Journal of the House

FIFTY-THIRD DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Sunday, May 1, 2016, 12:30 p.m.

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

The roll was called with 118 members present.

Reps. Ewy, Goico, Hemsley, Kahrs, Kelley, Kiegerl and Schroeder were excused on excused absence by the Speaker.

Present later: Reps. Goico, Hemsley, Kahrs, Kelley, Kiegerl and Schroeder.

Excused later: Rep. Edmonds.

Prayer by Rep. Powell:

Heavenly Father,

Man's kingdoms, they come and go, but You are always the same. We thank you that your mercies are new every morning. Thank you that while we're resting at night, you're still active. We know it's in your heart to work both within us and through us, for the good of Kansans and to Your glory.

We ask that we would not run our own race, but the race you set before us, for it's the only race, at the end of the day, that really matters.

We humble ourselves today, and ask for Your wisdom, Your grace, Your goodness to overshadow us as we work together in solving problems and establishing solutions. In this process, may we honor one another, considering others as more important than ourselves.

Jesus, you modeled, and still model, a new way to rule, through serving. May we have the same heart and motive today as we serve.

To quote the late Oswald Chambers, may we live out what he so did. “My worth to God in public is what I am in private.”

Let it be so! Amen.

The Pledge of Allegiance was led by Rep. Finch.

MESSAGES FROM THE SENATE

The Senate adopts the Conference Committee report on **H Sub for SB 149**.
The Senate adopts the Conference Committee report on **H Sub for SB 193**.
The Senate adopts the Conference Committee report on **SB 325**.
The Senate adopts the Conference Committee report on **SB 418**.
The Senate adopts the Conference Committee report on **S Sub for HB 2365**.
The Senate adopts the Conference Committee report on **S Sub for HB 2509**.
The Senate adopts the Conference Committee report on **HB 2696**.
The Senate adopts the Conference Committee report on **HB 2739**.

The Senate not adopts the Conference Committee report on **HB 2615**, requests a conference and appoints Senators O'Donnell, Bowers and Kelly as fourth conferees on the part of the Senate.

On motion of Rep. Vickrey, the House recessed until 1:00 p.m.

AFTERNOON SESSION

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

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, the House acceded to the request of the Senate for a conference on **HB 2615**.

Speaker pro tem Mast thereupon appointed Reps. Hawkins, Dove and Ward as conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, 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 **S Sub for HB 2365, S Sub for HB 2509, HB 2696**.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2365** submits the following report:

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

On page 1, by striking all in lines 12 through 36;

By striking all on pages 2 through 70 and inserting:

"New Section 1. On and after July 1, 2016, notwithstanding the provisions of section 109 of chapter 104 of the 2015 Session Laws of Kansas, the provisions of K.S.A. 2015 Supp. 75-5958, and amendments thereto, shall be in full force and effect.

Sec. 2. K.S.A. 2015 Supp. 75-7435 is hereby amended to read as follows: 75-7435. (a) As used in this section unless the context requires otherwise:

(1) Words and phrases have the meanings respectively ascribed thereto by K.S.A.

39-923, and amendments thereto.

(2) "Skilled nursing care facility" means a licensed nursing facility, nursing facility for mental health as defined in K.S.A. 39-923, and amendments thereto, or a hospital long-term care unit licensed by the department of health and environment, providing skilled nursing care, but shall not include the Kansas soldiers' home or the Kansas veterans' home.

(3) "Licensed bed" means those beds within a skilled nursing care facility which the facility is licensed to operate.

(4) "Agent" means the Kansas department for aging and disability services.

(5) "Continuing care retirement facility" means a facility holding a certificate of registration issued by the commissioner of insurance pursuant to K.S.A. 40-2235, and amendments thereto.

(b) (1) Except as otherwise provided in this section and in subsection (f), there is hereby imposed and the secretary of health and environment shall assess an annual assessment per licensed bed, hereinafter called a quality care assessment, on each skilled nursing care facility. The assessment on all facilities in the aggregate shall be an amount fixed by rules and regulations of the secretary of health and environment, shall not exceed ~~$1,950~~ $4,908 annually per licensed bed, shall be imposed as an amount per licensed bed and shall be imposed uniformly on all skilled nursing care facilities except that the assessment rate for skilled nursing care facilities that are part of a continuing care retirement facility, small skilled nursing care facilities and high medicaid volume skilled nursing care facilities shall not exceed $^1/_6$ of the actual amount assessed all other skilled nursing care facilities. No rules and regulations of the secretary of health and environment shall grant any exception to or exemption from the quality care assessment. The assessment shall be paid quarterly, with one fourth of the annual amount due by the 30th day after the end of the month of each calendar quarter. The secretary of health and environment is authorized to establish delayed payment schedules for skilled nursing care facilities which are unable to make quarterly payments when due under this section due to financial difficulties, as determined by the secretary of health and environment. As used in this ~~subsection (b)(1)~~ paragraph, the terms "small skilled nursing care facilities" and "high medicaid volume skilled nursing care facilities" shall have the meanings ascribed thereto by the secretary of health and environment by rules and regulations, except that the definition of small skilled nursing care facility shall not be lower than 40 beds.

(2) Beds licensed after July 1 each year shall pay a prorated amount of the applicable annual assessment so that the assessment applies only for the days such new beds are licensed. The proration shall be calculated by multiplying the applicable assessment by the percentage of days the beds are licensed during the year. Any change which reduces the number of licensed beds in a facility shall not result in a refund being issued to the skilled nursing care facility.

(3) If an entity conducts, operates or maintains more than one licensed skilled nursing care facility, the entity shall pay the nursing facility assessment for each facility separately. No skilled nursing care facility shall create a separate line-item charge for the purpose of passing through the quality care assessment to residents. No skilled nursing care facility shall be guaranteed, expressly or otherwise, that any additional moneys paid to the facility under this section will equal or exceed the amount of its quality care assessment.

(4) The payment of the quality care assessment to the secretary of health and environment shall be an allowable cost for medicaid reimbursement purposes. A rate adjustment pursuant to ~~paragraph (5) of~~ subsection (d)(5) shall be made effective on the date of imposition of the assessment, to reimburse the portion of this cost imposed on medicaid days.

(5) The secretary of health and environment shall seek a waiver from the United States department of health and human services to allow the state to impose varying levels of assessments on skilled nursing care facilities based on specified criteria. It is the intent of the legislature that the waiver sought by the secretary of health and environment be structured to minimize the negative fiscal impact on certain classes of skilled nursing care facilities.

(c) Each skilled nursing care facility shall prepare and submit to the secretary of health and environment any additional information required and requested by the secretary of health and environment to implement or administer the provisions of this section. Each skilled nursing care facility shall prepare and submit quarterly to the secretary for aging and disability services the rate the facility charges to private pay residents, and the secretary shall cause this information to be posted on the web site of the department for aging and disability services.

(d) (1) There is hereby created in the state treasury the quality care fund, which shall be administered by the secretary of health and environment. All moneys received for the assessments imposed pursuant to subsection (b), including any penalty assessments imposed thereon pursuant to subsection (e), 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 quality care fund. All expenditures from the quality care 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 health and environment or the secretary's agent.

(2) All moneys in the quality care fund shall be used to finance initiatives to maintain or improve the quantity and quality of skilled nursing care in skilled nursing care facilities in Kansas. No moneys credited to the quality care fund shall be transferred to or otherwise revert to the state general fund at any time. Notwithstanding the provisions of any other law to the contrary, if any moneys credited to the quality care fund are transferred or otherwise revert to the state general fund, 30 days following the transfer or reversion the quality care assessment shall terminate and the secretary of health and environment shall discontinue the imposition, assessment and collection of the assessment. Upon termination of the assessment, all collected assessment revenues, including the moneys inappropriately transferred or reverting to the state general fund, less any amounts expended by the secretary of health and environment, shall be returned on a pro rata basis to skilled nursing care facilities that paid the assessment.

(3) Any moneys received by the state of Kansas from the federal government as a result of federal financial participation in the state medicaid program that are derived from the quality care assessment shall be deposited in the quality care fund and used to finance actions to maintain or increase healthcare in skilled nursing care facilities.

(4) Moneys in the fund shall be used exclusively for the following purposes:

(A) To pay administrative expenses incurred by the secretary of health and environment or the agent in performing the activities authorized by this section, except

that such expenses shall not exceed a total of 1% of the aggregate assessment funds collected pursuant to subsection (b) for the prior fiscal year;

(B) to increase nursing facility payments to fund covered services to medicaid beneficiaries within medicare upper payment limits, as may be negotiated;

(C) to reimburse the medicaid share of the quality care assessment as a pass-through medicaid allowable cost;

(D) to restore the medicaid rate reductions implemented January 1, 2010;

(E) to restore funding for fiscal year 2010, including rebasing and inflation to be applied to rates in fiscal year 2011;

(F) the remaining amount, if any, shall be expended first to increase the direct health care costs center limitation up to 150% of the case mix adjusted median, and then, if there are remaining amounts, for other quality care enhancement of skilled nursing care facilities as approved by the quality care improvement panel but shall not be used directly or indirectly to replace existing state expenditures for payments to skilled nursing care facilities for providing services pursuant to the state medicaid program.

(5) Any moneys received by a skilled nursing care facility from the quality care fund shall not be expended by any skilled nursing care facility to provide for bonuses or profit-sharing for any officer, employee or parent corporation but may be used to pay to employees who are providing direct care to a resident of such facility.

(6) Adjustment payments may be paid quarterly or within the daily medicaid rate to reimburse covered medicaid expenditures in the aggregate within the upper payment limits.

(7) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the quality care fund interest earnings based on:

(A) The average daily balance of moneys in the quality care fund for the preceding month; and

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

(e) If a skilled nursing care facility fails to pay the full amount of the quality care assessment imposed pursuant to subsection (b), when due and payable, including any extensions of time granted under that subsection, the secretary of health and environment shall assess a penalty in the amount of the lesser of $500 per day or 2% of the quality care assessment owed for each day the assessment is delinquent. The secretary of health and environment is authorized to establish delayed payment schedules for skilled nursing care facilities that are unable to make installment payments when due under this section because of financial difficulties, as determined by the secretary of health and environment.

(f) (1) The secretary of health and environment shall assess and collect quality care assessments imposed pursuant to subsection (b), including any penalty assessments imposed thereon pursuant to subsection (e), from skilled nursing care facilities on and after July 1, 2010, except that no assessments or penalties shall be assessed under subsections (a) through (h) until:

(A) An amendment to the state plan for medicaid, which increases the rates of payments made to skilled nursing care facilities for providing services pursuant to the federal medicaid program and which is proposed for approval for purposes of

subsections (a) through (h) is approved by the federal government in which case the initial assessment is due no earlier than 60 days after state plan approval; and

(B) the skilled nursing care facilities have been compensated retroactively within 60 days after state plan approval at the increased rate for services provided pursuant to the federal medicaid program for the period commencing on and after July 1, 2010.

(2) The secretary of health and environment shall implement and administer the provisions of subsections (a) through (h) in a manner consistent with applicable federal medicaid laws and regulations. The secretary of health and environment shall seek any necessary approvals by the federal government that are required for the implementation of subsections (a) through (h).

(3) The provisions of subsections (a) through (h) shall be null and void and shall have no force and effect if one of the following occur:

(A) The medicaid plan amendment, which increases the rates of payments made to skilled nursing care facilities for providing services pursuant to the federal medicaid program and which is proposed for approval for purposes of subsections (a) through (h) is not approved by the federal centers for medicare and medicaid services;

(B) the rates of payments made to skilled nursing care facilities for providing services pursuant to the federal medicaid program are reduced below the rates calculated on December 31, 2009, increased by revenues in the quality care fund and matched by federal financial participation and rebasing as provided for in K.S.A. 2015 Supp. 75-5958, and amendments thereto;

(C) any funds are utilized to supplant funding for skilled nursing care facilities as required by subsection (g);

(D) any funds are diverted from those purposes set forth in subsection (d)(4); or

(E) upon the governor signing, or allowing to become law without signature, legislation which by proviso or otherwise directs any funds from those purposes set forth in subsection (d)(4) or which would propose to suspend the operation of this section.

(g) On and after July 1, 2010, reimbursement rates for skilled nursing care facilities shall be restored to those in effect during December 2009. No funds generated by the assessments or federal funds generated therefrom shall be utilized for such restoration, but such funds may be used to restore the rate reduction in effect from January 1, 2010, to June 30, 2010.

(h) Rates of reimbursement shall not be limited by private pay charges.

(i) If the provisions of subsections (a) through (h) are repealed, expire or become null and void and have no further force and effect, all moneys in the quality care fund which were paid under the provisions of subsections (a) through (h) shall be returned to the skilled nursing care facilities which paid such moneys on the basis on which such payments were assessed and paid pursuant to subsections (a) through (h).

(j) The department of health and environment may adopt rules and regulations necessary to implement the provisions of this section.

(k) For purposes of administering and selecting the reimbursements of moneys in the quality care assessment fund, the quality care improvement panel is hereby established. The panel shall consist of the following members: Two persons appointed by leadingage Kansas ~~homes and services for the aging~~; two persons appointed by the Kansas health care association; one person appointed by Kansas advocates for better care; one person appointed by the Kansas hospital association; one person appointed by

the governor who is a member of the Kansas adult care executives association; one person appointed by the governor who is a skilled nursing care facility resident or the family member of such a resident; one person appointed by the Kansas foundation for medical care; one person appointed by the governor from the department for aging and disability services; ~~and~~ one person appointed by the governor from the department of health and environment; one person appointed by the president of the senate who is affiliated with an organization representing and advocating the interests of retired persons in Kansas; and one person appointed by the speaker of the house of representatives who is a volunteer with the office of the state long-term care ombudsman established by the long-term care ombudsman act. The person appointed by the governor from the department for aging and disability services and the person appointed by the governor from the department of health and environment shall be nonvoting members of the panel. The panel shall meet as soon as possible subsequent to the effective date of this act and shall elect a chairperson from among the members appointed by the trade organizations specified in this subsection. The members of the quality care improvement panel shall serve without compensation or expenses. The quality care improvement panel shall report annually on or before January 10 to the ~~legislature~~ senate committees on public health and welfare and ways and means, the house committees on appropriations and health and human services and the Robert G. (Bob) Bethell joint committee on home and community based services and KanCare oversight concerning the progress to reduce the incidence of antipsychotic drug use in elders with dementia, participation in the nursing facility quality and efficiency outcome incentive factor, participation in the culture change and person-centered care incentive program, annual resident satisfaction ratings for Kansas skilled nursing care facilities and the activities of the panel during the preceding calendar year and any recommendations which the panel may have concerning the administration of and expenditures from the quality care assessment fund.

(l) The provisions of this section shall expire on July 1, ~~2016~~ 2020.

Sec. 3. K.S.A. 2015 Supp. 75-7435 is 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 "ACT"; by striking all in lines 2 through 9 and inserting "concerning skilled nursing care facilities; relating to the quality care assessment; rate and sunset thereof; quality care improvement panel membership; reporting requirements; amending K.S.A. 2015 Supp. 75-7435 and repealing the existing section."

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

TY MASTERSON
JIM DENNING
LAURA KELLY
Conferees on part of Senate

RONALD RYCKMAN
SHARON SCHWARTZ
JERRY HENRY
Conferees on part of House

On motion of Rep. Ryckman, the conference committee report on **S Sub for HB 2365** was adopted.

On roll call, the vote was: Yeas 109; Nays 7; Present but not voting: 0; Absent or not voting: 9.

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, Dierks, Doll, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, Kelly, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: Barton, DeGraaf, D. Jones, K. Jones, McPherson, Peck, Schwab.

Present but not voting: None.

Absent or not voting: Dove, Edmonds, Ewy, Goico, Hemsley, Kahrs, Kelley, Kiegerl, Schroeder.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2509** submits the following report:

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

On page 3, in line 5, after "1%" by inserting ", not to exceed $200,000,"; in line 7, after the period by inserting "The secretary may also recover any actual costs incurred by the secretary in excess of the fee."; also in line 7, after "fee" by inserting ", and any actual costs incurred by the secretary in excess of the fee,";

On page 5, in line 24, after "1%" by inserting ", not to exceed $200,000,"; in line 25, after the period by inserting "The secretary may also recover any actual costs incurred by the secretary in excess of the fee."; also in line 25, after "fee" by inserting ", and any actual costs incurred by the secretary in excess of the fee,"; in line 27, by striking all before "assessed"; in line 28, by striking "fee" and inserting "amount"; in line 31, after "fee" by inserting "and any actual costs in excess of the fee assessed by the secretary"; in line 35, after "fees" by inserting ", and any actual costs incurred by the secretary in excess of the fee,";

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

JULIA LYNN
SUSAN WAGLE
TOM HOLLAND
Conferees on part of Senate

LARRY CAMPBELL
TOM SLOAN
PAM CURTIS
Conferees on part of House

On motion of Rep. Campbell, the conference committee report on **S Sub for HB 2509** was adopted.

On roll call, the vote was: Yeas 86; Nays 30; Present but not voting: 0; Absent or not voting: 9.

Yeas: Alford, Anthimides, Ballard, Barker, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, Dierks, Esau, Estes, Finch, Finney, Francis, Gallagher, Gonzalez, Hawkins, Hedke, Helgerson, Henderson, Hibbard, Highland, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, D. Jones, Kelly, Kleeb, Lewis, Lunn, Lusker, Mason, Mast, Merrick, Moxley, Osterman, F. Patton, Pauls, Phillips, Proehl, Rahjes, Read, Rooker, Ryckman, Ryckman Sr., Sawyer, Schroeder, Schwab, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Todd, Trimmer, Vickrey, Victors, Waymaster, Weber, C., Whipple, K. Williams, Wilson, Winn.

Nays: Alcala, Barton, Carlin, Carmichael, B. Carpenter, DeGraaf, Doll, Frownfelter, Garber, Grosserode, Henry, Highberger, Hildabrand, K. Jones, Kuether, Lusk, Macheers, McPherson, O'Brien, Ousley, Peck, R. Powell, Rhoades, Rubin, Ruiz, Scapa, Tietze, Ward, Whitmer, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Dove, Edmonds, Ewy, Goico, Hemsley, Johnson, Kahrs, Kelley, Kiegerl.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2696** 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 5, by inserting:

"New Section 1. (a) There is hereby created in the state treasury, the Kansas highway patrol staffing and training fund. Moneys credited to the Kansas highway patrol staffing and training fund shall be used by the highway patrol for increasing employment and retaining personnel at the highway patrol and for no other purpose. All expenditures from the Kansas highway patrol staffing and training 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 superintendent of the highway patrol.

(b) The moneys credited to the fund created in subsection (a) shall be used for the purposes set forth in this section and for no other governmental purposes. It is the intent of the legislature that the moneys deposited in this fund shall remain intact and inviolate for the purposes set forth in this section.

New Sec. 2. In addition to any registration fee prescribed under article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, all applicants for vehicle registration shall pay at the time of registration a nonrefundable Kansas highway patrol staffing and training surcharge in the amount of $2 for each vehicle being registered.

New Sec. 3. In addition to any registration fee prescribed under article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, all applicants for vehicle registration shall pay, at the time of registration, a nonrefundable law enforcement training center surcharge in the amount of $1.25 for each vehicle being registered.

Sec. 4. K.S.A. 2015 Supp. 8-145 is hereby amended to read as follows: 8-145. (a) All registration and certificates of title fees shall be paid to the county treasurer of the county in which the applicant for registration resides or has an office or principal place of business within this state, and the county treasurer shall issue a receipt in triplicate, on blanks furnished by the division of vehicles, one copy of which shall be filed in the county treasurer's office, one copy shall be delivered to the applicant and the original copy shall be forwarded to the director of vehicles.

(b) The county treasurer shall deposit $.75 of each license application, $.75 out of each application for transfer of license plate and $2 out of each application for a certificate of title, collected by such treasurer under this act, in a special fund, which fund is hereby appropriated for the use of the county treasurer in paying for necessary help and expenses incidental to the administration of duties in accordance with the provisions of this law and extra compensation to the county treasurer for the services performed in administering the provisions of this act, which compensation shall be in addition to any other compensation provided by any other law, except that the county treasurer shall receive as additional compensation for administering the motor vehicle title and registration laws and fees, a sum computed as follows: The county treasurer, during the month of December, shall determine the amount to be retained for extra compensation not to exceed the following amounts each year for calendar year 2006 or any calendar year thereafter: The sum of $110 per hundred registrations for the first 5,000 registrations; the sum of $90 per hundred registrations for the second 5,000 registrations; the sum of $5 per hundred for the third 5,000 registrations; and the sum of $2 per hundred registrations for all registrations thereafter. In no event, however, shall any county treasurer be entitled to receive more than $15,000 additional annual compensation.

If more than one person shall hold the office of county treasurer during any one calendar year, such compensation shall be prorated among such persons in proportion to the number of weeks served. The total amount of compensation paid the treasurer together with the amounts expended in paying for other necessary help and expenses incidental to the administration of the duties of the county treasurer in accordance with the provisions of this act, shall not exceed the amount deposited in such special fund. Any balance remaining in such fund at the close of any calendar year shall be withdrawn and credited to the general fund of the county prior to June 1 of the

following calendar year.

(c) The county treasurer shall remit the remainder of all such fees collected, together with the original copy of all applications, to the secretary of revenue. The secretary of revenue shall remit all such fees 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 highway fund, except as provided in subsection (d).

(d) (1) Three dollars and fifty cents of each certificate of title fee collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $3.50 to the Kansas highway patrol motor vehicle fund. Three dollars of each certificate of title fee collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $3 to the VIPS/CAMA technology hardware fund.

(2) For repossessed vehicles, $3 of each certificate of title fee collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $3 to the repossessed certificates of title fee fund.

(3) Three dollars and fifty cents of each reassignment form fee collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $3.50 to the Kansas highway patrol motor vehicle fund. Three dollars of each reassignment form fee collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $3 to the VIPS/CAMA technology hardware fund.

(4) Until January 1, 2013, $4 of each division of vehicles modernization surcharge collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $4 to the division of vehicles modernization fund, on and after January 1, 2013, the state treasurer shall credit such $4 to the state highway fund.

(5) Two dollars of each Kansas highway patrol staffing and training surcharge collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $2 to the Kansas highway patrol staffing and training fund.

(6) One dollar and twenty-five cents of each law enforcement training center surcharge collected and remitted to the secretary of revenue, shall be remitted to the state treasurer who shall credit such $1.25 to the law enforcement training center fund.

Sec. 5. K.S.A. 2015 Supp. 74-5619 is hereby amended to read as follows: 74-5619. (a) (1) There is hereby created in the state treasury the law enforcement training center fund. All moneys credited to such fund under the provisions of this act or any other law shall be expended only for the purpose and in the manner prescribed by law.

(2) All moneys received for assessments as provided pursuant to K.S.A. 74-5607, and amendments thereto, 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 law enforcement training center fund.

(b) There is hereby created in the state treasury the Kansas commission on peace officers' standards and training fund. All moneys credited to such fund under the provisions of this act or any other law shall be expended only for the purpose of the operation of the commission to carry out its powers and duties as mandated by law. The director may apply for and receive public or private grants, gifts and donations of

money for the commission. All moneys received from grants, gifts and donations 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 Kansas commission on peace officers' standards and training fund.

(c) The moneys credited to the funds created in subsections (a) and (b) shall be used for the purposes set forth in this section and for no other governmental purposes. It is the intent of the legislature that the moneys deposited in these funds shall remain intact and inviolate for the purposes set forth in this section.

(d) This section shall be part of and supplemental to the Kansas law enforcement training act.

Sec. 6. K.S.A. 12-4112 is hereby amended to read as follows: 12-4112. No person shall be assessed costs for the administration of justice in any municipal court case, except for:

(a) Witness fees and mileage as set forth in K.S.A. 12-4411, and amendments thereto;

(b) ~~for~~ the assessment required by K.S.A. ~~2001 Supp. 20-1a11~~ 12-4116, and amendments thereto; ~~for the judicial branch education fund;~~

(c) ~~for~~ the assessment required by K.S.A. 12-4117, and amendments thereto~~, for the law enforcement training center fund established pursuant to K.S.A. 74-5619, and amendments thereto, the local law enforcement training reimbursement fund established pursuant to K.S.A. 74-5620, and amendments thereto, and the juvenile detention facilities fund as provided in K.S.A. 12-4117, and amendments thereto~~; and

(d) ~~for~~ the assessment required by K.S.A. 12-16,119, and amendments thereto~~, for the detention facility processing fee~~.

Sec. 7. K.S.A. 2015 Supp. 12-4117 is hereby amended to read as follows: 12-4117. (a) In each case filed in municipal court other than a nonmoving traffic violation, where there is a finding of guilty or a plea of guilty, a plea of no contest, forfeiture of bond or a diversion, a sum in an amount of ~~$20~~ $22.50 shall be assessed and such assessment shall be credited as follows:

One dollar to the local law enforcement training reimbursement fund established pursuant to K.S.A. 74-5620, and amendments thereto, $11.50 to the law enforcement training center fund established pursuant to K.S.A. 74-5619, and amendments thereto, ~~$2.50~~ $5 to the Kansas commission on peace officers' standards and training fund established by K.S.A. 74-5619, and amendments thereto, $2 to the juvenile detention facilities fund established pursuant to K.S.A. 79-4803, and amendments thereto, to be expended for operational costs of facilities for the detention of juveniles, $.50 to the protection from abuse fund established pursuant to K.S.A. 74-7325, and amendments thereto, $.50 to the crime victims assistance fund established pursuant to K.S.A. 74-7334, and amendments thereto, $1 to the trauma fund established pursuant to K.S.A. 2015 Supp. 75-5670, and amendments thereto, and $1 to the department of corrections forensic psychologist fund established pursuant to K.S.A. 2015 Supp. 75-52,151, and amendments thereto.

(b) The judge or clerk of the municipal court shall remit the appropriate assessments received pursuant to 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 local law enforcement training reimbursement fund, the law enforcement training center fund, the Kansas commission on peace officers' standards and training fund, the juvenile detention facilities fund, the crime victims assistance fund, the trauma fund and the department of corrections forensic psychologist fund as provided in this section.

(c) For the purpose of determining the amount to be assessed according to this section, if more than one complaint is filed in the municipal court against one individual arising out of the same incident, all such complaints shall be considered as one case.";

On page 8, in line 25, before the first "K.S.A." by inserting "K.S.A. 12-4112 and"; also in line 25, after "Supp." by inserting "8-145, 12-4117,"; also in line 25, after "22-2401a" by inserting ", 74-5619"; in line 27, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "enforcement;" by inserting "creating the Kansas highway patrol staffing and training fund; relating to the law enforcement training center fund and the commission on peace officers' standards and training fund; vehicle registration fees; municipal court assessments;" in line 2, after "amending" by inserting "K.S.A. 12-4112 and"; also in line 2, after "Supp." by inserting "8-145, 12-4117,"; also in line 2, after "22-2401a" by inserting ", 74-5619";

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

JEFF KING
GREG SMITH
DAVID HALEY
Conferees on part of Senate

JOHN E. BARKER
CHARLES MACHEERS
JOHN CARMICHAEL
Conferees on part of House

On motion of Rep. Barker to adopt the conference committee report on **HB 2696**, Rep. Peck offered a substitute motion to not adopt a conference committee report and that a new conference committee be appointed.

The substitute motion of Rep. Peck did not prevail, and the question reverted back to the original motion of Rep. Barker to adopt the conference committee report.

On motion of Rep. Barker, the conference committee report on **HB 2696** was adopted.

On roll call, the vote was: Yeas 92; Nays 27; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Becker, Billinger, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, Dierks, Doll, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Gonzalez, Hawkins, Hedke, Helgerson, Henderson, Henry, Hibbard, Highberger, Hill, Hineman, Hoffman, Houston, Huebert, Hutton, Jennings, Johnson, D. Jones, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lusk, Lusker, Macheers,

Mason, Mast, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Phillips, Proehl, Rahjes, Read, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Schroeder, Scott, Seiwert, Sloan, C. Smith, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Victors, Waymaster, Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: Barton, Boldra, B. Carpenter, W. Carpenter, DeGraaf, Dove, Garber, Grosserode, Highland, Hildabrand, Houser, Hutchins, K. Jones, Lunn, McPherson, Merrick, Peck, R. Powell, Rhoades, Scapa, Schwab, Schwartz, Suellentrop, Sutton, Vickrey, Ward, Weber, C..

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Hemsley, Kahrs, Kelley.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2739** submits the following report:

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

On page 1, in line 6, before "Section" by inserting "New"; following line 34, by inserting:

"New Sec. 2. (a) On July 1, 2017, the budget stabilization fund is hereby established in the state treasury.

(b) On or before the 10th day of each month commencing July 1, 2017, the director of accounts and reports shall transfer from the state general fund to the budget stabilization fund interest earnings based on:

(1) The average daily balance of moneys in the budget stabilization fund, for the preceding month; and

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

(c) On and after July 1, 2017, no moneys in the budget stabilization fund shall be expended pursuant to this subsection unless the expenditure either has been approved by an appropriation or other act of the legislature or has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711(c), and amendments thereto.

(d) (1) During the 2016 interim between regular sessions of the legislature, the legislative budget committee shall study and review the policy concerning the balance of, transfers to and expenditures from the budget stabilization fund. The legislative budget committee study and review shall include, but not be limited to, the following:

(A) Risk-based budget stabilization fund practices utilized in other states.

(B) The appropriate number of years to review the state general fund:

(i) Revenue variances from projections; and

(ii) expenditure variances from budgets.

(C) The entity to certify the amount necessary in the budget stabilization fund to maintain the appropriate risk-based balance.

(D) Plan to fund the budget stabilization fund.

(E) Process and circumstances to reach the appropriate risk-based balance, including the amount of risk that is acceptable.

(F) Circumstances under which expenditures may be made from the fund.

(2) The legislative budget committee may make recommendations and introduce legislation as it deems necessary to implement such recommendations.

(3) Notwithstanding the provisions of sections 52 and 53 of chapter 104 of the 2015 Session Laws of the Kansas, section 18 of 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 regular session of the legislature, the legislative budget committee may meet not more than 10 days to study and review such policies as determined by the chairperson of the committee.

Sec. 3. K.S.A. 2015 Supp. 75-3721 is hereby amended to read as follows: 75-3721. (a) On or before the eighth calendar day of each regular legislative session, the governor shall submit the budget report to the legislature, except that in the case of the regular legislative session immediately following the election of a governor who was elected to the office of governor for the first time, that governor shall submit the budget report to the legislature on or before the 21st calendar day of that regular legislative session.

(b) The budget report of the governor shall be set up in three parts, the nature and contents of which shall include the following:

(1) Part one shall consist of a budget message by such governor, including the governor's recommendations with reference to the fiscal policy of the state government for the current fiscal year and the ensuing fiscal year, describing the important features of the budget plan for each of the fiscal years included, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income for the current fiscal year and the ensuing fiscal year, with the basis and factors upon which the estimates were made, and the means of financing the budget plan for the each of the fiscal years included, compared with the corresponding figures for at least the last completed fiscal year, and the director of the budget shall prepare the figures for the governor for such comparisons.

(A) The budget plan shall not include: (i) Any proposed expenditures of anticipated income attributable to proposed legislation that would provide additional revenues from either current or new sources of revenue; or (ii) any proposed expenditures of moneys in the ending balance in the state general fund required by K.S.A. 75-6702, and amendments thereto.

(B) The general budget summary may be supported by explanatory schedules or statements, classifying the expenditures contained therein by state agencies, objects, and funds, and the income by state agencies, funds, sources and types. The general budget summary shall include all special or fee funds as well as the state general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

(2) Part two shall embrace the detailed budget estimates for each of the fiscal years included, both of expenditures and revenues, showing the requests of the state agencies, if any, and the governor's recommendations thereon, which shall include amounts for payments by the state board of regents pursuant to K.S.A. 75-4364, and amendments thereto. It shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the last completed fiscal year, and the estimated amount for the current fiscal year and for each of the ensuing fiscal years included, the debt authorized and unissued, and the condition of the sinking funds.

(3) Part three shall consist of a draft of a legislative measure or measures reflecting

the governor's budget for all of the fiscal years included in the budget report.

(c) The division of the budget shall compile a children's budget document consisting of the information contained in agency budget estimates regarding programs that provide services for children and their families. Such document shall be provided to the Kansas children's cabinet established by K.S.A. 38-1901, and amendments thereto, and other persons or entities on request.

(d) The division of the budget, upon request, shall furnish the governor or the legislature with any further information required concerning the budget.

(e) Nothing in this section shall be construed to restrict or limit the privilege of the governor to present supplemental budget messages or amendments to previous budget messages, which may include proposals for expenditure of new or increased sources of revenue derived from proposed legislation.

(f) The budget estimate for the judicial branch of state government as submitted to the director of the budget pursuant to K.S.A. 20-158, and amendments thereto, shall be included in the governor's budget report.

(g) The division of the budget shall compile a Kansas homeland security budget document consisting of the information contained in agency budget estimates under ~~subsection (a)(3) of~~ K.S.A. 75-3717(a)(3), and amendments thereto. Such document shall be provided to the house of representatives committee on appropriations, the senate committee on ways and means and such other committees upon request.

(h) Commencing with fiscal year 2018, the ending balance in the state general fund in any fiscal year shall include the unexpended and unencumbered balances in the:

(1) State general fund; and

(2) budget stabilization fund, established in section 2, and amendments thereto.

Sec. 4. K.S.A. 75-3722, as amended by section 61 of 2016 Senate Bill No. 367, is hereby amended to read as follows: 75-3722. (a) An allotment system will be applicable to the expenditure of the resources of any state agency, under rules and regulations established as provided in K.S.A. 75-3706, and amendments thereto, only if in the opinion of the secretary of administration on the advice of the director of the budget, the use of an allotment plan is necessary or beneficial to the state. In making this determination the secretary of administration shall take into consideration all pertinent factors including:

(1) Available resources;

(2) current spending rates;

(3) work loads;

(4) new activities, especially any proposed activities not covered in the agency's request to the governor and the legislature for appropriations;

(5) the minimum current needs of each agency;

(6) requests for deficiency appropriations in prior fiscal years;

(7) unexpended and unencumbered balances; and

(8) revenue collection rates and prospects.

(b) Whenever for any fiscal year it appears that the resources of the general fund or any special revenue fund are likely to be insufficient to cover the appropriations made against such general fund or special revenue fund, the secretary of administration, on the advice of the director of the budget, shall, in such manner as ~~he or she~~ the secretary may determine, inaugurate the allotment system so as to assure that expenditures for any particular fiscal year will not exceed the available resources of the general fund or

any special revenue fund for that fiscal year. When reviewing the resources of the general fund or any special revenue fund for the purposes of issuing an allotment, the secretary shall not take into consideration the balance in the budget stabilization fund.

(c) (1) The allotment system shall not apply to the legislature or to the courts or their officers and employees, or to payments made from the juvenile justice improvement fund, established in section 13, of 2016 Senate Bill No. 367, and amendments thereto, for the development and implementation of evidence-based community programs and practices for juvenile offenders and their families. During the fiscal year ending June 30, 2017, the allotment system provided by this section shall not apply to any item of appropriation for employer contributions for the state of Kansas and participating employers who are eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto.

(2) Agencies affected by decisions of the secretary of administration under this section shall be notified in writing at least 30 days before such decisions may become effective and any affected agency may, by written request addressed to the governor within 10 days after such notice, ask for a review of the decision by the finance council. The finance council shall hear appeals and render a decision within 20 days after the governor receives requests for such ~~hearings~~ review.

Sec. 5. K.S.A. 75-6704, as amended by section 62 of 2016 Senate Bill No. 367, is hereby amended to read as follows: 75-6704. (a) The director of the budget shall continuously monitor the status of the state general fund with regard to estimated and actual revenues and approved and actual expenditures and demand transfers. Periodically, the director of the budget shall estimate the amount of the unencumbered ending balance of moneys in the state general fund for the current fiscal year and the total amount of anticipated expenditures, demand transfers and encumbrances of moneys in the state general fund for the current fiscal year. If the amount of such unencumbered ending balance in the state general fund is less than $100,000,000, the director of the budget shall certify to the governor the difference between $100,000,000 and the amount of such unencumbered ending balance in the state general fund, after adjusting the estimates of the amounts of such demand transfers with regard to new estimates of revenues to the state general fund, where appropriate. When estimating the amount of the unencumbered ending balance of moneys in the state general fund for the purposes of such certification, the director of the budget shall not take into consideration the balance in the budget stabilization fund.

(b) Upon receipt of any such certification and subject to approval of the state finance council acting on this matter which is hereby declared to be a matter of legislative delegation and subject to the guidelines prescribed by K.S.A. 75-3711c(c), and amendments thereto, the governor may issue an executive order reducing, by applying a percentage reduction determined by the governor in accordance with this section: (1) The amount authorized to be expended from each appropriation from the state general fund for the current fiscal year, other than any item of appropriation for debt service for payments pursuant to contractual bond obligations or any item of appropriation for employer contributions for the employers who are eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto, or for payments made from the juvenile justice improvement fund

for the development and implementation of evidence-based community programs and practices for juvenile offender and their families; and (2) the amount of each demand transfer from the state general fund for the current fiscal year, other than any demand transfer to the school district capital improvements fund for distribution to school districts pursuant to K.S.A. 75-2319, and amendments thereto.

(c) The reduction imposed by an executive order issued under this section shall be determined by the governor and may be equal to or less than the amount certified under subsection (a). Except as otherwise specifically provided by this section, the percentage reduction applied under subsection (b) shall be the same for each item of appropriation and each demand transfer and shall be imposed equally on all such items of appropriation and demand transfers without exception. No such percentage reduction and no provisions of any such executive order under this section shall apply or be construed to reduce any item of appropriation for debt service for payments pursuant to contractual bond obligations or any item of appropriation for employer contributions for the employers who are eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto, or any demand transfer to the school district capital improvements fund for distribution to school districts pursuant to K.S.A. 75-2319, and amendments thereto. The provisions of such executive order shall be effective for all state agencies of the executive, legislative and judicial branches of state government.

(d) If the governor issues an executive order under this section, the director of accounts and reports shall not issue any warrant for the payment of moneys in the state general fund or make any demand transfer of moneys in the state general fund for any state agency unless such warrant or demand transfer is in accordance with such executive order and such warrant or demand transfer does not exceed the amount of money permitted to be expended or transferred from the state general fund.

(e) Nothing in this section shall be construed to: (1) Require the governor to issue an executive order under this section upon receipt of any such certification by the director of the budget; or (2) restrict the number of times that the director of the budget may make a certification under this section or that the governor may issue an executive order under this section.

Sec. 6. K.S.A. 75-3722, as amended by section 61 of 2016 Senate Bill No. 367, and 75-6704, as amended by section 62 of 2016 Senate Bill No. 367, and K.S.A. 2015 Supp. 75-3721 and 76-12a25 are hereby repealed.";

And by renumbering sections accordingly;

Also on page 1, in line 1, by striking "the budget process" and inserting "state finances"; in line 3, after "process" by inserting "; creating a budget stabilization fund; relating to state general fund revenue and expenditures; review of risk-based practices by the legislative budget committee; amending K.S.A. 75-3722, as amended by section 61 of 2016 Senate Bill No. 367, and 75-6704, as amended by section 62 of 2016 Senate Bill No. 367, and K.S.A. 2015 Supp.75-3721 and repealing the existing sections; also repealing K.S.A. 2015 Supp. 76-12a25";

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

TY MASTERSON
JIM DENNING
LAURA KELLY
Conferees on part of Senate

RONALD RYCKMAN
SHARON SCHWARTZ
JERRY HENRY
Conferees on part of House

On motion of Rep. Ryckman, the conference committee report on **HB 2739** was adopted.

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

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schroeder, Schwab, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Hemsley, Kahrs, Kelley.

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

MID-AFTERNOON SESSION

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

The House stood at ease until the sound of the gavel.

Speaker Merrick called the House to order.

On motion of Rep. Vickrey, the House recessed until 5:15 p.m.

LATE AFTERNOON SESSION

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

MESSAGES FROM THE SENATE

The Senate adopts the Conference Committee report on **S Sub for HB 2049**.
The Senate adopts the Conference Committee report on **HB 2632**.
The Senate adopts the Conference Committee report on **SB 366**.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, 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 **S Sub for HB 2049, HB 2632**.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2049** submits the following report:

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

On page 1, by striking all in lines 7 through 36;

By striking all on pages 2 through 11;

On page 12, by striking all in lines 1 through 31 and inserting:

"Section 1. K.S.A. 2015 Supp. 76-12b01 is hereby amended to read as follows: 76-12b01. When used in this act:

(a) "Adaptive behavior" means the effectiveness or degree with which an individual meets the standards of personal independence and social responsibility expected of that person's age, cultural group and community.

(b) "Care" means supportive services, including, but not limited to, provision of room and board, supervision, protection, assistance in bathing, dressing, grooming, eating and other activities of daily living.

(c) "Institution" means a state institution for people with intellectual disability including the following institutions: Kansas neurological institute and Parsons state hospital.

(d) "Intellectual disability" means significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior ~~and manifested during the period from birth to age 18~~.

(e) "Respite care" means temporary, short-term care not exceeding 90 days per calendar year to provide relief from the daily pressures involved in caring for a person with intellectual disability.

(f) "Restraint" means the use of a totally enclosed crib or any material to restrict or inhibit the free movement of one or more limbs of a person except medical devices which limit movement for examination, treatment or to insure the healing process.

(g) "Seclusion" means being placed alone in a locked room where the individual's freedom to leave is thereby restricted and where such placement is not under continuous

observation.

(h) "Secretary" means the secretary for aging and disability services or the designee of the secretary.

(i) "Significantly subaverage general intellectual functioning" ~~means~~ may be established by performance which is two or more standard deviations from the mean score on a standardized intelligence test specified by the secretary. Such standardized intelligence test shall take into account the standard error of measurement, and subaverage general intellectual functioning may be established by means in addition to standardized intellectual testing. The amendments made to this subsection by this act shall be construed and applied retroactively.

(j) "Superintendent" means the chief administrative officer of the institution or the designee of the chief administrative officer.

(k) "Training" means the provision of specific environmental, physical, mental, social and educational interventions and therapies for the purpose of halting, controlling or reversing processes that cause, aggravate or complicate malfunctions or dysfunctions of development.

Sec. 2. K.S.A. 2015 Supp. 76-12b01 is hereby repealed.";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 1, by striking all after "concerning"; by striking lines 2 and 3; in line 4, by striking all before the period and inserting "intellectual disability; relating to the definition of significantly subaverage general intellectual functioning; amending K.S.A. 2015 Supp. 76-12b01 and repealing the existing section";

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

GREG SMITH
FORREST J. KNOX
PAT PETTEY
Conferees on part of Senate

RAMON C. GONZALEZ
JAN PAULS
DENNIS "BOOG" HIGHBERGER
Conferees on part of House

On motion of Rep. Finch, the conference committee report on **S Sub for HB 2049** was adopted.

On roll call, the vote was: Yeas 121; Nays 0; Present but not voting: 0; Absent or not voting: 4.

