before the date of the expiration of an exception shall be subject to disclosure as otherwise provided by law. In deciding whether the records shall be made public, the legislature shall consider whether the damage or loss to persons or entities uniquely affected by the exception of the type specified in paragraph (2)(B) or (2)(C) would occur if the records were made public.

(i) (1) Exceptions contained in the following statutes as continued in existence in section 2 of chapter 126 of the 2005 Session Laws of Kansas and that have been reviewed and continued in existence twice by the legislature as provided in subsection (g) are hereby continued in existence: 1-401, 2-1202, 5-512, 9-1137, 9-1712, 9-2217, 10-630, 12-189, 12-1,108, 12-1694, 12-1698, 12-2819, 12-4516, 16-715, 16a-2-304, 17-1312e, 17-2227, 17-5832, 17-7511, 17-76,139, 19-4321, 21-2511, 22-3711, 22-4707, 22-4909, 22a-243, 22a-244, 23-605, 23-9,312, 25-4161, 25-4165, 31-405, 34-251, 38-2212, 39-709b, 39-719e, 39-934, 39-1434, 39-1704, 40-222, 40-2,156, 40-2c20, 40-2c21, 40-2d20, 40-2d21, 40-409, 40-956, 40-1128, 40-2807, 40-3012, 40-3304, 40-3308, 40-3403b, 40-3421, 40-3613, 40-3805, 40-4205, 44-510j, 44-550b, 44-594, 44-635, 44-714, 44-817, 44-1005, 44-1019, 45-221(a)(1) through (43), 46-256, 46-259, 46-2201, 47-839, 47-844, 47-849, 47-1709, 48-1614, 49-406, 49-427, 55-1,102, 58-4114, 59-2135, 59-2802, 59-2979, 59-29b79, 60-3333, 60-3336, 65-102b, 65-118, 65-119, 65-153f, 65-170g, 65-177, 65-1,106, 65-1,113, 65-1,116, 65-1,157a, 65-1,163, 65-1,165, 65-1,168, 65-1,169, 65-1,171, 65-1,172, 65-436, 65-445, 65-507, 65-525, 65-531, 65-657, 65-1135, 65-1467, 65-1627, 65-1831, 65-2422d, 65-2438, 65-2836, 65-2839a, 65-2898a, 65-3015, 65-3447, 65-34,108, 65-34,126, 65-4019, 65-4922, 65-4925, 65-5602, 65-5603, 65-6002, 65-6003, 65-6004, 65-6010, 65-67a05, 65-6803, 65-6804, 66-101c, 66-117, 66-151, 66-1,190, 66-1,203, 66-1220a, 66-2010, 72-2232, 72-3438, 72-6116, 72-6267, 72-9934, 73-1228, 74-2424, 74-2433f, 74-32,419, 74-4905, 74-4909, 74-50,131, 74-5515, 74-7308, 74-7338, 74-8104, 74-8307, 74-8705, 74-8804, 74-9805, 75-104, 75-712, 75-7b15, 75-1267, 75-2943, 75-4332, 75-4362, 75-5133, 75-5266, 75-5665, 75-5666, 75-7310, 76-355, 76-359, 76-493, 76-12b11, 76-12c03, 76-3305, 79-1119, 79-1437f, 79-3234, 79-3395, 79-3420, 79-3499, 79-34,113, 79-3614, 79-3657, 79-4301 and 79-5206.

(2) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) and that have been reviewed during the 2015 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 17-2036, 40-5301, 45-221(a)(45), (46) and (49), 48-16a10, 58-4616, 60-3351, 72-3415, 74-50,217 and 75-53,105.

(j) (1) Exceptions contained in the following statutes as continued in existence in section 1 of chapter 87 of the 2006 Session Laws of Kansas and that have been reviewed and continued in existence twice by the legislature as provided in subsection (g) are hereby continued in existence: 1-501, 9-1303, 12-4516a, 39-970, 65-525, 65-5117, 65-6016, 65-6017 and 74-7508.

(2) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2015 and that have been reviewed during the 2016 legislative session are hereby continued in existence: 12-5611, 22-4906, 22-4909, 38-2310, 38-2311, 38-2326, 40-955, 44-1132, 45-221(a)(10)(F) and (a)(50), 60-3333, 65-4a05, 65-445(g), 65-6154, 71-218, 75-457, 75-712c, 75-723 and 75-7c06.

(k) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) and that have been reviewed during the 2014 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 1-205, 2-2204, 8-240, 8-247, 8-255c, 8-1324, 8-1325, 12-17,150, 12-2001, 17-12a607, 38-1008, 38-2209, 40-5006, 40-5108, 41-2905, 41-2906, 44-706, 44-1518, 45-221(a)(44), (45), (46), (47) and (48), 50-6a11, 65-1,243, 65-16,104, 65-3239, 74-50,184, 74-8134, 74-99b06, 77-503a and 82a-2210.

(l) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2016 and that have been reviewed during the 2017 legislative session are hereby continued in existence: 12-5711, 21-2511, 22-4909, 38-2313, 45-221(a)(51) and (52), 65-516, 65-1505, 74-2012, 74-5607, 74-8745, 74-8752, 74-8772, 75-7d01, 75-7d05, 75-5133, 75-7427 and 79-3234.

(m) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2012 and that have been reviewed during the 2013 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 12-5811, 40-222, 40-223j, 40-5007a, 40-5009a, 40-5012a, 65-1685, 65-1695, 65-2838a, 66-1251, 66-1805, 72-8268, 75-712 and 75-5366.

