

**SENATE BILL No. 442**

By Committee on Ways and Means

2-21

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1 AN ACT concerning taxation; relating to property and sales tax  
2 exemptions for health clubs; amending K.S.A. 2011 Supp. 79-201 and  
3 79-3603 and repealing the existing sections.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2011 Supp. 79-201 is hereby amended to read as  
7 follows: 79-201. The following described property, to the extent herein  
8 specified, shall be and is hereby exempt from all property or *ad valorem*  
9 taxes levied under the laws of the state of Kansas:

10 *First.* All buildings used exclusively as places of public worship and all  
11 buildings used exclusively by school districts and school district interlocal  
12 cooperatives organized under the laws of this state, with the furniture and  
13 books therein contained and used exclusively for the accommodation of  
14 religious meetings or for school district or school district interlocal  
15 cooperative purposes, whichever is applicable, together with the grounds  
16 owned thereby if not leased or otherwise used for the realization of profit,  
17 except that: (a) (1) Any school building, or portion thereof, together with  
18 the grounds upon which the building is located, shall be considered to be  
19 used exclusively by the school district for the purposes of this section  
20 when leased by the school district to any political or taxing subdivision of  
21 the state, including a school district interlocal cooperative, or to any  
22 association, organization or nonprofit corporation entitled to tax exemption  
23 with respect to such property; and (2) any school building, together with  
24 the grounds upon which the building is located, shall be considered to be  
25 used exclusively by a school district interlocal cooperative for the  
26 purposes of this section when being acquired pursuant to a lease-purchase  
27 agreement; and (b) any building, or portion thereof, used as a place of  
28 worship, together with the grounds upon which the building is located,  
29 shall be considered to be used exclusively for the religious purposes of this  
30 section when used as a not-for-profit day care center for children which is  
31 licensed pursuant to K.S.A. 65-501 *et seq.*, and amendments thereto, or  
32 when used to house an area where the congregation of a church society  
33 and others may purchase tracts, books and other items relating to the  
34 promulgation of the church society's religious doctrines.

35 *Second.* All real property, and all tangible personal property, actually  
36 and regularly used exclusively for literary, educational, scientific,

1 religious, benevolent or charitable purposes, including property used  
2 exclusively for such purposes by more than one agency or organization for  
3 one or more of such exempt purposes. Except with regard to real property  
4 which is owned by a religious organization, is to be used exclusively for  
5 religious purposes and is not used for a nonexempt purpose prior to its  
6 exclusive use for religious purposes which property shall be deemed to be  
7 actually and regularly used exclusively for religious purposes for the  
8 purposes of this paragraph, this exemption shall not apply to such property,  
9 not actually used or occupied for the purposes set forth herein, nor to such  
10 property held or used as an investment even though the income or rentals  
11 received therefrom is used wholly for such literary, educational, scientific,  
12 religious, benevolent or charitable purposes. In the event any such  
13 property which has been exempted pursuant to the preceding sentence is  
14 not used for religious purposes prior to its conveyance which results in its  
15 use for nonreligious purposes, there shall be a recoupment of property  
16 taxes in an amount equal to the tax which would have been levied upon  
17 such property except for such exemption for all taxable years for which  
18 such exemption was in effect. Such recoupment tax shall become due and  
19 payable in such year as provided by K.S.A. 79-2004, and amendments  
20 thereto. A lien for such taxes shall attach to the real property subject to the  
21 same on November 1 in the year such taxes become due and all such taxes  
22 remaining due and unpaid after the date prescribed for the payment thereof  
23 shall be collected in the manner provided by law for the collection of  
24 delinquent taxes. Moneys collected from the recoupment tax hereunder  
25 shall be credited by the county treasurer to the several taxing subdivisions  
26 within which such real property is located in the proportion that the total  
27 tangible property tax levies made in the preceding year for each such  
28 taxing subdivision bear to the total of all such levies made in that year by  
29 all such taxing subdivisions. Such moneys shall be credited to the general  
30 fund of the taxing subdivision or if such taxing subdivision is making no  
31 property tax levy for the support of a general fund such moneys may be  
32 credited to any other tangible property tax fund of general application of  
33 such subdivision. This exemption shall not be deemed inapplicable to  
34 property which would otherwise be exempt pursuant to this paragraph  
35 because an agency or organization: (a) Is reimbursed for the provision of  
36 services accomplishing the purposes enumerated in this paragraph based  
37 upon the ability to pay by the recipient of such services; or (b) is  
38 reimbursed for the actual expense of using such property for purposes  
39 enumerated in this paragraph; or (c) uses such property for a nonexempt  
40 purpose which is minimal in scope and insubstantial in nature if such use  
41 is incidental to the exempt purposes of this paragraph; or (d) charges a  
42 reasonable fee for admission to cultural or educational activities or permits  
43 the use of its property for such activities by a related agency or