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Hemsley, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kelley, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Peck,

Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schroeder, Schwab, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Kahrs.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2632** submits the following report:

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

On page 1, by striking all in lines 8 through 36;

On page 2, by striking all in lines 1 through 33 and inserting:

"Section 1. K.S.A. 2015 Supp. 12-1770a is hereby amended to read as follows: 12-1770a. As used in this act~~, and amendments thereto~~, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the content:

(a) "Auto race track facility" means: (1) An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding (2) hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(b) "Base year assessed valuation" means the assessed valuation of all real property within the boundaries of a redevelopment district on the date the redevelopment district was established.

(c) "Blighted area" means an area which:

(1) Because of the presence of a majority of the following factors, substantially impairs or arrests the development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use:

(A) A substantial number of deteriorated or deteriorating structures;

(B) predominance of defective or inadequate street layout;

(C) unsanitary or unsafe conditions;

(D) deterioration of site improvements;

(E) tax or special assessment delinquency exceeding the fair market value of the real property;

(F) defective or unusual conditions of title including, but not limited to, cloudy or defective titles, multiple or unknown ownership interests to the property;

(G) improper subdivision or obsolete platting or land uses;

(H) the existence of conditions which endanger life or property by fire or other causes; or

(I) conditions which create economic obsolescence; ~~or~~

(2) has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation; feasibility study and remediation or other similar state or federal action; ~~or~~

(3) a majority of the property is a 100-year floodplain area; or

(4) previously was found by resolution of the governing body to be a slum or a blighted area under K.S.A. 17-4742 et seq., and amendments thereto.

(d) "Conservation area" means any improved area comprising 15% or less of the land area within the corporate limits of a city in which 50% or more of the structures in the area have an age of 35 years or more, which area is not yet blighted, but may become a blighted area due to the existence of a combination of two or more of the following factors:

(1) Dilapidation, obsolescence or deterioration of the structures;

(2) illegal use of individual structures;

(3) the presence of structures below minimum code standards;

(4) building abandonment;

(5) excessive vacancies;

(6) overcrowding of structures and community facilities; or

(7) inadequate utilities and infrastructure.

(e) "De minimus" means an amount less than 15% of the land area within a redevelopment district.

(f) "Developer" means any person, firm, corporation, partnership or limited liability company, other than a city and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district.

(g) "Eligible area" means a blighted area, conservation area, enterprise zone, intermodal transportation area, major tourism area or a major commercial entertainment and tourism area ~~or,~~ bioscience development area or a building or buildings which are 65 years of age or older and any contiguous vacant or condemned lots.

(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of such city.

(i) "Environmental increment" means the increment determined pursuant to K.S.A. 12-1771a(b), and amendments thereto.

(j) "Environmentally contaminated area" means an area of land having contaminated groundwater or soil which is deemed environmentally contaminated by the department of health and environment or the United States environmental protection agency.

(k) (1) "Feasibility study" means:

(A) A study which shows whether a redevelopment project's or bioscience development project's benefits and tax increment revenue and other available revenues under K.S.A. 12-1774(a)(1), and amendments thereto, are expected to exceed or be sufficient to pay for the redevelopment or bioscience development project costs; and

(B) the effect, if any, the redevelopment project costs or bioscience development project will have on any outstanding special obligation bonds payable from the

revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto.

(2) For a redevelopment project or bioscience project financed by bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, the feasibility study must also include:

(A) A statement of how the taxes obtained from the project will contribute significantly to the economic development of the jurisdiction in which the project is located;

(B) a statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the redevelopment project. If a portion of local sales and use taxes is so committed, the applicant shall describe the following:

(i) The percentage of sales and use taxes collected that are so committed; and

(ii) the date or dates on which the local sales and use taxes pledged to other uses can be pledged for repayment of special obligation bonds;

(C) an anticipated principal and interest payment schedule on the bonds;

(D) following approval of the redevelopment plan, the feasibility study shall be supplemented to include a copy of the minutes of the governing body meeting or meetings of any city whose bonding authority will be utilized in the project, evidencing that a redevelopment plan has been created, discussed, and adopted by the city in a regularly scheduled open public meeting; and

(E) the failure to include all information enumerated in this subsection in the feasibility study for a redevelopment or bioscience project shall not affect the validity of bonds issued pursuant to this act.

(l) "Major tourism area" means an area for which the secretary has made a finding the capital improvements costing not less than $100,000,000 will be built in the state to construct an auto race track facility.

(m) "Real property taxes" means all taxes levied on an ad valorem basis upon land and improvements thereon, except that when relating to a bioscience development district, as defined in this section, "real property taxes" does not include property taxes levied for schools, pursuant to K.S.A. 2015 Supp. 72-6470, and amendments thereto.

(n) "Redevelopment project area" means an area designated by a city within a redevelopment district or, if the redevelopment district is established for an intermodal transportation area, an area designated by a city within or outside of the redevelopment district.

(o) "Redevelopment project costs" means: (1) Those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:

(A) Acquisition of property within the redevelopment project area;

(B) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

(C) site preparation including utility relocations;

(D) sanitary and storm sewers and lift stations;

(E) drainage conduits, channels, levees and river walk canal facilities;

(F) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;

(G) street light fixtures, connection and facilities;

(H) underground gas, water, heating and electrical services and connections located

within the public right-of-way;

(I) sidewalks and pedestrian underpasses or overpasses;

(J) drives and driveway approaches located within the public right-of-way;

(K) water mains and extensions;

(L) plazas and arcades;

(M) major multi-sport athletic complex;

(N) museum facility;

(O) parking facilities including multilevel parking facilities;

(P) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;

(Q) related expenses to redevelop and finance the redevelopment project;

(R) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city in its resolution establishing such redevelopment district or a bioscience development district;

(S) costs for the acquisition of land for and the construction and installation of publicly-owned infrastructure improvements which serve an intermodal transportation area and are located outside of a redevelopment district; and

(T) costs for infrastructure located outside the redevelopment district but contiguous to any portion of the redevelopment district and such infrastructure is necessary for the implementation of the redevelopment plan as determined by the city.

(2) Redevelopment project costs shall not include: (A) Costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a developer, however, the "redevelopment project costs" shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility or a multilevel parking facility.

(B) In addition, for a redevelopment project financed with special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, redevelopment project costs shall not include:

(i) Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a redevelopment district;

(ii) salaries for local government employees;

(iii) moving expenses for employees of the businesses locating within the redevelopment district;

(iv) property taxes for businesses that locate in the redevelopment district;

(v) lobbying costs;

(vi) a bond origination fee charged by the city pursuant to K.S.A. 12-1742, and amendments thereto;

(vii) any personal property, as defined in K.S.A. 79-102, and amendments thereto; and

(viii) travel, entertainment and hospitality.

(p) "Redevelopment district" means the specific area declared to be an eligible area in which the city may develop one or more redevelopment projects.

(q) "Redevelopment district plan" or "district plan" means the preliminary plan that identifies all of the proposed redevelopment project areas and identifies in a general

manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each redevelopment project area or, if the redevelopment district is established for an intermodal transportation area, in or outside of the redevelopment district.

(r) "Redevelopment project" means the approved project to implement a project plan for the development of the established redevelopment district.

(s) "Redevelopment project plan" means the plan adopted by a municipality for the development of a redevelopment project or projects which conforms with K.S.A. 12-1772, and amendments thereto, in a redevelopment district.

(t) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the district plan or project plan was approved.

(u) "Tax increment" means that amount of real property taxes collected from real property located within the redevelopment district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(v) "Taxing subdivision" means the county, city, unified school district and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district including a bioscience development district.

(w) "River walk canal facilities" means a canal and related water features which flows through a redevelopment district and facilities related or contiguous thereto, including, but not limited to pedestrian walkways and promenades, landscaping and parking facilities.

(x) "Major commercial entertainment and tourism area" may include, but not be limited to, a major multi-sport athletic complex.

(y) "Major multi-sport athletic complex" means an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(z) "Bioscience" means the use of compositions, methods and organisms in cellular and molecular research, development and manufacturing processes for such diverse areas as pharmaceuticals, medical therapeutics, medical diagnostics, medical devices, medical instruments, biochemistry, microbiology, veterinary medicine, plant biology, agriculture, industrial environmental and homeland security applications of bioscience and future developments in the biosciences. Bioscience includes biotechnology and life sciences.

(aa) "Bioscience development area" means an area that:

(1) Is or shall be owned, operated, or leased by, or otherwise under the control of the Kansas bioscience authority;

(2) is or shall be used and maintained by a bioscience company; or

(3) includes a bioscience facility.

(bb) "Bioscience development district" means the specific area, created under K.S.A. 12-1771, and amendments thereto, where one or more bioscience development projects may be undertaken.

(cc) "Bioscience development project" means an approved project to implement a project plan in a bioscience development district.

(dd) "Bioscience development project plan" means the plan adopted by the authority for a bioscience development project pursuant to K.S.A. 12-1772, and amendments thereto, in a bioscience development district.

(ee) "Bioscience facility" means real property and all improvements thereof used to conduct bioscience research, including, without limitation, laboratory space, incubator space, office space and any and all facilities directly related and necessary to the operation of a bioscience facility.

(ff) "Bioscience project area" means an area designated by the authority within a bioscience development district.

(gg) "Biotechnology" means those fields focusing on technological developments in such areas as molecular biology, genetic engineering, genomics, proteomics, physiomics, nanotechnology, biodefense, biocomputing, bioinformatics and future developments associated with biotechnology.

(hh) "Board" means the board of directors of the Kansas bioscience authority.

(ii) "Life sciences" means the areas of medical sciences, pharmaceutical sciences, biological sciences, zoology, botany, horticulture, ecology, toxicology, organic chemistry, physical chemistry, physiology and any future advances associated with life sciences.

(jj) "Revenue increase" means that amount of real property taxes collected from real property located within the bioscience development district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(kk) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto.

(ll) "Floodplain increment" means the increment determined pursuant to K.S.A. 2015 Supp. 12-1771e(b), and amendments thereto.

(mm) "100-year floodplain area" means an area of land existing in a 100-year floodplain as determined by either an engineering study of a Kansas certified engineer or by the United States federal emergency management agency.

(nn) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(oo) "Intermodal transportation area" means an area of not less than 800 acres to be developed primarily to handle the transfer, storage and distribution of freight through railway and trucking operations.

(pp) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not

directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or commercial building.

Sec. 2. K.S.A. 2015 Supp. 12-17,162 is hereby amended to read as follows: 12-17,162. As used in ~~this~~ the STAR bond financing act~~, and amendments thereto~~, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the context:

(a) "Auto race track facility" means: (1) An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding (2) hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(b) "Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, excavating the ground to lay a foundation or a basement or work of like description which a person with reasonable diligence can see and recognize as being done with the intention and purpose to continue work until the project is completed.

(c) "De minimus" means an amount less than 15% of the land area within a STAR bond project district.

(d) "Developer" means any person, firm, corporation, partnership or limited liability company other than a city and other than an agency, political subdivision or instrumentality of the state.

(e) "Economic impact study" means a study to project the financial benefit of the project to the local, regional and state economies.

(f) "Eligible area" means a historic theater, major tourism area, major motorsports complex, auto race track facility, river walk canal facility, major multi-sport athletic complex, or a major commercial entertainment and tourism area as determined by the secretary.

(g) "Feasibility study" means a feasibility study as defined in ~~subsection (b) of~~ K.S.A. 2015 Supp. 12-17,166(b), and amendments thereto.

(h) "Historic theater" means a building constructed prior to 1940 which was constructed for the purpose of staging entertainment, including motion pictures, vaudeville shows or operas, that is operated by a nonprofit corporation and is designated by the state historic preservation officer as eligible to be on the Kansas register of historic places or is a member of the Kansas historic theatre association.

(i) "Historic theater sales tax increment" means the amount of state and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within the historic theater that is in excess of the amount of such taxes collected prior to the designation of the building as a historic theater for purposes of this act.

(j) "Major commercial entertainment and tourism area" means an area that may include, but not be limited to, a major multi-sport athletic complex.

(k) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not

limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(l) "Major tourism area" means an area for which the secretary has made a finding the capital improvements costing not less than $100,000,000 will be built in the state to construct an auto race track facility.

(m) "Major multi-sport athletic complex" means an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(n) "Market study" means a study to determine the ability of the project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:

(1) Remain profitable past the term of repayment; and

(2) maintain status as a significant factor for travel decisions.

(o) "Market impact study" means a study to measure the impact of the proposed project on similar businesses in the project's market area.

(p) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or commercial building.

(q) "Project" means a STAR bond project.

(r) "Project costs" means those costs necessary to implement a STAR bond project plan, including costs incurred for:

(1) Acquisition of real property within the STAR bond project area;

(2) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 2015 Supp. 12-17,173, and amendments thereto;

(3) site preparation including utility relocations;

(4) sanitary and storm sewers and lift stations;

(5) drainage conduits, channels, levees and river walk canal facilities;

(6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;

(7) street light fixtures, connection and facilities;

(8) underground gas, water, heating and electrical services and connections located within the public right-of-way;

(9) sidewalks and pedestrian underpasses or overpasses;

(10) drives and driveway approaches located within the public right-of-way;

(11) water mains and extensions;

(12) plazas and arcades;

(13) parking facilities and multilevel parking structures devoted to parking only;

(14) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;

(15) auto race track facility;

(16) major multi-sport athletic complex;

(17) museum facility;

(18) major motorsports complex;

(19) related expenses to redevelop and finance the project, except that for a STAR bond project financed with special obligation bonds payable from the revenues described in ~~subsection (a)(1) of~~ K.S.A. 2015 Supp. 12-17,169(a)(1), and amendments thereto, such expenses shall require prior approval by the secretary of commerce; and

(20) except as specified in ~~subsections~~ paragraphs (1) through (19) above, project costs shall not include:

(A) Costs incurred in connection with the construction of buildings or other structures;

(B) fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a STAR bond project district;

(C) salaries for local government employees;

(D) moving expenses for employees of the businesses locating within the STAR bond project district;

(E) property taxes for businesses that locate in the STAR bond project district;

(F) lobbying costs;

(G) any bond origination fee charged by the city or county;

(H) any personal property as defined in K.S.A. 79-102, and amendments thereto; and

(I) travel, entertainment and hospitality.

(s) "Projected market area" means any area within the state in which the project is projected to have a substantial fiscal or market impact upon businesses in such area.

(t) "River walk canal facilities" means a canal and related water features which flow through a major commercial entertainment and tourism area and facilities related or contiguous thereto, including, but not limited to, pedestrian walkways and promenades, landscaping and parking facilities.

(u) "Sales tax and revenue" are those revenues available to finance the issuance of special obligation bonds as identified in K.S.A. 2015 Supp. 12-17,168, and amendments thereto.

(v) "STAR bond" means a sales tax and revenue bond.

(w) "STAR bond project" means an approved project to implement a project plan for the development of the established STAR bond project district with:

(1) At least a $50,000,000 capital investment and $50,000,000 in projected gross annual sales; or

(2) for areas outside of metropolitan statistical areas, as defined by the federal office of management and budget, the secretary finds:

(A) The project is an eligible area as defined in subsection (f), and amendments

thereto; and

(B) would be of regional or statewide importance; or

(3) is a major tourism area as defined in subsection (l), and amendments thereto; or

(4) is a major motorsports complex, as defined in subsection (k)~~, and amendments thereto~~.

(x) "STAR bond project area" means the geographic area within the STAR bond project district in which there may be one or more projects.

(y) "STAR bond project district" means the specific area declared to be an eligible area as determined by the secretary in which the city or county may develop one or more STAR bond projects. A STAR bond project district includes a redevelopment district, as defined in K.S.A. 12-1770a, and amendments thereto, created prior to the effective date of this act for the Wichita Waterwalk project in Wichita, Kansas, provided, the city creating such redevelopment district submits an application for approval for STAR bond financing to the secretary on or before July 31, 2007, and receives a final letter of determination from the secretary approving or disapproving the request for STAR bond financing on or before November 1, 2007. No STAR bond project district shall include real property which has been part of another STAR bond project district unless such STAR bond project and STAR bond project district have been approved by the secretary of commerce pursuant to K.S.A. 2015 Supp. 12-17,164 and 12-17,165, and amendments thereto, prior to March 1, 2016. A STAR bond project district shall be limited to those areas being developed by the STAR bond project and any area of real property reasonably anticipated to directly benefit from the redevelopment project.

(z) "STAR bond project district plan" means the preliminary plan that identifies all of the proposed STAR bond project areas and identifies in a general manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each STAR bond project area.

(aa) "STAR bond project plan" means the plan adopted by a city or county for the development of a STAR bond project or projects in a STAR bond project district.

(bb) "Secretary" means the secretary of commerce.

(cc) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the STAR bond project district plan was approved.

(dd) "Tax increment" means that portion of the revenue derived from state and local sales, use and transient guest tax imposed pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within that portion of a STAR bond project district occupied by a project that is in excess of the amount of base year revenue. For purposes of this subsection, the base year shall be the 12-month period immediately prior to the month in which the STAR bond project district is established. The department of revenue shall determine base year revenue by reference to the revenue collected during the base year from taxpayers doing business within the specific area in which a STAR bond project district is subsequently established. The base year of a STAR bond project district, following the addition of area to the STAR bond project district, shall be the base year for the original area, and with respect to the additional area, the base year shall be any 12-month period immediately prior to the month in which additional area is added to the STAR bond project district. For purposes of this subsection, revenue collected from

taxpayers doing business within a STAR bond project district, or within a specific area in which a STAR bond project district is subsequently established shall not include local sales and use tax revenue that is sourced to jurisdictions other than those in which the project is located. The secretary of revenue and the secretary of commerce shall certify the appropriate amount of base year revenue for taxpayers relocating from within the state into a STAR bond district.

(ee) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto.

Sec. 3. K.S.A. 2015 Supp. 12-17,169 is hereby amended to read as follows: 12-17,169. (a) (1) Any city or county shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any STAR bond project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) From revenues of the city or county derived from or held in connection with the undertaking and carrying out of any STAR bond project or projects under this act including historic theater sales tax increments;

(B) from any private sources, contributions or other financial assistance from the state or federal government;

(C) from a pledge of 100% of the tax increment revenue received by the city from any local sales and use taxes, including the city's share of any county sales tax, which are collected from taxpayers doing business within that portion of the city's STAR bond project district established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a STAR bond project, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of the STAR bond project;

(D) at the option of the county in a city STAR bond project district, from a pledge of all of the tax increment revenues received by the county from any local sales and use taxes which are collected from taxpayers doing business within that portion of the city's STAR bond project district established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments thereto, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of a STAR bond project;

(E) in a county STAR bond project district, from a pledge of 100% of the tax increment revenue received by the county from any county sales and use tax, but excluding any portions of such taxes that are allocated to the cities in such county pursuant to K.S.A. 12-192, and amendments thereto, which are collected from taxpayers doing business within that portion of the county's STAR bond project district established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a STAR bond project;

(F) from a pledge of all or a portion of the tax increment revenue received from any state sales taxes which are collected from taxpayers doing business within that portion of the city's or county's STAR bond project district occupied by a STAR bond project, except that for any STAR bond project district established and approved by the secretary on or after January 1, 2017, such tax increment shall not include any sales tax revenue from retail automobile dealers;

(G) at the option of the city or county and with approval of the secretary, from all

or a portion of the transient guest tax of such city or county;

(H) at the option of the city or county and with approval of the secretary, (i) from a pledge of all or a portion of increased revenue received by the city or county from franchise fees collected from utilities and other businesses using public right-of-way within the STAR bond project district; or (ii) from a pledge of all or a portion of the revenue received by a city or county from local sales taxes or local transient guest and local use taxes; or

(I) by any combination of these methods.

The city or county may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(2) Bonds issued under ~~paragraph (1) of this~~ subsection (a)(1) shall not be general obligations of the city or the county, nor in any event shall they give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties other than any of those set forth in ~~paragraph (1) of this~~ subsection (a)(1) and such bonds shall so state on their face.

(3) Bonds issued under the provisions of ~~paragraph (1) of this~~ subsection (a)(1) shall be special obligations of the city or county and are declared to be negotiable instruments. Such bonds shall be executed by the mayor and clerk of the city or the chairperson of the board of county commissioners and the county clerk and sealed with the corporate seal of the city or county. All details pertaining to the issuance of such special obligation bonds and terms and conditions thereof shall be determined by ordinance of the city or by resolution of the county.

All special obligation bonds issued pursuant to this act and all income or interest therefrom shall be exempt from all state taxes. Such special obligation bonds shall contain none of the recitals set forth in K.S.A. 10-112, and amendments thereto. Such special obligation bonds shall, however, contain the following recitals: (i) The authority under which such special obligation bonds are issued; (ii) such bonds are in conformity with the provisions, restrictions and limitations thereof; and (iii) that such special obligation bonds and the interest thereon are to be paid from the money and revenue received as provided in ~~paragraph (1) of this~~ subsection (a)(1).

(4) Any city or county issuing special obligation bonds under the provisions of this act may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(b) (1) Subject to the provisions of ~~paragraph (2) of this~~ subsection (b)(2), any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking, establishment or redevelopment of any major motorsports complex, as defined in ~~subsection (k) of~~ K.S.A. 2015 Supp. 12-17,162(k), and amendments thereto. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in ~~paragraph (1) of~~ subsection (a)(1) or by any combination of these sources; and (B) subject to the provisions of ~~paragraph (2) of this~~ subsection (b)(2), from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in ~~paragraph (3) of this~~ subsection (b)(3), before the governing body of any city proposes to issue full faith and credit tax increment bonds as

authorized by this subsection, the feasibility study required by ~~subsection (b) of~~ K.S.A. 2015 Supp. 12-17,166(b), and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by ~~subsection (e) of~~ K.S.A. 2015 Supp. 12-17,166(e), and amendments thereto, that it may issue such bonds to finance the proposed STAR bond project. The governing body may issue the bonds unless within 60 days following the conclusion of the public hearing on the proposed STAR bond project plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with this section. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in K.S.A. 2015 Supp. 12-17,165, and amendments thereto, that the proposed STAR bond project district will have an adverse effect on the county or school district.

(3) As an alternative to ~~paragraph (2) of this~~ subsection (b)(2), any city which adopts a STAR bond project plan for a major motorsports complex, but does not state its intent to issue full faith and credit tax increment bonds in the resolution required by ~~subsection (e) of~~ K.S.A. 2015 Supp. 12-17,166(e), and amendments thereto, and has not acquired property in the STAR bond project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to ~~paragraph (1) of~~ subsection (a)(1). Any project plan adopted by a city prior to the effective date of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

(4) During the progress of any major motorsports complex project in which the project costs will be financed, in whole or in part, with the proceeds of full faith and credit tax increment bonds, the city may issue temporary notes in the manner provided in K.S.A. 10-123, and amendments thereto, to pay the project costs for the major motorsports complex project. Such temporary notes shall not be issued and the city shall not acquire property in the STAR bond project area until the requirements of ~~paragraph (2) or (3) of this~~ subsection (b)(2) or (b)(3), whichever is applicable, have been met.

(5) Full faith and credit tax increment bonds issued under this subsection shall be general obligations of the city and are declared to be negotiable instruments. Such bonds shall be issued in accordance with the general bond law. All such bonds and all income or interest therefrom shall be exempt from all state taxes. The amount of the full faith and credit tax increment bonds issued and outstanding which exceeds 3% of the assessed valuation of the city shall be within the bonded debt limit applicable to such

city.

(6) Any city issuing full faith and credit tax increment bonds under the provisions of this subsection may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(c) (1) For each project financed with special obligation bonds payable from the revenues described in subsection (a)(1), the city or county shall prepare and submit to the secretary by October 1 of each year, a report describing the status of any projects within such STAR bond project area, any expenditures of the proceeds of special obligation bonds that have occurred since the last annual report and any expenditures of the proceeds of such bonds expected to occur in the future, including the amount of sales tax revenue, how such revenue has been spent, the projected amount of such revenue and the anticipated use of such revenue. The department of commerce shall compile this information and submit a report annually to the governor and the legislature by February 1 of each year.

(2) (A) In addition to the report referenced in paragraph (1), the department of commerce, in cooperation with the department of revenue, shall submit a report to the senate commerce committee and the house commerce, labor and economic development committee by January 31 of each session. The report shall include the following information for the last three calendar years and the most current year-to-date information available with respect to each star bond district:

(i) The amount of sales tax collected, and the amount of any "base" sales taxes being allocated to the district;

(ii) the total amount of bond payments and other expenses incurred;

(iii) the total amount of bonds issued and the balance of the bonds, by district and by project in the district;

(iv) the remaining cash balance in the project to pay future debt service and other expenses;

(v) any new income producing properties being brought into a district and the base revenue going to the state general fund and incremental sales tax increases going to the district with respect to such properties;

(vi) the amount of bonds issued to repay private investors in the project with calculations showing the private and state share of indebtedness;

(vii) the percentage of local effort sales tax actually committed to the district compared to the state's share of sales tax percentage committed to the district;

(viii) the number of out-of-state visitors to a project, a discussion of the visitor attraction properties of projects in the districts, and a comparison of the number of out-of-state visitors with the number of in-state visitors; and

(ix) if any information or data is not available, an explanation as to why it is not available.

(B) Either the senate commerce committee or the house committee on commerce, labor and economic development may amend the information required in the report with additional requests and clarification on a going forward basis.

(d) A city or county may use the proceeds of special obligation bonds or any uncommitted funds derived from sources set forth in this section to pay the bond project costs as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to implement the STAR bond project plan.

(e) With respect to a STAR bond project district established prior to January 1,

2003, for which, prior to January 1, 2003, the secretary made a finding as provided in subsection (a) ~~of this section~~ that a STAR bond project would create a major tourism area for the state, such special obligation bonds shall be payable both as to principal and interest, from a pledge of all of the revenue from any transient guest, state and local sales and use taxes collected from taxpayers as provided in subsection (a) ~~of this section~~ whether or not revenues from such taxes are received by the city.

Sec. 4. K.S.A. 2015 Supp. 12-17,171 is hereby amended to read as follows: 12-17,171. (a) Any addition of area to the STAR bond project district, or any substantial change as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to the STAR bond project district plan shall be subject to the same procedure for public notice and hearing as is required for the establishment of the STAR bond project district. Any such addition of area shall be limited to real property which has not been part of another STAR bond project district. The base year of a STAR bond project district, following the addition of area to the STAR bond project district, shall be the base year for the original area, and with respect to the additional area, the base year shall be any 12-month period immediately prior to the month in which additional area is added to the STAR bond project district.

(b) A city or county may remove real property from a STAR bond project district by an ordinance or resolution of the governing body respectively.

(c) A city or county may divide the real property in a STAR bond project district, including real property in different project areas within a STAR bond project district, into separate STAR bond project districts. Any division of real property within a STAR bond project district into more than one STAR bond project district shall be subject to the same procedure of public notice and hearing as is required for the establishment of the STAR bond project district.

(d) Subject to the provisions of subsection (a), if a city or county has undertaken a STAR bond project within a STAR bond project district, and either the city or county wishes to subsequently remove more than a de minimus amount of real property from the STAR bond project district, or the city or county wishes to subsequently divide the real property in the STAR bond project district into more than one STAR bond project district, then prior to any such removal or division the city or county must provide a feasibility study which shows that the tax revenue from the resulting STAR bond project district within which the STAR bond project is located is expected to be sufficient to pay the project costs.

(e) Removal of real property from one STAR bond project district and addition of all or a portion of that real property to another STAR bond project district may be accomplished by the adoption of an ordinance or resolution, and in such event the determination of the existence or nonexistence of an adverse effect on the county or school district under ~~subsection (f) of~~ K.S.A. 2015 Supp. 12-17,165(f), and amendments thereto, shall apply to both such removal and such addition of real property to a STAR bond project district.

Sec. 5. K.S.A. 2015 Supp. 12-17,176 is hereby amended to read as follows: 12-17,176. (a) STAR bond projects using state sales tax financing pursuant to K.S.A. 2015 Supp. 12-17,169, and amendments thereto, shall be audited by an independent certified public accountant annually at the expense of the city or county. The audit report shall supplement the annual report required pursuant to K.S.A. 2015 Supp. 12-17,169, and amendments thereto.

(b) Such audits shall determine whether bond financing obtained under K.S.A. 2015 Supp. 12-17,169, and amendments thereto, is being used only for authorized purposes. Audit results shall be reported to the house commerce, labor and economic development ~~and tourism~~ committee, the senate commerce committee, or successor committees, the governor and the secretaries of commerce and revenue during the legislative session immediately following the audit.

(c) If audit findings indicate that bond funds have been used for unauthorized or ineligible purposes, the city or county shall repay to the bond fund all such unauthorized or ineligible expenditures. Such city or county shall enter into a repayment agreement with the secretary of revenue specifying the terms of such repayment obligation.

Sec. 6. K.S.A. 2015 Supp. 74-99b15 is hereby amended to read as follows: 74-99b15. Nothing in this act should be construed as allowing the board to sell the authority or substantially all of the assets of the authority, or to merge the authority with another institution, without prior legislative authorization by statute. This authorization may be provided by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto, except that such approval also may be given while the legislature is in session.

Sec. 7. K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,169, 12-17,171, 12-17,176 and 74-99b15 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking lines 2 through 4; in line 5, by striking "section" and inserting "economic development; relating to tax increment financing, eligible areas; the STAR bond financing act; base year assessed valuation, business relocations; reports to the legislature; concerning the Kansas bioscience authority; delegating authority to the state finance council to oversee any sale of the Kansas bioscience authority or substantially all of the authority's assets; amending K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,169, 12-17,171, 12-17,176 and 74-99b15 and repealing the existing sections";

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

TY MASTERSON
JIM DENNING
LAURA KELLY
Conferees on part of Senate

MARVIN KLEEB
GENE SUELLENTROP
TOM SAWYER
Conferees on part of House

On motion of Rep. Kleeb, the conference committee report on **HB 2632** was adopted.

On roll call, the vote was: Yeas 89; Nays 32; Present but not voting: 0; Absent or not voting: 4.

Yeas: Alford, Anthimides, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Campbell, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Francis,

Gallagher, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Hemsley, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kelley, Kelly, Kleeb, Lewis, Lunn, Macheers, Mason, Mast, McPherson, Merrick, O'Brien, Osterman, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ryckman, Ryckman Sr., Scapa, Schroeder, Schwab, Schwartz, Seiwert, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Todd, Vickrey, Waymaster, Weber, C., Whitmer, K. Williams.

Nays: Alcala, Ballard, Burroughs, Carlin, Carmichael, Curtis, Finney, Frownfelter, Helgerson, Henderson, Henry, Highberger, Houston, Kiegerl, Kuether, Lusk, Lusker, Moxley, Ousley, Ruiz, Sawyer, Scott, Sloan, C. Smith, Tietze, Trimmer, Victors, Ward, Whipple, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Kahrs.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 402** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 402 as follows:

On page 1, by striking all in lines 6 through 36;

By striking all in pages 2 through 7;

On page 8, by striking all in lines 1 through 5; following line 5, by inserting:

"Section 1. K.S.A. 2015 Supp. 39-702 is hereby amended to read as follows: 39-702. The following words and phrases when used in this act shall, for the purposes of this act, have the meanings respectively ascribed to them in this section:

(a) "Secretary" means the secretary for children and families, unless otherwise specified.

(b) "Applicants" means all persons who, as individuals, or in whose behalf requests are made of the secretary for aid or assistance.

(c) "Social welfare service" may include such functions as giving assistance, the prevention of public dependency, and promoting the rehabilitation of dependent persons or those who are approaching public dependency.

(d) "Assistance" includes such items or functions as the giving or providing of money, food assistance, food, clothing, shelter, medicine or other materials, the giving of any service, including instructive or scientific. The definitions of social welfare service and assistance in this section shall be deemed as partially descriptive and not limiting.

(e) "Temporary assistance to needy families" means financial assistance with respect to or on behalf of a dependent child or dependent children and includes financial assistance for any month to meet the needs of the relative or qualifying caretaker with whom any dependent child is living.

(f) "Medical assistance" means the payment of all or part of the cost of necessary: (1) Medical, remedial, rehabilitative or preventive care and services ~~which~~ that are within the scope of services to be provided under a medical care plan developed by the secretary pursuant to this act and furnished by health care providers who have a current

approved provider agreement with the secretary; and (2) transportation to obtain care and services ~~which~~ that are within the scope of services to be provided under a medical care plan developed by the secretary pursuant to this act.

(g) "Dependent children" means needy children under the age of 18, or who are under the age of 19 and are full-time students in secondary schools or the equivalent educational program who are in the care of a biological or adoptive parent, court appointed guardian, conservator or legal custodian and who are living with any relative, including first cousins, uncles, aunts, and persons of preceding generations are denoted by prefixes of grand, great, or great-great, and including the spouses or former spouses of any persons named in the above groups, in a place of residence maintained by one or more of such relatives as their own home.

(h) "The blind" means not only those who are totally and permanently devoid of vision, but also those persons whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential.

(i) "Recipient" means a person who has received assistance under the terms of this act.

(j) "Intake office" means the place where the secretary shall maintain an office for receiving applications.

(k) "Adequate consideration" means consideration equal, or reasonably proportioned to the value of that for which it is given.

(l) "Title IV-D" means part D of title IV of the federal social security act, ~~(~~42 U.S.C. § 651 et seq.~~)~~, as in effect on May 1, 1997.

(m) "TANF diversion assistance" means a one-time voluntary payment option in lieu of ongoing TANF assistance. The diversion payment is available to applicants who have not received TANF assistance as an adult, and is designed to meet a crisis or emergency hardship that would endanger such applicants' ability to remain employed or to accept an offer of employment. Any household that includes such recipient accepting the diversion payment is ineligible to receive on-going TANF assistance for 12 months after receipt of the diversion payment. Any recipient who receives a diversion payment is limited to ~~42~~ 18 months of TANF cash assistance in a lifetime, unless such recipient shall meet a hardship criteria as defined by the secretary.

(n) "Non-cooperation" means the failure of the applicant or recipient to comply with all requirements provided in state and federal law, rules and regulations and agency policy.

Sec. 2. K.S.A. 2015 Supp. 39-709 is hereby amended to read as follows: 39-709. (a) *General eligibility requirements for assistance for which federal moneys are expended.* Subject to the additional requirements below, assistance in accordance with plans under which federal moneys are expended may be granted to any needy person who:

(1) Has insufficient income or resources to provide a reasonable subsistence compatible with decency and health. Where a husband and wife or cohabiting partners are living together, the combined income or resources of both shall be considered in determining the eligibility of either or both for such assistance unless otherwise prohibited by law. The secretary, in determining need of any applicant for or recipient of assistance shall not take into account the financial responsibility of any individual for any applicant or recipient of assistance unless such applicant or recipient is such individual's spouse, cohabiting partner or such individual's minor child or minor

stepchild if the stepchild is living with such individual. The secretary in determining need of an individual may provide such income and resource exemptions as may be permitted by federal law. For purposes of eligibility for temporary assistance for needy families, for food assistance and for any other assistance provided through the Kansas department for children and families under which federal moneys are expended, the secretary for children and families shall consider one motor vehicle owned by the applicant for assistance, regardless of the value of such vehicle, as exempt personal property and shall consider any equity in any boat, personal water craft, recreational vehicle, recreational off-highway vehicle or all-terrain vehicle, as defined by K.S.A. 8-126, and amendments thereto, or any additional motor vehicle owned by the applicant for assistance to be a nonexempt resource of the applicant for assistance except that any additional motor vehicle used by the applicant, the applicant's spouse or the applicant's cohabiting partner for the primary purpose of earning income may be considered as exempt personal property in the secretary's discretion.

(2) Is a citizen of the United States or is an alien lawfully admitted to the United States and who is residing in the state of Kansas.

(b) *Temporary assistance for needy families.* Assistance may be granted under this act to any dependent child, or relative, subject to the general eligibility requirements as set out in subsection (a), who resides in the state of Kansas or whose parent or other relative with whom the child is living resides in the state of Kansas. Such assistance shall be known as temporary assistance for needy families. ~~On and after January 1, 2017, the department shall conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department.~~ Where the husband and wife or cohabiting partners are living together, both shall register for work under the program requirements for temporary assistance for needy families in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

(1) As used in this subsection, "family group" or "household" means the applicant or recipient for TANF, child care subsidy or employment services and all individuals living together in which there is a relationship of legal responsibility or a qualifying caretaker relationship. This will include a cohabiting boyfriend or girlfriend living with the person legally responsible for the child. The family group shall not be eligible for TANF if the family group contains at least one adult member who has received TANF, including the federal TANF assistance received in any other state, for ~~36~~ 24 calendar months beginning on and after October 1, 1996, unless the secretary determines a hardship exists and grants an extension allowing receipt of TANF until the ~~48-month~~ 36-month limit is reached. No extension beyond ~~48~~ 36 months shall be granted. Hardship provisions for a recipient include:

(A) Is a caretaker of a disabled family member living in the household;

(B) has a disability which precludes employment on a long-term basis or requires substantial rehabilitation;

(C) needs a time limit extension to overcome the effects of domestic violence/sexual assault;

(D) is involved with prevention and protection services (PPS) and has an open social service plan; or

(E) is determined by the ~~36th~~ 24th month to have an extreme hardship other than what is designated in criteria listed in subparagraphs (A) through ~~(E)~~ (D). This

determination will be made by the executive review team.

(2) All adults applying for TANF shall be required to complete a work program assessment as specified by the Kansas department for children and families, including those who have been disqualified for or denied TANF due to non-cooperation, drug testing requirements or fraud. Adults who are not otherwise eligible for TANF, such as ineligible aliens, relative/non-relative caretakers and adults receiving supplemental security income are not required to complete the assessment process. During the application processing period, applicants must complete at least one module or its equivalent of the work program assessment to be considered eligible for TANF benefits, unless good cause is found to be exempt from the requirements. Good cause exemptions shall only include:

(A) The applicant can document an existing certification verifying completion of the work program assessment;

(B) the applicant has a valid offer of employment or is employed a minimum of 20 hours a week;

(C) the applicant is a parenting teen without a GED or high school diploma;

(D) the applicant is enrolled in job corps;

(E) the applicant is working with a refugee social services agency; or

(F) the applicant has completed the work program assessment within the last 12 months.

(3) The department for children and families shall maintain a sufficient level of dedicated work program staff to enable the agency to conduct work program case management services to TANF recipients in a timely manner and in full accordance with state law and agency policy.

(4) TANF mandatory work program applicants and recipients shall participate in work components that lead to competitive, integrated employment. Components are defined by the federal government as being either primary or secondary. In order to meet federal work participation requirements, households need to meet at least 30 hours of participation per week, at least 20 hours of which need to be primary and at least 10 hours may be secondary components in one parent households where the youngest child is six years of age or older. Participation hours shall be 55 hours in two parent households (35 hours per week if child care is not used). The maximum assignment is 40 hours per week per individual. For two parent families to meet the federal work participation rate both parents must participate in a combined total of 55 hours per week, 50 hours of which must be in primary components, or one or both parents could be assigned a combined total of 35 hours per week (30 hours of which must be primary components) if department for children and families paid child care is not received by the family. Single parent families with a child under age six meet the federal participation requirement if the parent is engaged in work or work activities for at least 20 hours per week in a primary work component. The following components meet federal definitions of primary hours of participation: Full or part-time employment, apprenticeship, work study, self-employment, job corps, subsidized employment, work experience sites, on-the-job training, supervised community service, vocational education, job search and job readiness. Secondary components include: Job skills training, education directly related to employment such as adult basic education and English as a second language, and completion of a high school diploma or GED.

(5) A parent or other adult caretaker personally providing care for a child under the

age of three months in their TANF household is exempt from work participation activities until the month the child turns three months of age. Such three-month limitation shall not apply to a parent or other adult caretaker who is personally providing care for a child born significantly premature, with serious medical conditions or with a disability as defined by the secretary, in consultation with the secretary of health and environment, and adopted in the rules and regulations. The three-month period is defined as two consecutive months starting with the month after childbirth. The exemption for caring for a child under three months cannot be claimed:

(A) By either parent when two parents are in the home and the household meets the two-parent definition for federal reporting purposes;

(B) by one parent or caretaker when the other parent or caretaker is in the home, and available, capable and suitable to provide care and the household does not meet the two-parent definition for federal reporting purposes;

(C) by a person age 19 or younger when such person is pregnant or a parent of a child in the home and the person does not possess a high school diploma or its equivalent. Such person shall become exempt the month such person turns age 20; or

(D) ~~by any adult in the TANF assistance plan when at least one adult has reached the 36 months of TANF cash assistance; or~~

~~(E)~~ by any person assigned to a work participation activity for substance use disorders.

(6) TANF work experience placements shall be reviewed after 90 days and are limited to six months per ~~48-month~~ 24-month lifetime limit. A client's progress shall be reviewed prior to each new placement regardless of the length of time they are at the work experience site.

(7) TANF participants with disabilities shall engage in required employment activities to the maximum extent consistent with their abilities. TANF participants shall provide current documentation by a qualified medical practitioner that details the abilities to engage in employment and any limitations in work activities along with the expected duration of such limitations. Disability is defined as a physical or mental impairment constituting or resulting in a substantial impediment to employment for such individual.

(8) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for TANF benefits based on non-cooperation with work programs shall be as follows:

(A) For a first penalty, three months and full cooperation with work program activities;

(B) for a second penalty, six months and full cooperation with work program activities;

(C) for a third penalty, one year and full cooperation with work program activities; and

(D) for a fourth or subsequent penalty, 10 years.

(9) Individuals that have not cooperated with TANF work programs shall be ineligible to participate in the food assistance program. The comparable penalty shall be applied to only the individual in the food assistance program who failed to comply with the TANF work requirement. The agency shall impose the same penalty to the member of the household who failed to comply with TANF requirements. The penalty periods

are three months, six months, one year, or 10 years.

(10) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for child care subsidy or TANF benefits based on parents' non-cooperation with child support services shall be as follows:

(A) For the first penalty, three months and cooperation with child support services prior to regaining eligibility;

(B) for a second penalty, six months and cooperation with child support services prior to regaining eligibility;

(C) for a third penalty, one year and cooperation with child support services prior to regaining eligibility; and

(D) for a fourth penalty, 10 years.

(11) Individuals that have not cooperated without good cause with child support services shall be ineligible to participate in the food assistance program. The period of disqualification ends once it has been determined that such individual is cooperating with child support services.

(12) (A) Any individual who is found to have committed fraud or is found guilty of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, in either the TANF or child care program shall render all adults in the family unit ineligible for TANF assistance. Adults in the household who were determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, shall render themselves and all adult household members ineligible for their lifetime for TANF, even if fraud was committed in only one program. Households who have been determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, shall be required to name a protective payee as approved by the secretary or the secretary's designee to administer TANF benefits or food assistance on behalf of the children. No adult in a household may have access to the TANF cash assistance benefit.

(B) Any individual that has failed to cooperate with a fraud investigation shall be ineligible to participate in the TANF cash assistance program and the child care subsidy program until the department for children and families determines that such individual is cooperating with the fraud investigation. The department for children and families shall maintain a sufficient level of fraud investigative staff to enable the department to conduct fraud investigations in a timely manner and in full accordance with state law and department rules and regulations or policies.

(13) (A) Food assistance shall not be provided to any person convicted of a felony offense occurring on or after July 1, 2015, which includes as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog. For food assistance, the individual shall be permanently disqualified if they have been convicted of a state or federal felony offense occurring on or after July 1, 2015, involving possession or use of a controlled substance or controlled substance analog.