(n) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) and that have been reviewed during the 2018 legislative session are hereby continued in existence: 9-513c(c)(2), 39-709, 45-221(a)(26), (53) and (54), 65-6832, 65-6834, 75-7c06 and 75-7c20.

(o) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2019 legislative session are hereby continued in existence: 21-2511(h)(2), 21-5905(a)(7), 22-2302(b) and (c), 22-2502(d) and (e), 40-222(k)(7), 44-714(e), 45-221(a)(55), 46-1106(g) regarding 46-1106(i), 65-2836(i), 65-2839a(c), 65-2842(d), 65-28a05(n), article 6(d) of 65-6230, 72-6314(a) and 74-7047(b).

(p) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2020 legislative session

are hereby continued in existence: 38-2310(c), 40-409(j)(2), 40-6007(a), 45-221(a)(52), 46-1129, 59-29a22(b)(10) and 65-6747.

(q) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2021 legislative session are hereby continued in existence: 22-2302(c)(4)(J) and (c)(6)(B), 22-2502(e)(4)(J) and (e)(6)(B) and 65-6111(d)(4).

(r) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2023 legislative session are hereby continued in existence: 2-3902 and 66-2020.

(s) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2024 legislative session are hereby continued in existence: 2-3906, 2-3907, 41-511, 50-6,109a and 74-50,227.

(t) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) that have been reviewed during the 2025 legislative session are hereby continued in existence: 48-962 and 65-7616.

Sec. 10. On and after January 1, 2026, K.S.A. 2024 Supp. 59-2946, as amended by section 10 of 2025 House Bill No. 2249, is hereby amended to read as follows: 59-2946. When used in the care and treatment act for mentally ill persons:

(a) "Discharge" means the final and complete release from treatment, by either the head of a treatment facility acting pursuant to K.S.A. 59-2950, and amendments thereto, or by an order of a court issued pursuant to K.S.A. 59-2973, and amendments thereto.

(b) "Head of a treatment facility" means the administrative director of a treatment facility or such person's designee.

(c) "Law enforcement officer" means the same as defined in K.S.A. 22-2202, and amendments thereto.

(d) (1) "Mental health center" means any community mental health center as defined in K.S.A. 39-2002, and amendments thereto, or a mental health clinic organized as a not-for-profit or a for-profit corporation pursuant to K.S.A. 17-1701 through 17-1775, and amendments thereto, or K.S.A. 17-6001 through 17-6010, and amendments thereto, and licensed in accordance with the provisions of K.S.A. 39-2001 et seq., and amendments thereto.

(2) "Participating mental health center" means a mental health center that has entered into a contract with the secretary for aging and disability services pursuant to the provisions of K.S.A. 39-1601 through 39-1612, and amendments thereto.

(e) "Mentally ill person" means any person who is suffering from a mental disorder that is manifested by a clinically significant behavioral or psychological syndrome or pattern and associated with either a painful symptom or an impairment in one or more important areas of functioning, and involving substantial behavioral, psychological or biological dysfunction, to the extent that the person is in need of treatment.

(f) (1) "Mentally ill person subject to involuntary commitment for care and treatment" means a mentally ill person, as defined in subsection (e), who also lacks capacity to make an informed decision concerning treatment, is likely to cause harm to self or others, and whose diagnosis is not solely one of the following mental disorders:

Alcohol or chemical substance abuse; antisocial personality disorder; intellectual disability; organic personality syndrome; or an organic mental disorder.

(2) "Lacks capacity to make an informed decision concerning treatment" means that the person, by reason of the person's mental disorder, is unable, despite conscientious efforts at explanation, to understand basically the nature and effects of hospitalization or treatment or is unable to engage in a rational decision-making process regarding hospitalization or treatment, as evidenced by an inability to weigh the possible risks and benefits.

(3) "Likely to cause harm to self or others" means that the person, by reason of the person's mental disorder: (A) Is likely, in the reasonably foreseeable future, to cause substantial physical injury or physical abuse to self or others or substantial damage to another's property, as evidenced by behavior threatening, attempting or causing such injury, abuse or damage; except that if the harm threatened, attempted or caused is only harm to the property of another, the harm must be of such a value and extent that the state's interest in protecting the property from such harm outweighs the person's interest in personal liberty; or (B) is substantially unable, except for reason of indigency, to provide for any of the person's basic needs, such as food, clothing, shelter, health or safety, causing a substantial deterioration of the person's ability to function on the person's own.

No person who is being treated by prayer in the practice of the religion of any church that teaches reliance on spiritual means alone through prayer for healing shall be determined to be a mentally ill person subject to involuntary commitment for care and treatment under this act unless substantial evidence is produced upon which the district court finds that the proposed patient is likely in the reasonably foreseeable future to cause substantial physical injury or physical abuse to self or others or substantial damage to another's property, as evidenced by behavior threatening, attempting or causing such injury, abuse or damage; except that if the harm threatened, attempted or caused is only harm to the property of another, the harm must be of such a value and extent that the state's interest in protecting the property from such harm outweighs the person's interest in personal liberty.

(g) "Patient" means a person who is a voluntary patient, a proposed patient or an involuntary patient.

(1) "Voluntary patient" means a person who is receiving treatment at a treatment facility pursuant to K.S.A. 59-2949, and amendments thereto.

(2) "Proposed patient" means a person for whom a petition pursuant to K.S.A. 59-2952 or 59-2957, and amendments thereto, has been filed.