1 organization, if any such activity is in furtherance of the purposes of this  
2 paragraph; or (e) is applying for an exemption pursuant to this paragraph  
3 for a motor vehicle that is being leased for a period of at least one year.

4 *Third.* All moneys and credits belonging exclusively to universities,  
5 colleges, academies or other public schools of any kind, or to religious,  
6 literary, scientific or benevolent and charitable institutions or associations,  
7 appropriated solely to sustain such institutions or associations, not  
8 exceeding in amount or in income arising therefrom the limit prescribed by  
9 the charter of such institution or association.

10 *Fourth.* The reserve or emergency funds of fraternal benefit societies  
11 authorized to do business under the laws of the state of Kansas.

12 *Fifth.* All buildings of private nonprofit universities or colleges which  
13 are owned and operated by such universities and colleges as student union  
14 buildings, presidents' homes and student dormitories.

15 *Sixth.* All real and tangible personal property actually and regularly  
16 used exclusively by the alumni association associated by its articles of  
17 incorporation with any public or nonprofit Kansas college or university  
18 approved by the Kansas board of regents to confer academic degrees or  
19 with any community college approved by its board of trustees to grant  
20 certificates of completion of courses or curriculum, to provide  
21 accommodations and services to such college or university or to the  
22 alumni, staff or faculty thereof.

23 *Seventh.* All parsonages owned by a church society and actually and  
24 regularly occupied and used predominantly as a residence by a minister or  
25 other clergyman of such church society who is actually and regularly  
26 engaged in conducting the services and religious ministrations of such  
27 society, and the land upon which such parsonage is located to the extent  
28 necessary for the accommodation of such parsonage.

29 *Eighth.* All real property, all buildings located on such property and all  
30 personal property contained therein, actually and regularly used  
31 exclusively by any individually chartered organization of honorably  
32 discharged military veterans of the United States armed forces or auxiliary  
33 of any such organization, which is exempt from federal income taxation  
34 pursuant to section 501(c)(19) of the federal internal revenue code of  
35 1986, for clubhouse, place of meeting or memorial hall purposes, and real  
36 property to the extent of not more than two acres, and all buildings located  
37 on such property, actually and regularly used exclusively by any such  
38 veterans' organization or its auxiliary as a memorial park.

39 *Ninth.* All real property and tangible personal property actually and  
40 regularly used by a community service organization for the predominant  
41 purpose of providing humanitarian services, which is owned and operated  
42 by a corporation organized not for profit under the laws of the state of  
43 Kansas or by a corporation organized not for profit under the laws of