(B) Notwithstanding the provisions of subparagraph (A), an individual shall be eligible for food assistance if the individual enrolls in and participates in a drug treatment program approved by the secretary, submits to and passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug

testing plan.

An individual's failure to submit to testing or failure to successfully pass a drug test shall result in ineligibility for food assistance until a drug test is successfully passed. Failure to successfully complete a drug treatment program shall result in ineligibility for food assistance until a drug treatment plan approved by the secretary is successfully completed, the individual passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan.

(C) The provisions of subparagraph (B) shall not apply to any individual who has been convicted for a second or subsequent felony offense as provided in subparagraph (A).

(14) No TANF cash assistance shall be used to purchase alcohol, cigarettes, tobacco products, lottery tickets, concert tickets, professional or collegiate sporting event tickets or tickets for other entertainment events intended for the general public or sexually oriented adult materials. No TANF cash assistance shall be used in any retail liquor store, casino, gaming establishment, jewelry store, tattoo parlor, massage parlor, body piercing parlor, spa, nail salon, lingerie shop, tobacco paraphernalia store, vapor cigarette store, psychic or fortune telling business, bail bond company, video arcade, movie theater, swimming pool, cruise ship, theme park, dog or horse racing facility, parimutuel facility, or sexually oriented business or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment, or in any business or retail establishment where minors under age 18 are not permitted. ~~TANF cash assistance transactions for cash withdrawals from automated teller machines shall be limited to $25, per transaction and to one transaction per day.~~ No TANF cash assistance shall be used for purchases at points of sale outside the state of Kansas. ~~The secretary for children and families is authorized to raise or rescind the automated teller machine withdrawal limit established by this section in order to ensure continued appropriation of the TANF block grant through compliance with the provisions of the middle class tax relief and job creation act of 2012 which govern adequate access to cash assistance.~~

(15) (A) The secretary for children and families shall place a photograph of the recipient, if agreed to by such recipient of public assistance, on any Kansas benefits card issued by the Kansas department for children and families that the recipient uses in obtaining food, cash or any other services. When a recipient of public assistance is a minor or otherwise incapacitated individual, a parent or legal guardian of such recipient may have a photograph of such parent or legal guardian placed on the card.

(B) Any Kansas benefits card with a photograph of a recipient shall be valid for voting purposes as a public assistance identification card in accordance with the provisions of K.S.A. 25-2908, and amendments thereto.

(C) As used in this paragraph and its subparagraphs, "Kansas benefits card" means any card issued to provide food assistance, cash assistance or child care assistance, including, but not limited to, the vision card, EBT card and Kansas benefits card.

(D) The Kansas department for children and families shall monitor all recipient requests for a Kansas benefits card replacement and, upon the fourth such request in a 12-month period, send a notice alerting the recipient that the recipient's account is being monitored for potential suspicious activity. If a recipient makes an additional request for replacement subsequent to such notice, the department shall refer the investigation to the department's fraud investigation unit.

(16) The secretary for children and families shall adopt rules and regulations:

(A) In determining eligibility for the child care subsidy program, including an income of a cohabiting partner in a child care household; and

(B) in determining and maintaining eligibility for non-TANF child care, requiring that all included adults shall be employed a minimum of 20 hours per week or more as defined by the secretary or meet the following specific qualifying exemptions:

(i) Adults who are not capable of meeting the requirement due to a documented physical or mental condition;

(ii) adults who are former TANF recipients who need child care for employment after their TANF case has closed and earned income is a factor in the closure in the two months immediately following TANF closure;

(iii) adult parents included in a case in which the only child receiving benefits is the child of a minor parent who is working on completion of high school or obtaining a GED; ~~or~~

(iv) adults who are participants in a ~~mandatory~~ food assistance ~~education~~ employment and training program; or

(v) adults who are participants in an early head start child care partnership program and are working or in school or training.

The department for children and families shall provide child care for the pursuit of any degree or certification if the occupation has at least an average job outlook listed in the occupational outlook of the U.S. department of labor, bureau of labor statistics. For occupations with less than an average job outlook, educational plans shall require approval of the secretary or secretary's designee. Child care may also be approved if the student provides verification of a specific job offer that will be available to such student upon completion of the program. Child care for post-secondary education shall be allowed for a lifetime maximum of 24 months per adult. The 24 months may not have to be consecutive. Students shall be engaged in paid employment for a minimum of 15 hours per week. In a two-parent adult household, child care would not be allowed if both parents are adults and attending a formal education or training program at the same time. The household may choose which one of the parents is participating as a post-secondary student. The other parent shall meet another approvable criteria for child care subsidy.

(17) (A) The secretary for children and families is prohibited from requesting or implementing a waiver or program from the U.S. department of agriculture for the time limited assistance provisions for able-bodied adults aged 18 through 49 without dependents in a household under the food assistance program. The time on food assistance for able-bodied adults aged 18 through 49 without dependents in the household shall be limited to three months in a 36-month period if such adults are not meeting the requirements imposed by the U.S. department of agriculture that they must work for at least 20 hours per week or participate in a federally approved work program or its equivalent.

(B) Each food assistance household member who is not otherwise exempt from the following work requirements shall: Register for work; participate in an employment and training program, if assigned to such a program by the department; accept a suitable employment offer; and not voluntarily quit a job of at least 30 hours per week.

(C) Any recipient who has not complied with the work requirements under subparagraph (B) shall be ineligible to participate in the food assistance program for the

following time period and until the recipient complies with such work requirements:

(i) For a first penalty, three months;

(ii) for a second penalty, six months; and

(iii) for a third penalty and any subsequent penalty, one year.

(18) Eligibility for the food assistance program shall be limited to those individuals who are citizens or who meet qualified non-citizen status as determined by U.S. department of agriculture. Non-citizen individuals who are unable or unwilling to provide qualifying immigrant documentation, as defined by the U.S. department of agriculture, residing within a household shall not be included when determining the household's size for the purposes of assigning a benefit level to the household for food assistance or comparing the household's monthly income with the income eligibility standards. The gross non-exempt earned and unearned income and resources of disqualified individuals shall be counted in its entirety as available to the remaining household members.

(19) The secretary for children and families shall not enact the state option from the U.S. department of agriculture for broad-based categorical eligibility for households applying for food assistance according to the provisions of 7 C.F.R. § 273.2(j)(2)(ii).

(20) No federal or state funds shall be used for television, radio or billboard advertisements that are designed to promote food assistance benefits and enrollment. No federal or state funding shall be used for any agreements with foreign governments designed to promote food assistance.

(21) (A) The secretary for children and families shall not apply gross income standards for food assistance higher than the standards specified in 7 U.S.C. § 2015(c) unless expressly required by federal law. Categorical eligibility exempting households from such gross income standards requirements shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(B) The secretary for children and families shall not apply resource limits standards for food assistance that are higher than the standards specified in 7 U.S.C. § 2015(g)(1) unless expressly required by federal law. Categorical eligibility exempting households from such resource limits shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(c) (1) On and after January 1, 2017, the department for children and families shall conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department. For TANF cash assistance, food assistance and the child care subsidy program, the department shall verify the identity of all adults in the assistance household.

(2) The department of administration shall provide monthly to the Kansas department for children and families the social security numbers or alternate taxpayer identification numbers of all persons who claim a Kansas lottery prize in excess of $5,000 during the reported month. The Kansas department for children and families shall verify if individuals with such winnings are receiving TANF cash assistance, food assistance or assistance under the child care subsidy program and take appropriate action. The Kansas department for children and families shall use data received under this subsection solely, and for no other purpose, to determine if any recipient's eligibility for benefits has been affected by lottery prize winnings. The Kansas department for children and families shall not publicly disclose the identity of any lottery prize winner, including recipients who are determined to have illegally received benefits.

(d) *Temporary assistance for needy families; assignment of support rights and limited power of attorney.* By applying for or receiving temporary assistance for needy families such applicant or recipient shall be deemed to have assigned to the secretary on behalf of the state any accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. In any case in which an order for child support has been established and the legal custodian and obligee under the order surrenders physical custody of the child to a caretaker relative without obtaining a modification of legal custody and support rights on behalf of the child are assigned pursuant to this section, the surrender of physical custody and the assignment shall transfer, by operation of law, the child's support rights under the order to the secretary on behalf of the state. Such assignment shall be of all accrued, present or future rights to support of the child surrendered to the caretaker relative. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant, recipient or obligee. By applying for or receiving temporary assistance for needy families, or by surrendering physical custody of a child to a caretaker relative who is an applicant or recipient of such assistance on the child's behalf, the applicant, recipient or obligee is also deemed to have appointed the secretary, or the secretary's designee, as an attorney-in-fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full.

~~(d)~~ (e) *Requirements for medical assistance for which federal moneys or state moneys or both are expended.* (1) When the secretary has adopted a medical care plan under which federal moneys or state moneys or both are expended, medical assistance in accordance with such plan shall be granted to any person who is a citizen of the United States or who is an alien lawfully admitted to the United States and who is residing in the state of Kansas, whose resources and income do not exceed the levels prescribed by the secretary. In determining the need of an individual, the secretary may provide for income and resource exemptions and protected income and resource levels. Resources from inheritance shall be counted. A disclaimer of an inheritance pursuant to K.S.A. 59-2291, and amendments thereto, shall constitute a transfer of resources. The secretary shall exempt principal and interest held in irrevocable trust pursuant to K.S.A. 16-303(c), and amendments thereto, from the eligibility requirements of applicants for and recipients of medical assistance. Such assistance shall be known as medical assistance.

(2) For the purposes of medical assistance eligibility determinations on or after July 1, 2004, if an applicant or recipient owns property in joint tenancy with some other party and the applicant or recipient of medical assistance has restricted or conditioned their interest in such property to a specific and discrete property interest less than 100%, then such designation will cause the full value of the property to be considered an available resource to the applicant or recipient. Medical assistance eligibility for receipt of benefits under the title XIX of the social security act, commonly known as medicaid, shall not be expanded, as provided for in the patient protection and affordable care act,

public law 111-148, 124 stat. 119, and the health care and education reconciliation act of 2010, public law 111-152, 124 stat. 1029, unless the legislature expressly consents to, and approves of, the expansion of medicaid services by an act of the legislature.

(3) (A) Resources from trusts shall be considered when determining eligibility of a trust beneficiary for medical assistance. Medical assistance is to be secondary to all resources, including trusts, that may be available to an applicant or recipient of medical assistance.

(B) If a trust has discretionary language, the trust shall be considered to be an available resource to the extent, using the full extent of discretion, the trustee may make any of the income or principal available to the applicant or recipient of medical assistance. Any such discretionary trust shall be considered an available resource unless: (i) At the time of creation or amendment of the trust, the trust states a clear intent that the trust is supplemental to public assistance; and (ii) the trust: (a) Is funded from resources of a person who, at the time of such funding, owed no duty of support to the applicant or recipient of medical assistance; or (b) is funded not more than nominally from resources of a person while that person owed a duty of support to the applicant or recipient of medical assistance.

(C) For the purposes of this paragraph, "public assistance" includes, but is not limited to, medicaid, medical assistance or title XIX of the social security act.

(4) (A) When an applicant or recipient of medical assistance is a party to a contract, agreement or accord for personal services being provided by a nonlicensed individual or provider and such contract, agreement or accord involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits, or other related issues, any moneys paid under such contract, agreement or accord shall be considered to be an available resource unless the following restrictions are met: (i) The contract, agreement or accord must be in writing and executed prior to any services being provided; (ii) the moneys paid are in direct relationship with the fair market value of such services being provided by similarly situated and trained nonlicensed individuals; (iii) if no similarly situated nonlicensed individuals or situations can be found, the value of services will be based on federal hourly minimum wage standards; (iv) such individual providing the services will report all receipts of moneys as income to the appropriate state and federal governmental revenue agencies; (v) any amounts due under such contract, agreement or accord shall be paid after the services are rendered; (vi) the applicant or recipient shall have the power to revoke the contract, agreement or accord; and (vii) upon the death of the applicant or recipient, the contract, agreement or accord ceases.

(B) When an applicant or recipient of medical assistance is a party to a written contract for personal services being provided by a licensed health professional or facility and such contract involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits or other related issues, any moneys paid in advance of receipt of services for such contracts shall be considered to be an available resource.

(5) Any trust may be amended if such amendment is permitted by the Kansas uniform trust code.

~~(e)~~ (f) *Eligibility for medical assistance of resident receiving medical care outside*

state. A person who is receiving medical care including long-term care outside of Kansas whose health would be endangered by the postponement of medical care until return to the state or by travel to return to Kansas, may be determined eligible for medical assistance if such individual is a resident of Kansas and all other eligibility factors are met. Persons who are receiving medical care on an ongoing basis in a long-term medical care facility in a state other than Kansas and who do not return to a care facility in Kansas when they are able to do so, shall no longer be eligible to receive assistance in Kansas unless such medical care is not available in a comparable facility or program providing such medical care in Kansas. For persons who are minors or who are under guardianship, the actions of the parent or guardian shall be deemed to be the actions of the child or ward in determining whether or not the person is remaining outside the state voluntarily.

~~(f)~~ (g) *Medical assistance; assignment of rights to medical support and limited power of attorney; recovery from estates of deceased recipients.* (1) (A) Except as otherwise provided in K.S.A. 39-786 and 39-787, and amendments thereto, or as otherwise authorized on and after September 30, 1989, under section 303 of the federal medicare catastrophic coverage act of 1988, whichever is applicable, by applying for or receiving medical assistance under a medical care plan in which federal funds are expended, any accrued, present or future rights to support and any rights to payment for medical care from a third party of an applicant or recipient and any other family member for whom the applicant is applying shall be deemed to have been assigned to the secretary on behalf of the state. The assignment shall automatically become effective upon the date of approval for such assistance without the requirement that any document be signed by the applicant or recipient. By applying for or receiving medical assistance the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments, representing payments received by the secretary in on behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for assistance and shall remain in effect until the assignment has been terminated in full. The assignment of any rights to payment for medical care from a third party under this subsection shall not prohibit a health care provider from directly billing an insurance carrier for services rendered if the provider has not submitted a claim covering such services to the secretary for payment. Support amounts collected on behalf of persons whose rights to support are assigned to the secretary only under this subsection and no other shall be distributed pursuant to K.S.A. 39-756(d), and amendments thereto, except that any amounts designated as medical support shall be retained by the secretary for repayment of the unreimbursed portion of assistance. Amounts collected pursuant to the assignment of rights to payment for medical care from a third party shall also be retained by the secretary for repayment of the unreimbursed portion of assistance.

(B) Notwithstanding the provisions of subparagraph (A), the secretary of health and environment, or the secretary's designee, is hereby authorized to and shall exercise any of the powers specified in subparagraph (A) in relation to performance of such secretary's duties pertaining to medical subrogation, estate recovery or any other duties assigned to such secretary in article 74 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) The amount of any medical assistance paid after June 30, 1992, under the provisions of subsection ~~(d)~~ (e) is: (A) A claim against the property or any interest therein belonging to and a part of the estate of any deceased recipient or, if there is no estate, the estate of the surviving spouse, if any, shall be charged for such medical assistance paid to either or both; and (B) a claim against any funds of such recipient or spouse in any account under K.S.A. 9-1215, 17-2263, 17-2264, 17-5828 or 17-5829, and amendments thereto. There shall be no recovery of medical assistance correctly paid to or on behalf of an individual under subsection ~~(d)~~ (e) except after the death of the surviving spouse of the individual, if any, and only at a time when the individual has no surviving child who is under 21 years of age or is blind or permanently and totally disabled. Transfers of real or personal property by recipients of medical assistance without adequate consideration are voidable and may be set aside. Except where there is a surviving spouse, or a surviving child who is under 21 years of age or is blind or permanently and totally disabled, the amount of any medical assistance paid under subsection ~~(d)~~ (e) is a claim against the estate in any guardianship or conservatorship proceeding. The monetary value of any benefits received by the recipient of such medical assistance under long-term care insurance, as defined by K.S.A. 40-2227, and amendments thereto, shall be a credit against the amount of the claim provided for such medical assistance under this subsection. The secretary of health and environment is authorized to enforce each claim provided for under this subsection. The secretary of health and environment shall not be required to pursue every claim, but is granted discretion to determine which claims to pursue. All moneys received by the secretary of health and environment from claims under this subsection shall be deposited in the social welfare fund. The secretary of health and environment may adopt rules and regulations for the implementation and administration of the medical assistance recovery program under this subsection.

(3) By applying for or receiving medical assistance under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, such individual or such individual's agent, fiduciary, guardian, conservator, representative payee or other person acting on behalf of the individual consents to the following definitions of estate and the results therefrom:

(A) If an individual receives any medical assistance before July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim is limited to the individual's probatable estate as defined by applicable law; and

(B) if an individual receives any medical assistance on or after July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim shall apply to the individual's medical assistance estate. The medical assistance estate is defined as including all real and personal property and other assets in which the deceased individual had any legal title or interest immediately before or at the time of death to the extent of that interest or title. The medical assistance estate includes, without limitation assets conveyed to a survivor, heir or assign of the deceased recipient through joint tenancy, tenancy in common, survivorship, transfer-on-death deed, payable-on-death contract, life estate, trust, annuities or similar arrangement.

(4) The secretary of health and environment or the secretary's designee is authorized to file and enforce a lien against the real property of a recipient of medical

assistance in certain situations, subject to all prior liens of record and transfers for value to a bona fide purchaser of record. The lien must be filed in the office of the register of deeds of the county where the real property is located within one year from the date of death of the recipient and must contain the legal description of all real property in the county subject to the lien.

(A) After the death of a recipient of medical assistance, the secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by such recipient.

(B) The secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by a recipient of medical assistance during the lifetime of such recipient. Such lien may be filed only after notice and an opportunity for a hearing has been given. Such lien may be enforced only upon competent medical testimony that the recipient cannot reasonably be expected to be discharged and returned home. A six-month period of compensated inpatient care at a nursing home or other medical institution shall constitute a determination by the department of health and environment that the recipient cannot reasonably be expected to be discharged and returned home. To return home means the recipient leaves the nursing or medical facility and resides in the home on which the lien has been placed for a continuous period of at least 90 days without being readmitted as an inpatient to a nursing or medical facility. The amount of the lien shall be for the amount of assistance paid by the department of health and environment until the time of the filing of the lien and for any amount paid thereafter for such medical assistance to the recipient. After the lien is filed against any real property owned by the recipient, such lien will be dissolved if the recipient is discharged, returns home and resides upon the real property to which the lien is attached for a continuous period of at least 90 days without being readmitted as an inpatient to a nursing or medical facility. If the recipient is readmitted as an inpatient to a nursing or medical facility for a continuous period of less than 90 days, another continuous period of at least 90 days shall be completed prior to dissolution of the lien.

(5) The lien filed by the secretary of health and environment or the secretary's designee for medical assistance correctly received may be enforced before or after the death of the recipient by the filing of an action to foreclose such lien in the Kansas district court or through an estate probate court action in the county where the real property of the recipient is located. However, it may be enforced only:

(A) After the death of the surviving spouse of the recipient;

(B) when there is no child of the recipient, natural or adopted, who is 20 years of age or less residing in the home;

(C) when there is no adult child of the recipient, natural or adopted, who is blind or disabled residing in the home; or

(D) when no brother or sister of the recipient is lawfully residing in the home, who has resided there for at least one year immediately before the date of the recipient's admission to the nursing or medical facility, and has resided there on a continuous basis since that time.

(6) The lien remains on the property even after a transfer of the title by conveyance, sale, succession, inheritance or will unless one of the following events occur:

(A) The lien is satisfied. The recipient, the heirs, personal representative or assigns of the recipient may discharge such lien at any time by paying the amount of the lien to

the secretary of health and environment or the secretary's designee;

(B) the lien is terminated by foreclosure of prior lien of record or settlement action taken in lieu of foreclosure; or

(C) the value of the real property is consumed by the lien, at which time the secretary of health and environment or the secretary's designee may force the sale for the real property to satisfy the lien.

(7) If the secretary for aging and disability services or the secretary of health and environment, or both, or such secretary's designee has not filed an action to foreclose the lien in the Kansas district court in the county where the real property is located within 10 years from the date of the filing of the lien, then the lien shall become dormant, and shall cease to operate as a lien on the real estate of the recipient. Such dormant lien may be revived in the same manner as a dormant judgment lien is revived under K.S.A. 60-2403 et seq., and amendments thereto.

(8) Within seven days of receipt of notice by the secretary for children and families or the secretary's designee of the death of a recipient of medical assistance under this subsection, the secretary for children and families or the secretary's designee shall give notice of such recipient's death to the secretary of health and environment or the secretary's designee.

(9) All rules and regulations adopted on and after July 1, 2013, and prior to July 1, 2014, to implement this subsection shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the secretary of health and environment until revised, amended, revoked or nullified pursuant to law.

~~(g)~~ (h) *Placement under the revised Kansas code for care of children or revised Kansas juvenile justice code; assignment of support rights and limited power of attorney.* In any case in which the secretary for children and families pays for the expenses of care and custody of a child pursuant to K.S.A. 2015 Supp. 38-2201 et seq. or 38-2301 et seq., and amendments thereto, including the expenses of any foster care placement, an assignment of all past, present and future support rights of the child in custody possessed by either parent or other person entitled to receive support payments for the child is, by operation of law, conveyed to the secretary. Such assignment shall become effective upon placement of a child in the custody of the secretary or upon payment of the expenses of care and custody of a child by the secretary without the requirement that any document be signed by the parent or other person entitled to receive support payments for the child. When the secretary pays for the expenses of care and custody of a child or a child is placed in the custody of the secretary, the parent or other person entitled to receive support payments for the child is also deemed to have appointed the secretary, or the secretary's designee, as attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary on behalf of the child. This limited power of attorney shall be effective from the date the assignment to support rights becomes effective and shall remain in effect until the assignment of support rights has been terminated in full.

~~(h)~~ (i) No person who voluntarily quits employment or who is fired from employment due to gross misconduct as defined by rules and regulations of the secretary or who is a fugitive from justice by reason of a felony conviction or charge or violation of a condition of probation or parole imposed under federal or state law shall be eligible to receive public assistance benefits in this state. Any recipient of public

assistance who fails to timely comply with monthly reporting requirements under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary by rules and regulations.

~~(i)~~ (j) If the applicant or recipient of temporary assistance for needy families is a mother of the dependent child, as a condition of the mother's eligibility for temporary assistance for needy families the mother shall identify by name and, if known, by current address the father of the dependent child except that the secretary may adopt by rules and regulations exceptions to this requirement in cases of undue hardship. Any recipient of temporary assistance for needy families who fails to cooperate with requirements relating to child support services under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary.

~~(j)~~ (k) By applying for or receiving child care benefits or food assistance, the applicant or recipient shall be deemed to have assigned, pursuant to K.S.A. 39-756, and amendments thereto, to the secretary on behalf of the state only accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant or recipient. By applying for or receiving child care benefits or food assistance, the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full. An applicant or recipient who has assigned support rights to the secretary pursuant to this subsection shall cooperate in establishing and enforcing support obligations to the same extent required of applicants for or recipients of temporary assistance for needy families.

~~(k)~~ (l) (1) A program of drug screening for applicants for cash assistance as a condition of eligibility for cash assistance and persons receiving cash assistance as a condition of continued receipt of cash assistance shall be established, subject to applicable federal law, by the secretary for children and families on and before January 1, 2014. Under such program of drug screening, the secretary for children and families shall order a drug screening of an applicant for or a recipient of cash assistance at any time when reasonable suspicion exists that such applicant for or recipient of cash assistance is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, an applicant's or recipient's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening records of the applicant or recipient indicating unlawful use of a controlled substance or controlled substance analog.

(2) Any applicant for or recipient of cash assistance whose drug screening results in a positive test may request that the drug screening specimen be sent to a different drug testing facility for an additional drug screening. Any applicant for or recipient of cash assistance who requests an additional drug screening at a different drug testing facility shall be required to pay the cost of drug screening. Such applicant or recipient who took the additional drug screening and who tested negative for unlawful use of a controlled substance and controlled substance analog shall be reimbursed for the cost of such additional drug screening.

(3) Any applicant for or recipient of cash assistance who tests positive for unlawful use of a controlled substance or controlled substance analog shall be required to complete a substance abuse treatment program approved by the secretary for children and families, secretary of labor or secretary of commerce, and a job skills program approved by the secretary for children and families, secretary of labor or secretary of commerce. Subject to applicable federal laws, any applicant for or recipient of cash assistance who fails to complete or refuses to participate in the substance abuse treatment program or job skills program as required under this subsection shall be ineligible to receive cash assistance until completion of such substance abuse treatment and job skills programs. Upon completion of both substance abuse treatment and job skills programs, such applicant for or recipient of cash assistance may be subject to periodic drug screening, as determined by the secretary for children and families. Upon a second positive test for unlawful use of a controlled substance or controlled substance analog, a recipient of cash assistance shall be ordered to complete again a substance abuse treatment program and job skills program, and shall be terminated from cash assistance for a period of 12 months, or until such recipient of cash assistance completes both substance abuse treatment and job skills programs, whichever is later. Upon a third positive test for unlawful use of a controlled substance or controlled substance analog, a recipient of cash assistance shall be terminated from cash assistance, subject to applicable federal law.

(4) If an applicant for or recipient of cash assistance is ineligible for or terminated from cash assistance as a result of a positive test for unlawful use of a controlled substance or controlled substance analog, and such applicant for or recipient of cash assistance is the parent or legal guardian of a minor child, an appropriate protective payee shall be designated to receive cash assistance on behalf of such child. Such parent or legal guardian of the minor child may choose to designate an individual to receive cash assistance for such parent's or legal guardian's minor child, as approved by the secretary for children and families. Prior to the designated individual receiving any cash assistance, the secretary for children and families shall review whether reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog.

(A) In addition, any individual designated to receive cash assistance on behalf of an eligible minor child shall be subject to drug screening at any time when reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, the designated individual's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly

conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening records of the designated individual indicating unlawful use of a controlled substance or controlled substance analog.

(B) Any designated individual whose drug screening results in a positive test may request that the drug screening specimen be sent to a different drug testing facility for an additional drug screening. Any designated individual who requests an additional drug screening at a different drug testing facility shall be required to pay the cost of drug screening. Such designated individual who took the additional drug screening and who tested negative for unlawful use of a controlled substance and controlled substance analog shall be reimbursed for the cost of such additional drug screening.

(C) Upon any positive test for unlawful use of a controlled substance or controlled substance analog, the designated individual shall not receive cash assistance on behalf of the parent's or legal guardian's minor child, and another designated individual shall be selected by the secretary for children and families to receive cash assistance on behalf of such parent's or legal guardian's minor child.

(5) If a person has been convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall thereby become forever ineligible to receive any cash assistance under this subsection unless such conviction is the person's first conviction. First-time offenders convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall become ineligible to receive cash assistance for five years from the date of conviction.

(6) Except for hearings before the Kansas department for children and families or, the results of any drug screening administered as part of the drug screening program authorized by this subsection shall be confidential and shall not be disclosed publicly.

(7) The secretary for children and families may adopt such rules and regulations as are necessary to carry out the provisions of this subsection.

(8) Any authority granted to the secretary for children and families under this subsection shall be in addition to any other penalties prescribed by law.

(9) As used in this subsection:

(A) "Cash assistance" means cash assistance provided to individuals under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations adopted pursuant to such statutes.

(B) "Controlled substance" means the same as in K.S.A. 2015 Supp. 21-5701, and amendments thereto, and 21 U.S.C. § 802.

(C) "Controlled substance analog" means the same as in K.S.A. 2015 Supp. 21-5701, and amendments thereto.

Sec. 3. K.S.A. 39-719b is hereby amended to read as follows: 39- 719b. (a) If at any time during the continuance of assistance to any person, the recipient thereof becomes possessed of any property or income in excess of the amount ascertained at the time of granting assistance, or if any of the recipient's circumstances which affect

eligibility to receive assistance change from the time of determination of eligibility, it shall be the duty of the recipient to notify the secretary immediately of the receipt or possession of such property, income, or of such change in circumstances affecting eligibility and ~~said~~ the secretary may, after investigation, cancel or modify the assistance payment in accordance with the circumstances.

(b) Any assistance paid shall be recoverable by the secretary as a debt due to the state. If during the life or on the death of any person receiving assistance, it is found that the recipient was possessed of income or property in excess of the amount reported or ascertained at the time of granting assistance, and if it be shown that such assistance was obtained by an ineligible recipient, the total amount of the assistance may be recovered by the secretary as a fourth class claim from the estate of the recipient or in an action brought against the recipient while living.

(c) The total amount of any assistance that is sold, transferred or otherwise disposed of to others by a recipient or any other person, or the total amount of any assistance that is knowingly purchased, acquired or possessed by any person, except as authorized in state and federal law, rules and regulations and agency policy of the department for children and families or the department of health and environment is a debt due to the state and the total amount of such assistance that was improperly sold, transferred, disposed, purchased, acquired or possessed shall be recoverable by the secretary for children and families or the secretary of health and environment. Such debt may be recovered during the life or upon the death of any recipient or person who sold, transferred, disposed, purchased, acquired or possessed such assistance and may be recovered as a fourth class claim from the estate of the person or in an action brought against the recipient or person while living.

Sec. 4. K.S.A. 2015 Supp. 39-7,121 is hereby amended to read as follows: 39-7,121. (a) The department of health and environment shall establish and implement an electronic pharmacy claims management system in order to provide for the on-line adjudication of claims and for electronic prospective drug utilization review.

(b) The system shall provide for electronic point-of-sale review of drug therapy using predetermined standards to screen for potential drug therapy problems including incorrect drug dosage, adverse drug-drug interactions, drug-disease contraindications, therapeutic duplication, incorrect duration of drug treatment, drug-allergy interactions and clinical abuse or misuse.

(c) The department of health and environment shall not utilize ~~this~~ the system established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive the product or therapy recommended by the recipient's physician if such recommended drug usage or drug therapy commenced on or before July 1, 2016.

(d) If the department of health and environment utilizes the system established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician, the department shall provide access for prescribing physicians to a clear and convenient process to request an override of such requirement. The department shall expeditiously grant such request for an override if:

(1) The required drug usage or drug therapy is contraindicated for the patient or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the required drug usage or drug therapy is expected to be ineffective based on the known relevant clinical characteristics of the patient and the known characteristics of the required drug usage or drug therapy;

(3) the patient has tried the required drug usage or drug therapy while under the patient's current or previous health insurance or health benefit plan, and such use was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event. For purposes of this paragraph, use of pharmacy drug samples shall not constitute use and failure of such drug usage or drug therapy; or

(4) the patient has previously been found to be stable on a different drug usage or drug therapy selected by such patient's physician for treatment of the medical condition under consideration.

(e) (1) Any proposed department of health and environment policy or rule and regulation related to any use of the system established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician, shall be reviewed and approved by the medicaid drug utilization review board established by K.S.A. 2015 Supp. 39-7,119, and amendments thereto, prior to implementation by the department.

(2) Any proposed policy or rule and regulation related to use of any such system related to any medication used to treat mental illness shall be reviewed and approved by the mental health medication advisory committee established by K.S.A. 2015 Supp. 39-7,121b, and amendments thereto, and the medicaid drug utilization review board established by K.S.A. 2015 Supp. 39-7,119, and amendments thereto, prior to implementation by the department.

(f) The secretary of health and environment shall study and review the use of the program established under this section and prepare a report detailing the exact amount of money saved by using such program that requires that a recipient utilized or failed a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician and the percentage and amount of such savings that are returned to the state of Kansas. The secretary shall submit such report to the senate committee on public health and welfare, the senate committee on ways and means, the house committee on appropriations and the house committee on health and human services on or before January 9, 2017 and on or before the first day of the regular session of the legislature each year thereafter.

Sec. 5. K.S.A. 39-719b and K.S.A. 2015 Supp. 39-702, 39-709 and 39-7,121 are hereby repealed.";

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 and 3 and inserting "concerning public assistance; relating to cash assistance, food assistance, medical assistance and child care subsidies; eligibility; recovery of assistance debt; verification of identity and income; fraud investigations; work requirements; lifetime benefit limits; removing certain limitations under the electronic claims management system; amending K.S.A. 39-719b and K.S.A. 2015 Supp. 39-702, 39-709 and 39-7,121 and repealing the existing sections.";

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

DANIEL R. HAWKINS
WILLIE O. DOVE
Conferees on part of House

MICHAEL O'DONNELL, II
JIM DENNING
Conferees on part of Senate

The motion of Rep. Hawkins to adopt the conference committee report on **H Sub for SB 402** did not prevail. The bill was killed. (See further action HJ p. 2933.)

On roll call, the vote was: Yeas 52; Nays 69; Present but not voting: 0; Absent or not voting: 4.

Yeas: Anthimides, Barton, Bradford, B. Carpenter, W. Carpenter, Claeys, Corbet, E. Davis, DeGraaf, Dove, Esau, Estes, Finch, Grosserode, Hawkins, Hedke, Hemsley, Highland, Hildabrand, Hoffman, Houser, Huebert, D. Jones, K. Jones, Kelley, Kelly, Kiegerl, Kleeb, Lunn, Macheers, Mason, Mast, McPherson, Merrick, O'Brien, Peck, R. Powell, Proehl, Read, Rhoades, Rubin, Ryckman, Ryckman Sr., Scapa, Seiwert, Suellentrop, Sutton, Thimesch, Vickrey, Weber, C., Whitmer, K. Williams.

Nays: Alcala, Alford, Ballard, Barker, Becker, Billinger, Boldra, Bollier, Bruchman, Burroughs, Campbell, Carlin, Carmichael, Clark, Clayton, Concannon, Curtis, Dierks, Doll, Finney, Francis, Frownfelter, Gallagher, Garber, Gonzalez, Helgerson, Henderson, Henry, Hibbard, Highberger, Hill, Hineman, Houston, Hutchins, Hutton, Jennings, Johnson, Kuether, Lewis, Lusk, Lusker, Moxley, Osterman, Ousley, F. Patton, Pauls, Phillips, Rahjes, Rooker, Ruiz, Sawyer, Schroeder, Schwab, Schwartz, Scott, Sloan, C. Smith, S. Swanson, Thompson, Tietze, Todd, Trimmer, Victors, Ward, Waymaster, Whipple, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Kahrs.

MESSAGES FROM THE SENATE

The Senate not adopts the Conference Committee report on **H Sub for SB 280**, requests a conference and appoints Senators Donovan, Tyson and Holland as second conferees on the part of the Senate.

INTRODUCTION OF ORIGINAL MOTIONS

Having voted on the prevailing side, pursuant to House Rule 2303, Rep. Ward moved that the House reconsider its adverse action in not adopting the conference committee report on **H Sub for SB 402**. (See previous action HJ p. 2933.) The motion prevailed.

Rep. Hawkins offered a substitute motion to not adopt the conference committee report on **H Sub for SB 402** and that a new conference committee be appointed. The motion prevailed.

Speaker Merrick thereupon appointed Reps. Hawkins, Dove and Ward as third conferees on the part of the House.

On motion of Rep. Vickrey, the House recessed until 7:10 p.m.

EARLY EVENING SESSION

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

MESSAGES FROM THE SENATE

The Senate not adopts the Conference Committee report on **S Sub for HB 2059**, requests a conference and appoints Senators Powell, Kerschen and Francisco as third conferees on the part of the Senate.

Also, the Senate adopts the Conference Committee report on **H Sub for SB 128**.
The Senate adopts the Conference Committee report on **SB 449**.
The Senate adopts the Conference Committee report on **HB 2502**.

The Senate concurs in House amendments to **SB 224**, and requests return of the bill.

INTRODUCTION OF ORIGINAL MOTIONS

Rep. Vickrey moved that pursuant to House Rule 2311, that House Rule 101 be suspended for the purpose of working between the hours of 12 midnight and 8:00 a.m.
The motion prevailed.

On motion of Rep. Vickrey, the House recessed until 9:15 p.m.

EVENING SESSION

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

MESSAGES FROM THE SENATE

The Senate accedes to the request of the House for a conference on **H Sub for SB 402** and has appointed Senators O'Donnell, Denning and Kelly as third conferees on the part of the Senate.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, the House acceded to the request of the Senate for a conference on **H Sub for SB 280**.
Speaker Merrick thereupon appointed Reps. Kleeb, Suellentrop and Sawyer as conferees on the part of the House.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2502** 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 6 through 34;

By striking all on page 2 and inserting:

"New Section 1. (a) No school district shall adopt a policy that prohibits an organization from conducting activities on school property solely because such activities include the possession and use of air guns by the participants. Any policy adopted pursuant to K.S.A. 72-89a02, and amendments thereto, shall not prohibit the possession of an air gun by a pupil on school property if such pupil is a participant in the activities of an organization.

(b) A policy adopted pursuant to K.S.A. 72-89a02, and amendments thereto, may prohibit the possession of air guns by pupils at school, on school property or at a school supervised activity, except when a pupil is participating in activities conducted by an organization, or is in transit to or from such activities.

(c) Any individual desiring to participate in activities conducted by an organization may be required to sign, or have a parent or legal guardian sign, a liability waiver. The liability waiver shall be in such form as prescribed by the chief administrative officer of the school and shall contain the appropriate language so as to relieve the school district, the school and all school personnel from liability for any claims arising out of the acts or omissions of any individual or any school personnel relating to activities conducted by an organization.

(d) The provisions of this section shall be a part of and supplemental to K.S.A. 72-89a01 et seq., and amendments thereto.

Sec. 2. K.S.A. 72-89a01 is hereby amended to read as follows: 72-89a01. As used in this act:

(a) "Board of education" means the board of education of a unified school district or the governing authority of an accredited nonpublic school.

(b) "School" means a public school or an accredited nonpublic school.

(c) "Public school" means a school operated by a unified school district organized under the laws of this state.

(d) "Accredited nonpublic school" means a nonpublic school participating in the quality performance accreditation system.

(e) "Chief administrative officer of a school" means, in the case of a public school, the superintendent of schools and, in the case of an accredited nonpublic school, the person designated as chief administrative officer by the governing authority of the school.

(f) "Federal law" means the individuals with disabilities education act, section 504 of the rehabilitation act, the gun-free schools act of 1994, and regulations adopted pursuant to such acts.

(g) "Secretary of education" means the secretary of the United States department of education.

(h) (1) "Weapon" means ~~(1)~~; (A) Any weapon which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; ~~(2)~~ (B) the frame or receiver of any weapon described in the preceding example; ~~(3)~~ (C) any firearm muffler or firearm silencer; ~~(4)~~ (D) any explosive, incendiary, or poison gas ~~(A)~~; (i) Bomb~~, (B)~~; (ii) grenade~~, (C)~~; (iii) rocket having a propellant charge of more than

four ounces~~, (D)~~; (iv) missile having an explosive or incendiary charge of more than 1/4 ounce~~, (E)~~; (v) mine~~,~~; or~~ (F)~~ (vi) similar device;~~ (5)~~ (E) any weapon which will, or which may be readily converted to, expel a projectile by the action of an explosive or other propellant, and which has any barrel with a bore of more than 1/2 inch in diameter; ~~(6)~~ (F) any combination of parts either designed or intended for use in converting any device into any destructive device described in the two immediately preceding examples, and from which a destructive device may be readily assembled;~~ (7)~~ (G) any bludgeon, sandclub, metal knuckles or throwing star;~~ (8)~~ (H) any knife, commonly referred to as a switch-blade, which has a blade that opens automatically by hand pressure applied to a button, spring or other device in the handle of the knife, or any knife having a blade that opens or falls or is ejected into position by the force of gravity or by an outward, downward or centrifugal thrust or movement;~~ (9)~~ or (I) any electronic device designed to discharge immobilizing levels of electricity, commonly known as a stun gun.

(2) The term "weapon" does not include within its meaning~~ (1)~~: (A) An antique firearm;~~ (2)~~ (B) an air gun; (C) any device which is neither designed nor redesigned for use as a weapon;~~ (3)~~ (D) any device, although originally designed for use as a weapon, which is redesigned for use as a signaling, pyrotechnic, line throwing, safety~~,~~ or similar device;~~ (4)~~ (E) surplus ordinance sold, loaned~~,~~ or given by the secretary of the army pursuant to the provisions of section 4684(2), 4685~~,~~ or 4686 of title 10 of the United States Code;~~ (5)~~ or (F) class C common fireworks.

(i) "Air gun" means any device which will or is designed to or may be readily converted to, expel a projectile by the release of compressed air or gas, and which is of 0.18 caliber or less and has a muzzle velocity that does not exceed 700 feet per second.

(j) "Organization" means any profit or nonprofit association, whether school-sponsored or community-based, whose primary purpose is to provide youth development by engaging individuals under the age of 18 in activities designed to promote and encourage self-confidence, teamwork and a sense of community.

Sec. 3. K.S.A. 2015 Supp. 75-7c04 is hereby amended to read as follows: 75-7c04. (a) The attorney general shall not issue a license pursuant to this act if the applicant:

(1) Is not a resident of the county where application for licensure is made or is not a resident of the state;

(2) is prohibited from shipping, transporting, possessing or receiving a firearm or ammunition under 18 U.S.C. § 922(g) or (n), and amendments thereto, or K.S.A. 21-4204, prior to its repeal, or K.S.A. 2015 Supp. 21-6301(a)(10) through (a)(13) or K.S.A. 2015 Supp. 21-6304(a)(1) through (a)(3), and amendments thereto; or

(3) is less than 21 years of age.

(b) (1) The attorney general shall adopt rules and regulations establishing procedures and standards as authorized by this act for an eight-hour handgun safety and training course required by this section. Such standards shall include: (A) A requirement that trainees receive training in the safe storage of handguns, actual firing of handguns and instruction in the laws of this state governing the carrying of concealed handguns and the use of deadly force; (B) general guidelines for courses which are compatible with the industry standard for basic handgun training for civilians; (C) qualifications of instructors; and (D) a requirement that the course be: (i) A handgun course certified or sponsored by the attorney general; or (ii) a handgun course certified or sponsored by the national rifle association or by a law enforcement agency, college, private or public

institution or organization or handgun training school, if the attorney general determines that such course meets or exceeds the standards required by rules and regulations adopted by the attorney general and is taught by instructors certified by the attorney general or by the national rifle association, if the attorney general determines that the requirements for certification of instructors by such association meet or exceed the standards required by rules and regulations adopted by the attorney general. Any person wanting to be certified by the attorney general as an instructor shall submit to the attorney general an application in the form required by the attorney general and a fee not to exceed $150.

(2) The cost of the handgun safety and training course required by this section shall be paid by the applicant. The following shall constitute satisfactory evidence of satisfactory completion of an approved handgun safety and training course:

(A) Evidence of completion of ~~the~~ a course that satisfies the requirements of subsection (b)(1), in the form provided by rules and regulations adopted by the attorney general;

(B) an affidavit from the instructor, school, club, organization or group that conducted or taught such course attesting to the completion of the course by the applicant; ~~or~~

(C) evidence of completion of a course offered in another jurisdiction which is determined by the attorney general to have training requirements that are equal to or greater than those required by this act; or

(D) a determination by the attorney general pursuant to subsection (c).

(c) The attorney general may:

(1) Create a list of concealed carry handgun licenses or permits issued by other jurisdictions which the attorney general finds have training requirements that are equal to or greater than those of this state; and

(2) review each application received pursuant to K.S.A. 2015 Supp. 75-7c05, and amendments thereto, to determine if the applicant's previous training qualifications were equal to or greater than those of this state.