(3) "Involuntary patient" means a person who is receiving treatment under order of a court or a person admitted and detained by a treatment facility pursuant to an application filed pursuant to K.S.A. 59-2954(b) or (c), and amendments thereto.

(h) "Physician" means a person licensed to practice medicine and surgery as provided for in the Kansas healing arts act or a person who is employed by a state psychiatric hospital or by an agency of the United States and who is authorized by law to practice medicine and surgery within that hospital or agency.

(i) "Psychologist" means a licensed psychologist, as defined by K.S.A. 74-5302, and amendments thereto.

(j) "Qualified mental health professional" means a physician or psychologist who is employed by a participating mental health center or who is providing services as a

physician or psychologist under a contract with a participating mental health center, a licensed master's level psychologist, a licensed clinical psychotherapist, a licensed marriage and family therapist, a licensed clinical marriage and family therapist, a licensed professional counselor, a licensed clinical professional counselor, a licensed specialist social worker or a licensed master social worker or a registered nurse who has a specialty in psychiatric nursing, who is employed by a participating mental health center and who is acting under the direction of a physician or psychologist who is employed by, or under contract with, a participating mental health center.

(1) "Direction" means monitoring and oversight including regular, periodic evaluation of services.

(2) "Licensed master social worker" means a person licensed as a master social worker by the behavioral sciences regulatory board under K.S.A. 65-6301 through 65-6318, and amendments thereto.

(3) "Licensed specialist social worker" means a person licensed in a social work practice specialty by the behavioral sciences regulatory board under K.S.A. 65-6301 through 65-6318, and amendments thereto.

(4) "Licensed master's level psychologist" means a person licensed as a licensed master's level psychologist by the behavioral sciences regulatory board under K.S.A. 74-5361 through 74-5373, and amendments thereto.

(5) "Registered nurse" means a person licensed as a registered professional nurse by the board of nursing under K.S.A. 65-1113 through 65-1164, and amendments thereto.

(k) "Secretary" means the secretary for aging and disability services.

(l) "State psychiatric hospital" means Larned state hospital, Osawatomie state hospital or south central regional mental health hospital.

(m) "Treatment" means any service intended to promote the mental health of the patient and rendered by a qualified professional, licensed or certified by the state to provide such service as an independent practitioner or under the supervision of such practitioner.

(n) "Treatment facility" means any mental health center or clinic, psychiatric unit of a medical care facility, state psychiatric hospital, psychologist, physician or other institution or person authorized or licensed by law to provide either inpatient or outpatient treatment to any patient.

(o) The terms defined in ~~K.S.A. 59-3051~~ section 25 of 2025 House Bill No. 2359, and amendments thereto, shall have the meanings provided by that section.

Sec. 11. On and after January 1, 2026, K.S.A. 2024 Supp. 59-29b46, as amended by section 11 of 2025 House Bill No. 2249, is hereby amended to read as follows: 59-29b46. When used in the care and treatment act for persons with an alcohol or substance abuse problem:

(a) "Discharge" means the final and complete release from treatment, by either the head of a treatment facility acting pursuant to K.S.A. 59-29b50, and amendments thereto, or by an order of a court issued pursuant to K.S.A. 59-29b73, and amendments thereto.

(b) "Head of a treatment facility" means the administrative director of a treatment facility or such person's designee.

(c) "Law enforcement officer" means the same as defined in K.S.A. 22-2202, and amendments thereto.

(d) "Licensed addiction counselor" means a person who engages in the practice of addiction counseling limited to substance use disorders and who is licensed by the behavioral sciences regulatory board. Such person shall engage in the practice of addiction counseling in a state-licensed or certified alcohol and other drug treatment program or while completing a Kansas domestic violence offender assessment for participants in a certified batterer intervention program pursuant to K.S.A. 75-7d01 through 75-7d13, and amendments thereto, unless otherwise exempt from licensure under subsection (n).

(e) "Licensed clinical addiction counselor" means a person who engages in the independent practice of addiction counseling and diagnosis and treatment of substance use disorders specified in the edition of the American psychiatric association's diagnostic and statistical manual of mental disorders (DSM) designated by the board by rules and regulations and is licensed by the behavioral sciences regulatory board.

(f) "Licensed master's addiction counselor" means a person who engages in the practice of addiction counseling limited to substance use disorders and who is licensed under this act. Such person may diagnose substance use disorders only under the direction of a licensed clinical addiction counselor, a licensed psychologist, a person licensed to practice medicine and surgery or a person licensed to provide mental health services as an independent practitioner and whose licensure allows for the diagnosis and treatment of substance abuse disorders or mental disorders.

(g) "Other facility for care or treatment" means any mental health clinic, medical care facility, nursing home, the detox units at any state hospital, any physician or any other institution or individual authorized or licensed by law to give care or treatment to any person.

(h) "Patient" means a person who is a voluntary patient, a proposed patient or an involuntary patient.

(1) "Voluntary patient" means a person who is receiving treatment at a treatment facility pursuant to K.S.A. 59-29b49, and amendments thereto.

(2) "Proposed patient" means a person for whom a petition pursuant to K.S.A. 59-29b52 or 59-29b57, and amendments thereto, has been filed.

(3) "Involuntary patient" means a person who is receiving treatment under order of a court or a person admitted and detained by a treatment facility pursuant to an application filed pursuant to K.S.A. 59-29b54(b) or (c), and amendments thereto.