1 another state and duly admitted to engage in business in this state as a  
2 foreign not-for-profit corporation if: (a) The directors of such corporation  
3 serve without pay for such services; (b) the corporation is operated in a  
4 manner which does not result in the accrual of distributable profits,  
5 realization of private gain resulting from the payment of compensation in  
6 excess of a reasonable allowance for salary or other compensation for  
7 services rendered or the realization of any other form of private gain; (c)  
8 no officer, director or member of such corporation has any pecuniary  
9 interest in the property for which exemption is claimed; (d) the corporation  
10 is organized for the purpose of providing humanitarian services; (e) the  
11 actual use of property for which an exemption is claimed must be  
12 substantially and predominantly related to the purpose of providing  
13 humanitarian services, except that, the use of such property for a  
14 nonexempt purpose which is minimal in scope and insubstantial in nature  
15 shall not result in the loss of exemption if such use is incidental to the  
16 purpose of providing humanitarian services by the corporation; (f) the  
17 corporation is exempt from federal income taxation pursuant to section  
18 501(c)(3) of the internal revenue code of 1986 and; (g) contributions to the  
19 corporation are deductible under the Kansas income tax act. As used in this  
20 clause, "humanitarian services" means the conduct of activities which  
21 substantially and predominantly meet a demonstrated community need and  
22 which improve the physical, mental, social, cultural or spiritual welfare of  
23 others or the relief, comfort or assistance of persons in distress or any  
24 combination thereof including but not limited to health and recreation  
25 services, child care, individual and family counseling, employment and  
26 training programs for handicapped persons and meals or feeding programs.  
27 Notwithstanding any other provision of this clause, motor vehicles shall  
28 not be exempt hereunder unless such vehicles are exclusively used for the  
29 purposes described therein, except that the use of any such vehicle for the  
30 purpose of participating in a coordinated transit district in accordance with  
31 the provisions of K.S.A. 75-5032 through 75-5037, and amendments  
32 thereto, or K.S.A. 75-5051 through 75-5058, and amendments thereto,  
33 shall be deemed as exclusive use.

34 *Tenth.* For all taxable years commencing after December 31, 1986, any  
35 building, and the land upon which such building is located to the extent  
36 necessary for the accommodation of such building, owned by a church or  
37 nonprofit religious society or order which is exempt from federal income  
38 taxation pursuant to section 501(c)(3) of the federal internal revenue code  
39 of 1986, and actually and regularly occupied and used exclusively for  
40 residential and religious purposes by a community of persons who are  
41 bound by vows to a religious life and who conduct or assist in the conduct  
42 of religious services and actually and regularly engage in religious,  
43 benevolent, charitable or educational ministrations or the performance of

1 health care services.

2 *Eleventh.* For all taxable years commencing after December 31, 1998,  
3 all property actually and regularly used predominantly to produce and  
4 generate electricity utilizing renewable energy resources or technologies.  
5 For purposes of this section, "renewable energy resources or technologies"  
6 shall include wind, solar, photovoltaic, biomass, hydropower, geothermal  
7 and landfill gas resources or technologies.

8 *Twelfth.* For all taxable years commencing after December 31, 2001, all  
9 personal property actually and regularly used predominantly to collect,  
10 refine or treat landfill gas or to transport landfill gas from a landfill to a  
11 transmission pipeline, and the landfill gas produced therefrom.

12 *Thirteenth.* *All real property owned and operated by a health club in*  
13 *the state of Kansas. For purposes of this section, "health club" means any*  
14 *corporation, partnership, unincorporated association or other business*  
15 *enterprise whose primary purpose is to offer facilities that contain cardio,*  
16 *weight training or strength and conditioning equipment, or both, for the*  
17 *preservation, maintenance, encouragement or development of physical*  
18 *fitness in return for the payment of a fee which entitles the buyer to the use*  
19 *of such facilities. A health club may have on its premises health spas,*  
20 *studios, tennis, racquet or basketball facilities or swimming pools that*  
21 *offer programs that enhance the primary purpose of the health club as*  
22 *described in this section above; but may not be facilities that are primarily*  
23 *weight control facilities, health spas, dance studios, martial arts or self-*  
24 *defense studios, tennis, racquet or basketball facilities, swimming pools,*  
25 *golf clubs or similar activities which do not have the primary purpose as*  
26 *outlined in this section above. For purposes of this section, a health club*  
27 *will be considered owned and operated by the health club if the owners of*  
28 *the property to be exempted from taxation are the same entity, or are*  
29 *owned by owners of the same entity, that collects the payment of the fee*  
30 *entitling the buyer to use the facility.*

31 The provisions of this section, except as otherwise more specifically  
32 provided, shall apply to all taxable years commencing after December 31,  
33 ~~2009~~2012.