(d) For the purposes of this section:

(1) "Equal to or greater than" means the applicant's prior training meets or exceeds the training established in this section by having required, at a minimum, the applicant to: (A) Receive instruction on the laws of self-defense; and (B) demonstrate training and competency in the safe handling, storage and actual firing of handguns.

(2) "Jurisdiction" means another state or the District of Columbia.

(3) "License or permit" means a concealed carry handgun license or permit from another jurisdiction which has not expired and, except for any residency requirement of the issuing jurisdiction, is currently in good standing.

Sec. 4. K.S.A. 2015 Supp. 75-7c05 is hereby amended to read as follows: 75-7c05. (a) The application for a license pursuant to this act shall be completed, under oath, on a form prescribed by the attorney general and shall only include:

(1) (A) Subject to the provisions of subsection (a)(1)(B), the name, address, social security number, Kansas driver's license number or Kansas nondriver's license identification number, place and date of birth, a photocopy of the applicant's driver's license or nondriver's identification card and a photocopy of the applicant's certificate of training course completion; (B) in the case of an applicant who presents proof that such person is on active duty with any branch of the armed forces of the United States, or is

the dependent of such a person, and who does not possess a Kansas driver's license or Kansas nondriver's license identification, the number of such license or identification shall not be required;

(2) a statement that the applicant is in compliance with criteria contained within K.S.A. 2015 Supp. 75-7c04, and amendments thereto;

(3) a statement that the applicant has been furnished a copy of this act and is knowledgeable of its provisions;

(4) a conspicuous warning that the application is executed under oath and that a false answer to any question, or the submission of any false document by the applicant, subjects the applicant to criminal prosecution under K.S.A. 2015 Supp. 21-5903, and amendments thereto; and

(5) a statement that the applicant desires a concealed handgun license as a means of lawful self-defense.

(b) Except as otherwise provided in subsection (i), the applicant shall submit to the sheriff of the county where the applicant resides, during any normal business hours:

(1) A completed application described in subsection (a);

(2) a nonrefundable license fee of $132.50, if the applicant has not previously been issued a statewide license or if the applicant's license has permanently expired, which fee shall be in the form of two cashier's checks, personal checks or money orders of $32.50 payable to the sheriff of the county where the applicant resides and $100 payable to the attorney general;

(3) if applicable, a photocopy of the proof of training required by K.S.A. 2015 Supp. 75-7c04(b)(1), and amendments thereto; and

(4) a full frontal view photograph of the applicant taken within the preceding 30 days.

(c) (1) Except as otherwise provided in subsection (i), the sheriff, upon receipt of the items listed in subsection (b), shall provide for the full set of fingerprints of the applicant to be taken and forwarded to the attorney general for purposes of a criminal history records check as provided by subsection (d). In addition, the sheriff shall forward to the attorney general the application and the portion of the original license fee which is payable to the attorney general. The cost of taking such fingerprints shall be included in the portion of the fee retained by the sheriff. Notwithstanding anything in this section to the contrary, an applicant shall not be required to submit fingerprints for a renewal application under K.S.A. 2015 Supp. 75-7c08, and amendments thereto.

(2) The sheriff of the applicant's county of residence or the chief law enforcement officer of any law enforcement agency, at the sheriff's or chief law enforcement officer's discretion, may participate in the process by submitting a voluntary report to the attorney general containing readily discoverable information, corroborated through public records, which, when combined with another enumerated factor, establishes that the applicant poses a significantly greater threat to law enforcement or the public at large than the average citizen. Any such voluntary reporting shall be made within 45 days after the date the sheriff receives the application. Any sheriff or chief law enforcement officer submitting a voluntary report shall not incur any civil or criminal liability as the result of the good faith submission of such report.

(3) All funds retained by the sheriff pursuant to the provisions of this section shall be credited to a special fund of the sheriff's office which shall be used solely for the purpose of administering this act.

(d) Each applicant shall be subject to a state and national criminal history records check which conforms to applicable federal standards, including an inquiry of the national instant criminal background check system for the purpose of verifying the identity of the applicant and whether the applicant has been convicted of any crime or has been the subject of any restraining order or any mental health related finding that would disqualify the applicant from holding a license under this act. The attorney general is authorized to use the information obtained from the state or national criminal history record check to determine the applicant's eligibility for such license.

(e) Within 90 days after the date of receipt of the items listed in subsection (b), the attorney general shall:

(1) Issue the license and certify the issuance to the department of revenue; or

(2) deny the application based solely on: (A) The report submitted by the sheriff or other chief law enforcement officer under subsection (c)(2) for good cause shown therein; or (B) the ground that the applicant is disqualified under the criteria listed in K.S.A. 2015 Supp. 75-7c04, and amendments thereto. If the attorney general denies the application, the attorney general shall notify the applicant in writing, stating the ground for denial and informing the applicant the opportunity for a hearing pursuant to the Kansas administrative procedure act.

(f) Each person issued a license shall pay to the department of revenue a fee for the cost of the license which shall be in amounts equal to the fee required pursuant to K.S.A. 8-243 and 8-246, and amendments thereto, for replacement of a driver's license.

(g) (1) A person who is a retired law enforcement officer, as defined in K.S.A. 2015 Supp. 21-5111, and amendments thereto, shall be: (A) Required to pay an original license fee as provided in subsection (b)(2), to be forwarded by the sheriff to the attorney general; (B) exempt from the required completion of a handgun safety and training course if such person was certified by the Kansas commission on peace officer's standards and training, or similar body from another jurisdiction, not more than eight years prior to submission of the application; (C) required to pay the license renewal fee; (D) required to pay to the department of revenue the fees required by subsection (f); and (E) required to comply with the criminal history records check requirement of this section.

(2) Proof of retirement as a law enforcement officer shall be required and provided to the attorney general in the form of a letter from the agency head, or their designee, of the officer's retiring agency that attests to the officer having retired in good standing from that agency as a law enforcement officer for reasons other than mental instability and that the officer has a nonforfeitable right to benefits under a retirement plan of the agency.

(h) A person who is a corrections officer, a parole officer or a corrections officer employed by the federal bureau of prisons, as defined by K.S.A. 75-5202, and amendments thereto, shall be: (1) Required to pay an original license fee as provided in subsection (b)(2); (2) exempt from the required completion of a handgun safety and training course if such person was issued a certificate of firearms training by the department of corrections or the federal bureau of prisons or similar body not more than one year prior to submission of the application; (3) required to pay the license renewal fee; (4) required to pay to the department of revenue the fees required by subsection (f); and (5) required to comply with the criminal history records check requirement of this section.

(i) A person who presents proof that such person is on active duty with any branch of the armed forces of the United States and is stationed at a United States military installation located outside this state, may submit by mail an application described in subsection (a) and the other materials required by subsection (b) to the sheriff of the county where the applicant resides. Provided the applicant is fingerprinted at a United States military installation, the applicant may submit a full set of fingerprints of such applicant along with the application. Upon receipt of such items, the sheriff shall forward to the attorney general the application and the portion of the original license fee which is payable to the attorney general.

Sec. 5. K.S.A. 2015 Supp. 75-7c10 is hereby amended to read as follows: 75-7c10. Subject to the provisions of K.S.A. 2015 Supp. 75-7c20, and amendments thereto:

(a) The carrying of a concealed handgun shall not be prohibited in any building unless such building is conspicuously posted in accordance with rules and regulations adopted by the attorney general.

(b) Nothing in this act shall be construed to prevent~~:~~

~~(1)~~ any ~~public or~~ private employer from restricting or prohibiting by personnel policies persons from carrying a concealed handgun while on the premises of the employer's business or while engaged in the duties of the person's employment by the employer, except that no employer may prohibit possession of a handgun in a private means of conveyance, even if parked on the employer's premises~~; or~~

~~(2) any private business or city, county or political subdivision from restricting or prohibiting persons from carrying a concealed handgun within a building or buildings of such entity, provided that the building is posted in accordance with rules and regulations adopted by the attorney general pursuant to subsection (i), as a building where carrying a concealed handgun is prohibited~~.

(c) (1) Any private entity which provides adequate security measures in a private building and which conspicuously posts signage in accordance with this section prohibiting the carrying of a concealed handgun in such building shall not be liable for any wrongful act or omission relating to actions of persons carrying a concealed handgun concerning acts or omissions regarding such handguns.

(2) Any private entity which does not provide adequate security measures in a private building and which allows the carrying of a concealed handgun shall not be liable for any wrongful act or omission relating to actions of persons carrying a concealed handgun concerning acts or omissions regarding such handguns.

(3) Nothing in this act shall be deemed to increase the liability of any private entity where liability would have existed under the personal and family protection act prior to the effective date of this act.

(d) The governing body or the chief administrative officer, if no governing body exists, of any of the following institutions may permit any employee, who is legally qualified, to carry a concealed handgun in any building of such institution, if the employee meets such institution's own policy requirements regardless of whether such building is conspicuously posted in accordance with the provisions of this section:

(1) A unified school district;

(2) a postsecondary educational institution, as defined in K.S.A. 74-3201b, and amendments thereto;

(3) a state or municipal-owned medical care facility, as defined in K.S.A. 65-425, and amendments thereto;

(4) a state or municipal-owned adult care home, as defined in K.S.A. 39-923, and amendments thereto;

(5) a community mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto; or

(6) an indigent health care clinic, as defined by K.S.A. 2015 Supp. 65-7402, and amendments thereto.

(e) No public employer shall restrict or otherwise prohibit by personnel policies any employee, who is legally qualified, from carrying any concealed handgun while engaged in the duties of such employee's employment outside of such employer's place of business, including while in a means of conveyance.

~~(e)~~ (f) (1) It shall be a violation of this section to carry a concealed handgun in violation of any restriction or prohibition allowed by subsection (a) or (b) if the building is posted in accordance with rules and regulations adopted by the attorney general pursuant to subsection ~~(i)~~ (j). Any person who violates this section shall not be subject to a criminal penalty but may be subject to denial to such premises or removal from such premises.

(2) Notwithstanding the provisions of subsection (a) or (b), it is not a violation of this section for the United States attorney for the district of Kansas, the attorney general, any district attorney or county attorney, any assistant United States attorney if authorized by the United States attorney for the district of Kansas, any assistant attorney general if authorized by the attorney general, or any assistant district attorney or assistant county attorney if authorized by the district attorney or county attorney by whom such assistant is employed, to possess a handgun within any of the buildings described in subsection (a) or (b), subject to any restrictions or prohibitions imposed in any courtroom by the chief judge of the judicial district.

(3) Notwithstanding the provisions of subsection (a) or (b), it is not a violation of this section for a law enforcement officer, as that term is defined in K.S.A. 2015 Supp. 75-7c22, and amendments thereto, who satisfies the requirements of either K.S.A. 2015 Supp. 75-7c22(a) or (b), and amendments thereto, to possess a handgun within any of the buildings described in subsection (a) or (b), subject to any restrictions or prohibitions imposed in any courtroom by the chief judge of the judicial district.

~~(f)~~ (g) ~~On and after July 1, 2014,~~ The provisions of this section shall not apply to the carrying of a concealed handgun in the state capitol.

~~(g)~~ (h) For the purposes of this section:

(1) "Adequate security measures" shall have the same meaning as the term is defined in K.S.A. 2015 Supp. 75-7c20, and amendments thereto;

(2) "building" shall not include any structure, or any area of any structure, designated for the parking of motor vehicles; and

(3) "public employer" means the state and any municipality as those terms are defined in K.S.A. 75-6102, and amendments thereto, except the term "public employer" shall not include school districts.

~~(h)~~ (i) Nothing in this act shall be construed to authorize the carrying or possession of a handgun where prohibited by federal law.

~~(i)~~ (j) The attorney general shall adopt rules and regulations prescribing the location, content, size and other characteristics of signs to be posted on a building where carrying a concealed handgun is prohibited pursuant to subsections (a) and (b). Such regulations shall prescribe, at a minimum, that:

(1) The signs be posted at all exterior entrances to the prohibited buildings;

(2) the signs be posted at eye level of adults using the entrance and not more than 12 inches to the right or left of such entrance;

(3) the signs not be obstructed or altered in any way; and

(4) signs which become illegible for any reason be immediately replaced.

Sec. 6. K.S.A. 2015 Supp. 75-7c20 is hereby amended to read as follows: 75-7c20. (a) The carrying of a concealed handgun shall not be prohibited in any public area of any state or municipal building unless such ~~building~~ public area has adequate security measures to ensure that no weapons are permitted to be carried into such ~~building~~ public area and the ~~building~~ public area is conspicuously posted with either permanent or temporary signage approved by the governing body, or the chief administrative officer, if no governing body exists, in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(b) The carrying of a concealed handgun shall not be prohibited throughout any state or municipal building ~~which contains both public access entrances and restricted access entrances shall provide adequate security measures at the public access entrances in order to prohibit the carrying of any weapons into such building~~ in its entirety unless such building has adequate security measures at all public access entrances to ensure that no weapons are permitted to be carried into such building and the building is conspicuously posted in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(c) No state agency or municipality shall prohibit an employee from carrying a concealed handgun at the employee's work place unless the building has adequate security measures at all public access entrances to ensure that no weapons are permitted to be carried into such building and the building is conspicuously posted in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(d) (1) It shall not be a violation of the personal and family protection act for a person to carry a concealed handgun into a state or municipal building, or any public area thereof, so long as that person has authority to enter through a restricted access entrance into such building, or public area thereof, which provides adequate security measures at all public access entrances and the building, or public area thereof, is conspicuously posted in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(2) Any person, who is not an employee of the state or a municipality and is not otherwise authorized to enter a state or municipal building through a restricted access entrance, shall be authorized to enter through a restricted access entrance, provided such person:

(A) Is authorized by the chief law enforcement officer, governing body, or the chief administrative officer, if no governing body exists, to enter such state or municipal building through a restricted access entrance;

(B) is issued an identification card by the chief law enforcement officer, governing body, or the chief administrative officer, if no governing body exists, which includes such person's photograph, name and any other identifying information deemed necessary by the issuing entity, and which states on the identification card that such person is authorized to enter such building through a restricted access entrance; and

(C) executes an affidavit or other notarized statement that such person acknowledges that certain firearms and weapons may be prohibited in such building and

that violating any such regulations may result in the revocation of such person's authority to enter such building through a restricted access entrance.

The chief law enforcement officer, governing body, or the chief administrative officer, if no governing body exists, shall develop criteria for approval of individuals subject to this paragraph to enter the state or municipal building through a restricted access entrance. Such criteria may include the requirement that the individual submit to a state and national criminal history records check before issuance and renewal of such authorization and pay a fee to cover the costs of such background checks. An individual who has been issued a concealed carry permit by the state of Kansas shall not be required to submit to another state and national criminal records check before issuance and renewal of such authorization. Notwithstanding any authorization granted under this paragraph, an individual may be subjected to additional security screening measures upon reasonable suspicion or in circumstances where heightened security measures are warranted. Such authorization does not permit the individual to carry a concealed weapon into a public building, which has adequate security measures, as defined by this act, and which is conspicuously posted in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(e) A state agency or municipality which provides adequate security measures in a state or municipal building and which conspicuously posts signage in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto, prohibiting the carrying of a concealed handgun in such building shall not be liable for any wrongful act or omission relating to actions of persons carrying a concealed handgun concerning acts or omissions regarding such handguns.

(f) A state agency or municipality which does not provide adequate security measures in a state or municipal building and which allows the carrying of a concealed handgun shall not be liable for any wrongful act or omission relating to actions of persons carrying a concealed handgun concerning acts or omissions regarding such handguns.

(g) Nothing in this act shall limit the ability of a corrections facility, a jail facility or a law enforcement agency to prohibit the carrying of a handgun or other firearm concealed or unconcealed by any person into any secure area of a building located on such premises, except those areas of such building outside of a secure area and readily accessible to the public shall be subject to the provisions of subsection ~~(b)~~ (a).

(h) Nothing in this section shall limit the ability of the chief judge of each judicial district to prohibit the carrying of a concealed handgun by any person into courtrooms or ancillary courtrooms within the district provided ~~that other means of security are employed such as armed law enforcement or armed security officers~~ the public area has adequate security measures to ensure that no weapons are permitted to be carried into such public area and the public area is conspicuously posted in accordance with K.S.A. 2015 Supp. 75-7c10, and amendments thereto.

(i) The governing body or the chief administrative officer, if no governing body exists, of a state or municipal building, may exempt the building, or any public area thereof, from this section ~~until January 1, 2014, by notifying the Kansas attorney general and the law enforcement agency of the local jurisdiction by letter of such exemption. Thereafter, such governing body or chief administrative officer may exempt a state or municipal building for a period of only four years~~ until July 1, 2017, by adopting a resolution, or drafting a letter, listing the legal description of such building,

listing the reasons for such exemption, and including the following statement: "A security plan has been developed for the building being exempted which supplies adequate security to the occupants of the building and merits the prohibition of the carrying of a concealed handgun." A copy of the security plan for the building shall be maintained on file and shall be made available, upon request, to the Kansas attorney general and the law enforcement agency of local jurisdiction. Notice of this exemption, together with the resolution adopted or the letter drafted, shall be sent to the Kansas attorney general and to the law enforcement agency of local jurisdiction. The security plan shall not be subject to disclosure under the Kansas open records act.

(j) The governing body or the chief administrative officer, if no governing body exists, of any of the following institutions may exempt any building of such institution, or any public area thereof, from this section ~~for a period of only four years~~ until July 1, 2017, by stating the reasons for such exemption and sending notice of such exemption to the Kansas attorney general:

(1) A state or municipal-owned medical care facility, as defined in K.S.A. 65-425, and amendments thereto;

(2) a state or municipal-owned adult care home, as defined in K.S.A. 39-923, and amendments thereto;

(3) a community mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto;

(4) an indigent health care clinic, as defined by K.S.A. 2015 Supp. 65-7402, and amendments thereto; or

(5) a postsecondary educational institution, as defined in K.S.A. 74-3201b, and amendments thereto, including any buildings located on the grounds of such institution and any buildings leased by such institution.

(k) The provisions of this section shall not apply to any building located on the grounds of the Kansas state school for the deaf or the Kansas state school for the blind.

(l) Nothing in this section shall be construed to prohibit any law enforcement officer, as defined in K.S.A. 2015 Supp. 75-7c22, and amendments thereto, who satisfies the requirements of either K.S.A. 2015 Supp. 75-7c22(a) or (b), and amendments thereto, from carrying a concealed handgun into any state or municipal building, or any public area thereof, in accordance with the provisions of K.S.A. 2015 Supp. 75-7c22, and amendments thereto, subject to any restrictions or prohibitions imposed in any courtroom by the chief judge of the judicial district.

(m) For purposes of this section:

(1) "Adequate security measures" means the use of electronic equipment and armed personnel at public entrances to detect and restrict the carrying of any weapons into the state or municipal building, or any public area thereof, including, but not limited to, metal detectors, metal detector wands or any other equipment used for similar purposes to ensure that weapons are not permitted to be carried into such building or public area by members of the public. Adequate security measures for storing and securing lawfully carried weapons, including, but not limited to, the use of gun lockers or other similar storage options may be provided at public entrances.

(2) "Authorized personnel" means employees of a state agency or municipality and any person granted authorization pursuant to subsection (d)(2), who are authorized to enter a state or municipal building through a restricted access entrance.

~~(2)~~ (3) The terms "municipality" and "municipal" are interchangeable and have the

same meaning as the term "municipality" is defined in K.S.A. 75-6102, and amendments thereto, but does not include school districts.

~~(3)~~ (4) "Public area" means any portion of a state or municipal building that is open to and accessible by the public or which is otherwise designated as a public area by the governing body or the chief administrative officer, if no governing body exists, of such building.

(5) "Restricted access entrance" means an entrance that is restricted to the public and requires a key, keycard, code, or similar device to allow entry to authorized personnel.

~~(4)~~ (6) "State" means the same as the term is defined in K.S.A. 75-6102, and amendments thereto.

~~(5)~~ (7) (A) "State or municipal building" means a building owned or leased by such public entity. It does not include a building owned by the state or a municipality which is leased by a private entity whether for profit or not-for-profit or a building held in title by the state or a municipality solely for reasons of revenue bond financing.

(B) ~~On and after July 1, 2014,~~ The term "state and municipal building" shall not include the state capitol.

~~(6)~~ (8) "Weapon" means a weapon described in K.S.A. 2015 Supp. 21-6301, and amendments thereto, except the term "weapon" shall not include any cutting instrument that has a sharpened or pointed blade.

(n) This section shall be a part of and supplemental to the personal and family protection act.

Sec. 7. K.S.A. 72-89a01 and K.S.A. 2015 Supp. 75-7c04, 75-7c05, 75-7c10 and 75-7c20 are hereby repealed.

Sec. 8. 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 all in line 2; in line 3, by striking all before the period and inserting "firearms; relating to the possession thereof; relating to the personal and family protection act; relating to weapons in schools; amending K.S.A. 72-89a01 and K.S.A. 2015 Supp. 75-7c04, 75-7c05, 75-7c10 and 75-7c20 and repealing the existing sections";

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

RALPH OSTMEYER
JAKE LATURNER
Conferees on part of Senate

JAN PAULS
JAMES ERIC TODD
Conferees on part of House

On motion of Rep. Pauls, the conference committee report on **HB 2502** was adopted.

On roll call, the vote was: Yeas 92; Nays 28; Present but not voting: 0; Absent or not voting: 5.

Yeas: Alford, Anthimides, Barker, Barton, Becker, Billinger, Boldra, Bradford, Bruchman, Campbell, B. Carpenter, W. Carpenter, Claeys, Clark, Concannon, Corbet, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Francis, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Hemsley, Henry, Hibbard, Highland, Hildabrand, Hill,

Hineman, Hoffman, Houser, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kahrs, Kelly, Kiegerl, Kleeb, Lewis, Lunn, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rubin, Ryckman, Ryckman Sr., Sawyer, Scapa, Schwab, Schwartz, Scott, Seiwert, Sloan, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Todd, Vickrey, Waymaster, Weber, C., Whipple, Whitmer, K. Williams.

Nays: Alcala, Ballard, Bollier, Burroughs, Carlin, Carmichael, Clayton, Curtis, Finney, Frownfelter, Gallagher, Helgerson, Henderson, Highberger, Houston, Kuether, Lusk, Ousley, Rooker, Ruiz, C. Smith, Tietze, Trimmer, Victors, Ward, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Kelley, Schroeder.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 248** 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 line 5 and inserting:

"Section 1. (a) As used in this section:

(1) "Federally qualified health center" means the same as defined in K.S.A. 2015 Supp. 65-1669, and amendments thereto; and

(2) "hospital" means the same as defined in K.S.A. 65-425, and amendments thereto.

(b) Any expenditures or grants of money by the division of public health of the Kansas department of health and environment for family planning services financed in whole or in part from federal title X moneys shall be made subject to the following priorities:

(1) To public entities, including state, county and local health departments and health clinics; and

(2) if any moneys remain, to non-public entities which are hospitals or federally qualified health centers that provide comprehensive primary and preventative care in addition to family planning services.";

On page 1, in the title, by striking all after "ACT"; by striking all in line 2 and inserting "concerning public health; relating to funding of entities that provide family planning services.";

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

RONALD RYCKMAN
SHARON SCHWARTZ
JERRY HENRY
Conferees on part of House

TY MASTERSON
JIM DENNING
LAURA KELLY
Conferees on part of Senate

On motion of Rep. Ryckman, the conference committee report on **SB 248** was adopted.

On roll call, the vote was: Yeas 87; Nays 34; Present but not voting: 0; Absent or not voting: 4.

Yeas: Alford, Anthimides, Barker, Barton, Becker, Billinger, Boldra, Bradford, Bruchman, B. Carpenter, W. Carpenter, Claeys, Corbet, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Francis, Garber, Gonzalez, Grosserode, Hawkins, Hedke, Hemsley, Henry, Hibbard, Highland, Hildabrand, Hineman, Hoffman, Houser, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Lewis, Lunn, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rubin, Ryckman, Ryckman Sr., Scapa, Schwab, Schwartz, Seiwert, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Todd, Trimmer, Vickrey, Waymaster, Weber, C., Whitmer, K. Williams.

Nays: Alcala, Ballard, Bollier, Burroughs, Campbell, Carlin, Carmichael, Clark, Clayton, Concannon, Curtis, Finney, Frownfelter, Gallagher, Helgerson, Henderson, Highberger, Hill, Houston, Kuether, Lusk, Ousley, Rooker, Ruiz, Sawyer, Scott, Sloan, Tietze, Victors, Ward, Whipple, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Goico, Schroeder.

The House stood at ease until the sound of the gavel.

Speaker Merrick called the House to order.

PERSONAL PRIVILEGE

Rep. Ballard requested unanimous consent of the House to have her vote changed from Aye to Nay on **HB 2502**. There was no objection.

PERSONAL PRIVILEGE

Rep. Lewis requested unanimous consent of the House to have his vote changed from Nay to Aye on **SB 248**. There was no objection.

MESSAGES FROM THE SENATE

The Senate concurs in House amendments to **H Sub for SB 255**, and requests return of the bill.

The Senate adopts the Conference Committee report on **S Sub for HB 2112**.

The Senate adopts the Conference Committee report on **HB 2615**.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, 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 **S Sub for HB 2112**.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2112** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for House Bill No. 2112, as follows:

On page 1, by striking all in lines 5 through 36;

By striking all on pages 2 and 3;

On page 4, by striking all in lines 1 through 9 and inserting:

"New Section 1. (a) Any civil action to interpret, apply, enforce or determine the validity of the provisions of the following may be brought in the district court, except to the extent that a statute confers exclusive jurisdiction on a court, agency or tribunal other than the district court:

(1) The articles of incorporation or the bylaws of a corporation;

(2) any instrument, document or agreement by which a corporation creates or sells, or offers to create or sell, any of its stock, or any rights or options respecting its stock;

(3) any written restrictions on the transfer, registration of transfer or ownership of securities under K.S.A. 17-6426, and amendments thereto;

(4) any proxy under K.S.A. 17-6502 or 17-6505, and amendments thereto;

(5) any voting trust or other voting agreement under K.S.A. 17-6508, and amendments thereto;

(6) any agreement, certificate of merger or consolidation, or certificate of ownership and merger governed by K.S.A. 17-6701 through 17-6703 or 17-6705 through 17-6708, and amendments thereto;

(7) any certificate of conversion under K.S.A. 17-6713, and amendments thereto; or

(8) any other instrument, document, agreement or certificate required by any provision of this code.

(b) Any civil action to interpret, apply or enforce any provision of this code may be brought in the district court.

(c) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 2. (a) The bylaws may provide that if the corporation solicits proxies with respect to an election of directors, it may be required, to the extent and subject to such procedures or conditions as may be provided in the bylaws, to include in its proxy solicitation materials, including any form of proxy it distributes, in addition to individuals nominated by the board of directors, one or more individuals nominated by a stockholder. Such procedures or conditions may include any of the following:

(1) A provision requiring a minimum record or beneficial ownership, or duration of ownership, of shares of the corporation's capital stock, by the nominating stockholder, and defining beneficial ownership to take into account options or other rights in respect of or related to such stock;

(2) a provision requiring the nominating stockholder to submit specified information concerning the stockholder and the stockholder's nominees, including information concerning ownership by such persons of shares of the corporation's capital stock, or options or other rights in respect of or related to such stock;

(3) a provision conditioning eligibility to require inclusion in the corporation's proxy solicitation materials upon the number or proportion of directors nominated by stockholders or whether the stockholder previously sought to require such inclusion;

(4) a provision precluding nominations by any person if such person, any nominee of such person, or any affiliate or associate of such person or nominee, has acquired or publicly proposed to acquire shares constituting a specified percentage of the voting power of the corporation's outstanding voting stock within a specified period before the election of directors;

(5) a provision requiring that the nominating stockholder undertake to indemnify the corporation in respect of any loss arising as a result of any false or misleading information or statement submitted by the nominating stockholder in connection with a nomination; and

(6) any other lawful condition.

(b) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 3. (a) The bylaws may provide for the reimbursement by the corporation of expenses incurred by a stockholder in soliciting proxies in connection with an election of directors, subject to such procedures or conditions as the bylaws may prescribe, including:

(1) Conditioning eligibility for reimbursement upon the number or proportion of persons nominated by the stockholder seeking reimbursement or whether such stockholder previously sought reimbursement for similar expenses;

(2) limitations on the amount of reimbursement based upon the proportion of votes cast in favor of one or more of the persons nominated by the stockholder seeking reimbursement, or upon the amount spent by the corporation in soliciting proxies in connection with the election;

(3) limitations concerning elections of directors by cumulative voting pursuant to K.S.A. 17-6504, and amendments thereto; or

(4) any other lawful condition.

(b) No bylaw so adopted shall apply to elections for which any record date precedes its adoption.

(c) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 4. (a) Except as otherwise provided in subsections (b) and (c), the provisions of the Kansas general corporation code shall apply to nonstock corporations in the manner specified in this subsection:

(1) All references to stockholders of the corporation shall be deemed to refer to members of the corporation;

(2) all references to the board of directors of the corporation shall be deemed to refer to the governing body of the corporation;

(3) all references to directors or to members of the board of directors of the corporation shall be deemed to refer to members of the governing body of the corporation; and

(4) all references to stock, capital stock, or shares thereof of a corporation authorized to issue capital stock shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

(b) Subsection (a) shall not apply to:

(1) K.S.A. 17-6002(a)(4), (b)(1) and (b)(2), 17-6009(a), 17-6301, 17-6404, 17-6505, 17 6518, 17-6520(b), 17-6601, 17-6602, 17-6703, 17-6705, 17-6706, 17-6707, 17-6708, 17-6801, 17-6805, 17-6805a, 17-7001, 17-7002, 17-7503(a)(4) and (b)(4), 17-7504, 17-7505(a)(4) and (b)(4) and 17-7514(c) and section 4, and amendments thereto, which apply to nonstock corporations by their terms;

(2) K.S.A. 17-6002(e), the last sentence of 17-6009(b), 17-6401, 17-6402, 17-6403, 17-6405, 17-6406, 17-6407(d), 17-6408, 17-6411, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6417, 17-6418, 17-6501, 17-6502, 17-6503, 17-6504, 17-6506, 17-6509, 17-6512, 17-6521, 17-6603, 17-6604, 17-6701, 17-6702, 17-6803 and 17-6804 and sections 7, 8 and 9, and amendments thereto; and

(3) article 72 and article 73 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

(c) In the case of a nonprofit nonstock corporation, subsection (a) shall not apply to:

(1) The sections and articles listed in subsection (b);

(2) K.S.A. 17-6002(b)(3), 17-6304(a)(2), 17-6507, 17-6508, 17-6712, 17-7503, 17-7505, 17-7509, 17-7511 and 17-7514 and section 1(a)(2) and (a)(3), and amendments thereto; and

(3) article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

(d) For purposes of the Kansas general corporation code:

(1) A "charitable nonstock corporation" is any nonprofit nonstock corporation that is exempt from taxation under § 501(c)(3) of the federal internal revenue code of 1986, 26 U.S.C. § 501(c)(3);

(2) a "membership interest" is, unless otherwise provided in a nonstock corporation's articles of incorporation, a member's share of the profits and losses of a nonstock corporation, or a member's right to receive distributions of the nonstock corporation's assets, or both;

(3) a "nonprofit nonstock corporation" is a nonstock corporation that does not have membership interests; and

(4) a "nonstock corporation" is any corporation organized under the Kansas general corporation code that is not authorized to issue capital stock.

(e) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 5. (a) The articles of incorporation or the bylaws may require, consistent with applicable jurisdictional requirements, that any or all internal corporate claims shall be brought solely and exclusively in any or all of the courts in this state, and no provision of the articles of incorporation or the bylaws may prohibit bringing such claims in the courts of this state. "Internal corporate claims" means claims, including claims in the right of the corporation: (1) That are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity; or (2) as to which this title confers jurisdiction upon the district court.

(b) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 6. (a) (1) After a corporation has been dissolved in accordance with the procedures set forth in this code, the corporation or any successor entity may give notice of the dissolution, requiring all persons having a claim against the corporation

other than a claim against the corporation in a pending action, suit or proceeding to which the corporation is a party, to present their claims against the corporation in accordance with such notice. Such notice shall state:

(A) That all such claims must be presented in writing and must contain sufficient information reasonably to inform the corporation or successor entity of the identity of the claimant and the substance of the claim;

(B) the mailing address to which such a claim must be sent;

(C) the date by which such a claim must be received by the corporation or successor entity, which date shall be no earlier than 60 days from the date thereof;

(D) that such claim will be barred if not received by the date referred to in subsection (a)(1)(C);

(E) that the corporation or a successor entity may make distributions to other claimants and the corporation's stockholders or persons interested as having been such without further notice to the claimant; and

(F) the aggregate amount, on an annual basis, of all distributions made by the corporation to its stockholders for each of the three years prior to the date the corporation dissolved.

(2) Such notice shall also be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county in which the office of the corporation's last resident agent in this state is located and in the corporation's principal place of business and, in the case of a corporation having $10,000,000 or more in total assets at the time of its dissolution, at least once in all editions of a daily newspaper with a national circulation. On or before the date of the first publication of such notice, the corporation or successor entity shall mail a copy of such notice by certified or registered mail, return receipt requested, to each known claimant of the corporation, including persons with claims asserted against the corporation in a pending action, suit or proceeding to which the corporation is a party.

(3) Any claim against the corporation required to be presented pursuant to this subsection is barred if a claimant who was given actual notice under this subsection does not present the claim to the dissolved corporation or successor entity by the date referred to in subsection (a)(1)(C).

(4) A corporation or successor entity may reject, in whole or in part, any claim made by a claimant pursuant to this subsection by mailing notice of such rejection by certified or registered mail, return receipt requested, to the claimant within 90 days after receipt of such claim and, in all events, at least 150 days before the expiration of the period described in K.S.A. 17-6807, and amendments thereto, except that in the case of a claim filed pursuant to K.S.A. 17-6905, and amendments thereto, against a corporation or successor entity for which a receiver or trustee has been appointed by the district court, the time period shall be as provided in K.S.A. 17-6906, and amendments thereto, and the 30-day appeal period provided for in K.S.A. 17-6906 shall be applicable. A notice sent by a corporation or successor entity pursuant to this subsection shall state that any claim rejected therein will be barred if an action, suit or proceeding with respect to the claim is not commenced within 120 days of the date thereof, and shall be accompanied by a copy of K.S.A. 17-6807 through 17-6809 and section 6, and amendments thereto, and, in the case of a notice sent by a court-appointed receiver or trustee and as to which a claim has been filed pursuant to K.S.A. 17-6905, and amendments thereto, copies of K.S.A. 17-6905 and 17-6906, and amendments thereto.

(5) A claim against a corporation is barred if a claimant whose claim is rejected pursuant to subsection (a)(4) does not commence an action, suit or proceeding with respect to the claim no later than 120 days after the mailing of the rejection notice.

(b) (1) A corporation or successor entity electing to follow the procedures described in subsection (a) shall also give notice of the dissolution of the corporation to persons with contractual claims contingent upon the occurrence or nonoccurrence of future events or otherwise conditional or unmatured, and request that such persons present such claims in accordance with the terms of such notice. As used in this section and in K.S.A. 17-6810, and amendments thereto, the term "contractual claims" shall not include any implied warranty as to any product manufactured, sold, distributed or handled by the dissolved corporation. Such notice shall be in substantially the form, and sent and published in the same manner, as described in subsection (a)(1).

(2) The corporation or successor entity shall offer any claimant on a contract whose claim is contingent, conditional or unmatured such security as the corporation or successor entity determines is sufficient to provide compensation to the claimant if the claim matures. The corporation or successor entity shall mail such offer to the claimant by certified or registered mail, return receipt requested, within 90 days of receipt of such claim and, in all events, at least 150 days before the expiration of the period described in K.S.A. 17-6807, and amendments thereto. If the claimant offered such security does not deliver in writing to the corporation or successor entity a notice rejecting the offer within 120 days after receipt of such offer for security, the claimant shall be deemed to have accepted such security as the sole source from which to satisfy the claim against the corporation.

(c) (1) A corporation or successor entity which has given notice in accordance with subsection (a) shall petition the district court to determine the amount and form of security that will be reasonably likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit or proceeding to which the corporation is a party other than a claim barred pursuant to subsection (a).

(2) A corporation or successor entity which has given notice in accordance with subsections (a) and (b) shall petition the district court to determine the amount and form of security that will be sufficient to provide compensation to any claimant who has rejected the offer for security made pursuant to subsection (b)(2).

(3) A corporation or successor entity which has given notice in accordance with subsection (a) shall petition the district court to determine the amount and form of security which will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within five years after the date of dissolution or such longer period of time as the district court may determine, not to exceed 10 years after the date of dissolution. The district court may appoint a guardian ad litem in respect of any such proceeding brought under this subsection. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the petitioner in such proceeding.

(d) The giving of any notice or making of any offer pursuant to this section shall not revive any claim then barred or constitute acknowledgment by the corporation or successor entity that any person to whom such notice is sent is a proper claimant and

shall not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom such notice is sent.

(e) As used in this section, the term "successor entity" shall include any trust, receivership or other legal entity governed by the laws of this state to which the remaining assets and liabilities of a dissolved corporation are transferred and which exists solely for the purposes of prosecuting and defending suits, by or against the dissolved corporation, enabling the dissolved corporation to settle and close the business of the dissolved corporation, to dispose of and convey the property of the dissolved corporation, to discharge the liabilities of the dissolved corporation and to distribute to the dissolved corporation's stockholders any remaining assets, but not for the purpose of continuing the business for which the dissolved corporation was organized.

(f) The time periods and notice requirements of this section shall, in the case of a corporation or successor entity for which a receiver or trustee has been appointed by the district court, be subject to variation by, or in the manner provided in, the rules of the district court.

(g) In the case of a nonstock corporation, any notice referred to in the last sentence of subsection (a)(4) shall include a copy of section 4, and amendments thereto. In the case of a nonprofit nonstock corporation, the provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation's articles of incorporation or bylaws.

(h) This section shall be part of and supplemental to article 68 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 7. (a) Notwithstanding any other provisions of this chapter, a corporation shall not engage in any business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, unless:

(1) Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

(2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned: (A) By persons who are directors and also officers; and (B) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(3) at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $^{2}/_{3}$% of the outstanding voting stock which is not owned by the interested stockholder.

(b) The restrictions contained in this section shall not apply if:

(1) The corporation's original articles of incorporation contain a provision expressly electing not to be governed by this section or the Kansas business combinations with interested shareholders act;

(2) the corporation, by action of its board of directors, adopts an amendment to its

bylaws on or before July 1, 1990, expressly electing not to be governed by this section or the Kansas business combinations with interested shareholders act, which amendment shall not be further amended by the board of directors;

(3) the corporation, by action of its stockholders, adopts an amendment to its articles of incorporation or bylaws expressly electing not to be governed by this section, except that, in addition to any other vote required by law, such amendment to the articles of incorporation or bylaws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to this paragraph shall be effective immediately in the case of a corporation that both: (A) Has never had a class of voting stock that falls within any of the two categories set out in subsection (b)(4); and (B) has not elected by a provision in its original articles of incorporation, or any amendment thereto, to be governed by this section. In all other cases, an amendment adopted pursuant to this paragraph shall not be effective until 12 months after the adoption of such amendment and shall not apply to any business combination between such corporation and any person who became an interested stockholder of such corporation on or prior to such adoption. A bylaw amendment adopted pursuant to this paragraph shall not be further amended by the board of directors;

(4) the corporation does not have a class of voting stock that is: (A) Listed on a national securities exchange; or (B) held of record by more than 2,000 stockholders, unless any of the foregoing results from action taken, directly or indirectly, by an interested stockholder or from a transaction in which a person becomes an interested stockholder;

(5) a stockholder becomes an interested stockholder inadvertently and: (A) As soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder; and (B) would not, at any time within the three-year period immediately prior to a business combination between the corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership;

(6) (A) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required by this subsection of a proposed transaction which: (i) Constitutes one of the transactions described in the second sentence of this paragraph; (ii) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the corporation's board of directors or during the period described in paragraph (7); and (iii) is approved or not opposed by a majority of the members of the board of directors then in office, but not less than one, who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

(B) The proposed transactions referred to in subsection (b)(6)(A) are limited to: (i) A merger or consolidation of the corporation, except for a merger in respect of which, pursuant to K.S.A. 17-6701(f), and amendments thereto, no vote of the stockholders of the corporation is required; (ii) a sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation, other than to any direct or indirect

wholly-owned subsidiary or to the corporation, having an aggregate market value equal to 50% or more of either that aggregate market value of all of the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; or (iii) a proposed tender or exchange offer for 50% or more of the outstanding voting stock of the corporation. The corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in subparagraph (B)(i) or (ii); or

(7) the business combination is with an interested stockholder who became an interested stockholder at a time when the restrictions contained in this section did not apply by reason of any of subsections (b)(1) through (b)(4), except that this paragraph shall not apply if, at the time such interested stockholder became an interested stockholder, the corporation's articles of incorporation contained a provision authorized by the last sentence of this subsection.

Notwithstanding subsections (b)(1) through (b)(4), a corporation may elect by a provision of its original articles of incorporation, or any amendment thereto, to be governed by this section, except that any such amendment to the articles of incorporation shall not apply to restrict a business combination between the corporation and an interested stockholder of the corporation if the interested stockholder became such prior to the effective date of the amendment.

(c) As used in this section only:

(1) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(2) "Associate," when used to indicate a relationship with any person, means: (A) Any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (B) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (C) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(3) "Business combination," when used in reference to any corporation and any interested stockholder of such corporation, means:

(A) Any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with:

(i) The interested stockholder; or

(ii) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation subsection (a) is not applicable to the surviving entity;

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, except proportionately as a stockholder of such corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation;

(C) any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested stockholder, except:

(i) Pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such;

(ii) pursuant to a merger under K.S.A. 17-6701(g), and amendments thereto;

(iii) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of such corporation subsequent to the time the interested stockholder became such;

(iv) pursuant to an exchange offer by the corporation to purchase stock made on the same terms to all holders of such stock; or

(v) any issuance or transfer of stock by the corporation; provided however, that in no case under subparagraph (C)(iii) through (v) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the corporation or of the voting stock of the corporation;

(D) any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(E) any receipt by the interested stockholder of the benefit, directly or indirectly, except proportionately as a stockholder of such corporation, of any loans, advances, guarantees, pledges or other financial benefits, other than those expressly permitted in subparagraphs (A) through (D), provided by or through the corporation or any direct or indirect majority-owned subsidiary.

(4) "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary, except that a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(5) (A) "Interested stockholder" means any person, other than the corporation and any direct or indirect majority-owned subsidiary of the corporation, that:

(i) Is the owner of 15% or more of the outstanding voting stock of the corporation; or

(ii) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person.

(B) The term "interested stockholder" shall not include:

(i) Any person who: (a) Owned shares in excess of the 15% limitation set forth herein as of, or acquired such shares pursuant to a tender offer commenced prior to July 1, 1989, or pursuant to an exchange offer announced prior to such date and commenced within 90 days thereafter and either: (1) Continued to own shares in excess of such 15% limitation or would have but for action by the corporation; or (2) is an affiliate or associate of the corporation and so continued, or so would have continued but for action by the corporation, to be the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such a person is an interested stockholder; or (b) acquired such shares from a person described in subparagraph (B)(i)(a) by gift, inheritance or in a transaction in which no consideration was exchanged; or

(ii) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the corporation; provided that such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person.