(i) "Person with an alcohol or substance abuse problem" means a person who: (1) Lacks self-control as to the use of alcoholic beverages or any substance as defined in subsection (m); or

(2) uses alcoholic beverages or any substance to the extent that the person's health may be substantially impaired or endangered without treatment.

(j) (1) "Person with an alcohol or substance abuse problem subject to involuntary commitment for care and treatment" means a person with an alcohol or substance abuse problem who also is incapacitated by alcohol or any substance and is likely to cause harm to self or others.

(2) "Incapacitated by alcohol or any substance" means that the person, as the result of the use of alcohol or any substance, has impaired judgment resulting in the person:

(A) Being incapable of realizing and making a rational decision with respect to the need for treatment; or

(B) lacking sufficient understanding or capability to make or communicate

responsible decisions concerning either the person's well-being or estate.

(3) "Likely to cause harm to self or others" means that the person, by reason of the person's use of alcohol or any substance:

(A) Is likely, in the reasonably foreseeable future, to cause substantial physical injury or physical abuse to self or others or substantial damage to another's property, as evidenced by behavior threatening, attempting or causing such injury, abuse or damage; except that if the harm threatened, attempted or caused is only harm to the property of another, the harm must be of such a value and extent that the state's interest in protecting the property from such harm outweighs the person's interest in personal liberty; or

(B) is substantially unable, except for reason of indigency, to provide for any of the person's basic needs, such as food, clothing, shelter, health or safety, causing a substantial deterioration of the person's ability to function on the person's own.

(k) "Physician" means a person licensed to practice medicine and surgery as provided for in the Kansas healing arts act or a person who is employed by a state psychiatric hospital or by an agency of the United States and who is authorized by law to practice medicine and surgery within that hospital or agency.

(l) "Psychologist" means a licensed psychologist, as defined by K.S.A. 74-5302, and amendments thereto.

(m) "Substance" means:

(1) The same as the term "controlled substance" as defined in K.S.A. 21-5701, and amendments thereto; or

(2) fluorocarbons, toluene or volatile hydrocarbon solvents.

(n) "Treatment" means the broad range of emergency, outpatient, intermediate and inpatient services and care, including diagnostic evaluation, medical, psychiatric, psychological and social service care, vocational rehabilitation and career counseling, which may be extended to persons with an alcohol or substance abuse problem.

(o) (1) "Treatment facility" means a treatment program, public or private treatment facility, or any facility of the United States government available to treat a person for an alcohol or other substance abuse problem, but such term does not include a licensed medical care facility, a licensed adult care home, a facility licensed under K.S.A. 2015 Supp. 75-3307b, prior to its repeal, or under K.S.A. 39-2001 et seq., and amendments thereto, a community-based alcohol and drug safety action program certified under K.S.A. 8-1008, and amendments thereto, and performing only those functions for which the program is certified to perform under K.S.A. 8-1008, and amendments thereto, or a professional licensed by the behavioral sciences regulatory board to diagnose and treat mental disorders at the independent level or a physician, who may treat in the usual course of the behavioral sciences regulatory board licensee's or physician's professional practice individuals incapacitated by alcohol or other substances, but who are not primarily engaged in the usual course of the individual's professional practice in treating such individuals, or any state institution, even if detoxification services may have been obtained at such institution.

(2) "Private treatment facility" means a private agency providing facilities for the care and treatment or lodging of persons with either an alcohol or other substance abuse problem and meeting the standards prescribed in either K.S.A. 65-4013 or 65-4603, and amendments thereto, and licensed under either K.S.A. 65-4014 or 65-4607, and amendments thereto.

(3) "Public treatment facility" means a treatment facility owned and operated by any political subdivision of the state of Kansas and licensed under either K.S.A. 65-4014 or 65-4603, and amendments thereto, as an appropriate place for the care and treatment or lodging of persons with an alcohol or other substance abuse problem.

(p) The terms defined in ~~K.S.A. 59-3051~~ section 25 of 2025 House Bill No. 2359, and amendments thereto, shall have the meanings provided by that section.

Sec. 12. K.S.A. 2024 Supp. 72-5170 is hereby amended to read as follows: 72-5170. (a) (1) In order to accomplish the mission for Kansas education, the state board shall design and adopt a school district accreditation system based upon improvement in performance that equals or exceeds the educational goal set forth in K.S.A. 72-3218(c), and amendments thereto, and is measurable. The state board shall hold all school districts accountable through the Kansas education systems accreditation rules and regulations, or any successor accreditation system and accountability plan adopted by the state board. The state board also shall ensure that all school districts and the public schools operated by such districts have programs and initiatives in place for providing those educational capacities set forth in K.S.A. 72-3218(c), and amendments thereto. On or before January 15 of each year, the state board shall prepare and submit a report on the school district accreditation system to the governor and the legislature.

(2) The accountability measures established pursuant to paragraph (1) shall be applied both at the district level and at the school level. Such accountability measures shall be reported by the state board for each school district and each school. All reports prepared pursuant to this section shall be published in accordance with K.S.A. 2024 Supp. 72-1181, and amendments thereto.

(3) If a school district is not fully accredited and a corrective action plan is required by the state board, such corrective action plan, and any subsequent reports prepared by the state board regarding the progress of such school district in implementing and executing such corrective action plan, shall be published on the state department of education's internet website and such school district's internet website in accordance with K.S.A. 2024 Supp. 72-1181, and amendments thereto.