34 Sec. 2. K.S.A. 2011 Supp. 79-3603 is hereby amended to read as  
35 follows: 79-3603. For the privilege of engaging in the business of selling  
36 tangible personal property at retail in this state or rendering or furnishing  
37 any of the services taxable under this act, there is hereby levied and there  
38 shall be collected and paid a tax at the rate of 5.3%, and commencing July  
39 1, 2010, at the rate of 6.3%, and commencing July 1, 2013, at the rate of  
40 5.7%. Within a redevelopment district established pursuant to K.S.A. 74-  
41 8921, and amendments thereto, there is hereby levied and there shall be  
42 collected and paid an additional tax at the rate of 2% until the earlier of the  
43 date the bonds issued to finance or refinance the redevelopment project

1 have been paid in full or the final scheduled maturity of the first series of  
2 bonds issued to finance any part of the project upon:

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

5 (b) the gross receipts from intrastate, interstate or international  
6 telecommunications services and any ancillary services sourced to this  
7 state in accordance with K.S.A. 2011 Supp. 79-3673, and amendments  
8 thereto, except that telecommunications service does not include: (1) Any  
9 interstate or international 800 or 900 service; (2) any interstate or  
10 international private communications service as defined in K.S.A. 2011  
11 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice  
12 data service; (4) any telecommunication service to a provider of  
13 telecommunication services which will be used to render  
14 telecommunications services, including carrier access services; or (5) any  
15 service or transaction defined in this section among entities classified as  
16 members of an affiliated group as provided by section 1504 of the federal  
17 internal revenue code of 1986, as in effect on January 1, 2001;

18 (c) the gross receipts from the sale or furnishing of gas, water,  
19 electricity and heat, which sale is not otherwise exempt from taxation  
20 under the provisions of this act, and whether furnished by municipally or  
21 privately owned utilities, except that, on and after January 1, 2006, for  
22 sales of gas, electricity and heat delivered through mains, lines or pipes to  
23 residential premises for noncommercial use by the occupant of such  
24 premises, and for agricultural use and also, for such use, all sales of  
25 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
26 gas, coal, wood and other fuel sources for the production of heat or  
27 lighting for noncommercial use of an occupant of residential premises, the  
28 state rate shall be 0%, but such tax shall not be levied and collected upon  
29 the gross receipts from: (1) The sale of a rural water district benefit unit;  
30 (2) a water system impact fee, system enhancement fee or similar fee  
31 collected by a water supplier as a condition for establishing service; or (3)  
32 connection or reconnection fees collected by a water supplier;

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

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

42 (f) the gross receipts from the operation of any coin-operated device  
43 dispensing or providing tangible personal property, amusement or other

1 services except laundry services, whether automatic or manually operated;  
2 (g) the gross receipts from the service of renting of rooms by hotels,  
3 as defined by K.S.A. 36-501, and amendments thereto, or by  
4 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
5 thereto, but such tax shall not be levied and collected upon the gross  
6 receipts received from sales of such service to the federal government and  
7 any agency, officer or employee thereof in association with the  
8 performance of official government duties;

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

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

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

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

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

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

38 (m) the gross receipts received from fees and charges by public and  
39 private clubs, drinking establishments, organizations and businesses for  
40 participation in sports, games and other recreational activities, but such tax  
41 shall not be levied and collected upon the gross receipts received from: (1)  
42 Fees and charges by any political subdivision, by any organization exempt  
43 from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-201, and