(C) For the purpose of determining whether a person is an interested stockholder, the voting stock of the corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of paragraph (9), but shall not include any other unissued stock of such corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(6) "Person" means any individual, corporation, partnership, unincorporated association or other entity.

(7) "Stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(8) "Voting stock" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

(9) "Owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(A) Beneficially owns such stock, directly or indirectly;

(B) has: (i) The right to acquire such stock, whether such right is exercisable immediately or only after the passage of time, pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, except that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (ii) the right to vote such stock pursuant to any agreement, arrangement or

understanding, except that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(C) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting, except voting pursuant to a revocable proxy or consent as described in subparagraph (B)(ii), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(d) No provision of an articles of incorporation or bylaw shall require, for any vote of stockholders required by this section, a greater vote of stockholders than that specified in this section.

(e) This section amends and recodifies the Kansas business combinations with interested shareholders act. Any reference in a corporation's articles of incorporation or bylaws to the Kansas business combinations with interested shareholders act shall be deemed to refer to this section.

(f) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 8. (a) Subject to subsection (f), no defective corporate act or putative stock shall be void or voidable solely as a result of a failure of authorization if ratified as provided in this section or validated by the district court in a proceeding brought under section 9, and amendments thereto.

(b) (1) In order to ratify one or more defective corporate acts pursuant to this section, other than the ratification of an election of the initial board of directors pursuant to subsection (b)(2), the board of directors of the corporation shall adopt resolutions stating:

(A) The defective corporate act or acts to be ratified;

(B) the date of each defective corporate act or acts;

(C) if such defective corporate act or acts involved the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued;

(D) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(E) that the board of directors approves the ratification of the defective corporate act or acts.

Such resolutions may also provide that, at any time before the validation effective time in respect to any defective corporate act set forth therein, notwithstanding the approval of the ratification of such defective corporate act by stockholders, the board of directors may abandon the ratification of such defective corporate act without further action of the stockholders. The quorum and voting requirements applicable to the ratification by the board of directors of any defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act, except that if the articles of incorporation or bylaws of the corporation, any plan or agreement to which the corporation was a party or any provision of the Kansas general corporation code, in each case as in effect as of the time of the defective corporate act, would have required a larger number or portion of directors or of specified directors for

a quorum to be present or to approve the defective corporate act, such larger number or portion of such directors or such specified directors shall be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable, except that the presence or approval of any director elected, appointed or nominated by holders of any class or series of which no shares are then outstanding, or by any person that is no longer a stockholder, shall not be required.

(2) In order to ratify a defective corporate act in respect of the election of the initial board of directors of the corporation pursuant to K.S.A. 17-6008, and amendments thereto, a majority of the persons who, at the time the resolutions required by this paragraph are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(A) The name of the person or persons who first took action in the name of the corporation as the initial board of directors of the corporation;

(B) the earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors; and

(C) that the ratification of the election of such person or persons as the initial board of directors is approved.

(c) Each defective corporate act ratified pursuant to subsection (b)(1) shall be submitted to stockholders for approval as provided in subsection (d), unless:

(1) No other provision of the Kansas general corporation code, and no provision of the articles of incorporation or bylaws of the corporation, or of any plan or agreement to which the corporation is a party, would have required stockholder approval of such defective corporate act to be ratified, either at the time of such defective corporate act or at the time the board of directors adopts the resolutions ratifying such defective corporate act pursuant to subsection (b)(1); and

(2) such defective corporate act did not result from a failure to comply with section 7, and amendments thereto.

(d) If the ratification of a defective corporate act is required to be submitted to stockholders for approval pursuant to subsection (c), due notice of the time, place, if any, and purpose of the meeting shall be given at least 20 days before the date of the meeting to each holder of valid stock and putative stock, whether voting or nonvoting, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice also shall be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted by the board of directors pursuant to subsection (b)(1) or the information required by subsection (b)(1)(A) through (E) and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within 120 days from the applicable validation effective time. At such meeting, the quorum and voting requirements applicable to the ratification of such defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) If the articles of incorporation or bylaws of the corporation, any plan or

agreement to which the corporation was a party or any provision of the Kansas general corporation code in effect as of the time of the defective corporate act would have required a larger number or portion of stock or of any class or series thereof or of specified stockholders for a quorum to be present or to approve the defective corporate act, the presence or approval of such larger number or portion of stock or of such class or series thereof or of such specified stockholders shall be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a stockholder, shall not be required;

(2) the approval by stockholders of the ratification of the election of a director shall require the affirmative vote of the majority of shares present at the meeting and entitled to vote on the election of such director, except that if the articles of incorporation or bylaws of the corporation then in effect or in effect at the time of the defective election require or required a larger number or portion of stock or of any class or series thereof or of specified stockholders to elect such director, the affirmative vote of such larger number or portion of stock or of any class or series thereof or of such specified stockholders shall be required to ratify the election of such director, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a stockholder, shall not be required; and

(3) in the event of a failure of authorization resulting from failure to comply with the provisions of section 7, and amendments thereto, the ratification of the defective corporate act shall require the vote set forth in section 7(a)(3), and amendments thereto, regardless of whether such vote would have otherwise been required.

Shares of putative stock on the record date for determining stockholders entitled to vote on any matter submitted to stockholders pursuant to subsection (c), and without giving effect to any ratification that becomes effective after such record date, shall neither be entitled to vote nor counted for quorum purposes in any vote to ratify any defective corporate act.

(e) If a defective corporate act ratified pursuant to this section would have required under any other section of the Kansas general corporation code the filing of a document in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, then, whether or not a document was previously filed in respect to such defective corporate act and in lieu of filing the document otherwise required by provisions of the Kansas general corporation code, the corporation shall file a certificate of validation with respect to such defective corporate act in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto. A separate certificate of validation shall be required for each defective corporate act requiring the filing of a certificate of validation under this section, except that two or more defective corporate acts may be included in a single certificate of validation if the corporation filed, or to comply with provisions of the Kansas general corporation code, would have filed, a single document under another provision of the Kansas general corporation code to effect such acts, and two or more overissues of shares of any class, classes or series of stock may be included in a single certificate of validation, provided that the increase in the number of authorized shares of each such class or series set forth in the certificate of validation shall be effective as of the date of the first such overissue. The certificate of validation shall set forth:

(1) Each defective corporate act that is the subject of the certificate of validation, including, in the case of any defective corporate act involving the issuance of shares of

putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued, the date of such defective corporate act, and the nature of the failure of authorization in respect to such defective corporate act;

(2) a statement that such defective corporate act was ratified in accordance with this section, including the date on which the board of directors ratified such defective corporate act and the date, if any, on which the stockholders approved the ratification of such defective corporate act; and

(3) the information required by one of the following subparagraphs:

(A) If a document was previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to such defective corporate act and no changes to such document are required to give effect to such defective corporate act in accordance with this section, the certificate of validation shall set forth: (i) The name, title and filing date of the document previously filed and of any certificate of correction thereto; and (ii) a statement that a copy of the document previously filed, together with any certificate of correction thereto, is attached as an exhibit to the certificate of validation;

(B) if a document was previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to the defective corporate act and such document requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of such certificate, the certificate of validation shall set forth: (i) The name, title and filing date of the document so previously filed and of any certificate of correction thereto; (ii) a statement that a document containing all of the information required to be included under the applicable section or sections of the Kansas general corporation code to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and (iii) the date that such certificate shall be deemed to have become effective pursuant to this section; or

(C) if a document was not previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of the Kansas general corporation code the filing of a document in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, the certificate of validation shall set forth: (i) A statement that a document containing all of the information required to be included under the applicable section or sections of the Kansas general corporation code to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and (ii) the date and time that such certificate shall be deemed to have become effective pursuant to this section.

(4) A document attached to a certificate of validation pursuant to paragraph (3)(B) or (C) need not be separately executed and acknowledged and need not include any statement required by any other section of the Kansas general corporation code that such document has been approved and adopted in accordance with the provisions of such other section.

(f) From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 9, and amendments thereto:

(1) Subject to the last sentence of subsection (d), each defective corporate act ratified in accordance with this section shall no longer be deemed void or voidable as a result of a the failure of authorization described in the resolutions adopted pursuant to

subsection (b) and such effect shall be retroactive to the time of the defective corporate act; and

(2) subject to the last sentence of subsection (d), each share or fraction of a share of putative stock issued or purportedly issued pursuant to any such defective corporate act shall no longer be deemed void or voidable and shall be deemed to be an identical share or fraction of a share of outstanding stock as of the time it was purportedly issued.

(g) (1) In respect of each defective corporate act ratified by the board of directors pursuant to subsection (b), prompt notice of the ratification shall be given to all holders of valid stock and putative stock, whether voting or nonvoting, as of the date the board of directors adopts the resolutions approving such defective corporate act, or as of a date within 60 days after such date of adoption, as established by the board of directors, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice also shall be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted pursuant to subsection (b) or the information specified in subsection (b)(1)(A) through (E) or subsection (b)(2)(A) through (C), as applicable, and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within 120 days from the later of the validation effective time or the time at which the notice required by this subsection is given.

(2) Notwithstanding the provisions of paragraph (1): (A) No such notice shall be required if notice of the ratification of the defective corporate act is to be given in accordance with subsection (d); and (B) in the case of a corporation that has a class of stock listed on a national securities exchange, the notice required by this subsection may be deemed given if disclosed in a document publicly filed by the corporation with the securities and exchange commission pursuant to section 13, 14 or 15(d) of the securities exchange act of 1934, as amended, and the rules and regulations promulgated thereunder, or the corresponding provisions of any subsequent federal securities laws, rules or regulations.

(3) If any defective corporate act has been approved by stockholders acting pursuant to K.S.A. 17-6518, and amendments thereto, the notice required by this subsection may be included in any notice required to be given pursuant to K.S.A. 17-6518(e), and amendments thereto, and, if so given, shall be sent to the stockholders entitled thereto under K.S.A. 17-6518(e), and amendments thereto, and to all holders of valid and putative stock to whom notice would be required under this subsection if the defective corporate act had been approved at a meeting other than any stockholder who approved the action by consent in lieu of a meeting pursuant to K.S.A. 17-6518, and amendments thereto, or any holder of putative stock who otherwise consented thereto in writing. Solely for purposes of subsection (d) and this subsection, notice to holders of putative stock, and notice to holders of valid stock and putative stock as of the time of the defective corporate act, shall be treated as notice to holders of valid stock for purposes of K.S.A. 17-6512, 17-6518, 17 6519, 17-6520, 17-6522 and 17-6523, and amendments thereto.

(h) As used in this section and in section 9, and amendments thereto, only, the terms:

(1) "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or any act or transaction purportedly taken by or on behalf of the corporation that is, and at the time such act or transaction was purportedly taken would have been, within the power of a corporation under the provisions of article 61 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, but is void or voidable due to a failure of authorization.

(2) "Failure of authorization" means: (A) The failure to authorize or effect an act or transaction in compliance with the provisions of this code, the articles of incorporation or bylaws of the corporation, or any plan or agreement to which the corporation is a party, if and to the extent such failure would render such act or transaction void or voidable; or (B) the failure of the board of directors or any officer of the corporation to authorize or approve any act or transaction taken by or on behalf of the corporation that would have required for its due authorization the approval of the board of directors or such officer.

(3) "Overissue" means the purported issuance of:

(A) Shares of capital stock of a class or series in excess of the number of shares of such class or series the corporation has the power to issue under K.S.A. 17-6411, and amendments thereto, at the time of such issuance; or

(B) shares of any class or series of capital stock that is not then authorized for issuance by the articles of incorporation of the corporation.

(4) "Putative stock" means the shares of any class or series of capital stock of the corporation, including shares issued upon exercise of options, rights, warrants or other securities convertible into shares of capital stock of the corporation, or interests with respect thereto that were created or issued pursuant to a defective corporate act, that:

(A) But for any failure of authorization, would constitute valid stock; or

(B) cannot be determined by the board of directors to be valid stock.

(5) "Time of the defective corporate act" means the date and time the defective corporate act was purported to have been taken.

(6) "Validation effective time" with respect to any defective corporate act ratified pursuant to this section means the latest of:

(A) The time at which the defective corporate act submitted to the stockholders for approval pursuant to subsection (c) is approved by such stockholders, or if no such vote of stockholders is required to approve the ratification of the defective corporate act, the time at which the board of directors adopts the resolutions required by subsection (b)(1) or (b)(2);

(B) where no certificate of validation is required to be filed pursuant to subsection (e), the time, if any, specified by the board of directors in the resolutions adopted pursuant to subsection (b)(1) or (b)(2), which time shall not precede the time at which such resolutions are adopted; and

(C) the time at which any certificate of validation filed pursuant to subsection (e) shall become effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto.

(7) "Valid stock" means the shares of any class or series of capital stock of the corporation that have been duly authorized and validly issued in accordance with the

Kansas general corporation code.

In the absence of actual fraud in the transaction, the judgment of the board of directors that shares of stock are valid stock or putative stock shall be conclusive, unless otherwise determined by the district court in a proceeding brought pursuant to section 9, and amendments thereto.

(i) Ratification under this section or validation under section 9, and amendments thereto, shall not be deemed to be the exclusive means of ratifying or validating any act or transaction taken by or on behalf of the corporation, including any defective corporate act, or any issuance of stock, including any putative stock, or of adopting or endorsing any act or transaction taken by or in the name of the corporation prior to the commencement of its existence, and the absence or failure of ratification in accordance with either this section or validation under section 9, and amendments thereto, shall not, of itself, affect the validity or effectiveness of any act or transaction or the issuance of any stock properly ratified under common law or otherwise, nor shall it create a presumption that any such act or transaction is or was a defective corporate act or that such stock is void or voidable.

(j) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 9. (a) Subject to subsection (e), upon application by the corporation, any successor entity to the corporation, any member of the board of directors, any record or beneficial holder of valid stock or putative stock, any record or beneficial holder of valid or putative stock as of the time of a defective corporate act ratified pursuant to section 8, and amendments thereto, or any other person claiming to be substantially and adversely affected by a ratification pursuant to section 8, and amendments thereto, the district court may:

(1) Determine the validity and effectiveness of any defective corporate act ratified pursuant to section 8, and amendments thereto;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 8, and amendments thereto;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 8, and amendments thereto;

(4) determine the validity of any corporate act or transaction and any stock, rights or options to acquire stock; and

(5) modify or waive any of the procedures set forth in section 8, and amendments thereto, to ratify a defective corporate act.

(b) In connection with an action under this section, the district court may:

(1) Declare that a ratification in accordance with and pursuant to section 8, and amendments thereto, is not effective or shall only be effective at a time or upon conditions established by the court;

(2) validate and declare effective any defective corporate act or putative stock and impose conditions upon such validation by the court;

(3) require measures to remedy or avoid harm to any person substantially and adversely affected by a ratification pursuant to section 8, and amendments thereto, or from any order of the court pursuant to this section, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective

time specified by the court, which effective time may be prior or subsequent to the time of such order, provided that the filing date of such instrument shall be determined in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto;

(5) approve a stock ledger for the corporation that includes any stock ratified or validated in accordance with this section or with section 8, and amendments thereto;

(6) declare that shares of putative stock are shares of valid stock or require a corporation to issue and deliver shares of valid stock in place of any shares of putative stock;

(7) order that a meeting of holders of valid stock or putative stock be held and exercise the powers provided to the court under K.S.A. 17-6517, and amendments thereto, with respect to such a meeting;

(8) declare that a defective corporate act validated by the court shall be effective as of the time of the defective corporate act or at such other time as the court shall determine;

(9) declare that putative stock validated by the court shall be deemed to be an identical share or fraction of a share of valid stock as of the time originally issued or purportedly issued or at such other time as the court shall determine; and

(10) make such other orders regarding such matters as it deems proper under the circumstances.

(c) Service of the application under subsection (a) upon the resident agent of the corporation shall be deemed to be service upon the corporation, and no other party need be joined in order for the district court to adjudicate the matter. In an action filed by the corporation, the court may require notice of the action be provided to other persons specified by the court and permit such other persons to intervene in the action.

(d) In connection with the resolution of matters pursuant to subsections (a) and (b), the district court may consider the following:

(1) Whether the defective corporate act was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of the Kansas general corporation code, the articles of incorporation or bylaws of the corporation;

(2) whether the corporation and board of directors has treated the defective corporate act as a valid act or transaction and whether any person has acted in reliance on the public record that such defective corporate act was valid;

(3) whether any person will be or was harmed by the ratification or validation of the defective corporate act, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person will be harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

(e) Notwithstanding any other provision of this section, no action asserting:

(1) That a defective corporate act or putative stock ratified in accordance with section 8, and amendments thereto, is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 8(b), and amendments thereto; or

(2) that the district court should declare in its discretion that a ratification in accordance with section 8, and amendments thereto, not be effective or be effective only on certain conditions, may be brought after the expiration of 120 days from the

later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 8(g), and amendments thereto, is given with respect to such ratification, except that this subsection shall not apply to an action asserting that a ratification was not accomplished in accordance with section 8, and amendments thereto, or to any person to whom notice of the ratification was required to have been given pursuant to section 8(d) or (g), and amendments thereto, but to whom such notice was not given.

(f) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 10. K.S.A. 17-1289 is hereby amended to read as follows: 17-1289. (a) An "issuing public corporation" means a corporation organized under the laws of the state of Kansas that has:

(1) One hundred or more shareholders;

(2) its principal place of business~~;~~ or its principal office in Kansas, or ~~substantial~~ that owns or controls assets within Kansas having a fair market value of more than $1,000,000; and

(3) either:

(A) More than 10% of its shareholders resident in Kansas;

(B) more than 10% of its shares owned of record or beneficially by Kansas residents; or

(C) ~~two~~ one thousand ~~five hundred~~ shareholders resident in Kansas.

(b) The residence of a shareholder is presumed to be the address appearing in the records of the corporation.

~~(c) Shares held by banks, except as trustee or guardian, brokers or nominees shall be disregarded for purposes of calculating the percentages or numbers described in this section.~~

Sec. 11. K.S.A. 17-2036 is hereby amended to read as follows: 17-2036. (a) Every business trust shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the business trust at the close of business on the last day of its tax period under the Kansas income tax act next preceding the date of filing, but if a business trust's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms provided by the secretary of state and shall be filed at the time prescribed by law for filing the business trust's annual Kansas income tax return. The report shall be ~~dated,~~ signed by a trustee or other authorized officer under penalty of perjury~~,~~ and contain the following:

(1) Executed copies of all amendments to the instrument by which the business trust was created, or to prior amendments thereto, which have been adopted and have not theretofore been filed under K.S.A. 17-2033, and amendments thereto, and accompanied by the fee prescribed therein for each such amendment; and

(2) a verified list of the names and addresses of its trustees as of the end of its tax period.

(b) (1) At the time of filing its annual report, the business trust shall pay to the secretary of state an annual report fee in an amount equal to $40.

(2) The failure of any domestic or foreign business trust to file its annual report and pay its annual report fee within 90 days from the date on which they are due, as ~~aforesaid~~ described in subsection (a), or, in the case of an annual report filing and fee

received by mail, postmarked within 90 days from the date on which they are due, as described in subsection (a), shall work a forfeiture of its authority to transact business in this state and all of the remedies, procedures, and penalties specified in K.S.A. 17-7509 and 17-7510, and amendments thereto, with respect to a corporation which fails to file its annual report or pay its annual report fee within 90 days after they are due, shall be applicable to such business trust.

(c) All copies of applications for extension of the time for filing income tax returns submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234, and amendments thereto, a proper judicial order and subsection (d). All copies of such applications shall be preserved for one year and until the secretary of state orders that the copies are to be destroyed.

(d) A copy of such application shall be open to inspection by or disclosure to any person designated by resolution of the trustees of the business trust.

Sec. 12. K.S.A. 17-2718 is hereby amended to read as follows: 17-2718. (a) Each professional corporation organized under the laws of this state shall file with the secretary of state an annual report in writing stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the calendar year it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return. The report shall be made on a form provided by the secretary of state, containing the following information:

(1) The names and addresses of all officers, directors and shareholders of the professional corporation;

(2) a statement that each officer, director and shareholder is or is not a qualified person as defined in K.S.A. 17-2707, and amendments thereto, and setting forth the date on which any shares of the corporation were no longer owned by a qualified person; and

(3) the amount of capital stock issued.

(b) The report shall be signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury. Upon request by the regulatory board which licenses the shareholders described in the report, a copy of the annual report shall be forwarded to the regulatory board. At the time of filing its annual report, each professional corporation shall pay the annual report fee prescribed by K.S.A. 17-7503, and amendments thereto.

Sec. 13. K.S.A. 17-4634 is hereby amended to read as follows: 17-4634. (a) Every corporation organized under the electric cooperative act of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the

calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed on or before the ~~fifteenth~~ 15th day of the ~~fourth~~ 4th month following the close of the tax year of the electric cooperative. The report shall be made on a form provided by the secretary of state, containing the following information:

(1) The name of the corporation;

(2) the location of the principal office;

(3) the names and addresses of the president, secretary, treasurer and all directors;

(4) the number of memberships issued; and

(5) the change or changes, if any, in the particulars made since the last annual report.

(b) Such reports shall be ~~dated,~~ signed by the president, vice-president or secretary of the corporation under penalty of perjury and forwarded to the secretary of state. At the time of filing such annual report, each such corporation shall pay an annual report fee in an amount equal to $40.

Sec. 14. K.S.A. 17-6001 is hereby amended to read as follows: 17-6001. (a) Any person, partnership, association or corporation, singly or jointly with others, and without regard to such person's or entity's residence, domicile or state of incorporation, may incorporate or organize a corporation under this ~~act~~ code by filing with the secretary of state articles of incorporation which shall be executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

(b) Except as otherwise provided by law, a corporation may be incorporated or organized under this ~~act~~ code to conduct or promote any lawful business or purposes.

(c) Corporations subject to special statutory regulation may be organized under this ~~act~~ code if required by or otherwise consistent with such other statutory regulation, but such corporations shall be subject to the special provisions and requirements applicable to such corporations. Where the provisions and requirements of this ~~act~~ code are not inconsistent, they shall be construed as supplemental to such other statutes and not in derogation or limitation thereof, and such corporations shall be governed thereby. Subject to the foregoing provisions of this subsection, any corporation organized under the laws of this state or authorized to do business in this state shall be governed by the applicable provisions of this code.

Sec. 15. K.S.A. 2015 Supp. 17-6002 is hereby amended to read as follows: 17-6002. (a) The articles of incorporation shall set forth:

(1) The name of the corporation pursuant to K.S.A. 2015 Supp. 17-7918 and 17-7919, and amendments thereto, of the business entity standard treatment act;

(2) the address~~, which shall include the street, number, city and zip code~~ of the corporation's registered office in this state, which shall be stated in accordance with K.S.A. 2015 Supp. 17-7924, and amendments thereto, and the name of its resident agent at such address;

(3) the nature of the business or purposes to be conducted or promoted. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Kansas general corporation code, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any;

(4) (A) if the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that all such shares are to be without par value. If the corporation is to be authorized to issue more than one class of stock, the articles of incorporation shall set forth the total number of shares of all classes of stock which the corporation shall have authority to issue and the number of shares of each class, and shall specify each class the shares of which are to be without par value, and each class the shares of which are to have a par value and the par value of the shares of each such class. The articles of incorporation shall also set forth a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by K.S.A. 17-6401, and amendments thereto, in respect to any class or classes of stock or any series of any class of stock of the corporation and the fixing of which by the articles of incorporation is desired, and an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions any thereof that may be desired but which shall not be fixed by the articles of incorporation.

(B) (i) The foregoing provisions of this subsection shall not apply to nonstock corporations ~~which are not organized for profit and which are not to have authority to issue capital stock~~. In the case of ~~such~~ nonstock corporations, the fact that they are not ~~to have authority~~ authorized to issue capital stock shall be stated in the articles of incorporation ~~and unless otherwise provided in the articles of incorporation or bylaws, the directors of such corporation shall be members for all purposes under the Kansas general corporation code~~. The conditions of membership ~~of such~~ , or other criteria for identifying members, of nonstock corporations shall likewise be stated in the articles of incorporation or the ~~articles may provide that the conditions of membership shall be stated in the bylaws, and if a corporation not organized for profit is to have authority to issue capital stock, such fact shall be stated in the articles of incorporation~~ bylaws. Nonstock corporations shall have members, but failure to have members shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation.

(ii) Nonstock corporations may provide for classes or groups of members having relative rights, powers and duties, and may make provision for the future creation of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. Except as otherwise provided in this code, nonstock corporations may also provide that any member or class or group of members shall have full, limited or no voting rights or powers, including that any member or class or group of members shall have the right to vote on a specified transaction even if that member or class or group of members does not have the right to vote for the election of the members of the governing body of the corporation. Voting by members of a nonstock corporation may be on a per capita, number, financial interest, class, group or any other basis set forth.

(iii) The provisions referred to in paragraph (4)(B)(ii) may be set forth in the articles of incorporation or the bylaws. If neither the articles of incorporation nor the bylaws of a nonstock corporation state the conditions of membership, or other criteria for identifying members, the members of the corporation shall be deemed to be those entitled to vote for the election of the members of the governing body pursuant to the articles of incorporation or bylaws of such corporation or otherwise until thereafter

otherwise provided by the articles of incorporation or the bylaws;

(5) the name and mailing address of the incorporator or incorporators; and

(6) if the powers of the incorporator or incorporators are to terminate upon the filing of the articles of incorporation, the names and mailing addresses of the persons who are to serve as directors until the first annual meeting of stockholders or until their successors are elected and qualify.

(b) In addition to the matters required to be set forth in the articles of incorporation by subsection (a), the articles of incorporation may also contain any or all of the following matters:

(1) Any provision for the management of the business and for the conduct of the affairs of the corporation, and any provision creating, defining, limiting and regulating the sale or other disposition of stock and the powers of the corporation, the directors and the stockholders, or any class of the stockholders, or the governing body, members or any class or group of members of a nonstock corporation, if such provisions are not contrary to the laws of this state. Any provision which is required or permitted by any section of this ~~act~~ code to be stated in the bylaws may be stated instead in the articles of incorporation;

(2) the following provisions, in these words:

(A) For a corporation other than a nonstock corporation: "Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them or between this corporation and its stockholders or any class of them, any court of competent jurisdiction within the state of Kansas, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under K.S.A. 17-6901, and amendments thereto, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6808 and 17-6901, and amendments thereto, may order a meeting of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing $^{3}/_{4}$ in value of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, such compromise or arrangement and such reorganization shall, if sanctioned by the court to which the application has been made, be binding on all the creditors or class of creditors, or on all the stockholders or class of stockholders of this corporation, as the case may be, and also on this corporation"; or

(B) for a nonstock corporation: "Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them or between this corporation and its members or any class of them, any court of competent jurisdiction within the state of Kansas may, on the application in a summary way of this corporation or of any creditor or member thereof or on the application of any receiver or receivers appointed for this corporation under K.S.A. 17-6901, and amendments thereto, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6808 and 17-6901, and amendments thereto, order a meeting of the creditors or class or creditors, or of the members of class of members of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing $^{3}/_{4}$ in value of the creditors or

class of creditors, or of the members or class of members of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, such compromise or arrangement and ~~the~~ such reorganization shall, if sanctioned by the court to which the application has been made, ~~shall~~ be binding on all the creditors or class of creditors, or on all the ~~stockholders~~ members or class of ~~stockholders~~ members, of this corporation, as the case may be, and also on this corporation";

(3) such provisions as may be desired granting to the holders of the stock of the corporation, or the holders of any class or series of a class thereof, the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes or series thereof, or to any securities of the corporation convertible into such stock. No stockholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into such stock unless, and except to the extent that, such right is expressly granted to such stockholder in the articles of incorporation. All such rights in existence on July 1, 1972, shall remain in existence unaffected by this paragraph ~~(3)~~ unless and until changed or terminated by appropriate action which expressly provides for such change or termination;

(4) provisions requiring for any corporate action, the vote of a larger portion of the stock or of any class or series thereof, or of any other securities having voting power, or a larger number of the directors, than is required by this ~~act~~ code;

(5) a provision limiting the duration of the corporation's existence to a specified date; otherwise, the corporation shall have perpetual existence;

(6) a provision imposing personal liability for the debts of the corporation on its stockholders ~~or members~~ to a specified extent and upon specified conditions; otherwise, the stockholders ~~or members~~ of a corporation shall not be personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts;

(7) the manner of adoption, alteration and repeal of bylaws; and

(8) a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders, ~~policyholders or members~~ for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (A) For any breach of the director's duty of loyalty to the corporation or its stockholders, ~~policyholders or members~~; (B) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (C) under the provisions of K.S.A. 17-6424, and amendments thereto; or (D) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in this subsection to a director also shall be deemed ~~also~~ to refer to ~~a member of the governing body of a corporation which is not authorized to issue capital stock~~ such other person or persons, if any, who, pursuant to a provision of the articles of incorporation in accordance with K.S.A. 17-6301(a), and amendments thereto, exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this code.

(c) It shall not be necessary to set forth in the articles of incorporation any of the powers conferred on corporations by this ~~act~~ code.

(d) Except for provisions included pursuant to subsections (a)(1), (a)(2), (a)(5), (a)

(6), (b)(2), (b)(5), (b)(7) and (b)(8), and provisions included pursuant to subsection (a)(4) specifying the classes, number of shares and par value of shares a corporation, other than a nonstock corporation, is authorized to issue, any provision of the articles of incorporation may be made dependent upon facts ascertainable outside such instrument, provided that the manner in which such facts shall operate upon the provision is clearly and explicitly set forth in the provision. As used in this subsection, the term "facts" includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(e) The articles of incorporation may not contain any provision that would impose liability on a stockholder for the attorney fees or expenses of the corporation or any other party in connection with an internal corporate claim, as defined in section 5, and amendments thereto.

Sec. 16. K.S.A. 17-6004 is hereby amended to read as follows: 17-6004. The term "articles of incorporation," as used in this ~~act~~ code, unless the context requires otherwise, includes not only the original articles of incorporation filed to create a corporation, which includes the charter, articles of association and any other instrument by whatever name known which a corporation has been or may be lawfully formed, but it also includes all other certificates, agreements of merger or consolidation, plans of reorganization or other instruments, howsoever designated, which are filed pursuant to K.S.A. ~~17-6002, 17-6203 to 17-6206, inclusive, 17-6401, 17-6601 to 17-6605, inclusive, 17-6701 to 17-6708, inclusive, and 17-6913~~ 2015 Supp. 17-7910, and amendments thereto, or any other section of this ~~act~~ code, and which have the effect of amending or supplementing in some respect a corporation's original articles of incorporation.

Sec. 17. K.S.A. 17-6006 is hereby amended to read as follows: 17-6006. Upon the filing with the secretary of state of the articles of incorporation, executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, the incorporator or incorporators who signed the certificate, and such incorporator's successors and assigns, shall be and constitute a body corporate from the date of such filing by the name set forth in the articles, subject to the provisions of ~~subsection (d) of K.S.A. 17-6003~~ K.S.A. 2015 Supp. 17-7911, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this ~~act~~ code.

Sec. 18. K.S.A. 17-6007 is hereby amended to read as follows: 17-6007. If the persons who are to serve as directors until the first annual meeting of stockholders have not been named in the articles of incorporation, the incorporator or incorporators, until the directors are elected, shall manage the affairs of the corporation and may do whatever is necessary and proper ~~to obtain the necessary subscriptions for stock and~~ to perfect the organization of the corporation, including the adoption of the original bylaws of the corporation and the election of directors.

Sec. 19. K.S.A. 17-6008 is hereby amended to read as follows: 17-6008. (a) After the filing of the articles of incorporation an organization meeting of the incorporator or incorporators, or of the board of directors if the initial directors were named in the articles of incorporation, shall be held, either within or without this state, at the call of a majority of the incorporators or directors, as the case may be, for the purposes of: (1) Adopting bylaws, unless a different provision is made in the articles of incorporation for the adoption thereof; (2) electing directors, if the meeting is of the incorporators, to

serve or hold office until the first annual meeting of stockholders or until their successors are elected and qualify; (3) electing officers if the meeting is of the directors; (4) doing any other or further acts to perfect the organization of the corporation; and (5) transacting such other business as may come before the meeting.

(b) The persons calling the meeting shall give to each other incorporator or director, as the case may be, at least two ~~(2)~~ days' written notice thereof by any usual means of communication, which notice shall state the time, place and purposes of the meeting as fixed by the persons calling it. Notice of the meeting need not be given to anyone who attends the meeting or who signs a waiver of notice either before or after the meeting.

(c) Any action permitted to be taken at the organization meeting of the incorporators or directors, as the case may be, may be taken without a meeting if each incorporator or director, where there is more than one, or the sole incorporator or director where there is only one, signs an instrument which states the action so taken.

(d) If any incorporator is not available to act, then any person for whom or on whose behalf the incorporator was acting directly or indirectly as employee or agent, may take action that such incorporator would have been authorized to take under this section or K.S.A. 17-6007, and amendments thereto, except that any instrument signed by such other person, or any record of the proceedings of a meeting in which such person participated, shall state that: (1) Such incorporator is not available and the reason therefor; (2) such incorporator was acting directly or indirectly as employee or agent for or on behalf of such person; and (3) such person's signature on such instrument or participation in such meeting is otherwise authorized and not wrongful.

Sec. 20. K.S.A. 17-6009 is hereby amended to read as follows: 17-6009. (a) The right to adopt, amend or repeal bylaws of any corporation in existence on July 1, 1972, shall be vested in the corporation's board of directors, unless otherwise provided in such corporation's articles of incorporation and subject to the right of the stockholders to adopt, amend or repeal the bylaws. For all other corporations, the original or other bylaws of a corporation may be adopted, amended or repealed by the incorporators, unless the initial directors were named in the articles of incorporation, or, before a corporation has received any payment for any of its stock or, in the case of a nonstock corporation, before any person has been admitted to membership in the corporation, by its board of directors or governing body, as the case may be. After a corporation has received any payment for any of its stock or, in the case of a nonstock corporation, after any person has been admitted to membership in the corporation, the power to adopt, amend or repeal bylaws shall be in the stockholders entitled to vote or, in the case of a nonstock corporation, in its members entitled to vote except that, any corporation, in its articles of incorporation, may confer the power to adopt, amend or repeal bylaws upon the directors or, in the case of a nonstock corporation, upon its governing body by whatever name designated. The fact that such power has been so conferred upon the directors or governing body, as the case may be, shall not divest the stockholders or members of the power, nor limit their power to adopt, amend or repeal bylaws.

(b) The bylaws may contain any provision, not inconsistent with law or with the articles of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees. The bylaws may not contain any provision that would impose liability on a stockholder for the attorney fees or expenses of the corporation or any other party in connection with an internal corporate claim, as defined in section 5, and

amendments thereto.

Sec. 21. K.S.A. 17-6010 is hereby amended to read as follows: 17-6010. (a) The board of directors of any corporation may adopt emergency bylaws, subject to repeal or change by action of the stockholders, which notwithstanding any different provision elsewhere in this ~~act~~ code or in chapters 17 and 66 of the Kansas Statutes Annotated, and amendments thereto, or in the articles of incorporation or bylaws, shall be operative during any emergency resulting from an attack on the United States or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or its stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the board of directors or a standing committee thereof cannot readily be convened for action. The emergency bylaws may make any provision that may be practical and necessary for the circumstances of the emergency, including provisions that:

~~(a)~~ (1) A meeting of the board of directors or a committee thereof may be called by any officer or director in such manner and under such conditions as shall be prescribed in the emergency bylaws;

~~(b)~~ (2) the director or directors in attendance at the meeting, or any greater number fixed by the emergency bylaws, shall constitute a quorum; and

~~(c)~~ (3) the officers or other persons designated on a list approved by the board of directors before the emergency, all in such order of priority and subject to such conditions and for such period of time ~~(~~, not longer than reasonably necessary after the termination of the emergency~~)~~, as may be provided in the emergency bylaws or in the resolution approving the list, shall be deemed directors ~~of the corporation~~ for such meeting, to the extent required to provide a quorum at any meeting of the board of directors.

(b) The board of directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the corporation shall be rendered incapable of discharging their duties for any reason.

(c) The board of directors, either before or during any such emergency, may change the head office or designate several alternative head offices or regional offices, or authorize the offices so to do, effective in the emergency.

(d) No officer, director or employee acting in accordance with any emergency bylaws shall be liable except for willful misconduct.

(e) To the extent not inconsistent with any emergency bylaws so adopted, the bylaws of the corporation shall remain in effect during any emergency, and upon its termination the emergency bylaws shall cease to be operative.

(f) Unless otherwise provided in emergency bylaws, notice of any meeting of the board of directors during such an emergency may be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

(g) To the extent required to constitute a quorum at any meeting of the board of directors during such an emergency, and unless otherwise provided in emergency bylaws, the officers of the corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

(h) Nothing contained in this section shall be deemed exclusive of any other

provisions for emergency powers consistent with other sections of this ~~act~~ code which have been or may be adopted by corporations created under the provisions of this ~~act~~ code.

Sec. 22. K.S.A. 17-6101 is hereby amended to read as follows: 17-6101. (a) In addition to the powers enumerated in K.S.A. 17-6102, and amendments thereto, every corporation, its officers, directors, and stockholders shall possess and may exercise all the powers and privileges granted by this ~~act~~ code or by any other law or by its articles of incorporation, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes set forth in its articles of incorporation.

(b) Every corporation shall be governed by the provisions and be subject to the restrictions and liabilities contained in this ~~act~~ code.

Sec. 23. K.S.A. 17-6102 is hereby amended to read as follows: 17-6102. Every ~~domestic~~ corporation ~~subject to the provisions of this act~~ created under this code shall have power to:

~~(1)~~ (a) Have perpetual succession by its corporate name, unless a limited period of duration is stated in its articles of incorporation;

~~(2)~~ (b) sue and be sued in all courts and participate, as a party or otherwise, in any judicial, administrative, arbitrative or other proceeding, in its corporate name;

~~(3)~~ (c) have a corporate seal, which may be altered at pleasure, and use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

~~(4)~~ (d) purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated;

~~(5)~~ (e) appoint such officers and agents as the business of the corporation requires and to pay or otherwise provide for them suitable compensation;

~~(6)~~ (f) adopt, amend and repeal bylaws;

~~(7)~~ (g) wind up and dissolve itself in the manner provided in this ~~act~~ code;

~~(8)~~ (h) conduct its business, carry on its operations and have offices and exercise its powers within or without this state;

~~(9)~~ (i) make donations for the public welfare or for charitable, scientific or educational purposes, and in time of war or other national emergency in aid thereof;

~~(10)~~ (j) be an incorporator, promoter or manager of other corporations of any type or kind;

~~(11)~~ (k) participate with others in any corporation, partnership, limited partnership, joint venture or other association of any kind, or in any transaction, undertaking or arrangement which the participating corporation would have power to conduct by itself, whether or not such participation involves sharing or delegation of control with or to others;

~~(12)~~ (l) transact any lawful business which the corporation's board of directors shall find to be in aid of governmental authority;

~~(13)~~ (m) make contracts, including contracts of guaranty and suretyship, incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by

mortgage, pledge or other encumbrance of all or any of its property, franchises and income, and make contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of: ~~(A)~~ (1) A corporation all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation; ~~(B)~~ (2) a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation; or ~~(C)~~ (3) a corporation all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, which contracts of guaranty and suretyship shall be deemed to be necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation, and make other contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation;

~~(14)~~ (n) lend money for its corporate purposes, invest and reinvest its funds and take, hold and deal with real and personal property as security for the payment of funds so loaned or invested;

~~(15)~~ (o) pay ~~pension~~ pensions and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive and compensation plans, trusts and provisions for any or all of its directors, officers, and employees, and for any or all of the directors, officers, and employees of its subsidiaries;

~~(16)~~ (p) provide insurance for its benefit on the life of any of its directors, officers or employees, or on the life of any stockholder for the purpose of acquiring at such stockholder's death shares of its stock owned by such stockholder; and

~~(17)~~ (q) renounce, in its articles of incorporation or by action of its board of directors, any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more of its officers, directors or stockholders.

Sec. 24. K.S.A. 17-6104 is hereby amended to read as follows: 17-6104. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

(a) In a proceeding by a stockholder against the corporation to enjoin the doing of any act or acts or the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may ~~set aside and enjoin the performance of such contract~~, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, such compensation as may be equitable for the loss or damage sustained by any of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained ~~.~~ ;

(b) in a proceeding by the corporation, whether acting directly or through a

receiver, trustee or other legal representative, or through stockholders in a representative suit, against an incumbent or former officer or director of the corporation, for loss or damage due to ~~his~~ such incumbent or former officer's or director's unauthorized act~~.~~; and

(c) in a proceeding by the attorney general to dissolve the corporation, or to enjoin the corporation from the transaction of unauthorized business.

Sec. 25. K.S.A. 17-6106 is hereby amended to read as follows: 17-6106. (a) ~~Unless authority is expressly conferredby another law of this state,~~ No corporation organized under this code shall possess the power of issuing bills, notes or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money.

(b) Corporations organized under this code to buy, sell and otherwise deal in notes, open accounts and other similar evidences of debt, or to loan money and to take notes, open accounts and other similar evidences of debt as collateral security therefor, shall not be deemed to be engaging in the business of banking.

Sec. 26. K.S.A. 17-6301 is hereby amended to read as follows: 17-6301. (a) The business and affairs of every corporation organized under this code shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this ~~act~~ code or in the articles of incorporation. If any such provision is made in the articles of incorporation, the powers and duties conferred or imposed upon the board of directors by this ~~act~~ code shall be exercised or performed to such extent and by such person or persons as shall be provided in the articles of incorporation.

(b) The board of directors of a corporation shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be fixed by, or in the manner provided in, the bylaws, unless the articles of incorporation ~~establish~~ fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the articles. Directors need not be stockholders unless so required by the articles of incorporation or the bylaws. The articles of incorporation or bylaws may prescribe other qualifications for directors. Each director shall hold office until ~~a~~ such director's successor is elected and qualified or until such director's earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. A majority of the total number of directors shall constitute a quorum for the transaction of business unless the articles of incorporation or the bylaws require a greater number. Unless the articles of incorporation provide otherwise, the bylaws may provide that a number less than a majority shall constitute a quorum which in no case shall be less than $^1/_3$ of the total number of directors except that~~,~~ when a board of one director is authorized under ~~the provisions of~~ this section, then one director shall constitute a quorum. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors~~,~~ unless the articles of incorporation or the bylaws shall require a vote of a greater number.

(c) (1) All corporations incorporated prior to July 1, 2004, shall be governed by ~~paragraph~~ subsection (c)(2), except that any such corporation may by a resolution

adopted by a majority of the whole board elect to be governed by ~~paragraph~~ subsection (c)(3), in which case ~~paragraph~~ subsection (c)(2) shall not apply to such corporation. All corporations incorporated on or after July 1, 2004, shall be governed by ~~paragraph~~ subsection (c)(3).