(4) If a school district is not accredited, the superintendent, or the superintendent's designee, shall appear before the committee on education of the house of representatives and the committee on education of the senate during the regular legislative session that occurs during the same school year ~~in which~~ when such school district is not accredited. Such school district shall provide a report to such committees on the challenges and obstacles that are preventing such school district from becoming accredited.

(b) The state board shall establish curriculum standards that reflect high academic standards for the core academic areas of mathematics, science, reading, writing and social studies. The curriculum standards ~~shall~~ may be reviewed at least every seven years. The state board shall not substantially revise or update the English language arts or mathematics curriculum standards that are in effect on July 1, 2024, in a manner that would necessitate the development of new statewide assessments in English language arts or mathematics until the state board's long-term goal for all students submitted to the United States department of education in the consolidated state plan is achieved such that 75% of all students score in performance levels 3 and 4 combined on the statewide assessments in English language arts and mathematics by 2030. Nothing in this subsection shall be construed in any manner so as to impinge upon any school

district's authority to determine its own curriculum.

(c) (1) The state board shall provide for statewide assessments in the core academic areas of mathematics, science, reading, writing and social studies. The board shall ensure compatibility between the statewide assessments and the curriculum standards established pursuant to subsection (b). Such assessments shall be administered at three grade levels, as determined by the state board. The state board shall determine performance levels on the statewide assessments, the achievement of which represents high academic standards in the academic area at the grade level to which the assessment applies. The state board should specify high academic standards both for individual performance and school performance on the assessments.

(2) (A) On or before January 15 of each year, the state board shall prepare and submit to the legislature a report on students who take the statewide assessments. Such report shall include:

(i) The number of students and such number expressed as a percentage of the total number of students who took the statewide assessments during the immediately preceding school year disaggregated by core academic area and by grade level; and

(ii) the percentage of students who took the statewide assessments in grade 10 who, two years after graduating from high school, obtained some postsecondary education disaggregated by statewide assessment achievement level.

(B) When such information becomes available, or as soon thereafter as practicable, the state board shall publish the information required for the report under subparagraph (A) on the website of the state department of education and incorporate such information in the performance accountability reports and longitudinal achievement reports required under K.S.A. 2024 Supp. 72-5178, and amendments thereto.

(C) The provisions of this paragraph shall expire on July 1, 2029.

(d) Each school year, on such date as specified by the state board, each school district shall submit the Kansas education system accreditation report to the state board in such form and manner as prescribed by the state board.

(e) Whenever the state board determines that a school district has failed either to meet the accreditation requirements established by rules and regulations or standards adopted by the state board or provide curriculum based on state standards and courses required by state law, the state board shall so notify the school district. Such notice shall specify the accreditation requirements that the school district has failed to meet and the curriculum that it has failed to provide. Upon receipt of such notice, the board of education of such school district is encouraged to reallocate the resources of the school district to remedy all deficiencies identified by the state board.

(f) Each school in every school district shall establish a school site council composed of the principal and representatives of teachers and other school personnel, parents of students attending the school, the business community and other community groups. School site councils shall be responsible for providing advice and counsel in evaluating state, school district, and school site performance goals and objectives and in determining the methods that should be employed at the school site to meet these goals and objectives. Site councils may make recommendations and proposals to the school board regarding budgetary items and school district matters, including, but not limited to, identifying and implementing the best practices for developing efficient and effective administrative and management functions. Site councils also may help school boards analyze the unique environment of schools, enhance the efficiency and

maximize limited resources, including outsourcing arrangements and cooperative opportunities as a means to address limited budgets.

Sec. 13. K.S.A. 2024 Supp. 77-440, as amended by section 2 of 2025 Senate Bill No. 77, is hereby amended to read as follows: 77-440. (a) All rules and regulations adopted by state agencies under the provisions of K.S.A. 77-415 et seq., and amendments thereto, shall be reviewed every five years in accordance with this section.

(b) (1) Each state agency that has adopted rules and regulations shall submit a report to the joint committee on administrative rules and regulations on or before July 15 of the year that corresponds to such state agency under paragraph (2). Such report shall contain a summary of such state agency's review and evaluation of rules and regulations adopted by such state agency, including a statement for each rule and regulation as to whether such rule and regulation is necessary for the implementation and administration of state law or may be revoked pursuant to K.S.A. 77-426(d), and amendments thereto.

(2) Each state agency that has adopted rules and regulations shall submit a report as required under paragraph (1) in the years that correspond to such state agency as follows:

- (A) For 2023 and every fifth year thereafter, the following state agencies:
 - (i) Department of administration;
 - (ii) municipal accounting board;
 - (iii) state treasurer;
 - (iv) Kansas department of agriculture;
 - (v) Kansas department of agriculture—division of water resources;
 - (vi) state election board;
 - (vii) secretary of state;
 - (viii) Kansas department of agriculture—division of animal health;
 - (ix) Kansas bureau of investigation;
 - (x) Kansas department of agriculture—division of conservation;
 - (xi) agricultural labor relations board;
 - (xii) Kansas department of revenue—division of alcoholic beverage control;
 - (xiii) attorney general;
 - (xiv) office of the state bank commissioner;
 - (xv) employee award board;
 - (xvi) ~~governmental ethics~~ Kansas public disclosure commission;
 - (xvii) crime victims compensation board;
 - (xviii) Kansas human rights commission; and
 - (xix) state fire marshal;
- (B) for 2024 and every fifth year thereafter, the following state agencies:
 - (i) Kansas wheat commission;
 - (ii) Kansas department for aging and disability services;
 - (iii) Kansas energy office;
 - (iv) department of health and environment;
 - (v) Kansas department for children and families;
 - (vi) Kansas department of transportation;
 - (vii) Kansas highway patrol;
 - (viii) savings and loan department;
 - (ix) Kansas turnpike authority;