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

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

20 (o) the gross receipts received from the isolated or occasional sale of  
21 motor vehicles or trailers but not including: (1) The transfer of motor  
22 vehicles or trailers by a person to a corporation or limited liability  
23 company solely in exchange for stock securities or membership interest in  
24 such corporation or limited liability company; or (2) the transfer of motor  
25 vehicles or trailers by one corporation or limited liability company to  
26 another when all of the assets of such corporation or limited liability  
27 company are transferred to such other corporation or limited liability  
28 company; or (3) the sale of motor vehicles or trailers which are subject to  
29 taxation pursuant to the provisions of K.S.A. 79-5101 *et seq.*, and  
30 amendments thereto, by an immediate family member to another  
31 immediate family member. For the purposes of clause (3), immediate  
32 family member means lineal ascendants or descendants, and their spouses.  
33 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
34 on the isolated or occasional sale of motor vehicles or trailers on and after  
35 July 1, 2004, which the base for computing the tax was the value pursuant  
36 to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105, and amendments  
37 thereto, when such amount was higher than the amount of sales tax which  
38 would have been paid under the law as it existed on June 30, 2004, shall be  
39 refunded to the taxpayer pursuant to the procedure prescribed by this  
40 section. Such refund shall be in an amount equal to the difference between  
41 the amount of sales tax paid by the taxpayer and the amount of sales tax  
42 which would have been paid by the taxpayer under the law as it existed on  
43 June 30, 2004. Each claim for a sales tax refund shall be verified and



1 submitted not later than six months from the effective date of this act to the  
2 director of taxation upon forms furnished by the director and shall be  
3 accompanied by any additional documentation required by the director.  
4 The director shall review each claim and shall refund that amount of tax  
5 paid as provided by this act. All such refunds shall be paid from the sales  
6 tax refund fund, upon warrants of the director of accounts and reports  
7 pursuant to vouchers approved by the director of taxation or the director's  
8 designee. No refund for an amount less than \$10 shall be paid pursuant to  
9 this act. In determining the base for computing the tax on such isolated or  
10 occasional sale, the fair market value of any motor vehicle or trailer traded  
11 in by the purchaser to the seller may be deducted from the selling price;

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

22 For the purposes of this subsection:

23 (1) "Original construction" shall mean the first or initial construction  
24 of a new building or facility. The term "original construction" shall include  
25 the addition of an entire room or floor to any existing building or facility,  
26 the completion of any unfinished portion of any existing building or  
27 facility and the restoration, reconstruction or replacement of a building,  
28 facility or utility structure damaged or destroyed by fire, flood, tornado,  
29 lightning, explosion, windstorm, ice loading and attendant winds,  
30 terrorism or earthquake, but such term, except with regard to a residence,  
31 shall not include replacement, remodeling, restoration, renovation or  
32 reconstruction under any other circumstances;

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

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

43 (4) "residence" shall mean only those enclosures within which

1 individuals customarily live;

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

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

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

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

20 (s) on and after January 1, 2005, the gross receipts received from the  
21 sale of prewritten computer software and the sale of the services of  
22 modifying, altering, updating or maintaining prewritten computer  
23 software, whether the prewritten computer software is installed or  
24 delivered electronically by tangible storage media physically transferred to  
25 the purchaser or by load and leave;

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

27 (u) the gross receipts received from the sale of prepaid calling service  
28 and prepaid wireless calling service as defined in K.S.A. 2011 Supp. 79-  
29 3673, and amendments thereto; and

30 (v) the gross receipts received from the sales of bingo cards, bingo  
31 faces and instant bingo tickets by licensees under K.S.A. 79-4701, *et seq.*,  
32 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,  
33 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before  
34 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo  
35 faces and instant bingo tickets by licensees under K.S.A. 79-4701 *et seq.*,  
36 and amendments thereto, shall be exempt from taxes imposed pursuant to  
37 this section.

38 Sec. 3. K.S.A. 2011 Supp. 79-201 and 79-3603 are hereby repealed.

39 Sec. 4. This act shall take effect and be in force from and after its  
40 publication in the statute book.