(2) The board of directors may ~~designate~~, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that~~,~~ in the absence or disqualification of a member of a committee, the member or members ~~thereof~~ present at any meeting and not disqualified from voting, whether or not ~~such~~ the member or members present constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it~~; and~~, but no such committee shall have the power or authority in reference to: (A) Amending the articles of incorporation, except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in K.S.A. 17-6401, and amendments thereto, ~~may~~ fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series~~; but no such committee shall have the power or authority in reference to amending the articles of incorporation,~~; (B) adopting an agreement of merger or consolidation pursuant to K.S.A. 17-6701 or 17-6702, and amendments thereto, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; ~~and,~~ or (C) unless the resolution, bylaws or articles of incorporation expressly so ~~provide~~ provides, no such committee shall have the power or authority to declare a dividend ~~or~~, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to K.S.A. 17-6703, and amendments thereto.

(3) The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that in the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise

all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (A) Approving or adopting, or recommending to the stockholders, any action or matter, other than the election or removal of directors, expressly required by this act code to be submitted to stockholders for approval; or (B) adopting, amending or repealing any bylaw of the corporation.

(4) Unless otherwise provided in the articles of incorporation, the bylaws or the resolution of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

(d) The directors of any corporation organized under this code may be divided into one, two or three classes by the articles of incorporation or by an initial bylaw, or by a bylaw adopted by a vote of the stockholders; the term of office of those of the first class to expire at the first annual meeting next ensuing held after such classification becomes effective; of the second class one year thereafter; of the third class two years thereafter; and at each annual election held after such classification and election becomes effective, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. The articles of incorporation or bylaw provision dividing the directors into classes may authorize the board of directors to assign members of the board already in office to such classes at the time such classification becomes effective. The articles of incorporation may confer upon holders of any class or series of stock the right to elect one or more directors who shall serve for such term, and have such voting powers, as shall be stated in the articles of incorporation. The terms of office and voting powers of the directors elected in the manner so provided in the articles of incorporation separately by the holders of any class or series of stock may be greater than or less than those of any other director or class of directors. In addition, the articles of incorporation may confer upon one or more directors, whether or not elected separately by the holders of any class or series of stock, voting powers greater than or less than those of other directors. Any such provision conferring greater or lesser voting power shall apply to voting in any committee or subcommittee, unless otherwise provided in the articles of incorporation or bylaws. If the articles of incorporation provide that one or more directors elected by the holders of a class or series of stock shall have more or less than one vote per director on any matter, every reference in this act code to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of such the directors.

(e) A member of the board of directors of any corporation, or a member of any committee designated by the board of directors, shall be fully protected, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

(f) Unless otherwise restricted by the articles of incorporation or bylaws, any action

required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person, whether or not then a director, may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time, including a time determined upon the happening of an event, no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this subsection at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

(g) Unless otherwise restricted by the articles of incorporation or bylaws, the board of directors of any corporation organized under this ~~act~~ code may hold its meetings, and have an office or offices, outside of this state.

(h) Unless otherwise restricted by the articles of incorporation or bylaws, the board of directors shall have the authority to fix the compensation of directors.

(i) Unless otherwise restricted by the articles of incorporation or bylaws, members of the board of directors of any corporation, or any committee designated by ~~such~~ the board, may participate in a meeting of such board, or committee by means of conference telephone or ~~similar~~ other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at ~~such~~ the meeting.

(j) The articles of incorporation of any nonstock corporation ~~organized under this act which is not authorized to issue capital stock~~ may provide that less than $^{1}/_{3}$ of the members of the governing body may constitute a quorum thereof and may otherwise provide that the business and affairs of the corporation shall be managed in a manner different from that provided in this section. Except as may be otherwise provided by the articles of incorporation, ~~the provisions of~~ this section shall apply to such a corporation, and~~,~~ when so applied, all references to: (1) The board of directors, to members thereof and to stockholders shall be deemed to refer to the governing body of the corporation, the members thereof and the members of the corporation, respectively; and (2) stock, capital stock or shares thereof shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

(k) Any ~~number of directors~~ director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the ~~outstanding~~ shares then entitled to vote at an election of directors, except as follows:

(1) Unless the articles of incorporation otherwise provides, in the case of a corporation whose board is classified as provided in subsection (d), ~~shareholders~~ stockholders may effect such removal only for cause; or

(2) in the case of a corporation having cumulative voting ~~for directors~~, if less than the entire board is to be removed, no director may be removed without cause if the ~~shares voted~~ votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Whenever the holders of any class or series are entitled to elect one or more directors by the ~~provisions of the~~ articles of incorporation, ~~the provisions of~~ this subsection shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole.

Sec. 27. K.S.A. 17-6302 is hereby amended to read as follows: 17-6302. (a) Every corporation organized under this ~~act~~ code shall have such officers with such titles and duties as shall be stated in the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws and as may be necessary to enable it to sign instruments and stock certificates which comply with ~~subsection (a)(2) of K.S.A. 17-6003 and~~ K.S.A. 17-6408 and K.S.A. 2015 Supp. 17-7908(a)(2), and amendments thereto. One of the officers shall have the duty to record the proceedings of the meetings of the stockholders and directors in a book to be kept for that purpose. Any number of offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

(b) Officers shall be chosen in such manner and shall hold their offices for such terms as are prescribed by the bylaws or determined by the board of directors or other governing body. Each officer shall hold ~~the~~ office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign at any time upon written notice ~~given in writing or by electronic transmission~~ to the corporation.

(c) The corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

(d) A failure to ~~select a corporation's officers in accordance with the requirements of the bylaws or a resolution adopted by the board of directors or other governing body~~ elect officers shall not dissolve or otherwise affect ~~a~~ the corporation.

(e) Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled as the bylaws provide. In the absence of such provision, the vacancy shall be filled by the board of directors or other governing body.

Sec. 28. K.S.A. 17-6304 is hereby amended to read as follows: 17-6304. (a) No contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee ~~thereof~~ which authorizes the contract or transaction, or solely because ~~his or their~~ any such director's or officer's votes are counted for such purpose, if:

(1) The material facts as to ~~his~~ the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board or committee in good faith ~~authorized~~ authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; ~~or~~

(2) the material facts as to ~~his~~ the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the ~~shareholders~~ stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the ~~shareholders~~ stockholders; or

(3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee ~~thereof~~ or the ~~shareholders~~ stockholders.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which ~~authorized~~ authorizes the contract or transaction.

Sec. 29. K.S.A. 2015 Supp. 17-6305 is hereby amended to read as follows: 17-6305. (a) A corporation shall have power to indemnify any person who was or is a party~~,~~ or is threatened to be made a party~~,~~ to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that ~~such~~ the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by ~~such~~ the person in connection with such action, suit or proceeding~~, including attorney fees, if such~~ if the person acted in good faith and in a manner ~~such~~ the person reasonably believed to be in or not opposed to the best interests of the corporation~~;~~, and, with respect to any criminal action or proceeding, had no reasonable cause to believe ~~such~~ the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which ~~such~~ the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that ~~such~~ the person's conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party~~,~~ or is threatened to be made a party~~,~~ to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that ~~such~~ the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney fees, actually and reasonably incurred by ~~such~~ the person in connection with the defense or settlement of such action or suit~~,~~ ~~including attorney fees, if such~~ if the person acted in good faith and in a manner ~~such~~ the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the district court or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the district court or such other court shall deem proper.

(c) To the extent that a present or former director~~,~~ or officer~~, employee or agent~~ of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, such ~~director, officer, employee or agent~~ person shall be indemnified

against expenses, including attorney fees, actually and reasonably incurred by such person in connection therewith, ~~including attorney fees~~.

(d) Any indemnification under subsections (a) and (b), unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because ~~such director, officer, employee or agent~~ the person has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made, with respect to a person who is a director or officer of the corporation at the time of such determination: (1) By a majority vote of the directors who ~~were~~ are not parties to such action, suit or proceeding, even though less than a quorum; (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (4) by the stockholders.

(e) Expenses, including attorney fees, incurred by ~~a director or officer~~ an officer or director of the corporation in defending ~~a~~ any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of ~~the~~ such director or officer to repay such amount if it ~~is~~ shall ultimately be determined that ~~the director or officer~~ such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses, including attorney fees, incurred by former directors and officers or ~~incurred by~~ other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the ~~board of directors~~ corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in ~~a~~ such person's official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or a bylaw shall not be eliminated or impaired by an amendment to ~~such provision~~ the articles of incorporation or the bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under ~~the provisions of~~ this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation ~~(~~, including any constituent of a constituent~~)~~, absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(k) The district court is hereby vested with jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. The district court may summarily determine a corporation's obligation to advance expenses, including attorney fees.

Sec. 30. K.S.A. 17-6401 is hereby amended to read as follows: 17-6401. (a) Every corporation may issue one or more classes of stock or one or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value and which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the articles of incorporation or of any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation. Any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any such class or series of stock may be made dependent upon facts ascertainable outside the articles of incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such class or series of stock is clearly and

expressly set forth in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors. The term "facts," as used in this subsection, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation. The power to increase or decrease or otherwise adjust the capital stock as provided in this ~~act~~ code shall apply to all or any such classes of stock.

(b) ~~The~~ Any stock of any class or series may be made subject to redemption by the corporation at its option or at the option of the holders of such stock or upon the happening of a specified event. Immediately following any such redemption the corporation shall have outstanding one or more shares of one or more classes or series of stock, which share, or shares together, shall have full voting powers. Notwithstanding the foregoing limitation:

(1) Any stock of a regulated investment company registered under the investment company act of 1940 ~~(~~, 15 U.S.C. §§ 80a-1 et seq.~~)~~, and amendments thereto, may be made subject to redemption by the corporation at its option or at the option of the holders of such stock; and

(2) any stock of a corporation which holds directly or indirectly a license or franchise from a governmental agency to conduct its business or is a member of a national securities exchange, which license, franchise or membership is conditioned upon some or all of the holders of its stock possessing prescribed qualifications, may be made subject to redemption by the corporation to the extent necessary to prevent the loss of such license, franchise or membership or to reinstate it.

Any stock which may be made redeemable under this section may be redeemed for cash, property or rights, including securities of the same or another corporation, at such time or times, price or prices, or rate or rates, and with such adjustments, as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to subsection (a).

(c) The holders of preferred or special stock of any class or of any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes or of any other series of stock, and cumulative or noncumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes or series of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this ~~act~~ code provided.

(d) The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors ~~as hereinabove provided~~.

(e) At the option of either the holder or the corporation or upon the happening of a specified event, any stock of any class or of any series thereof may be made convertible into or exchangeable for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation, at such price or prices or

at such rate or rates of exchange and with such adjustments as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors ~~as hereinabove provided~~.

(f) If any corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent certificated shares of such class or series of stock. Except as otherwise provided in K.S.A. 17-6426, and amendments thereto, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation issues to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights, or both. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or K.S.A. 17-6406, ~~subsection (a) of~~ K.S.A. 17-6426(a) or ~~subsection (a) of~~ K.S.A. 17-6508(a), and amendments thereto, or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights, or both. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(g) When any corporation desires to issue any shares of stock of any class or of any series of any class of which the powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the articles of incorporation or in any amendment thereto, but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation or any amendment thereto, a certificate of designations setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be executed ~~and~~ in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto, filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto, and shall become effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto. Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such series to which such resolution or resolutions apply may be increased, but not above the total number of authorized shares of the class, or decreased, but not below the number of shares thereof then outstanding, by a certificate likewise executed and filed setting forth a statement that a specified increase or decrease had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors. In case the number of such shares shall be decreased, the number of shares specified in the certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions.

When no ~~share~~ shares of any such class or series are outstanding, either because none were issued or because no issued shares of any such class or series remain outstanding, a certificate setting forth a resolution or resolutions adopted by the board of directors that none of the authorized shares of such class or series are outstanding and that none will be issued, subject to the certificate of designations previously filed with respect to such class or series, may be executed in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto, and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto. When such certificate becomes effective, it shall have the effect of eliminating from the articles of incorporation all ~~reference~~ matters set forth in the certificate of designations with respect to such class or series of stock. Unless otherwise provided in the articles of incorporation, if no shares of stock have been issued of a class or series of stock established by a resolution of the board of directors, the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, may be amended by a resolution or resolutions adopted by the board of directors. A certificate which: (1) States that no shares of the class or series have been issued; (2) sets forth a copy of the resolution or resolutions; and (3) if the designation of the class or series is being changed, indicates the original designation and the new designation~~,~~ shall be executed ~~and filed~~ in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto, filed in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, and shall become effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto. When any certificate filed under this subsection becomes effective, it shall have the effect of amending the articles of incorporation, except that neither the filing of such certificate nor the filing of restated articles of incorporation pursuant to K.S.A. 17-6605, and amendments thereto, shall prohibit the board of directors from subsequently adopting such resolutions as authorized by this subsection.

Sec. 31. K.S.A. 17-6402 is hereby amended to read as follows: 17-6402. The consideration, as determined pursuant to ~~subsections (a) and (b) of~~ K.S.A. 17-6403(a) and (b), and amendments thereto, for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. ~~In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive.~~ The board of directors may authorize ~~shares~~ capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation ~~including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation issues shares, the board of directors must determine that the consideration received or to be received for shares to be issued is adequate. That determination by the board of directors is conclusive as to the adequacy of consideration for the issuance of shares~~ or any combination thereof. The resolution authorizing the issuance of capital stock may provide that any stock to be issued pursuant to such resolution may be issued in one or more transactions in such numbers and at such times as are set forth in or determined by or in the manner set forth in the resolution, which may include a determination or action by any person or body, including the corporation, provided the resolution fixes a maximum number of shares that may be issued pursuant to such resolution, a time period during which such shares may be issued and a minimum amount of consideration for which such shares may be issued. The board of directors may determine the amount

of consideration for which shares may be issued by setting a minimum amount of consideration or approving a formula by which the amount or minimum amount of consideration is determined. The formula may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessable stock ~~if: (a) The entire amount of such consideration has been received by the corporation in the form of cash, services rendered, personal property, real property, leases of real property, or a combination thereof or forms authorized by the board of directors; or (b) not less than the amount of the consideration determined to be capital pursuant to K.S.A. 17-6404, and amendments thereto, has been received by the corporation in the form or forms authorized by the board of directors and the corporation has received a binding obligation of the subscriber or purchaser to pay the balance of the subscription or purchase price; provided, however,~~ upon receipt by the corporation of such consideration, except that nothing contained herein shall prevent the board of directors from issuing partly paid shares under K.S.A. 17-6406, and amendments thereto.

Sec. 32. K.S.A. 17-6404 is hereby amended to read as follows: 17-6404. Any corporation, by resolution of its board of directors, may determine that only a part of the consideration which shall be received by the corporation for any of the shares of its capital stock which it shall issue from time to time shall be capital; but, in the event that any of the shares issued shall be shares having a par value, the amount of the part of such consideration so determined to be capital shall be in excess of the aggregate par value of the shares issued for such consideration having a par value, unless all the shares issued shall be shares having a par value, in which case the amount of the part of such consideration so determined to be capital need be only equal to the aggregate par value of such shares. In each such case, the board of directors shall specify in dollars the part of such consideration which shall be capital. If the board of directors shall not have determined what part of the consideration for such shares shall be capital ~~(1)~~: (a) At the time of issue of any shares of the capital stock of the corporation issued for cash; or ~~(2)~~ (b) within 60 days after the issue of any shares of the capital stock of the corporation issued for property other than cash, the capital of the corporation in respect of such shares shall be an amount equal to the aggregate par value of such shares having a par value, plus the amount of the consideration for such shares without par value. The amount of the consideration so determined to be capital in respect of any shares without par value shall be the stated capital of such shares. The capital of the corporation may be increased from time to time by resolution of the board of directors, directing that a portion of the net assets of the corporation in excess of the amount so determined to be capital be transferred to the capital account. The board of directors may direct that the portion of such net assets so transferred shall be treated as capital in respect of any shares of the corporation of any designated class or classes. At any given time, the excess, if any, of the net assets of the corporation over the amount so determined to be capital shall be surplus. Net assets means the amount by which total assets exceed total liabilities, but capital and surplus are not liabilities for this purpose. Notwithstanding anything in this section to the contrary, for purposes of this section and K.S.A. 17-6410 and 17-6420, and amendments thereto, the capital of any nonstock corporation shall be

deemed to be zero.

Sec. 33. K.S.A. 17-6405 is hereby amended to read as follows: 17-6405. A corporation may issue, but shall not be required to issue, fractions of a share~~, either represented by a certificate or uncertificated~~. If it does not issue fractions of a share, it shall ~~(1)~~ (a) Arrange for the disposition of fractional interests by those entitled thereto~~,~~ ~~(2)~~; (b) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined~~,~~; or ~~(3)~~ (c) issue scrip or warrants in registered form, either represented by a certificate or uncertificated, or in bearer form, represented by a certificate, which shall entitle the holder to receive a ~~certificate for a full share or an uncertificated~~ full share upon the surrender of such scrip or warrants aggregating a full share. A certificate for a fractional share or an uncertificated fractional share shall entitle the holder to exercise voting rights, to receive dividends thereon and to participate in any of the assets of the corporation in the event of liquidation, but scrip or warrants shall not so entitle the holder thereof, unless otherwise provided therein. The board of directors may cause scrip or warrants to be issued subject to the conditions that they shall become void if not exchanged for certificates representing full shares or for uncertificated full shares before a specified date, or subject to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions which the board of directors may impose.

Sec. 34. K.S.A. 17-6407 is hereby amended to read as follows: 17-6407. (a) Subject to any provisions in the articles of incorporation, every corporation may create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the corporation, rights or options entitling the holders thereof to ~~purchase~~ acquire from the corporation any shares of its capital stock of any class or classes, such rights or options to be evidenced by or in such instrument or instruments as shall be approved by the board of directors.

(b) The terms upon which, including the time or times, which may be limited or unlimited in duration, at or within which, and the ~~price or prices~~ consideration, including a formula by which such ~~price or prices~~ consideration may be determined, ~~at~~ for which any such shares may be ~~purchased~~ acquired from the corporation upon the exercise of any such right or option, shall be such as shall be stated in the articles of incorporation, or in a resolution adopted by the board of directors providing for the creation and issue of such rights or options, and, in every case, shall be set forth or incorporated by reference in the instrument or instruments evidencing such rights or options. A formula by which such consideration may be determined may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the consideration for the issuance of such rights or options and the sufficiency thereof shall be conclusive.

(c) The board of directors, by resolution adopted by the board, may authorize one or more officers of the corporation to do one or both of the following: (1) Designate officers and employees of the corporation or any of its subsidiaries to be recipients of such rights or options created by the corporation; and (2) determine the number of such rights or options to be received by such officers and employees. The resolution so

authorizing such officer or officers shall specify the total number of rights or options such officer or officers may award. The board of directors may not authorize an officer to designate the officer's self as a recipient of any such rights or options.

(d) In the event that the shares of stock ~~in~~ of the corporation to be issued upon the exercise of such rights or options shall be shares having a par value, the ~~price or prices~~ consideration so to be received therefor shall not be less than the par value thereof. In case the shares of stock so to be issued shall be shares of stock without par value, the consideration therefor shall be determined in the manner provided in K.S.A. 17-6403, and amendments thereto.

Sec. 35. K.S.A. 17-6408 is hereby amended to read as follows: 17-6408. The shares of a corporation shall be represented by certificates, except that the board of directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. ~~Notwithstanding the adoption of such a resolution by the board of directors,~~ Every holder of stock represented by certificates ~~and upon request every holder of uncertificated shares~~ shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson or vice-chairperson of the board of directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the corporation with the same effect as if the person were such officer, transfer agent or registrar at the date of issue. A corporation shall not have power to issue a certificate in bearer form.

Sec. 36. K.S.A. 17-6409 is hereby amended to read as follows: 17-6409. The shares of stock in every corporation shall be deemed personal property and transferable as provided in the acts contained in article 8 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto. No stock or bonds issued by any corporation organized under this code shall be taxed by this state when the same shall be owned by nonresidents of this state, or by foreign corporations. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the corporation to do so.

Sec. 37. K.S.A. 17-6410 is hereby amended to read as follows: 17-6410. (a) Every corporation may purchase, redeem, receive, take or otherwise acquire, own and hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares; provided, however, that no corporation shall:

(1) Purchase or redeem its own shares of capital stock for cash or other property when the capital of the corporation is impaired or when such purchase or redemption would cause any impairment of the capital of the corporation, except that a corporation other than a nonstock corporation may purchase or redeem out of capital any of its own shares which are entitled upon any distribution of its assets, whether by dividend or in liquidation, to a preference over another class or series of its stock, or, if no shares

entitled to such a preference are outstanding, any of its own shares, if such shares will be retired upon their acquisition and the capital of the corporation reduced in accordance with K.S.A. 17-6603 and 17-6604, and amendments thereto. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of a corporation given by it as consideration for its acquisition by purchase, redemption or exchange of its shares of stock if at the time such note, debenture or obligation was delivered by the corporation its capital was not then impaired or did not thereby become impaired;

(2) purchase, for more than the price at which they may then be redeemed, any of its shares which are redeemable at the option of the corporation; or

(3) (A) in the case of a corporation other than a nonstock corporation, redeem any of its shares unless their redemption is authorized by ~~subsection (b) of~~ K.S.A. 17-6401(b), and amendments thereto, and then only in accordance with such section and the articles of incorporation; or

(B) in the case of a nonstock corporation, redeem any of its membership interests, unless their redemption is authorized by the articles of incorporation and then only in accordance with the articles of incorporation.

(b) Nothing in this section limits or affects a corporation's right to resell any of its shares theretofore purchased or redeemed out of surplus and which have not been retired, for such consideration as shall be fixed by the board of directors.

(c) Shares of its own capital stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes. Nothing in this section shall be construed as limiting the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

(d) Shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem such shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

Sec. 38. K.S.A. 17-6412 is hereby amended to read as follows: 17-6412. (a) When the whole of the consideration payable for shares of a corporation has not been paid in, and the assets shall be insufficient to satisfy the claims of its creditors, each holder of or subscriber for such shares shall be bound to pay on each share held or subscribed for by such holder or subscriber the sum necessary to complete the amount of the unpaid balance of the consideration for which such shares were issued or are to be issued by the corporation.

(b) The amounts which shall be payable as provided in subsection (a) ~~of this section~~ may be recovered as provided in K.S.A. 17-7101, and amendments thereto, after a writ of execution against the corporation has been returned unsatisfied as provided in such section.

(c) Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable for any unpaid portion of such consideration, but the transferor shall remain liable therefor.

(d) No person holding shares in any corporation as collateral security shall be personally liable as a stockholder, but the person pledging such shares shall be considered the holder thereof and shall be so liable. No executor, administrator, guardian, trustee or other fiduciary shall be personally liable as a stockholder, but the estate or funds held by such executor, administrator, guardian, trustee or other fiduciary in such fiduciary capacity shall be so liable.

(e) ~~Commencing with the date of~~ No liability under this section or under K.S.A. 17-7101, and amendments thereto, shall be asserted more than six years after the date of issuance of the stock or the date of the subscription upon which the assessment is sought~~, the limitation of time prescribed by K.S.A. 60-511, and amendments thereto, shall be applicable to any liability asserted under this section or under K.S.A. 17-7101, and amendments thereto~~.

(f) In any action by a receiver or trustee of an insolvent corporation or by a judgment creditor to obtain an assessment under this section, any stockholder or subscriber for stock of the insolvent corporation may appear and contest the claim or claims of such receiver or trustee.

Sec. 39. K.S.A. 17-6413 is hereby amended to read as follows: 17-6413. The capital stock of a corporation shall be paid for in such amounts and at such times as the directors may require. From time to time, the directors may demand payment, in respect of each share of stock not fully paid, of such sum of money as the necessities of the business may require, in the judgment of the board of directors, not exceeding in the whole the balance remaining unpaid on said stock, and such sum so demanded shall be paid to the corporation at such times and by such installments as the directors shall direct. The directors shall give written notice of the time and place of such payments to each holder of or subscriber for stock which is not fully paid at ~~his~~ such holder's or subscriber's last known post-office address, which notice shall be mailed at least ~~thirty (30)~~ days before the time for such payment.

Sec. 40. K.S.A. 17-6414 is hereby amended to read as follows: 17-6414. When any stockholder fails to pay any installment or call upon ~~the~~ such stockholder's stock which may have been properly demanded by the directors, at the time when such payment is due, the directors may collect the amount of any such installment or call, or any balance thereof remaining unpaid, from ~~the~~ such stockholder by an action at law, or they shall sell at public sale such part of the shares of such delinquent stockholder as will pay all demands then due from ~~the~~ such stockholder with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate ~~for any of the shares which are certificated~~ therefor. Notice of the time and place of such sale and of the sum due on each share shall be given at least one week before the sale by advertisement in a newspaper having general circulation in the county of this state where such corporation's registered office is located, and such notice shall be mailed by the corporation to such delinquent stockholder at ~~the~~ such stockholder's last known post office address, at least 20 days before such sale. If no bidder can be had to pay the amount due on the stock, and if the amount is not collected by an action at law, which may be brought within the county where the corporation has its registered office, within one year from the date of the bringing of such action at law, ~~the~~ such stock and the amount previously paid in by the delinquent stockholder on the stock shall be forfeited to the corporation.

Sec. 41. K.S.A. 17-6415 is hereby amended to read as follows: 17-6415. Unless

otherwise provided by the terms of the subscription, a subscription for stock of a corporation to be formed shall be irrevocable, except with the consent of all other subscribers or the corporation, for a period of six ~~(6)~~ months from its date~~, but nothing in this section shall be construed as limiting, modifying or abrogating the defense of fraud or estoppel or any other defense available in an action for the enforcement of a contract~~.

Sec. 42. K.S.A. 17-6416 is hereby amended to read as follows: 17-6416. A subscription for stock of a corporation, whether made before or after the formation of a corporation, shall not be enforceable against a subscriber, unless in writing and signed by the subscriber or by ~~his~~ such subscriber's agent.

Sec. 43. K.S.A. 17-6420 is hereby amended to read as follows: 17-6420. (a) The directors of every corporation, subject to any restrictions contained in its articles of incorporation, may declare and pay dividends upon the shares of its capital stock~~, or to its members if the corporation is a nonstock corporation,~~ either: (1) Out of its surplus, as defined in and computed in accordance with K.S.A. 17-6404 and 17-6604, and amendments thereto~~,~~; or (2) in case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year, or both. If the capital of the corporation, computed in accordance with K.S.A. 17-6404 and 17-6604, and amendments thereto, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of such corporation shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of the corporation paid by it as a dividend on shares of its stock, or any payment made thereon, if at the time such note, debenture or obligation was delivered by the corporation, the corporation had either surplus or net profits as provided in ~~clause~~ paragraph (1) or (2) from which the dividend could lawfully have been paid.

(b) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets, including but not limited to a corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or engaged primarily in the liquidation of specific assets, may determine the net profits derived from the exploitation of such wasting assets or the net proceeds derived from such liquidation without taking into consideration the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets.

Sec. 44. K.S.A. 17-6422 is hereby amended to read as follows: 17-6422. A member of the board of directors, or a member of any committee designated by the board of directors, shall be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of its officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation, as to the value and amount of the

assets, liabilities or net profits~~, or both~~ of the corporation or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the corporation's stock might properly be purchased or redeemed.

Sec. 45. K.S.A. 17-6425 is hereby amended to read as follows: 17-6425. Except as otherwise provided in this ~~act~~ code, the transfer of stock and the certificates ~~representing certificated and~~ of stock which represent the stock or uncertificated ~~shares of~~ stock shall be governed by article 8 of the uniform commercial code, as set forth in article 8 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto. To the extent that any provision of this code is inconsistent with any provision of such article, this code shall be controlling.

Sec. 46. K.S.A. 17-6426 is hereby amended to read as follows: 17-6426. (a) A written restriction or restrictions on the transfer or registration of transfer of a security of a corporation, or on the amount of the corporation's securities that may be owned by any ~~securities holder or a group of securities holders~~ person or group of persons, if permitted by this section and noted conspicuously on the certificate or certificates representing the security or securities so restricted, or, in the case of uncertificated shares, contained in the notice or notices sent pursuant to ~~subsection (f) of~~ K.S.A. 17-6401(f), and amendments thereto, may be enforced against the holder of the restricted security or securities or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate or certificates representing the security or securities so restricted, or, in the case of uncertificated shares, contained in the notice or notices sent pursuant to ~~subsection (f) of~~ K.S.A. 17-6401(f), and amendments thereto, a restriction, even though permitted by this section, is ineffective except against a person with actual knowledge of the restriction.

(b) A restriction on the transfer or registration of transfer of securities of a corporation, or on the amount of ~~the~~ a corporation's securities that may be owned by any ~~securities holder or a group of securities holders~~ person or group of persons, may be imposed ~~either~~ by the articles of incorporation or by the bylaws or by an agreement among any number of security holders or among such holders and the corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

(c) A restriction on the transfer or registration of transfer of securities of a corporation or on the amount of such securities that may be owned by any ~~securities holder or group of securities holders~~ person or group of persons is permitted by this section if it:

(1) Obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities;

(2) obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing, to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities;

(3) requires the corporation or the holders of any class or series of securities of the

corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities, or to approve the amount of securities of the corporation that may be owned by any ~~securities holder or group of securities holders~~ person or group of persons;

(4) obligates the holder of the restricted securities to sell or transfer an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, or causes or results in the automatic sale or transfer of an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing; or

(5) prohibits or restricts the transfer of the restricted securities to, or the ownership of restricted securities by, designated persons or classes of persons or groups of persons, and such designation is not manifestly unreasonable.

(d) Any restriction on the transfer or the registration of transfer of the securities of a corporation, or on the amount of securities of a corporation that may be owned by a ~~securities holder or group of securities holders~~ person or group of persons, for any of the following purposes shall be conclusively presumed to be for a reasonable purpose: (1) Maintaining any local, state, federal or foreign tax advantage to the corporation or its stockholders, including without limitation: (A) Maintaining the corporation's status as an electing small business corporation under subchapter S of the United States internal revenue code, 26 U.S.C. §1371 et seq.; (B) maintaining or preserving any tax attribute, including without limitation net operating losses; or (C) qualifying or maintaining the qualification of the corporation as a real estate investment trust pursuant to the United States internal revenue code or regulations adopted pursuant to the United States internal revenue code; or (2) maintaining any statutory or regulatory advantage or complying with any statutory or regulatory requirements under applicable local, state, federal or foreign law.

(e) Any other lawful restriction on transfer or registration of transfer of securities, or on the amount of securities that may be owned by any person or group of persons, is permitted by this section.

Sec. 47. K.S.A. 17-6501 is hereby amended to read as follows: 17-6501. (a) (1) Meetings of stockholders may be held at such place, either within or without this state, as may be designated by or in the manner provided in the articles of incorporation~~;~~ or bylaws or, if not so designated, as determined by the board of directors. If, pursuant to this subsection or the articles of incorporation or the bylaws of the corporation, the board of directors is authorized to determine the place of a meeting of stockholders, the board of directors, in its sole discretion, may determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by ~~paragraph~~ subsection (a)(2).

(2) If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, stockholders and ~~proxy holders~~ proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(A) Participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that: (i) The corporation shall implement reasonable measures

to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or ~~proxy holder~~ proxyholder; (ii) the corporation shall implement reasonable measures to provide such stockholders and ~~proxy holders~~ proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or ~~proxy holder~~ proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

(b) Unless directors are elected by written consent in lieu of an annual meeting as permitted by this subsection, an annual meeting of stockholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Stockholders, unless the articles of incorporation otherwise provide, may act by written consent to elect directors; except that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business may be transacted at the annual meeting.

~~(c) (1) If the articles of incorporation or bylaws of a corporation registered under the investment company act of 1940 so provide, the corporation is only required to hold an annual meeting in any year in which the election of directors is required to be acted upon under the investment company act of 1940.~~

~~(2) If a corporation is required under paragraph (1) to hold a meeting of stockholders to elect directors, the meeting shall be designated as the annual meeting of stockholders for that year.~~

~~(d)~~ (1) A failure to hold any annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation, except as may be otherwise specifically provided in this ~~act~~ code. If the annual meeting for election of directors is not held on the date designated therefor or action by written consent to elect directors, in lieu of an annual meeting, has not been taken, the directors shall cause the meeting to be held as soon thereafter as is convenient. If there be a failure to hold the annual meeting or to take action by written consent to elect directors in lieu of an annual meeting for a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after the latest to occur of the organization of the corporation, its last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, the district court may summarily order a meeting to be held upon the application of any stockholder or director. The shares of stock represented at such meeting, either in person or by proxy, and entitled to vote thereat, shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the articles of incorporation or bylaws to the contrary. The district court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of such meeting, the record date or dates for determination of stockholders entitled to notice of the meeting and to vote at such meeting, and the form of notice of such meeting.

~~(2) If a corporation is required under paragraph (1) of subsection (c) to hold a meeting of stockholders to elect directors, the meeting shall be held no later than 120~~

~~days after the occurrence of the event requiring the meeting.~~

~~(e)~~ (d) Special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.

~~(f)~~ (e) All elections of directors shall be by written ballot, unless otherwise provided in the articles of incorporation. If authorized by the board of directors, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or ~~proxy holder~~ proxyholder.

Sec. 48. K.S.A. 17-6502 is hereby amended to read as follows: 17-6502. (a) Unless otherwise provided in the articles of incorporation and subject to the provisions of K.S.A. 17-6503, and amendments thereto, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. If the articles of incorporation provide for more or less than one vote for any share on any matter, every reference in this ~~act~~ code to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for the stockholder by proxy as provided in this subsection, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(c) Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy pursuant to subsection (b), the following shall constitute a valid means by which a stockholder may grant such authority:

(1) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing the writing or causing the stockholder's signature to be affixed to the writing by any reasonable means, including, but not limited to, facsimile signature; and

(2) a stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting, or authorizing the transmission of, a ~~telegram, cablegram, or other~~ means of electronic transmission, including telephonic transmission, to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization, or like agent duly authorized by the person who will ~~act as~~ be the holder of the proxy to receive the transmission, provided that any such ~~telegram, cablegram or other means of~~ electronic transmission must either set forth or be submitted with information from which it can be determined that the ~~stockholder authorized the transmission~~ electronic transmission was authorized by the stockholder. If it is determined that such electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

(d) A copy, facsimile telecommunication, or other reliable reproduction of the writing or transmission authorized under ~~paragraphs~~ subsections (c)(1) and (c)(2) may be substituted for the original writing or transmission for any purpose for which the original writing or transmission could be used, except that such copy, facsimile

telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(e) A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

Sec. 49. K.S.A. 17-6503 is hereby amended to read as follows: 17-6503. (a) In order that the corporation may determine the stockholders entitled to notice of ~~or to vote at~~ any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If ~~no record is fixed by~~ the board of directors; so fixes a date, such date shall also be the record date for determining the stockholders entitled to ~~notice of or~~ vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting except that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this subsection at the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by this ~~act~~ code, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in this state, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by this ~~act~~ code, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Sec. 50. K.S.A. 17-6505 is hereby amended to read as follows: 17-6505. (a) The provisions of K.S.A. 17-6501 ~~to~~ through 17-6504 and 17-6506, and amendments thereto, shall not apply to nonstock corporations ~~not authorized to issue stock~~, except that ~~subsection (a) of~~ K.S.A. 17-6501(a) and ~~subsection (c) and (d) of K.S.A.~~ 17-6502(c), (d) and (e), and amendments thereto, shall apply to such corporations, and, when so applied, all references therein to: (1) Stockholders and to the board of directors shall be deemed to refer to the members and the governing body of a nonstock corporation, respectively; and (2) stock, capital stock, or shares thereof shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

(b) Unless otherwise provided in the articles of incorporation or the bylaws of a nonstock corporation, and subject to subsection (f), each member shall be entitled at every meeting of members to one vote on any matter submitted to a vote of members. A member may exercise such voting rights in person or by proxy, but no proxy shall be voted after three years from its date, unless the proxy provides for a longer period.

(c) Unless otherwise provided in this ~~act~~ code, the articles of incorporation or bylaws of a nonstock corporation may specify the number of members having voting power who shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes~~, or portion thereof,~~ that shall be necessary for, the transaction of any business. In the absence of such specification in the articles of incorporation or bylaws of a nonstock corporation~~.~~:

(1) One-third of the members of such corporation present in person or represented by proxy after proper notice has been given shall constitute a quorum at a meeting of such members~~.~~;

(2) in all matters other than the election of the governing body of the corporation, the affirmative vote of a majority of such members present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by this ~~act~~ code, the articles of incorporation or bylaws~~.~~;

~~(d)~~ (3) members of the governing body shall be elected by a plurality of the votes of the members of the corporation present in person or represented by proxy at the meeting and entitled to vote thereon; and

(4) where a separate vote by a class or group or classes or groups is required, a majority of the members of such class or group or classes or groups, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, in all matters other than the election of members of the governing body, the affirmative vote of the majority of the members of such class or group or classes or groups present in person or represented by proxy at the meeting

shall be the act of such class or group or classes or groups.

~~(c)~~ (d) If the election of the governing body of any nonstock corporation shall not be held within the time period designated by the bylaws, the governing body shall cause the election to be held as soon thereafter as convenient. The failure to hold such an election within the time period shall not work any forfeiture or dissolution of the corporation, but the district court may summarily order such an election to be held upon the application of any member of the corporation. At any election pursuant to such order, the persons entitled to vote in such election who shall be present at such meeting, either in person or by proxy, shall constitute a quorum for such meeting, notwithstanding any provision of the articles of incorporation or the bylaws of the corporation to the contrary.

~~(f)~~ (e) If authorized by the governing body, any requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the member or proxy holder.

(f) Except as otherwise provided in the articles of incorporation, in the bylaws, or by resolution of the governing body, the record date of any meeting or corporate action shall be deemed to be the date of such meeting or corporate action, except that no record date may precede any action by the governing body fixing such record date.

Sec. 51. K.S.A. 17-6506 is hereby amended to read as follows: 17-6506. Subject to the provisions of this ~~act~~ code with respect to the vote that shall be required for a specified action, the articles of incorporation or bylaws of any corporation authorized to issue stock may specify the number of shares or the amount of other securities, or both, having voting power, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business, but in no event shall a quorum consist of holders of less than $^1/_3$ of the shares entitled to vote at the meeting, except that, where a separate vote by the holders of ~~a class or series or classes or series~~ one or more than one class or series is required, a quorum shall consist of no less than $^1/_3$ of the holders of the shares of such class or series ~~or classes or series~~. In the absence of such specification in the articles of incorporation or bylaws of the corporation:

(a) The holders of a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders;

(b) in all matters other than the election of directors, the affirmative vote of the holders of a majority of shares who are present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders;

(c) directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and

(d) where a separate vote by ~~a class or classes or series~~ one or more than one class or series is required, the holders of a majority of the outstanding shares of such class or ~~classes or~~ series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, in all matters other than the election of directors, the affirmative vote of the holders of a majority of shares of such class or ~~classes or~~ series who are present in person or represented by proxy at the meeting shall be the act of such class or ~~classes or~~ series. A bylaw amendment

adopted by the stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

Sec. 52. K.S.A. 17-6508 is hereby amended to read as follows: 17-6508. (a) One or more stockholders, by agreement in writing, may deposit capital stock of an original issue with or transfer capital stock to any person or persons, or entity or entities authorized to act as trustee, for the purpose of vesting in such person or persons, entity or entities, who may be designated voting trustee, or voting trustees, the right to vote thereon for any period of time determined by such agreement, upon the terms and conditions stated in such agreement. The agreement may contain any other lawful provisions not inconsistent with such purpose. After ~~the filing~~ delivery of a copy of the agreement ~~in~~ to the registered office of the corporation in this state or the principal place of business of the corporation, which copy shall be open to the inspection of any stockholder of the corporation, or any beneficiary of the trust under the agreement, daily during business hours, certificates of stock or uncertificated stock shall be issued to the voting trustee or trustees to represent any stock of an original issue so deposited with such voting trustee or trustees, and any certificates of stock or uncertificated stock so transferred to the voting trustee or trustees shall be surrendered and canceled and new certificates or uncertificated stock therefor shall be issued to the voting trustee or trustees. In the certificates so issued, if any, it shall be stated that they are issued pursuant to such agreement, or in the case of uncertificated shares, contained in the notice sent pursuant to ~~subsection (f) of~~ K.S.A. 17-6401(f), and amendments thereto, and that fact shall also be stated in the stock ledger of the corporation. The voting trustee or trustees may vote the stock so issued or transferred during the period specified in the agreement. Stock standing in the name of the voting trustee or trustees may be voted either in person or by proxy, and in voting the stock, the voting trustee or trustees shall incur no responsibility as stockholder, trustee or otherwise, except for such voting trustee's or trustees' individual malfeasance. In any case where two or more persons or entities are designated as voting trustees, and the right and method of voting any stock standing in their names at any meeting of the corporation are not fixed by the agreement appointing the trustees, the right to vote the stock and the manner of voting it at the meeting shall be determined by a majority of the trustees, or if they be equally divided as to the right and manner of voting the stock in any particular case, the vote of the stock in such case shall be divided equally among the trustees.

(b) Any amendment to a voting trust agreement shall be made by a written agreement, a copy of which shall be ~~filed in~~ delivered to the registered office of the corporation in this state or the principal place of business of the corporation.

(c) An agreement between two or more stockholders, if in writing and signed by the parties thereto, may provide that in exercising any voting rights, the shares held by them shall be voted as provided by the agreement, or as the parties may agree, or as determined in accordance with a procedure agreed upon by them.

(d) This section shall not be deemed to invalidate any voting or other agreement among stockholders or any irrevocable proxy ~~which is not otherwise illegal~~.

Sec. 53. K.S.A. 17-6509 is hereby amended to read as follows: 17-6509. (a) The officer who has charge of the stock ledger of a corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, except that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall

reflect the stockholders entitled to vote as of the 10th day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this section shall require the corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (1) On a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (2) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

(b) ~~Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors held at a place, or to open such a list to examination on a reasonably accessible electronic network during any meeting for the election of directors held solely by means of remote communication, they shall be ineligible for election to any office at such meeting~~ If the corporation, or an officer or agent thereof, refuses to permit examination of the list by a stockholder, such stockholder may apply to the district court for an order to compel the corporation to permit such examination. The burden of proof shall be on the corporation to establish that the examination such stockholder seeks is for a purpose not germane to the meeting. The court may summarily order the corporation to permit examination of the list upon such conditions as the court may deem appropriate, and may make such additional orders as may be appropriate, including, without limitation, postponing the meeting or voiding the results of the meeting.

(c) The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Sec. 54. K.S.A. 17-6510 is hereby amended to read as follows: 17-6510. (a) As used in this section:

(1) "Stockholder" means a holder of record of stock in a stock corporation, or a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person~~, and also a member of a nonstock corporation as reflected on the records of the nonstock corporation; (2) "list of stockholders" includes lists of members in a nonstock corporation~~;

~~(3)~~ (2) "under oath" includes statements the declarant affirms to be true under penalty of perjury under the laws of the United States or any state; and

~~(4)~~ (3) "subsidiary" means any entity directly or indirectly owned, in whole or in part, by the corporation of which the stockholder is a stockholder and over the affairs of which the corporation directly or indirectly exercises control, and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships,

limited liability companies, statutory trusts and/or joint ventures.