- (x) insurance department;
- (xi) corrections ombudsman board;
- (xii) department of corrections;
- (xiii) Kansas prisoner review board;
- (xiv) mined-land conservation and reclamation (KDHE);
- (xv) department of labor—employment security board of review;
- (xvi) department of labor;
- (xvii) department of labor—division of employment; and
- (xviii) department of labor—division of workers compensation;
- (C) for 2025 and every fifth year thereafter, the following state agencies:
 - (i) State records board;
 - (ii) state library;
 - (iii) adjutant general's department;
 - (iv) state board of nursing;
 - (v) Kansas board of barbering;
 - (vi) state board of mortuary arts;
 - (vii) board of examiners in optometry;
 - (viii) state board of technical professions;
 - (ix) Kansas board of examiners in fitting and dispensing of hearing instruments;
 - (x) state board of pharmacy;
 - (xi) Kansas state board of cosmetology;
 - (xii) state board of veterinary examiners;
 - (xiii) Kansas dental board;
 - (xiv) board of accountancy;
 - (xv) state bank commissioner—consumer and mortgage lending division;
 - (xvi) Kansas public employees retirement system;
 - (xvii) office of the securities commissioner; and
 - (xviii) Kansas corporation commission;
- (D) for 2026 and every fifth year thereafter, the following state agencies:
 - (i) Public employee relations board;
 - (ii) abstracters' board of examiners;
 - (iii) Kansas real estate commission;
 - (iv) state board of regents;
 - (v) school retirement board;
 - (vi) state department of education;
 - (vii) Kansas department of revenue;
 - (viii) Kansas department of revenue—division of property valuation;
 - (ix) state board of tax appeals;
 - (x) Kansas office of veterans services;
 - (xi) Kansas water office;
 - (xii) Kansas department of agriculture—division of weights and measures;
 - (xiii) state board of healing arts;
 - (xiv) behavioral sciences regulatory board;
 - (xv) state bank commissioner and savings and loan commissioner—joint regulations;
 - (xvi) consumer credit commissioner, credit union administrator, savings and loan commissioner and bank commissioner—joint regulations;

- (xvii) state board of indigents' defense services;
- (xviii) Kansas commission on peace officers' standards and training; and
- (xix) law enforcement training center; and
- (E) for 2027 and every fifth year thereafter, the following state agencies:
 - (i) Kansas state employees health care commission;
 - (ii) emergency medical services board;
 - (iii) department of commerce;
 - (iv) Kansas lottery;
 - (v) Kansas racing and gaming commission;
 - (vi) Kansas department of wildlife and parks;
 - (vii) Kansas state fair board;
 - (viii) real estate appraisal board;
 - (ix) state historical society;
 - (x) state department of credit unions;
 - (xi) pooled money investment board;
 - (xii) department of corrections—division of juvenile services;
 - (xiii) state child death review board;
 - (xiv) Kansas agricultural remediation board;
 - (xv) unmarked burial sites preservation board;
 - (xvi) Kansas housing resources corporation;
 - (xvii) department of commerce—Kansas athletic commission;
 - (xviii) department of health and environment—division of health care finance;
 - (xix) home inspectors registration board;
 - (xx) committee on surety bonds and insurance;
 - (xxi) 911 coordinating council; and
 - (xxii) office of administrative hearings.

(c) For any state agency not listed in subsection (b)(2) that adopts rules and regulations that become effective on or after July 1, 2022, such state agency shall submit a report to the joint committee on administrative rules and regulations in accordance with subsection (b)(1) on or before July 15 of the fifth year after such rules and regulations become effective and every fifth year thereafter.

(d) Notwithstanding any other provision of law, a rule and regulation may be adopted or maintained by a state agency only if such rule and regulation serves an identifiable public purpose to support state law and may not be broader than is necessary to meet such public purpose.

(e) This section shall be a part of and supplemental to the rules and regulations filing act, K.S.A. 77-415 et seq., and amendments thereto.

Sec. 14. K.S.A. 17-7929, as amended by section 4 of 2025 House Bill No. 2117, 17-7929, as amended by section 33 of 2025 House Bill No. 2371, 25-4180, as amended by section 1 of 2025 House Bill No. 2106, 25-4180, as amended by section 15 of 2025 House Bill No. 2206, 40-252, as amended by section 9 of 2025 House Bill No. 2050, 40-252, as amended by section 15 of 2025 House Bill No. 2334, 40-3401, as amended by section 1 of 2025 House Bill No. 2039, and 40-3401, as amended by section 7 of 2025 House Bill No. 2249, and K.S.A. 2024 Supp. 8-1,141, 8-1,141a, 21-5705a, 39-923, 39-923b, 39-2009, 39-2009a, 40-4302, as amended by section 24 of 2025 House Bill No. 2334, 40-4302, as amended by section 30 of 2025 House Bill No. 2050, 72-5170, 72-5170a, 77-440, as amended by section 2 of 2025 Senate Bill No. 77, and 77-

440, as amended by section 28 of 2025 House Bill No. 2206, are hereby repealed.