(b) Any stockholder, in person or by attorney or other agent, upon written demand under oath stating the purpose thereof, shall have the right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from:

(1) The corporation's stock ledger, a list of its stockholders, and its other books and records; and

(2) a subsidiary's books and records, to the extent that ~~(i)~~ (A) The corporation has actual possession and control of such records of such subsidiary; or ~~(ii)~~ (B) the corporation could obtain such records through the exercise of control over such subsidiary, provided that as of the date of the making of the demand ~~(A)~~: (i) Stockholder inspection of such books and records of the subsidiary would not constitute a breach of an agreement between the corporation or the subsidiary and a person or persons not affiliated with the corporation~~,~~; and ~~(B)~~ (ii) the subsidiary would not have the right under the law applicable to it to deny the corporation access to such books and records upon demand by the corporation. In every instance where the stockholder is other than a record holder of stock in a stock corporation or a member of a nonstock corporation, the demand under oath shall state the person's status as a stockholder, be accompanied by documentary evidence of beneficial ownership of the stock and state that such documentary evidence is a true and correct copy of what it purports to be. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

(c) If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a stockholder or attorney or other agent acting for the stockholder pursuant to subsection (b) or does not reply to the demand within five business days after the demand has been made, the stockholder may apply to the district court for an order to compel such inspection. The district court is hereby vested with exclusive jurisdiction to determine whether or not the person seeking inspection is entitled to the inspection sought. The court may summarily order the corporation to permit the stockholder to inspect the corporation's stock ledger, an existing list of stockholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the stockholder a list of its stockholders as of a specific date on condition that the stockholder first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate. Where the stockholder seeks to inspect the corporation's books and records, other than its stock ledger or list of stockholders, such stockholder shall first establish that:

(1) ~~he, she or it~~ such stockholder is a stockholder;

(2) such stockholder has complied with this section respecting the form and manner of making demand for inspection of such documents; and

(3) the inspection such stockholder seeks is for a proper purpose. Where the stockholder seeks to inspect the corporation's stock ledger or list of stockholders and establishes that such stockholder is a stockholder and has complied with this section respecting the form and manner of making demand for inspection of such documents,

the burden of proof shall be upon the corporation to establish that the inspection such stockholder seeks is for an improper purpose. The court, in its discretion, may prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper. The court may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this state and kept in this state upon such terms and conditions as the order may prescribe.

(d) Any director~~, including a member of the governing body of a nonstock corporation,~~ shall have the right to examine the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to the director's position as a director. The district court is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger and the list of stockholders and to make copies or extracts therefrom. The burden of proof shall be upon the corporation to establish that the inspection such director seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the court may deem just and proper.

Sec. 55. K.S.A. 17-6512 is hereby amended to read as follows: 17-6512. (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Unless otherwise provided in this ~~act~~ code, the written notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given shall be prima facie evidence of the facts stated therein in the absence of fraud.

(c) When a meeting is adjourned to another time or place, unless the bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, ~~or if after the adjournment a new record date is fixed for the adjourned meeting,~~ a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If, after the adjournment, a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for

notice of such adjourned meeting in accordance with K.S.A. 17-6503(a), and amendments thereto, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Sec. 56. K.S.A. 17-6513 is hereby amended to read as follows: 17-6513. (a) (1) Unless otherwise provided in the articles of incorporation or bylaws: ~~(1)~~ (A) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; or ~~(2)~~ (B) whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the articles of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

(2) If, at any time, by reason of death or resignation or other cause, a corporation should have no directors in office, then any receiver, officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the articles of incorporation or the bylaws, or may apply to the district court for a decree summarily ordering an election as provided in K.S.A. 17-6501 or 17-6505, and amendments thereto.

(3) If, at any time, in a corporation where the holders of any class or classes of stock or series thereof are entitled by the articles of incorporation to elect one or more directors, there is no director in office elected by the holders of any such class or series of stock, by reason of death or resignation or other cause, then any receiver, officer or any stockholder of such class or series, as the case may be, or an executor, administrator, trustee or guardian of any such stockholder, or other fiduciary entrusted with like responsibility for the person or estate of any such stockholder, may call a special meeting of stockholders of such class or series, in accordance with the provisions of the articles of incorporation or bylaws for calling a special meeting of stockholders, or may apply to the district court for a decree summarily ordering an election, as provided in K.S.A. 17-6501 or 17-6505, and amendments thereto.

(b) In the case of a corporation the directors of which are divided into classes, any directors chosen under subsection (a) shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be elected and qualified.

(c) If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board, as constituted immediately prior to any such increase, the district court, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, may summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of K.S.A. 17-6501 or 17-6505, and amendments thereto, as far as applicable.

(d) Unless otherwise provided in the articles of incorporation or bylaws, when one

or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Sec. 57. K.S.A. 17-6514 is hereby amended to read as follows: 17-6514. Any records maintained by a corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of any information storage device or method provided that the records so kept can be converted into clearly legible paper form within a reasonable time. Any corporation shall so convert any records so kept upon the request of any person entitled to inspect ~~the same~~ such records pursuant to any provision of this code. When records are kept in such manner, a clearly legible paper form produced from or by the means of the information storage device or method shall be admissible in evidence and shall be accepted for all other purposes, to the same extent as an original paper record of the same information would have been, provided the paper form accurately portrays the record.

Sec. 58. K.S.A. 17-6515 is hereby amended to read as follows: 17-6515. (a) Upon application of any stockholder or director, or any officer whose title to office is contested, ~~or any member of a corporation without capital stock,~~ the district court may hear and determine the validity of any election, appointment, removal or resignation of any director~~, member of the governing body,~~ or officer of any corporation, and the right of any person to hold or continue to hold such office, and, in case any such office is claimed by more than one person, may determine the person entitled thereto. In making such determination, the court may make such order or decree in any such case as may be just and proper, with power to enforce the production of any books, papers and records of the corporation relating to the issue. In case it should be determined that no valid election has been held, the court may order an election to be held in accordance with K.S.A. 17-6501 or 17-6505, and amendments thereto. In any such application, service of copies of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the person whose title to office is contested and upon the person, if any, claiming such office; and the resident agent shall forward immediately a copy of the application to the corporation and to the person whose title to office is contested and to the person, if any, claiming such office, in a postpaid, sealed, registered letter addressed to such corporation and such person at their post-office addresses last known to the resident agent or furnished to the resident agent by the applicant stockholder. The court may make such order respecting further or other notice of such application as it deems proper under the circumstances.

(b) Upon application of any stockholder or ~~any member of a corporation without capital stock~~ upon application of the corporation itself, the district court may hear and determine the result of any vote of stockholders ~~or members, as the case may be,~~ upon matters other than the election of directors~~;~~ or officers ~~or members of the governing body~~. Service of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation, and no other party need be joined in order for the court to adjudicate the result of the vote. The court may make such order respecting notice of the application as it deems proper under the circumstances.

(c) If one or more directors has been convicted of a felony in connection with the

duties of such director or directors to the corporation, or if there has been a prior judgment on the merits by a court of competent jurisdiction that one or more directors has committed a breach of the duty of loyalty in connection with the duties of such director or directors to that corporation, then, upon application by the corporation, or derivatively in the right of the corporation by any stockholder, in a subsequent action brought for such purpose, the district court may remove from office such director or directors if the court determines that the director or directors did not act in good faith in performing the acts resulting in the prior conviction or judgment and judicial removal is necessary to avoid irreparable harm to the corporation. In connection with such removal, the court may make such orders as are necessary to effect such removal. In any such application, service of copies of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the director or directors whose removal is sought and the resident agent shall forward immediately a copy of the application to the corporation and to such director or directors, in a postpaid, sealed, registered letter addressed to such corporation and such director or directors at their post office address last known to the resident agent or furnished to the resident agent by the applicant. The court may make such order respecting further or other notice of such application as it deems proper under the circumstances.

Sec. 59. K.S.A. 17-6516 is hereby amended to read as follows: 17-6516. (a) The district court, upon application of any stockholder, may appoint one or more persons to be custodians and, if the corporation is insolvent, to be receivers, of and for any corporation when:

(1) At any meeting held for the election of directors the stockholders are so divided that they have failed to elect successors to directors whose terms have expired or would have expired upon qualification of their successors; ~~or~~

(2) the business of the corporation is suffering or is threatened with irreparable injury because the directors are so divided respecting the management of the affairs of the corporation that the required vote for action by the board of directors cannot be obtained and the stockholders are unable to terminate this division; or

(3) the corporation has abandoned its business and has failed within a reasonable time to take steps to dissolve, liquidate or distribute its assets.

(b) A custodian appointed under this section shall have all the powers and title of a receiver appointed under K.S.A. 17-6901, and amendments thereto, but the authority of the custodian is to continue the business of the corporation and not to liquidate its affairs and distribute its assets, except when the court shall otherwise order and except in cases arising under subsection (a)(3) ~~of this section or subsection (a)(2) of~~ or K.S.A. 17-7212(a)(2), and amendments thereto.

(c) In the case of a charitable nonstock corporation, the applicant shall provide a copy of any application referred to in subsection (a) to the attorney general of the state of Kansas within one week of its filing with the district court.

Sec. 60. K.S.A. 17-6517 is hereby amended to read as follows: 17-6517. (a) The district court, in any proceeding instituted under K.S.A. 17-6501, 17-6505 or 17-6515, and amendments thereto, may determine the right and power of persons claiming to own stock~~, or in the case of a corporation without capital stock, of the persons claiming to be members,~~ to vote at any meeting of the stockholders ~~or members~~.

(b) The court may: (1) Appoint a master to hold any election provided for in K.S.A. 17-6501, 17-6505 or 17-6515, and amendments thereto, under such orders and powers

as it deems proper; ~~and it may~~ (2) punish any officer or director for contempt in case of disobedience of any order made by the court; and; (3) in case of disobedience by a corporation of any order made by the court, may enter a decree against such corporation for a penalty of not more than ~~$25,000~~ $5,000.

Sec. 61. K.S.A. 17-6518 is hereby amended to read as follows: 17-6518. (a) Unless otherwise provided in the articles of incorporation, any action required by this ~~act~~ code to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are signed by ~~all~~ the holders of outstanding stock ~~entitled to vote. Such consent or consents~~ having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(b) Unless otherwise provided in the articles of incorporation, any action required by this ~~act~~ code to be taken at a meeting of the members of a nonstock corporation, or any action which may be taken at any meeting of the members of a nonstock corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are signed by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members having a right to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of members are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Every written consent shall bear the date of signature of each stockholder or member who signs the consent ~~or consents~~, and no written consent shall be effective to take the corporate action referred to ~~in the consent or consents~~ therein unless, within 60 days of the earliest dated consent delivered in the manner required by this section to the corporation, written ~~consent~~ consents signed by a sufficient number of holders or members to take action are delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders or members are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time, including a time determined upon the happening of an event, no later than 60 days after such instruction is given or such provision is made, and, for the purposes of this section, if evidence of such instruction or provision is provided to the corporation, such later effective time shall serve as the date of signature. Unless otherwise provided, any such consent shall be revocable prior to its becoming effective.

(d) (1) ~~A telegram, cablegram or other~~ Any electronic transmission consenting to an action to be taken and transmitted by a stockholder, member or ~~proxy holder~~ proxyholder, or by a person or persons authorized to act for a stockholder, member or ~~proxy holder~~ proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such ~~telegram, cablegram or other~~ electronic transmission sets forth or is delivered with information from which the corporation can determine: (A) That the ~~telegram, cablegram or other~~ electronic transmission was transmitted by the stockholder, member or ~~proxy holder~~ proxyholder or by a person or persons authorized to act for the stockholder, member or ~~proxy holder~~ proxyholder; and (B) the date on which such stockholder, member or ~~proxy holder~~ proxyholder or authorized person or persons transmitted such ~~telegram, cablegram or~~ electronic transmission. The date on which such ~~telegram, cablegram or~~ electronic transmission is transmitted shall be deemed to be the date on which such consent ~~or consents were~~ was signed. No consent ~~or consents~~ given by ~~telegram, cablegram or other~~ electronic transmission shall be deemed to have been delivered until such consent ~~or consents are~~ is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders or members are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, any consent or consents given by ~~telegram, cablegram or other~~ electronic transmission, may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders or members are recorded if, to the extent and in the manner provided by resolution of the board of directors or governing body of the corporation.

(2) Any copy, facsimile or other reliable reproduction of a consent ~~or consents~~ in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(e) Prompt notice of the taking of ~~nonstock~~ any corporate action without a meeting by less than unanimous written consent shall be given to those stockholders or members who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that a written consent or consents signed by a sufficient number of stockholders or members to take the action were delivered to the corporation as provided in subsection (c). In the event that the action which is consented to is such as would have required the filing of a certificate under any other section of this ~~act~~ code, if such action had been voted on by stockholders or members at a meeting thereof, the certificate filed under such other section shall state, in lieu of any statement required by such section concerning any vote of stockholders or members, that written consent has been given in accordance with the provisions of this section.

Sec. 62. K.S.A. 17-6521 is hereby amended to read as follows: 17-6521. (a) In advance of any meeting of stockholders, the corporation shall appoint one or more inspectors to act at the meeting and make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails

to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Before entering upon the discharge of the duties of inspector, each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

(b) The inspectors shall:

(1) Ascertain the number of shares outstanding and the voting power of each;

(2) determine the shares represented at a meeting and the validity of proxies and ballots;

(3) count all votes and ballots;

(4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and

(5) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the district court upon application by a stockholder determines otherwise.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with ~~subsection (f) of~~ K.S.A. 17-6501(f) or ~~subsection (c)(2) of~~ 17-6502(c)(2), and amendments thereto, or any information provided pursuant to ~~subsection (a)(2)(B)(i) or (iii) of~~ K.S.A. 17-6501(a)(2)(B)(i) or (iii), and amendments thereto, ballots and the regular books and records of the corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to subsection (b)(5) shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

(e) Unless otherwise provided in the articles of incorporation or bylaws, this section shall not apply to a corporation that does not have a class of voting stock that is:

(1) Listed on a national securities exchange;

(2) authorized for quotation on an interdealer quotation system of a registered national securities association; or

(3) held of record by more than 2,000 stockholders.

~~(f) This section shall be part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 63. K.S.A. 17-6522 is hereby amended to read as follows: 17-6522. (a) Without limiting the manner by which notice otherwise may be given effectively to

stockholders, any notice to stockholders given by the corporation under any ~~provisions~~ provision of this ~~act~~ code, the articles of incorporation, or the bylaws shall be effective if given by a form of electronic transmission consented to by the ~~stockholders~~ stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if: (1) The corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice. The inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) Notice given pursuant to subsection (a) shall be deemed given: (1) If by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of: (A) Such posting; and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission, in the absence of fraud, shall be prima facie evidence of the facts stated therein.

(c) For purposes of this ~~act~~ code, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

~~(d) This section shall apply to a corporation organized under this act that is not authorized to issue capital stock, and when so applied, all references to stockholders shall be deemed to refer to members of such a corporation.~~

~~(e)~~ This section shall not apply to K.S.A. 17-6414, 17-6906, 17-7001 or 17-7002, and amendments thereto.

~~(f) This section shall be a part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 64. K.S.A. 17-6523 is hereby amended to read as follows: 17-6523. (a) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under any provision of this chapter, the articles of incorporation or the bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation.

(b) Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice permitted under subsection (a), shall be deemed to have consented to receiving such single written notice.

~~(c) This section shall apply to a corporation organized under this chapter that is not authorized to issue capital stock, and when so applied, all references to stockholders shall be deemed to refer to members of such a corporation.~~

~~(d)~~ This section shall not apply to K.S.A. 17-6414, 17-6906, 17-7001, and 17-7002, and amendments thereto.

~~(e) This section shall be part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 65. K.S.A. 2015 Supp. 17-6601 is hereby amended to read as follows: 17-6601. (a) Before a corporation has received any payment for any of its stock, it may amend its articles of incorporation at any time or times, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of filing the amendment.

(b) The amendment of the articles of incorporation authorized by this section shall be adopted by a majority of the incorporators, if directors were not named in the original articles of incorporation or have not yet been elected, or, if directors were named in the original articles of incorporation or have been elected and have qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the corporation has not received any payment for any of its stock, or that the corporation has no members, as applicable, and that the amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto. Upon the effectiveness of such filing, the corporation's articles of incorporation shall be deemed to be amended accordingly as of the date on which the original articles of incorporation became effective except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

(c) This section shall apply to a nonstock corporation before such corporation has any members, except that all references to directors shall be deemed to be references to members of the governing body of the corporation.

Sec. 66. K.S.A. 2015 Supp. 17-6602 is hereby amended to read as follows: 17-6602. (a) After a corporation has received payment for any of its capital stock, or after a nonstock corporation has members, it may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of the filing of the amendment. If a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, the amendment to the articles of incorporation shall contain such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(1) To change its corporate name;

(2) to change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes;

(3) to increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par

value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series into a greater or lesser number of outstanding shares;

(4) to cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared;

(5) to create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; ~~or~~

(6) to change the period of its duration. Any or all such changes or alterations may be effected by one certificate of amendment; or

(7) to delete: (A) Such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and (B) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

(b) ~~Notwithstanding the provisions of subsection (c), the board of directors of a corporation that is registered or intends to register as an open-end investment company under the investment company act of 1940, 15 U.S.C. § 80a-1 et seq., after the registration takes effect, by resolution, may approve the amendment of the articles of incorporation of the corporation to: (1) Increase or decrease the aggregate number of shares of stock or the number of shares of any class of stock that the corporation has authority to issue; or (2) authorize the issuance of an indefinite number of shares of any such stock, unless a provision has been included in the charter of the corporation after July 1, 1995, prohibiting such action by the board of directors without stockholder approval. A certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto. If the board of directors authorizes the issuance of an indefinite number of shares of any class of stock of the corporation pursuant to this subsection, such authorization shall be disclosed wherever the corporation would otherwise be required by law to disclose the total number of authorized shares of any such class of stock of the corporation.~~

~~(c) Except as provided in subsection (b),~~ Every amendment authorized by subsection (a) shall be made and effected in the following manner:

(1) If the corporation has capital stock, its board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders, except that unless otherwise expressly required by the articles of incorporation, no meeting or vote of stockholders shall be required to adopt an amendment that effects only changes described in subsection (a)(1) or (a)(7). Such special or annual meeting shall be called and held upon notice in accordance with K.S.A. 17-6512, and amendments thereto. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby~~, as the directors shall deem~~

~~advisable~~ unless such notice constitutes a notice of internet availability of proxy materials under the rules promulgated under the securities exchange act of 1934. At the meeting a vote of the stockholders entitled to vote thereon shall be taken for and against ~~the~~ any proposed amendment that requires adoption by stockholders. If no vote of stockholders is required to effect such amendment, or if a majority of the outstanding stock entitled to vote~~,~~ thereon and a majority of the outstanding stock of each class entitled to vote thereon as a class ~~has~~ have been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto.

(2) The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the articles of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but does not affect the entire class, then only the shares of the series affected by the amendment shall be considered a separate class for the purposes of this subsection. The number of authorized shares of any such class or classes of stock may be increased or decreased, but not below the number of shares thereof then outstanding, by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote irrespective of this paragraph, if so provided in the original articles of incorporation ~~or,~~ in any amendment thereto which created such class or classes of stock or which was adopted prior to the issuance of any shares of such class or classes of stock or in any amendment thereto which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of such class or classes of stock.

(3) If the corporation ~~has no capital stock~~ is a nonstock corporation, then the governing body of the corporation shall adopt a resolution setting forth the amendment proposed and declaring its advisability. If ~~at a subsequent meeting, held not earlier than 15 days and not later than 60 days from the meeting at which such resolution has been passed,~~ a majority of all the members of the governing body shall vote in favor of such amendment, a certificate thereof shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto. The articles of incorporation of any ~~such~~ nonstock corporation ~~without capital stock~~ may contain a provision requiring any amendment thereto to be approved by a specified number or percentage of the members or of any specified class of members of such corporation~~,~~ in which event ~~only one meeting of the governing body thereof shall be necessary, and~~ such proposed amendment shall be submitted to the members or to any specified class of members of such corporation ~~without capital stock~~ in the same manner, so far as applicable, as is provided in this section for an amendment to the articles of incorporation of a stock corporation. In the event of the adoption of such amendment, a certificate evidencing such amendment shall be executed and filed and shall become effective in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto.

(4) Whenever the articles of incorporation shall require for action by the board of directors of a corporation other than a nonstock corporation or by the governing body of a nonstock corporation, by the holders of any class or series of shares or by the members, or by the holders of any other securities having voting power the vote of a greater number or proportion than is required by any section of this ~~act~~ code, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

~~(d)~~ (c) The resolution authorizing a proposed amendment to the articles of incorporation may provide that at any time prior to the effectiveness of the filing of the amendment with the secretary of state, notwithstanding authorization of the proposed amendment by the stockholders of the corporation or by the members of a nonstock corporation, the board of directors or governing body may abandon such proposed amendment without further action by the stockholders or members.

Sec. 67. K.S.A. 17-6603 is hereby amended to read as follows: 17-6603. (a) A corporation, by resolution of its board of directors, may retire any shares of its capital stock that are issued but are not outstanding.

(b) Whenever any shares of the capital stock of a corporation are retired, they shall resume the status of authorized and unissued shares of the class or series to which they belong unless the articles of incorporation otherwise provides. If the articles of incorporation prohibits the reissuance of such shares, or prohibits the reissuance of such shares as a part of a specific series only, a certificate stating that reissuance of the shares, as part of the class or series, is prohibited, identifying the shares and reciting that their retirement shall be executed and filed and shall become effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. When such certificate becomes effective, it shall have the effect of amending the articles of incorporation so as to reduce accordingly the number of authorized shares of the class or series to which such shares belong or, if such retired shares constitute all of the authorized shares of the class or series to which they belong, of eliminating from the articles of incorporation all reference to such class or series of stock.

(c) If the capital of the corporation shall be reduced by or in connection with the retirement of shares, the reduction of capital shall be effected pursuant to K.S.A. 17-6604, and amendments thereto.

Sec. 68. K.S.A. 17-6605 is hereby amended to read as follows: 17-6605. (a) Whenever it is desired, a corporation may integrate into a single instrument all of the provisions of its articles of incorporation which are then in effect and operative as a result of there having been filed with the secretary of state one or more certificates or other instruments pursuant to any of the sections referred to in K.S.A. 17-6004, and amendments thereto. Such corporation may at the same time also further amend its articles of incorporation by adopting a restated articles of incorporation.

(b) If the restated articles of incorporation merely restate and integrate but do not further amend the articles of incorporation, as theretofore amended or supplemented by any instrument that was filed pursuant to any of the sections mentioned in K.S.A. 17-6004, and amendments thereto, such restated articles may be adopted by the board of directors without a vote of the stockholders, or they may be proposed by the directors and submitted by them to the stockholders for adoption, in which case the procedure and vote required, if any, by K.S.A. 17-6602, and amendments thereto, for amendment

of the articles of incorporation shall be applicable. If the restated articles of incorporation restate and integrate and also further amend in any respect the articles of incorporation, as theretofore amended or supplemented, they shall be proposed by the directors and adopted by the stockholders in the manner and by the vote prescribed by K.S.A. 17-6602, and amendments thereto, or, if the corporation has not received any payment for any of its stock, in the manner and by the vote prescribed by K.S.A. 17-6601, and amendments thereto.

(c) Any restated articles of incorporation shall be specifically designated as such in ~~its~~ the heading. They shall state, either in the heading or in an introductory paragraph, the corporation's present name, and, if it has been changed, the name under which it was originally incorporated, and the date of filing of its original articles of incorporation with the secretary of state. Any restated articles shall also state that they were duly adopted by the directors or stockholders, as the case may be, in accordance with the provisions of this section. If they were adopted by the board of directors without a vote of the stockholders unless ~~it was~~ adopted pursuant to the provisions of K.S.A. 17-6601, and amendments thereto, or without vote of the members pursuant to K.S.A. 2015 Supp. 17-7910, and amendments thereto, they shall state that they only restate and integrate and do not further amend, except, if applicable, as permitted under K.S.A. 17-6002(a)(1) and (b)(1), and amendments thereto, the provisions of the corporation's articles of incorporation as theretofore amended or supplemented, and that there is no discrepancy between those provisions and the provisions of the restated articles. A restated articles of incorporation may omit: (1) Such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors, and the original subscribers for shares; and (2) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock if such change, exchange, reclassification, subdivision, combination or cancellation has become effective. Any such omissions shall not be deemed a further amendment.

(d) Any restated articles of incorporation shall be executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, and upon such restated articles of incorporation becoming effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto. ~~Upon filing with the secretary of state,~~ The corporation's original articles of incorporation, as theretofore amended or supplemented, shall be superseded~~;~~ and ~~thenceforth~~ the restated articles of incorporation, including any further amendments or changes made thereby, shall be the articles of incorporation of the corporation, but the original date of incorporation shall remain unchanged.

(e) Any amendment or change effected in connection with the restatement and integration of the articles of incorporation shall be subject to any other ~~provisions~~ provision of this ~~act~~ code, not inconsistent with this section, which would apply if a separate certificate of amendment were filed to effect such amendment or change.

Sec. 69. K.S.A. 17-6701 is hereby amended to read as follows: 17-6701. (a) Any two or more corporations existing under the laws of this state ~~and authorized to issue capital stock~~ may merge into a single corporation, which may be any one of the constituent corporations or ~~they~~ may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) The board of directors of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation and declaring its advisibility. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation; (4) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as ~~is~~ are set forth in an attachment to the agreement; (5) the manner, if any, of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such shares and, if any shares of any of the constituent corporations are not to remain outstanding, to be converted solely into shares or other securities of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of any certificates evidencing them, which cash, property, rights or securities of any other corporation or entity may be in addition to or in lieu of shares or other securities of the surviving or resulting corporation; and (6) such other details or provisions as are deemed desirable, including, without limiting~~,~~ the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, interests or rights, or for any other arrangement with respect thereto, consistent with the provisions of K.S.A. 17-6405, and amendments thereto. The agreement so adopted ~~as provided in this subsection~~ shall be executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908, and amendments thereto. Any terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) (1) The agreement required by subsection (b) shall be submitted to the stockholders of each constituent corporation at an annual or special meeting ~~thereof~~ for the purpose of acting on the agreement.

~~(2) The terms of the agreement may require that the agreement be submitted to the stockholders whether or not the board of directors determines at any time subsequent to declaring its advisability that the agreement is no longer advisable and recommends that the stockholders reject it.~~

~~(3)~~ Due notice of the time, place and purpose of the meeting shall be mailed to each holder of stock ~~of the corporation~~, whether voting or nonvoting, of the corporation at the stockholder's address as it appears on the records of the corporation, at least 20 days prior to the date of the meeting. The notice shall contain a copy of the agreement or a brief summary thereof~~, as the directors deem advisable~~.

~~(4)~~ (3) At the meeting the agreement shall be considered and a vote taken for its adoption or rejection. If a majority of the outstanding stock of the corporation entitled to

vote thereon shall be voted for the adoption of the agreement, that fact shall be certified on the agreement by the secretary or assistant secretary of the corporation, except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement. If the agreement ~~is~~ shall be so adopted and certified by each constituent corporation, it shall then be ~~executed and~~ filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910 and 17-7911, and amendments thereto.

~~(5)~~ (4) In lieu of filing the agreement of merger or consolidation required by this section, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908, and amendments thereto, which states: (A) The name and state of incorporation of each of the constituent corporations; (B) that an agreement of merger or consolidation has been approved, adopted, certified and executed by each of the constituent corporations in accordance with this section; (C) the name of the surviving or resulting corporation; (D) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety, or, if no such amendments or changes are desired, a statement that the articles of incorporation ~~of one of the constituent corporations~~ shall be the articles of incorporation of the surviving corporation; (E) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as ~~is~~ are set forth in an attachment to the certificate; (F) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving or resulting corporation, stating the address thereof; and (G) that a copy of the agreement of consolidation or merger will be furnished by the surviving or resulting corporation, on request and without cost, to any stockholder of any constituent corporation.

(d) Any agreement of merger or consolidation may contain a provision that at any time prior to the time that the agreement, or a certificate in lieu thereof, filed with the secretary of state becomes effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto, the agreement may be terminated by the board of directors of any constituent corporation notwithstanding approval of the agreement by the stockholders of all or any of the constituent corporations; in the event the agreement of merger or consolidation is terminated after the filing of the agreement, or a certificate in lieu thereof, with the secretary of state but before the agreement, or a certificate in lieu thereof, has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto. Any agreement of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the agreement at any time prior to the ~~filing of~~ time that the agreement, or a certificate in lieu thereof, ~~with the secretary of state~~ filed with the secretary of state becomes effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto, except that an amendment made subsequent to the adoption of the agreement by the stockholders of any constituent corporation shall not: (1) Alter or change the amount or kind of shares, securities, cash, property or rights, ~~or any combination,~~ to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation; (2) alter or change any term of the articles of

incorporation of the surviving or resulting corporation to be effected by the merger or consolidation; or (3) alter or change any of the terms and conditions of the agreement if such alteration or change would adversely affect the holders of any class or series thereof of such constituent corporation. In the event the agreement of merger or consolidation is amended after the filing ~~of such merger or consolidation~~ thereof with the secretary of state but before the agreement has become effective, a certificate of ~~amendments~~ amendment of merger or consolidation shall be filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp 17-7910, and amendments thereto.

(e) In the case of a merger, the articles of incorporation of the surviving corporation shall automatically be amended to the extent, if any, that changes in the articles of incorporation are set forth in the agreement of merger.

(f) (1) Notwithstanding the requirements of subsection (c), unless required by its articles of incorporation, no vote of stockholders of a constituent corporation surviving a merger shall be necessary to authorize a merger if: (A) The agreement of merger does not amend in any respect the articles of incorporation of such constituent corporation; (B) each share of stock of such constituent corporation outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury share of the surviving corporation after the effective date of the merger; and (C) either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of common stock of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed 20% of the shares of common stock of such constituent corporation outstanding immediately prior to the effective date of the merger.

(2) No vote of stockholders of a constituent corporation shall be necessary to authorize a merger or consolidation if no shares of the stock of such corporation shall have been issued prior to the adoption by the board of directors of the resolution approving the agreement of merger or consolidation.

(3) If an agreement of merger is adopted by the constituent corporation surviving the merger, by action of its board of directors and without any vote of its stockholders pursuant to this subsection, the secretary or assistant secretary of that corporation shall certify on the agreement that the agreement has been adopted pursuant to this subsection and: (A) If it has been adopted pursuant to ~~the first sentence of this~~ subsection (f)(1), that the conditions specified in that ~~sentence~~ subsection have been satisfied; or (B) if it has been adopted pursuant to ~~the second sentence of this~~ subsection (f)(2), that no shares of stock of such corporation were issued prior to the adoption by the board of directors of the resolution approving the agreement of merger or consolidation.

~~(3)~~ (4) The agreement so adopted and certified shall then be executed and filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

(g) Notwithstanding the requirements of subsection (c), unless expressly required by its articles of incorporation, no vote of stockholders of a constituent corporation shall

be necessary to authorize a merger with or into a single direct or indirect wholly-owned subsidiary of such constituent corporation if:

(1) Such constituent corporation and the direct or indirect wholly-owned subsidiary of such constituent corporation are the only constituent entities to the merger;

(2) each share or fraction of a share of the capital stock of the constituent corporation outstanding immediately prior to the effective time of the merger is converted in the merger into a share or equal fraction of share of capital stock of a holding company having the same designations, rights, powers and preferences, and the qualifications, limitations and restrictions thereof, as the share of stock of the constituent corporation being converted in the merger;

(3) the holding company and the constituent ~~corporations~~ corporation are corporations of this state and the direct or indirect wholly-owned subsidiary that is the other constituent entity to the merger is a corporation or limited liability company of this state;

(4) the articles of incorporation and bylaws of the holding company immediately following the effective time of the merger contain provisions identical to the articles of incorporation and bylaws of the constituent corporation immediately prior to the effective time of the merger, other than provisions, if any, regarding the incorporator or incorporators, the corporate name, the registered office and agent, the initial board of directors and the initial subscribers for shares and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective;

(5) as a result of the merger the constituent corporation or its successor becomes or remains a direct or indirect wholly-owned subsidiary of the holding company;

(6) the directors of the constituent corporation become or remain the directors of the holding company upon the effective time of the merger; ~~and~~

(7) (A) the organizational documents of the surviving entity immediately following the effective time of the merger contain provisions identical to the articles of incorporation of the constituent corporation immediately prior to the effective time of the merger, other than provisions, if any, regarding the incorporator or incorporators, the corporate or entity name, the registered office and agent, the initial board of directors and the initial subscribers for shares, references to members rather than stockholders or shareholders, references to interests, units or the like rather than stock or shares, references to managers, managing members or other members of the governing body rather than directors and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective ~~.~~ ;

(B) if the organizational documents of the surviving entity do not contain the following provisions, such documents shall be amended in the merger to contain provisions requiring that: (i) Any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members or other members of the governing body of the surviving entity, that requires for its adoption under this ~~act~~ code or its organizational documents the approval of the stockholders or members of the surviving entity shall, by specific reference to this subsection, require,

in addition, the approval of the stockholders of the holding company, or any successor by merger, by the same vote as is required by this ~~act~~ code or by the organizational documents of the surviving entity, or both. For purposes of this clause, any surviving entity that is not a corporation shall include in such ~~amendments~~ amendment a requirement that the approval of the stockholders of the holding company be obtained for any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members or other members of the governing body of the surviving entity, which would require the approval of the stockholders of the surviving entity if the surviving entity were a corporation subject to this ~~act~~ code;

(ii) any amendment of the organizational documents of a surviving entity that is not a corporation, which amendment would, if adopted by a corporation subject to this ~~act~~ code, be required to be included in the articles of incorporation of such corporation, shall, by specific reference to this subsection, require, in addition, the approval of the stockholders of the holding company, or any successor by merger, by the same vote as is required by this ~~act~~ code or by the organizational documents of the surviving entity or both; and

(iii) the business and affairs of a surviving entity that is not a corporation shall be managed by or under the direction of a board of directors, board of managers or other governing body consisting of individuals who are subject to the same fiduciary duties applicable to, and who are liable for breach of such duties to the same extent as, directors of a corporation subject to this ~~act. Neither the provisions of this subsection~~ code; and

(C) the organizational documents of the surviving entity may be amended in the merger to: (i) Reduce the number of classes and shares of capital stock or other equity interests or units that the surviving entity is authorized to issue; and (ii) eliminate any provision authorized by K.S.A. 17-6301(d), and amendments thereto; and

(8) the stockholders of the constituent corporation do not recognize gain or loss for United States federal income tax purposes as determined by the board of directors of the constituent corporation. Neither subsection (g)(7)(B) nor any provision of a surviving entity's organizational documents required by ~~this~~ subsection (g)(7)(B) shall be deemed or construed to require approval of the stockholders of the holding company to elect or remove directors or managers, managing members or other members of the governing body of the surviving entity.

~~(C) The organizational documents of the surviving entity may be amended in the merger to reduce the number of classes and shares of capital stock or other equity interests or units that the surviving entity is authorized to issue.~~

~~(D) As used in this subsection only,~~ The term "organizational documents," as used in subsection (g)(7) and (g)(8), when used in reference to a corporation, means the articles of incorporation of such corporation and, when used in reference to a limited liability company, means the articles of organization or operating agreement of such limited liability company~~;~~.

As used in this subsection, the term "holding company" means a corporation which, from its incorporation until consummation of a merger governed by this subsection, was at all times a direct or indirect wholly-owned subsidiary of the constituent corporation and whose capital stock is issued in such merger. From and after the effective time of a merger adopted by a constituent corporation by action of its board of directors and

without any vote of stockholders pursuant to this subsection: ~~(i)~~ (1) To the extent the restriction of ~~K.S.A. 17-12,100 et seq.~~ section 7, and amendments thereto, applied to the constituent corporation and its stockholders at the effective time of the merger, such restrictions shall apply to the holding company and its stockholders immediately after the effective time of the merger as though it were the constituent corporation, and all shares of stock of the holding company acquired in the merger shall for ~~the~~ purposes of ~~K.S.A. 17-12,100 et seq.~~ section 7, and amendments thereto, be deemed to have been acquired at the time that the shares of stock of the constituent corporation converted in the merger were acquired, and provided further that any stockholder who immediately prior to the effective time of the merger was not an interested stockholder within the meaning of ~~K.S.A. 17-12,100 et seq.~~ section 7, and amendments thereto, shall not solely by reason of the merger become an interested stockholder of the holding company; ~~and~~ ~~(ii)~~ (2) if the corporate name of the holding company immediately following the effective time of the merger is the same as the corporate name of the constituent corporation immediately prior to the effective time of the merger, the shares of capital stock of the holding company into which the shares of capital stock of the constituent corporation are converted in the merger shall be represented by the stock certificates that previously represented shares of capital stock of the constituent corporation; and (3) to the extent a stockholder of the constituent corporation immediately prior to the merger had standing to institute or maintain derivative litigation on behalf of the constituent corporation, nothing in this section shall be deemed to limit or extinguish such standing. If an agreement of merger is adopted by a constituent corporation by action of its board of directors and without any vote of stockholders pursuant to this subsection, the secretary or assistant secretary of the constituent corporation shall certify on the agreement ~~or a certificate of merger~~ that the agreement has been adopted pursuant to this subsection and that the conditions specified in the first sentence of this subsection have been satisfied. ~~The~~, except that such certification on the agreement ~~or~~ shall not be required if a certificate of merger or consolidation is filled in lieu of filing the agreement. The agreement so adopted and certified shall then be executed, filed and become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement ~~or certificate of merger~~ that the facts stated in the certificate remain true immediately prior to such filing.

(h) (1) Notwithstanding the requirements of subsection (c), unless expressly required by its articles of incorporation, no vote of stockholders of a constituent corporation whose shares are listed on a national securities exchange or held of record by more than 2,000 holders immediately prior to the execution of the agreement of merger by such constituent corporation shall be necessary to authorize a merger if:

(A) The agreement of merger expressly: (i) Permits or requires such merger to be effected under this subsection; and (ii) provides that such merger shall be effected as soon as practicable following the consummation of the offer referred to in subsection (i)(1)(B) if such merger is effected under this subsection;

(B) a corporation consummates a tender or exchange offer for any and all of the outstanding stock of such constituent corporation on the terms provided in such agreement of merger that, absent this subsection, would be entitled to vote on the adoption or rejection of the agreement of merger, except that such offer may exclude stock of such constituent corporation that is owned at the commencement of such offer

by: (i) Such constituent corporation; (ii) the corporation making such offer; (iii) any person that owns, directly or indirectly, all of the outstanding stock of the corporation making such offer; or (iv) any direct or indirect wholly owned subsidiary of any of the foregoing;

(C) following the consummation of the offer referred to in subsection (i)(1)(B), the stock irrevocably accepted for purchase or exchange pursuant to such offer and received by the depository prior to expiration of such offer, plus the stock otherwise owned by the consummating corporation equals at least such percentage of the stock, and of each class or series thereof, of such constituent corporation that, absent this subsection, would be required to adopt the agreement of merger by this code and by the articles of incorporation of such constituent corporation;

(D) the corporation consummating the offer described in subsection (i)(1)(B) merges with or into such constituent corporation pursuant to such agreement; and

(E) each outstanding share of each class or series of stock of the constituent corporation that is the subject of and not irrevocably accepted for purchase or exchange in the offer referred to in subsection (i)(1)(B) is to be converted in such merger into, or into the right to receive, the same amount and kind of cash, property, rights or securities to be paid for shares of such class or series of stock of such constituent corporation irrevocably accepted for purchase or exchange in such offer.

(2) As used in this subsection, the term: (A) "Consummates," and with correlative meaning, "consummation" and "consummating," means irrevocably accepts for purchase or exchange stock tendered pursuant to a tender or exchange offer; (B) "depository" means an agent, including a depository, appointed to facilitate consummation of the offer referred to in subsection (i)(1)(B); (C) "person" means any individual, corporation, partnership, limited liability company, unincorporated association or other entity; and (D) "received," solely for purposes of subsection (i)(1)(C), means physical receipt of a stock certificate in the case of certificated shares and transfer into the depository's account, or an agent's message being received by the depository, in the case of uncertificated shares.

(3) If an agreement of merger is adopted without the vote of stockholders of a corporation pursuant to this subsection, the secretary or assistant secretary of the surviving corporation shall certify on the agreement that the agreement has been adopted pursuant to this subsection and that the conditions specified in this subsection, other than the condition listed in subsection (i)(1)(D), have been satisfied, except that such certification on the agreement shall not be required if a certificate of merger is filed in lieu of filing the agreement. The agreement so adopted and certified shall then be executed and filed and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

Sec. 70. K.S.A. 17-6702 is hereby amended to read as follows: 17-6702. (a) Any one or more corporations of this state may merge or consolidate with one or more other ~~stock~~ corporations of any other state or states of the United States, or of the District of Columbia if the laws of such other jurisdiction permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the

consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more corporations existing under the laws of this state, if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) the manner, if any, of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such shares, and, if any shares of any of the constituent corporations are not to remain outstanding, to be converted solely into shares or other securities of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of any certificates evidencing them, which cash, property, rights or securities of any other corporation may be in addition to or in lieu of the shares or other securities of the surviving or resulting corporation; (4) such other details or provisions as are deemed desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares of the surviving or resulting corporation or of any other corporation the securities of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto consistent with the provisions of K.S.A. 17-6405, and amendments thereto; and (5) such other provisions or facts as shall be required to be set forth in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement shall be adopted, approved, certified and executed by each of the constituent corporations in accordance with the laws under which it is formed, and, in the case of a Kansas corporation, in the same manner as provided in K.S.A. 17-6701, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger or consolidation of corporations of this state. In lieu of filing the agreement of merger or consolidation, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908, and amendments thereto, which states: (1) The name and jurisdiction of incorporation of each of the constituents; (2) that an agreement of merger or consolidation has been approved, adopted, certified and

executed by each of the constituent corporations in accordance with this section; (3) the name of the surviving or resulting corporation; (4) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation; (5) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as ~~is~~ are set forth in an attachment to the certificate; (6) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving or resulting corporation and the address thereof; (7) that a copy of the agreement of consolidation or merger will be furnished by the surviving or resulting corporation, on request and without cost, to any stockholder of any constituent corporation; (8) if the corporation surviving or resulting from the merger or consolidation is to be a corporation of this state, the authorized capital stock of each constituent corporation which is not a corporation of this state; and (9) the agreement, if any, required by subsection (d).