Sec. 15. On and after January 1, 2026, K.S.A. 2024 Supp. 59-2946, as amended by section 10 of 2025 House Bill No. 2249, 59-2946, as amended by section 157 of 2025 House Bill No. 2359, 59-29b46, as amended by section 11 of 2025 House Bill No. 2249, 59-29b46, as amended by section 151 of 2025 House Bill No. 2359, and 59-3077, as amended by section 14 of 2025 House Bill No. 2249, are hereby repealed.

Sec. 16. On and after July 1, 2026, K.S.A. 2024 Supp. 45-229, as amended by section 1 of 2025 House Bill No. 2166, and 45-229, as amended by section 11 of chapter 95 of the 2024 Session Laws of Kansas, are hereby repealed.";

Also on page 376, in line 34, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking all in lines 2 through 9; in line 10, by striking all before the period and inserting "reconciling multiple amendments to certain statutes; amending K.S.A. 17-7929, as amended by section 4 of 2025 House Bill No. 2117, 25-4180, as amended by section 1 of 2025 House Bill No. 2106, 40-252, as amended by section 9 of 2025 House Bill No. 2050, and 40-3401, as amended by section 1 of 2025 House Bill No. 2039, and K.S.A. 2024 Supp. 8-1,141, 39-923, 39-2009, 40-4302, as amended by section 24 of 2025 House Bill No. 2334, 45-229, as amended by section 1 of 2025 House Bill No. 2166, 59-2946, as amended by section 10 of 2025 House Bill No. 2249, 59-29b46, as amended by section 11 of 2025 House Bill No. 2249, 72-5170 and 77-440, as amended by section 2 of 2025 Senate Bill No. 77, and repealing the existing sections; also repealing K.S.A. 17-7929, as amended by section 33 of 2025 House Bill No. 2371, 25-4180, as amended by section 15 of 2025 House Bill No. 2206, 40-252, as amended by section 15 of 2025 House Bill No. 2334, and 40-3401, as amended by section 7 of 2025 House Bill No. 2249, and K.S.A. 2024 Supp. 8-1,141a, 21-5705a, 39-923b, 39-2009a, 40-4302, as amended by section 30 of 2025 House Bill No. 2050, 45-229, as amended by section 11 of chapter 95 of the 2024 Session Laws of Kansas, 59-2946, as amended by section 157 of 2025 House Bill No. 2359, 59-29b46, as amended by section 151 of 2025 House Bill No. 2359, 59-3077, as amended by section 14 of 2025 House Bill No. 2249, 72-5170a and 77-440, as amended by section 28 of 2025 House Bill No. 2206";

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

RICK BILLINGER

J.R. CLAEYS

PAT PETTEY

Conferees on part of Senate

TROY WAYMASTER

KRISTEY WILLIAMS

BARBARA BALLARD

Conferees on part of House

On motion of Rep. Waymaster, the conference committee report on **Sub Bill for HB 2007** was adopted.

On roll call, the vote was: Yeas 121; Nays 0; Present but not voting: 0; Absent or not voting: 4.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barrett, Barth, Bergkamp, Bergquist,

Blex, Bloom, Bohi, Borjon, Brantley, Paige, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Chauncey, Collins, Corbet, Croft, Curtis, Delperdang, Droge, Ellis, Esau, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Helwig, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Hoye, Huebert, Humphries, James, T. Johnson, Kessler, King, Lewis, Long, Martinez, McDonald, McNorton, Melton, Meyer, Miller, S., Minnix, Moser, Mosley, Neelly, Ohaebosim, Oropeza, Osman, Ousley, Penn, Pickert, Pishny, Poetter, Proctor, Rahjes, Reavis, Resman, Rhiley, Roeser, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Schwertfeger, Seiwert, Simmons, Smith, A., Smith, C., Steele, Stiens, Stogsdill, Sutton, Sweely, Tarwater, Thompson, Turk, Turner, VanHouden, Vaughn, Waggoner, Ward, Wasinger, Waymaster, Weigel, White, Wikle, Wilborn, Willcott, Williams, K., Williams, L., Winn, Wolf, Woodard, Xu.

Nays: None.

Present but not voting: None.

Absent or not voting: Alcalá, Carr, Neighbor, Poskin.

MESSAGE FROM THE GOVERNOR

From Governor Laura Kelly, pursuant to K.S.A. 22-3703, message regarding issuance of executive clemency in 2024.

The complete report is kept on file and open for inspection in the office of the Chief Clerk.

REPORT OF SELECT COMMITTEE

Report of the House Select Investigation Committee in the Complaint against Representative Ford Carr

Pursuant to House Rule 4901, Representative Leah Howell filed a complaint against Representative Ford Carr, requesting that he be reprimanded, censured, or expelled for misconduct. Representative Howell alleged that Representative Carr has engaged in a repeated pattern of violent rhetoric and behavior, creating a hostile work environment both inside and outside the Statehouse, and has otherwise failed to uphold the standards of decorum required of a House member.

After a thorough review of evidence, consisting of documents, videos and testimony, the Committee could not reach a consensus on a recommendation to dismiss the complaint or to impose disciplinary action. However, the Committee does not condone Representative Carr's behavior.

The Committee finds that Representative Carr's conduct has not conformed to the standard of behavior expected of a member of the Kansas House of Representatives. Specifically, during his altercation with Wichita City Councilman Brandon Johnson at the Celtic Fox, Representative Carr engaged in violent words and conduct inconsistent with the decorum and dignity required of a House member.

Additionally, the Committee finds that certain comments made by Representative Carr on the House floor on April 28, 2023, and February 20, 2025, violated Section 121 of Mason's Rules of Legislative Procedure by indulging in personalities and impugning the

motives of fellow members. Further, videos and documents authored by Representative Carr have repeatedly, both implicitly and explicitly, conveyed threats of escalating aggression and violence.

Even though some of these violations have been addressed by House Leadership and Democratic party leadership, these violations continue, causing concern by the Committee.

The Committee reminds the body that decorum in the Kansas House of Representatives is essential to fostering respectful and productive dialogue among elected officials. It upholds the dignity of the institution, reinforces public trust in the legislative process, and sets a vital example of civil discourse. Misconduct by members of this body undermines public confidence in the legislature and detracts from the respectful dialogue necessary for the proper functioning of representative government.

Respectfully submitted,

Dated: April 11, 2025

Rep. Bob Lewis, Chair

Rep. Dan Osman, Member

Rep. Susan Humphries, Member

Rep. Shannon Francis, Member

Rep. Barbara Ballard, Member

REPORTS OF STANDING COMMITTEES

Committee on **Taxation** recommends **SCR 1603**, As Amended by Senate Committee of the Whole, be amended on page 1, in line 17, by striking "2026" and inserting "2027"; by striking all in lines 29 through 32;

On page 2, by striking all in lines 1 through 35; following line 35, by inserting:

"The taxable valuation of real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located, classified for property tax purposes pursuant to subclass (1) of class 1, real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use pursuant to subclass (6) of class 1 and tangible personal property classified as mobile homes used for residential purposes pursuant to subclass (1) of class 2 shall be determined based on the lesser of the fair market value or the average fair market value of that portion, as defined by law. The legislature may provide for and establish by law the number of years in determining the average fair market value and valuation adjustments by law for new construction or improvements, changes in property use, property that is listed as escaped or omitted property, changes to the description of the land, lot or parcel.";

On page 4, in line 15, by striking all after "would"; by striking all in lines 16 through 25; in line 26, by striking all before the period and inserting "value real property used for residential purposes provided under section 1 of article 11 of the Constitution of the State of Kansas in subclass (1) of class 1, real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use pursuant to subclass (6) of class 1 and tangible personal property classified as mobile homes used for residential purposes pursuant to subclass (1) of

class 2 based on the lesser of the fair market value or the average fair market value of that portion. The amendment would also authorize the legislature to establish by law the number of years in determining the average fair market value and provide valuation adjustments by law in certain circumstances"; in line 27, by striking all after "would"; by striking all in lines 28 through 43;

On page 5, by striking all in lines 1 through 18 and inserting "value parcels of real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located, real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use and tangible personal property classified as mobile homes used for residential purposes based on the lesser of the fair market value or the average fair market value of that portion. The amendment would also authorize the legislature to establish by law the number of years in determining the average fair market value and provide valuation adjustments for new construction or improvements, changes in property use, property that is listed as escaped or omitted property, changes to the description of the land, lot or parcel and property that lacks established valuations.";

On page 1, in the title, in line 2, by striking all after the second semicolon; by striking all in line 3; in line 4, by striking all before the period and inserting "valuing residential real property, commercial and industrial real property and mobile homes personal property based on the fair market value or average fair market value"; and the resolution be adopted as amended.

CONSIDERATION OF VETO

The Governors objection to **SB 79** having been read, the time arrived for reconsideration of **SB 79**, AN ACT concerning public assistance; relating to food assistance; directing the secretary for children and families to request a waiver from the supplemental nutrition assistance program that would allow the state to prohibit purchase of candy and soft drinks with food assistance; amending K.S.A. 2024 Supp. 39-709 and repealing the existing sections..

There was no motion to reconsider. The Chair ruled the bill had been reconsidered and the veto sustained.

CONSIDERATION OF VETO

The Governors objection to **S Sub for HB 2228** having been read, the time arrived for reconsideration of **S Sub for HB 2228**, AN ACT concerning contingent fee contracts for legal services; relating to contracts entered into for legal services by a political subdivision; requiring an open meeting before a political subdivision may approve such a contract; requiring the attorney general to approve such contract before such contract becomes effective..

There was no motion to reconsider. The Chair ruled the bill had been reconsidered and the veto sustained.

CONSIDERATION OF VETO

The Governors objection to **HB 2028** having been read, the time arrived for reconsideration of **HB 2028**, AN ACT concerning wildlife; relating to hunting and

fishing and hunting and fishing licenses; requiring the Kansas department of wildlife and parks to offer discounted resident senior combination hunting and fishing passes to residents of this state who are 65 years of age or older; increasing the maximum age to qualify for Kansas kids lifetime combination hunting and fishing licenses and removing the expiration date for such licenses; prohibiting nonresidents from hunting migratory waterfowl during certain times and places; increasing fees for migratory waterfowl stamps; amending K.S.A. 32-939 and K.S.A. 2024 Supp. 32-988 and 32-9,101 and repealing the existing sections; reviving and amending K.S.A. 32-9,100 and repealing the revived section; also repealing K.S.A. 32-9,100, as amended by section 64 of chapter 7 of the 2023 Session Laws of Kansas..

There was no motion to reconsider. The Chair ruled the bill had been reconsidered and the veto sustained.

The hour for final adjournment having arrived, Speaker Hawkins announced, "By virtue of the authority vested in me, as Speaker of the House of Representatives of the 2025 session, I do now declare the House adjourned sine die."

JENNY HAUGH, JULIA WERNER, *Journal Clerks.*

SUSAN W. KANNARR, *Chief Clerk.*