(d) If the corporation surviving or resulting from the merger or consolidation is to be governed by the laws of the District of Columbia or any state or jurisdiction other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation, including any suit or other proceeding to enforce the right of any ~~stockholder~~ stockholders as determined in appraisal proceedings pursuant to ~~the provisions of~~ K.S.A. 17-6712, and amendments thereto. ~~Such corporation~~, and shall irrevocably appoint the secretary of state as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary of state. ~~Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies~~ Process may be served upon the secretary of state under this subsection by means of electronic transmission but only as prescribed by the secretary of state. The secretary of state is authorized to issue such rules and regulations with respect to such service as the secretary of state deems necessary or appropriate. In the event of such service upon the secretary of state in accordance with this subsection, the secretary of state shall forthwith notify such surviving or resulting corporation thereof by letter, directed to such surviving or resulting corporation at its address so specified, unless such surviving or resulting corporation shall ~~thereafter~~ have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated. Such letter shall be sent by a mail or courier service that includes a record of mailing or deposit with the courier and a record of delivery evidenced by the signature of the recipient. Such letter shall enclose a copy of the process and any other papers served on the secretary of state pursuant to this subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the secretary of state that service is being effected pursuant to this subsection and to pay the secretary of state the sum of $40 for the use of the state, which sum and any administrative fees

shall be taxed as part of the costs of the proceeding, if the plaintiff shall prevail therein. The secretary of state shall maintain a record of any such service in a manner deemed appropriate by the secretary. The secretary of state shall not be required to retain such information longer than five years from receipt of the service of process.

(e) ~~The provisions of subsection (d) of~~ K.S.A. 17-6701(d), and amendments thereto, shall apply to any merger or consolidation under this section; ~~the provisions of subsection (e) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section in which the surviving corporation is a corporation of this state; ~~the provisions of subsection (f) of~~ and K.S.A. 17-6701(f) and (h), and amendments thereto, shall apply to any merger under this section.

Sec. 71. K.S.A. 17-6703 is hereby amended to read as follows: 17-6703. (a) In any case in which at least 90% of the outstanding shares of each class of the stock of a corporation or corporations, other than a corporation which has in its articles of incorporation the provisions required by K.S.A. 17-6701(g)(7)(B), and amendments thereto, of which class there are outstanding shares that, absent this subsection, would be entitled to vote on such merger, is owned by another corporation and one of ~~such~~ the corporations is a corporation of this state and the other or others are corporations of this state, or ~~of~~ any other state or states, or ~~of~~ the District of Columbia and the laws of ~~such~~ the other state or states, or the District of Columbia permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction, the corporation having such stock ownership may either merge ~~such~~ the other corporation or corporations into itself and assume all of its or their obligations, or merge itself, or itself and one or more of such other corporations, into one of such other corporations by executing and filing, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors to so merge and the date of the adoption thereof, except that in case the parent corporation shall not own all the outstanding stock of all the subsidiary corporations, parties to a merger as provided in this section, the resolution of the board of directors of the parent corporation shall state the terms and conditions of the merger, including the securities, cash, property or rights to be issued, paid, delivered or granted by the surviving corporation upon surrender of each share of the subsidiary corporation or corporations not owned by the parent corporation, or the cancellation of some or all of such shares. Any of the terms of the resolution of the board of directors to so merge may be made dependent upon facts ascertainable outside of such resolution, provided that the manner in which such facts shall operate upon the terms of the resolution is clearly and expressly set forth in the resolution. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation. If the parent corporation ~~is~~ be not the surviving corporation, the resolution shall include provision for the pro rata issuance of stock of the surviving corporation to the holders of the stock of the parent corporation on surrender of any certificates therefor, and the certificate of ownership and merger shall state that the proposed merger has been approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon at a meeting ~~thereof~~ duly called and held after 20 days' notice of the purpose of the meeting mailed to each such stockholder at the stockholder's address as it appears on the records of the corporation, if the parent corporation is a corporation of this state, or the certificate shall state that the proposed

merger has been adopted, approved, certified and executed by the parent corporation in accordance with the laws under which it is organized, if the parent corporation is not a corporation of this state. If the surviving corporation exists under the laws of the District of Columbia or any state or jurisdiction other than this state~~, the provisions of subsection (d) of~~ ;

(1) K.S.A. 17-6702(d) or 17-6708(c), and amendments thereto, as applicable, shall also apply to a merger under this section; and

(2) the terms and conditions of the merger shall obligate the surviving corporation to provide the agreement and take the actions required by K.S.A. 17-6702(d) or 17-6708(c), and amendments thereto, as applicable.

(b) If the surviving corporation is a Kansas corporation, it may change its corporate name by the inclusion of a provision to that effect in the resolution of merger adopted by the directors of the parent corporation and set forth in the certificate of ownership and merger, and upon the effective date of the merger, the name of the corporation shall be changed.

(c) ~~The provisions of subsection (d) of~~ K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, and ~~the provisions of subsection (e) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section in which the surviving corporation is the subsidiary corporation and is a corporation of this state. References to "agreement of merger" in ~~subsections (d) and (e) of~~ K.S.A. 17-6701(d) and (e), and amendments thereto, shall mean, for ~~the~~ purposes of this subsection ~~(e)~~, the resolution of merger adopted by the board of directors of the parent corporation. Any merger which effects any changes other than those authorized by this section or made applicable by this subsection shall be accomplished under the provisions of K.S.A. 17-6701 ~~or~~, 17-6702, 17-6707 or 17-6708, and amendments thereto. ~~The provisions of~~ K.S.A. 17-6712, and amendments thereto, shall not apply to any merger effected under this section, except as provided in subsection (d).

(d) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under this section is not owned by the parent corporation immediately prior to the merger, the stockholders of the subsidiary Kansas corporation party to the merger shall have appraisal rights as set forth in K.S.A. 17-6712, and amendments thereto.

(e) A merger may be effected under this section although one or more of the corporations ~~party~~ parties to the merger is a corporation organized under the laws of a jurisdiction other than one of the United States, if: ~~(1)~~ the laws of such jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction~~; and (2) the surviving corporation shall be a corporation of this state~~.

(f) This section shall apply to nonstock corporations if the parent corporation is such a corporation and is the surviving corporation of the merger, except that references to the directors of the parent corporation shall be deemed to be references to members of the governing body of the parent corporation, and references to the board of directors of the parent corporation shall be deemed to be references to the governing body of the parent corporation.

(g) Nothing in this section shall be deemed to authorize the merger of a corporation with a charitable nonstock corporation, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired.

Sec. 72. K.S.A. 17-6705 is hereby amended to read as follows: 17-6705. (a) Any two or more nonstock corporations of this state, whether or not organized for profit,

may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock corporation, whether or not organized for profit, formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) Subject to subsection (d), the governing body of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

(1) The terms and conditions of the merger or consolidation;

(2) the mode of carrying the same into effect;

(3) such other provisions or facts required or permitted by this ~~act~~ code to be stated in articles of incorporation for nonstock corporations as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require;

(4) the manner, if any, of converting the memberships or membership interests of each of the constituent corporations into memberships or membership interests of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such memberships or membership interests; and

(5) such other details or provisions as are deemed desirable. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) Subject to subsection (d), the agreement shall be submitted to the members of each constituent corporation ~~who have the right to vote for the election of the members of the governing body of their corporation,~~ at an annual or special meeting thereof for the purpose of acting on the agreement. Due notice of the time, place and purpose of the meeting shall be mailed to each member of each such corporation who has the right to vote for the election of the members of the governing body of the corporation and to each other member who is entitled to vote on the merger under the articles of incorporation or the bylaws of such corporation, at the member's address as it appears on the records of the corporation, at least 20 days prior to the date of the meeting. The notice shall contain a copy of the agreement or a brief summary thereof~~, as the governing body shall deem advisable~~. At the meeting the agreement shall be considered and a vote ~~by ballot~~, in person or by proxy, taken for the adoption or rejection of the agreement~~, each member who has the right to vote for the election of the members of the governing body of such member's corporation being entitled to one vote~~. The following vote shall be required for the adoption of the agreement: (1) ~~If~~ A majority of the ~~voting power of~~ members of each ~~such~~ corporation ~~who have the voting power above mentioned shall be for the adoption of the agreement~~ entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote on the merger under the articles of incorporation or the bylaws of the corporation, except those corporations that are the subject of paragraph (2); or~~,~~ (2) in the case of a nonstock, nonprofit corporation, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act,

cited at K.S.A. 40-19a01 et seq., and amendments thereto, ~~if~~ a majority of the ~~total number of~~ members ~~voting at an annual or special meeting for the purpose of acting on the agreement vote for the adoption of the agreement, then~~ of each corporation entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote on the merger under the articles of incorporation or the bylaws of the corporation voting at the meeting. If the agreement is so adopted, that fact shall be certified on the agreement by the officer of each such corporation performing the duties ordinarily performed by the secretary or assistant secretary of a corporation. ~~The agreement~~, except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement. If the agreement shall be so adopted and certified by each constituent corporation in accordance with this section, it shall be executed and filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. The provisions set forth in the last sentence of ~~subsection (c) of~~ K.S.A. 17-6701(c), and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.

(d) Notwithstanding subsection (b) or (c), if, under the ~~provisions of the~~ articles of incorporation or the bylaws of any one or more of the constituent corporations, there shall be no members who have the right to vote for the election of the members of the governing body of the corporation, or for the merger, other than the members of ~~that body themselves, the agreement duly entered into as provided in subsection (b) shall be submitted to the members of the governing body of such corporation or corporations, at a meeting of such corporation or corporations. Notice of the meeting shall be mailed to the members of the governing body in the same manner as is provided in the case of a meeting of the members of a corporation. If at the meeting ⅔ of the total number of members of the governing body shall vote by ballot, in person, for the adoption of the agreement,~~ the governing body themselves, no further action by the governing body or the members of such corporation shall be necessary if the resolution approving an agreement of merger or consolidation has been adopted by a majority of all the members of the governing body thereof, and that fact shall be certified on the agreement in the same manner as is provided in the case of the adoption of the agreement by the vote of the members of a corporation., except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement, and thereafter the same procedure shall be followed to consummate the merger or consolidation.

(e) ~~The provisions of subsection (e) of~~ K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, except that references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

(f) K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section.

(g) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a nonstock corporation if such charitable nonstock corporation would thereby have its charitable status lost or impaired, but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue

as the surviving corporation.

Sec. 73. K.S.A. 17-6706 is hereby amended to read as follows: 17-6706. (a) Any one or more nonstock corporations of this state may merge or consolidate with one or more other nonstock corporations of any other state or states of the United States or of the District of Columbia~~,~~ if the laws of such other ~~jurisdiction~~ state or states or of the District of Columbia permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock corporation formed by the consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more nonstock corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more nonstock corporations of this state if the surviving or resulting corporation will be a corporation of this state, and if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state:

(1) The terms and conditions of the merger or consolidation;

(2) the mode of carrying the same into effect;

(3) the manner, if any, of converting the memberships or membership interests of each of the constituent corporations into memberships or membership interests of the corporation surviving or resulting from such merger or consolidation, or of cancelling some or all of such memberships or membership interests;

(4) such other details and provisions as shall be deemed desirable; and

(5) such other provisions or facts as shall then be required to be stated in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, if the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement shall be adopted, approved, certified and executed by each of the constituent corporations in accordance with the laws under which it is formed and, in the case of a Kansas corporation, in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6705, and amendments thereto, with respect to the merger of nonstock corporations of this state. Insofar as they may be applicable, the provisions set forth in the last sentence of ~~subsection (c) of~~ K.S.A. 17-6702(c), and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.

(d) If the corporation surviving or resulting from the merger or consolidation is to

be governed by the laws of any state other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation; and shall irrevocably appoint the secretary of state as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary of state. Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies to Process may be served upon the secretary of state under this subsection by means of electronic transmission but only as prescribed by the secretary of state. The secretary of state is authorized to issue such rules and regulations with respect to such service as the secretary of state deems necessary or appropriate. In the event of such service upon the secretary of state in accordance with this subsection, the secretary of state shall forthwith notify such surviving or resulting corporation thereof by letter, directed to such corporation at its address so specified, unless such surviving or resulting corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated. Such letter shall be sent by a mail or courier service that includes a record of mailing or deposit with the courier and a record of delivery evidenced by the signature of the recipient. Such letter shall enclose a copy of the process and any other papers served upon the secretary of state. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the secretary of state that service is being made pursuant to this subsection, and to pay the secretary of state the sum of $40 for the use of the state, which sum and any administrative fees shall be taxed as a part of the costs in the proceeding if the plaintiff shall prevail therein. The secretary of state shall maintain a record of any such service in a manner deemed appropriate by the secretary. The secretary of state shall not be required to retain such information for a period longer than five years from receipt of the service of process.

(e) The provisions of subsection (e) of K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section, if the corporation surviving the merger is a corporation of this state.

(f) K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, except that references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

(g) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a nonstock corporation, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired, but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 74. K.S.A. 17-6707 is hereby amended to read as follows: 17-6707. (a) Any one or more nonstock corporations of this state, whether or not organized for profit, may merge or consolidate with one or more stock corporations of this state, whether or not organized for profit. The constituent corporations may merge into a single

corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving constituent corporation or the new corporation may be organized for profit or not organized for profit and may be a stock corporation or a nonstock corporation.

(b) The board of directors of each stock corporation which desires to merge or consolidate and the governing body of each nonstock corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

(1) The terms and conditions of the merger or consolidation;

(2) the mode of carrying the same into effect;

(3) such other provisions or facts required or permitted by this ~~act~~ code to be stated in articles of incorporation as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require;

(4) the manner, if any, of converting the shares of stock of a stock corporation and the memberships or membership interests of ~~the members of~~ a nonstock corporation into shares or other securities of a stock corporation or memberships or membership interests of a nonstock corporation surviving or resulting from such merger or consolidation~~,~~ or of cancelling some or all of such shares or memberships or membership interests, and, if any shares of any such stock corporation or memberships or membership interests of any such nonstock corporation are not to remain outstanding, to be converted solely into shares or other securities of the stock corporation or memberships or membership interests of the nonstock corporation surviving or resulting from such merger or consolidation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of shares of any such stock corporation or memberships or membership interests of any such nonstock corporation are to receive in exchange for, or upon conversion of such shares or memberships or membership interests, and the surrender of any certificates evidencing them, which cash, property, rights~~,~~ or securities of any other corporation or entity may be in addition to or in lieu of shares or other securities of any stock corporation or memberships or membership interests of any nonstock corporation surviving or resulting from such merger or consolidation; and

(5) such other details or provisions as are deemed desirable.

In such merger or consolidation, the memberships or membership interests of ~~members of~~ a constituent nonstock corporation may be treated in various ways so as to convert such memberships or membership interests into interests of value, other than shares of stock, in the surviving or resulting stock corporation or into shares of stock in the surviving or resulting stock corporation, voting or nonvoting, or into creditor interests or any other interests of value equivalent to their memberships or membership interests in their nonstock corporation. The voting rights of members of a constituent nonstock corporation need not be considered an element of value in measuring the reasonable equivalence of the value of the interests received in the surviving or resulting stock corporation by members of a constituent nonstock corporation, nor need the voting rights of shares of stock in a constituent stock corporation be considered as an element of value in measuring the reasonable equivalence of the value of the interests in the surviving or resulting nonstock corporation received by stockholders of

a constituent stock corporation, and the voting or nonvoting shares of a stock corporation may be converted into ~~voting or nonvoting regular, life, general, special or other~~ any type of membership or membership interest, however designated, creditor interests or participating interests, in ~~any~~ the nonstock corporation surviving or resulting from such merger or consolidation of a stock corporation and a nonstock corporation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement required by subsection (b), in the case of each constituent stock corporation, shall be adopted, approved, certified and executed by each constituent corporation in the same manner as is provided in K.S.A. 17-6701, and amendments thereto, and, in the case of each constituent nonstock corporation, shall be adopted, approved, certified and executed by each of such constituent corporations in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger of stock corporations of this state. Insofar as they may be applicable, the provisions set forth in the last sentence of ~~subsection (c) of~~ K.S.A. 17-6701(c), and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.

(d) ~~The provisions of subsection (c) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section, if the surviving corporation is a corporation of this state~~; the provisions of subsection (d) of K.S.A. 17-6701, and amendments thereto, shall apply to any constituent stock corporation participating in a merger or consolidation under this section; and the provisions of subsection (f) of~~, and K.S.A. 17-6701(f), and amendments thereto, shall apply to any constituent stock corporation participating in a merger under this section.

(e) K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, except that, for purposes of a constituent nonstock corporation, references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

(f) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired~~.~~, but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 75. K.S.A. 17-6708 is hereby amended to read as follows: 17-6708. (a) Any one or more corporations of this state, whether stock or nonstock corporations and whether or not organized for profit, may merge or consolidate with one or more other corporations of any other state or states of the United States or of the District of Columbia, whether stock or nonstock corporations and whether or not organized for profit, if the laws under which the other corporation or corporations are formed shall permit such a corporation of such jurisdiction to merge with a corporation of another

jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, which may be a corporation of the place of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving or new corporation may be either a stock corporation or a ~~membership~~ nonstock corporation, as shall be specified in the agreement of merger required by subsection (b) ~~of this section~~.

(b) The method and procedure to be followed by the constituent corporations so merging or consolidating shall be as prescribed in K.S.A. 17-6707, and amendments thereto, in the case of Kansas corporations. The agreement of merger or consolidation shall also set forth such other matters or provisions as shall then be required to be set forth in articles of incorporation by the laws of the state which are stated in the agreement to be the laws which shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. The agreement, in the case of foreign corporations, shall be adopted, approved, certified and executed by each of the constituent foreign corporations in accordance with the laws under which each is formed.

(c) The requirements of ~~subsection (d) of~~ K.S.A. 17-6702(d), and amendments thereto, as to the appointment of the secretary of state to receive process and the manner of serving the same in the event the surviving or new corporation is to be governed by the laws of any other state shall also apply to mergers or consolidations effected under ~~the provisions of~~ this section. ~~The provisions of subsection (e) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to mergers effected under ~~the provisions of~~ this section if the surviving corporation is a corporation of this state; ~~the provisions of subsection (d) of~~ K.S.A. 17-6701(d), and amendments thereto, shall apply to any constituent ~~stock~~ corporation participating in a merger or consolidation under this section, except that for purposes of a constituent nonstock corporation, references to the board of directors, to stockholders, and to shares shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests of the corporation, as applicable, respectively; and ~~the provisions of subsection (f) of~~ K.S.A. 17-6701(f), and amendments thereto, shall apply to any constituent stock corporation participating in a merger under this section.

(d) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired; but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 76. K.S.A. 17-6710 is hereby amended to read as follows: 17-6710. When two or more corporations are merged or consolidated, the corporation surviving or resulting from the merger or consolidation may issue bonds or other obligations, negotiable or otherwise, and with or without coupons or interest certificates thereto attached, to an amount sufficient with its capital stock to provide for all the payments it will be required to make, or obligations it will be required to assume, in order to effect the merger or consolidation. For the purpose of securing the payment of any such bonds and obligations, it shall be lawful for the surviving or resulting corporation to mortgage its corporate franchise, rights, privileges and property, real, personal or mixed. The

surviving or resulting corporation may issue ~~certificated or uncertificated shares~~ certificates of its capital stock or uncertificated stock if authorized to do so and other securities to the stockholders of the constituent corporations in exchange or payment for the original shares, in such amount as shall be necessary in accordance with the terms of the agreement of merger or consolidation in order to effect such merger or consolidation in the manner and on the terms specified in the agreement.

Sec. 77. K.S.A. 17-6712 is hereby amended to read as follows: 17-6712. (a) ~~When~~ Any stockholder of a corporation of this state who holds shares of stock on the date of the making of a demand pursuant to subsection (d) with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to K.S.A. 17-6518, and amendments thereto, shall be entitled to an appraisal by the district court of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c). As used in this section, the word "stockholder" means a holder of record of stock in a ~~stock corporation and also a member of record of a nonstock~~ corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words ~~and also membership or membership interest of a member of a nonstock corporation~~; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) ~~(1)~~ Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to K.S.A. 17-6701, and amendments thereto, other than a merger effected pursuant to ~~subsection (g) of~~ K.S.A. 17-6701(g), and amendments thereto, and, subject to subsection (b)(3), K.S.A. 17-7601(h), 17-6702, ~~17-6704,~~ 17-6705, 17-6706, 17-6707, and 17-6708 ~~or 17-7703~~, and amendments thereto ~~, except that~~:

~~(A)~~ (1) No appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of ~~and to vote at~~ the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (A) Listed on a national securities exchange ~~or designated as a national market system security on an interdealer quotation system by the national association of securities dealers, inc.,~~; or (B) held of record by more than 2,000 holders ~~; (B)~~, except that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in ~~subsection (f) of~~ K.S.A. 17-6701(f), and amendments thereto.

(2) Notwithstanding ~~the provisions of subsections (b)(1)(A) and (b)(1)(B)~~ subsection (b)(1), appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to K.S.A. 17-6701, 17-6702, ~~17-6704~~ 17-6705, 17-6706, 17-6707, and 17-6708 ~~and 17-7703~~, and amendments thereto, to accept for such stock anything except:

(A) Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect ~~of such shares of stock~~ thereof;

(B) shares of stock of any other corporation, or depository receipts in respect ~~of such shares of stock~~ thereof, which shares of stock, or depository receipts in respect ~~of such shares of stock~~ thereof, or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange ~~or designated as a national market system security on an interdealer quotation system by the national association of securities dealers, inc.~~ or held of record by more than 2,000 holders;

(C) cash in lieu of fractional shares or fractional depository receipts described in ~~the foregoing~~ subparagraphs (A) and (B); or

(D) any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in ~~the foregoing~~ subparagraphs (A), (B) and (C).

(3) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under K.S.A. 17-6701(h) or 17-6703, and amendments thereto, is not owned by the parent ~~corporation~~ immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Kansas corporation.

(c) Any corporation may provide in its articles of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its articles of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the articles of incorporation ~~contains~~ contain such a provision, the procedures of this section, including those set forth in subsections (d) and (e), shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting, or such members who received notice in accordance with K.S.A. 17-6705, and amendments thereto, with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if one of the constituent corporations is a nonstock corporation, a copy of section 4, and amendments thereto. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to K.S.A. 17-6518, 17-6701(h) or ~~K.S.A.~~ 17-6703, and amendments thereto, then, either a constituent corporation before the effective date of the merger or consolidation~~,~~ or the surviving or

resulting corporation within 10 days thereafter~~,~~ shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if one of the constituent corporations is a nonstock corporation, a copy of section 4, and amendments thereto. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to K.S.A. 17-6701(h), and amendments thereto, within the later of the consummation of the tender or exchange offer contemplated by K.S.A. 17-6701(h), and amendments thereto, and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either: (A) Each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation; or (B) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to K.S.A. 17-6701(h), and amendments thereto, later than the later of the consummation of the tender or exchange offer contemplated by K.S.A. 17-6701(h), and amendments thereto, and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) and who is otherwise entitled to appraisal rights, may ~~file~~ commence an appraisal proceeding by filing a petition in the district court demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such

stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of ~~subsection~~ subsections (a) and (d), upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d), whichever is later. Notwithstanding subsection (a), a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the clerk of the court in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The clerk of the court, if so ordered by the court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by one or more publications at least one week before the day of the hearing, in a newspaper of general circulation published in the county in which the court is located or such publication as the court deems advisable. The forms of the notices by mail and by publication shall be approved by the court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the clerk of the court for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the court may dismiss the proceedings as to such stockholder.

(h) After ~~determining~~ the court determines the stockholders entitled to an appraisal, the ~~court shall appraise the shares, determining their fair value~~ appraisal proceeding shall be conducted in accordance with the rules of the district court, including any rules specifically governing appraisal proceedings. Through such proceeding the court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with ~~a fair rate of~~ interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the court shall take into account all relevant factors. ~~In determining the fair rate of interest, the court may consider all relevant factors,~~

~~including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding~~ Unless the court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the federal reserve discount rate, including any surcharge, as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the court may, in its discretion, ~~permit discovery or other pretrial proceedings and may~~ proceed to trial upon the appraisal prior to the final determination of the ~~stockholder~~ stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) and who has submitted such stockholder's certificates of stock to the clerk of the court, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. ~~Interest may be simple or compound, as the court may direct.~~ Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The court's decree may be enforced as other decrees in the district court may be enforced, whether such surviving or resulting corporation be a corporation of this state or of any state.

(j) The costs of the proceeding may be determined by the court and taxed upon the parties as the court deems equitable in the circumstances. Upon application of a stockholder, the court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable ~~attorney's~~ attorney fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock, except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation; provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e), or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the district court shall be dismissed as to any stockholder without the approval of the court, and such approval may be conditioned upon such terms as the court deems just, except that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the

merger or consolidation, as set forth in subsection (e).

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Sec. 78. K.S.A. 17-6801 is hereby amended to read as follows: 17-6801. (a) Every corporation may at any meeting of its board of directors ~~may~~ or governing body sell, lease or exchange all or substantially all of its property and assets, including its ~~good will~~ goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or other property, including shares of stock in, ~~or~~ and other securities of, ~~or both,~~ any other corporation or corporations, as its board of directors or governing body deems expedient and for the best interests of the corporation, when and as authorized by a resolution adopted at a meeting duly called upon at least 20 days' notice as follows: (1) By the holders of a majority of the outstanding stock of the corporation entitled to vote thereon ~~or,~~; (2) in the case of ~~non-stock~~ nonstock corporations, other than those corporations that are the subject of the next paragraph, by a majority of the members ~~thereof~~ entitled to vote for the election of the members of the governing body and any other members entitled to vote thereon, ~~at a meeting thereof duly called upon at least 20 days' notice~~ under the articles of incorporation or the bylaws of such corporation; or (3) in the case of nonprofit nonstock corporations, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto, by a majority of the members entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote thereon under the articles of incorporation or the bylaws of such corporation voting at such meeting. The notice of the meeting shall state that such a resolution will be considered.

(b) Notwithstanding authorization or consent to a proposed sale, lease or exchange of a corporation's property and assets ~~pursuant to subsection (a)~~ by the stockholders or members, the board of directors or governing body may abandon such proposed sale, lease or exchange without further action by the stockholders or members, ~~as the case may be,~~ subject to the rights, if any, of third parties under any contract relating thereto.

(c) For purposes of this section only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in this subsection, "subsidiary" means any entity wholly owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies and statutory trusts. Notwithstanding subsection (a), except to the extent the articles of incorporation otherwise provide, no resolution by stockholders or members shall be required for a sale, lease or exchange of property and assets of the corporation to a subsidiary.

Sec. 79. K.S.A. 17-6803 is hereby amended to read as follows: 17-6803. ~~Before beginning~~ If a corporation has not issued shares or has not commenced the business for which the corporation was organized, a majority of the incorporators, or, if directors were named in the articles of incorporation or have been elected, a majority of the directors, may surrender all of the corporation's rights and franchises by filing in the office of the secretary of state a certificate, executed by a majority of the incorporators

or directors, stating that: (a) No shares of stock have been issued or that the business or activity for which the corporation was organized has not been begun; ~~that~~ (b) no part of the capital of the corporation has been paid or, if some capital has been paid, that the amount actually paid in for the corporation's shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto; ~~that~~ (c) if the corporation has begun business but it has not issued shares, all debts of the corporation have been paid; (d) if the corporation has not begun business but has issued stock certificates, all issued stock certificates, if any, have been surrendered and canceled; and ~~that~~ (e) all rights and franchises of the corporation are surrendered. Upon ~~the filing of~~ such certificate becoming effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto, the corporation shall be dissolved.

Sec. 80. K.S.A. 17-6804 is hereby amended to read as follows: 17-6804. (a) If it ~~is~~ should be deemed advisable in the judgment of the board of directors of any corporation that it should be dissolved, the board, after the adoption of a resolution to that effect by a majority of the whole board at any meeting called for that purpose, shall ~~give notice by mail to each stockholder entitled to vote on a dissolution~~ cause notice of the adoption of the resolution and of a meeting of stockholders to take action upon the resolution to be mailed to each stockholder entitled to vote thereon as of the record date for determining the stockholders entitled to notice of the meeting.

(b) At the meeting a vote shall be taken ~~for and against the proposed dissolution. If a majority of the outstanding stock of the corporation entitled to vote votes for the proposed dissolution, a certificate stating that the dissolution has been authorized in accordance with the provisions of this section and setting forth the names and residences of the directors and officers shall be executed and filed in accordance with K.S.A. 17-6003 and amendments thereto. The secretary of state, upon being satisfied that the requirements of this section have been complied with, shall issue a certificate that the certificate has been filed, and thereupon, the corporation shall be dissolved~~ upon the proposed dissolution. If a majority of the outstanding stock of the corporation entitled to vote thereon shall vote for the proposed dissolution, a certificate of dissolution shall be filed with the secretary of state pursuant to subsection (d).

(c) ~~Whenever all the stockholders entitled to vote on a dissolution shall consent in writing to a dissolution, either in person or by duly authorized attorney, no meeting of directors or stockholders shall be necessary, but on filing the consent in the office of the secretary of state in accordance with K.S.A. 17-6003, and amendments thereto, the secretary of state, upon being satisfied that the requirements of this section have been complied with, shall issue a certificate that the consent to dissolution has been filed, and thereupon the corporation shall be dissolved. In the event that the consent is signed by an attorney, the original power of attorney or a photocopy thereof shall be attached to and filed with the consent. The consent filed with the secretary of state shall have attached to it the affidavit of the secretary or some other officer of the corporation stating that the consent has been signed by or on behalf of all the stockholders entitled to vote on a dissolution; in addition there shall be attached to the consent a certification by the secretary or some officer of the corporation setting forth the names and residences of the directors and officers of the corporation~~ Dissolution of a corporation may also be authorized without action of the directors if all the stockholders entitled to vote thereon shall consent in writing and a certificate of dissolution shall be filed with the secretary of state pursuant to subsection (d).

(d) If dissolution is authorized in accordance with this section, a certificate of dissolution shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such certificate of dissolution shall set forth:

(1) The name of the corporation;

(2) the date dissolution was authorized;

(3) that the dissolution has been authorized by the board of directors and stockholders of the corporation, in accordance with subsections (a) and (b), or that the dissolution has been authorized by all of the stockholders of the corporation entitled to vote on a dissolution, in accordance with subsection (c); and

(4) the names and addresses of the directors and officers of the corporation.

(e) The resolution authorizing a proposed dissolution may provide that notwithstanding authorization or consent to the proposed dissolution by the stockholders, or the members of a nonstock corporation pursuant to K.S.A. 17-6805, and amendments thereto, the board of directors or governing body may abandon such proposed dissolution without further action by the stockholders or members.

(f) Upon a certificate of dissolution becoming effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto, the corporation shall be dissolved.

(g) If the stockholders of a corporation having only two stockholders, each of which owns 50% of the stock therein, are unable to agree upon the desirability of dissolving the corporation and disposing of the corporate assets, either stockholder may file with the district court a petition stating that it desires to dissolve the corporation and to dispose of the assets thereof in accordance with a plan to be agreed upon by both stockholders. Such petition shall have attached thereto a copy of the proposed plan of dissolution and distribution and a certificate stating that copies of such petition and plan have been transmitted in writing to the other stockholder and to the directors and officers of such corporation.

Unless both stockholders file with the district court: (1) Within three months of the date of the filing of such petition, a certificate stating that they have agreed on such plan, or a modification thereof; and (2) within one year from the date of the filing of such petition, a certificate stating that the distribution provided by such plan has been completed, the court may either: (A) Dissolve such corporation and, by appointment of one or more receivers with all the powers and title of a receiver appointed under K.S.A. 17-6808, and amendments thereto, may administer and wind up its affairs; (B) order the redemption of the stock of one of the stockholders on such terms as are just and equitable; or (C) decline to grant any relief. Either or both of the above periods of time may be extended by agreement of the stockholders, evidenced by a certificate filed with the court prior to the expiration of such period.

Sec. 81. K.S.A. 17-6805 is hereby amended to read as follows: 17-6805. (a) Whenever it shall be desired to dissolve any nonstock corporation ~~having no capital stock~~, the governing body shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the board of directors of a corporation having capital stock. ~~If~~ The following members of a nonstock corporation ~~having no capital stock are entitled to vote for the election of members of its governing body, they~~ shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the stockholders of a corporation having capital stock, including dissolution without action

of the members of the governing body if all the members of the corporation entitled to vote thereon shall consent in writing and a certificate of dissolution shall be filed with the secretary of state pursuant to K.S.A. 17-6804(d), and amendments thereto: (1) Any members entitled to vote for the election of the members of its governing body and any other members entitled to vote for dissolution under the articles of incorporation or the bylaws of such corporation, except those corporations that are the subject of the next paragraph; or (2) in the case of a nonprofit nonstock corporation, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto, any members entitled to vote for the election of the members of its governing body and any other members entitled to vote for dissolution under the articles of incorporation or the bylaws of such corporation voting at the meeting. If there is no member entitled to vote ~~on such dissolution~~ thereon, the dissolution of the corporation shall be authorized at a meeting of the governing body, upon the adoption of a resolution to dissolve by the vote of a majority of members of its governing body then in office. In all other respects, the method and proceedings for the dissolution of a nonstock corporation ~~having no capital stock~~ shall conform as nearly as may be ~~possible~~ to the proceedings prescribed by K.S.A. 17-6804, and amendments thereto, for the dissolution of corporations having capital stock.

(b) If a nonstock corporation ~~having no capital stock~~ has not commenced the business for which the corporation was organized, a majority of the governing body or, if none, a majority of the incorporators may surrender all of the corporation's rights and franchises by filing in the office of the secretary of state a certificate, executed by a majority of the incorporators or governing body, conforming as nearly as may be ~~possible~~ to the certificate prescribed by K.S.A. 17-6803, and amendments thereto.

Sec. 82. K.S.A. 17-6805a is hereby amended to read as follows: 17-6805a. Notwithstanding any provision of law or the articles of incorporation, the articles of incorporation of each nonprofit corporation that qualifies otherwise for an exemption under section 501(c)(3) of the internal revenue code of 1986, ~~as amended (~~26 U.S.C. § 501(c)(3)~~)~~, shall be considered to contain the following provision:

Upon the dissolution of the corporation, ~~the board of directors or governing body of the corporation, after paying or providing for the payment of all liabilities of the corporation, shall dispose of all the assets of the corporation exclusively: (1) In accordance with the purposes of the corporation, in the manner determined by the board of directors or governing body; or (2) to organizations qualified for exemption under section 501(c)(3) of the internal revenue code of 1986, as amended (26 U.S.C. § 501(c)(3)), and specified by the board of directors or governing body. Any assets of the corporation not so disposed of shall be disposed of by the district court of the county where the principal office of the corporation is then located, exclusively for the purposes or to the organizations provided above, as determined by the court~~ assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the internal revenue code of 1986 or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the district court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as the court shall determine, which are organized and operated exclusively for such purposes.

Sec. 83. K.S.A. 17-6807 is hereby amended to read as follows: 17-6807. (a) All corporations, whether they expire by their own limitation or are otherwise dissolved, including revocation or forfeiture of articles of incorporation pursuant to K.S.A. 17-6812 or 17-7510, and amendments thereto, shall be continued, nevertheless, for the term of three years from such expiration or dissolution or for such longer period as the district court in its discretion shall direct, bodies corporate for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities and to distribute to their stockholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit or proceeding begun by or against the corporation either prior to or within three years after the date of its expiration or dissolution, the action shall not abate by reason of the dissolution of the corporation~~; and~~. The corporation shall, solely for the purpose of such action, suit or proceeding, be continued as a body corporate beyond the three-year period and until any judgments, orders or decrees ~~thereon~~ therein shall be fully executed, without the necessity for any special direction to that effect by the district court.

(b) K.S.A. 17-6808 through 17-6811 and section 6, and amendments thereto, shall apply to any corporation that has expired by its own limitation, and when so applied, all references in those sections to a dissolved corporation or dissolution shall include a corporation that has expired by its own limitation and to such expiration, respectively.

Sec. 84. K.S.A. 17-6808 is hereby amended to read as follows: 17-6808. When any corporation organized under this ~~act~~ code shall be dissolved in any manner whatever, the district court, on application of any creditor, stockholder or director of the corporation, or any other person who shows good cause therefor, at any time, may either ~~may~~ appoint one or more of the directors of the corporation to be trustees, or appoint one or more ~~other~~ persons to be receivers, of and for the corporation, ~~or both,~~ to take charge of the corporation's property, and to collect the debts and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the corporation, if in being, that may be necessary for the final settlement of the unfinished business of the corporation. The powers of the trustees or receivers may be continued as long as the court shall think necessary for the purposes aforesaid.

Sec. 85. K.S.A. 17-6809 is hereby amended to read as follows: 17-6809. The district court shall have jurisdiction of ~~the~~ any application prescribed in ~~K.S.A. 17-6808~~ this article and of all questions arising in the proceedings thereon, and may make such orders and decrees and issue injunctions therein as justice and equity shall require.

Sec. 86. K.S.A. 17-6810 is hereby amended to read as follows: 17-6810. ~~The directors or, if appointed by the district court, the receivers of a dissolved corporation, after payment of all allowances, expenses and costs, and the satisfaction of all special and general liens upon the funds of the corporation to the extent of their lawful priority, shall pay the other debts due from the corporation, if the funds in their hands shall be sufficient therefor, and if not, they shall distribute the same ratably among all the creditors who shall prove their debts in the manner that shall be directed by an order or decree of the court for that purpose. If there shall be any balance remaining after the~~

~~payment of the debts and necessary expenses, they shall distribute and pay the same to and among those who shall be justly entitled thereto, as having been stockholders of the corporation or their legal representatives~~

(a) (1) A dissolved corporation or successor entity which has followed the procedures described in section 6, and amendments thereto, shall:

(A) Pay the claims made and not rejected in accordance with section 6(a), and amendments thereto;

(B) post the security offered and not rejected pursuant to section 6(b)(2), and amendments thereto;

(C) post any security ordered by the district court in any proceeding under section 6(c), and amendments thereto; and

(D) pay or make provision for all other claims that are mature, known and uncontested or that have been finally determined to be owing by the corporation or such successor entity.

(2) Such claims or obligations shall be paid in full and any such provision for payment shall be made in full if there are sufficient assets. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority, and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the stockholders of the dissolved corporation, except that such distribution shall not be made before the expiration of 150 days from the date of the last notice of rejections given pursuant to section 6(a)(4), and amendments thereto. In the absence of actual fraud, the judgment of the directors of the dissolved corporation or the governing persons of such successor entity as to the provision made for the payment of all obligations under subsection (a)(1)(D) shall be conclusive.

(b) (1) A dissolved corporation or successor entity which has not followed the procedures described in section 6, and amendments thereto, shall, prior to the expiration of the period described in K.S.A. 17-6807, and amendments thereto, adopt a plan of distribution pursuant to which the dissolved corporation or successor entity shall:

(A) Pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims known to the corporation or such successor entity;

(B) make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit or proceeding to which the corporation is a party; and

(C) make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within 10 years after the date of dissolution.

(2) The plan of distribution shall provide that such claims shall be paid in full and any such provision for payment made shall be made in full if there are sufficient assets. If there are insufficient assets, such plan shall provide that such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the stockholders of the dissolved corporation.

(c) Directors of a dissolved corporation or governing persons of a successor entity

which has complied with subsection (a) or (b) shall not be personally liable to the claimants of the dissolved corporation.

(d) As used in this section, the term "successor entity" has the meaning set forth in section 6(e), and amendments thereto.

(e) As used in this section, the term "priority" does not refer either to the order of payments set forth in subsection (a)(1) or to the relative times at which any claims mature or are reduced to judgment.

(f) In the case of a nonprofit nonstock corporation, provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation's articles of incorporation or bylaws.

Sec. 87. K.S.A. 17-6811 is hereby amended to read as follows: 17-6811. ~~If any corporation becomes dissolved in any manner whatever before final judgment is obtained in any action pending or commenced in any court of this state against the corporation, the action shall not abate by reason thereof, but the dissolution of the corporation being suggested upon the record, and the names of the receivers of the corporation being entered upon the record, and notice thereof served upon the receivers, or if such service be impracticable, upon the counsel of record in such case, the action shall proceed to final judgment against the receivers in the name of the corporation~~

(a) A stockholder of a dissolved corporation the assets of which were distributed pursuant to K.S.A. 17-6810(a) or (b), and amendments thereto, shall not be liable for any claim against the corporation in an amount in excess of such stockholder's pro rata share of the claim or the amount so distributed to such stockholder, whichever is less.

(b) A stockholder of a dissolved corporation the assets of which were distributed pursuant to K.S.A. 17-6810(a), and amendments thereto, shall not be liable for any claim against the corporation on which an action, suit or proceeding is not begun prior to the expiration of the period described in K.S.A. 17-6807, and amendments thereto.

(c) The aggregate liability of any stockholder of a dissolved corporation for claims against the dissolved corporation shall not exceed the amount distributed to such stockholder in dissolution.

Sec. 88. K.S.A. 17-6812 is hereby amended to read as follows: 17-6812. (a) The district court shall have jurisdiction to revoke or forfeit the articles of incorporation of any corporation for abuse, misuse or nonuse of its corporate powers, privileges or franchises. The attorney general shall, upon ~~his~~ the attorney general's own motion or upon the relation of a proper party, ~~shall~~ proceed for this purpose by ~~commencing a quo warranto action~~ petition in the district court of the county in which the registered office of the corporation is located.

(b) The district court shall have power, by appointment of receivers or otherwise, to administer and wind up the affairs of any corporation whose articles of incorporation shall be revoked or forfeited by any court under any section of this ~~act~~ code or otherwise, and to make such orders and decrees with respect thereto as shall be just and equitable respecting its affairs and assets and the rights of its stockholders and creditors.

(c) No proceeding shall be instituted under this section for nonuse of any corporation's powers, privileges or franchises during the first two ~~(2)~~ years after its incorporation.

Sec. 89. K.S.A. 17-6813 is hereby amended to read as follows: 17-6813. Whenever any corporation is dissolved or its articles of incorporation forfeited by decree or

judgment of the district court, the decree or judgment shall be forthwith filed by the clerk of such district court in which the decree or judgment was entered and in the office of the secretary of state, and a note thereof shall be made by the secretary of state on the corporation's articles of incorporation.

Sec. 90. K.S.A. 17-6902 is hereby amended to read as follows: 17-6902. (a) Trustees or receivers appointed by the district court of and for any corporation, and their respective survivors and successors, upon their appointment and qualification or upon the death, resignation or discharge of any co-trustee or co-receiver, shall be vested by operation of law and without any act or deed with the title of the corporation to all of its property, real, personal or mixed of whatsoever nature, kind, class or description, and wheresoever situate, except real estate situated outside this state.

(b) Within 20 days after the date of their qualification, trustees or receivers appointed by the court shall file in the office of the register of deeds of each county in this state in which any real estate belonging to the corporation may be situated, a certified copy of the order of their appointment and evidence of their qualification.

(c) This section shall not apply to receivers appointed pendente lite.

Sec. 91. K.S.A. 17-6903 is hereby amended to read as follows: 17-6903. All notices required to be given to stockholders and creditors in any action in which a trustee or receiver for a corporation was appointed shall be given by the clerk of the district court or in the manner provided by any applicable section of the code of civil procedure, unless otherwise ordered by the district court.

Sec. 92. K.S.A. 17-6904 is hereby amended to read as follows: 17-6904. As soon as convenient, trustees or receivers shall file in the office of the clerk of the district court of the county in which the proceeding is pending, a full and complete itemized inventory of all the assets of the corporation, which shall show their nature and probable value, and an account of all debts due from and to the corporation, as nearly as the same can be ascertained. They shall make a report to the court of their proceedings whenever and as often as the court shall direct.

Sec. 93. K.S.A. 17-6905 is hereby amended to read as follows: 17-6905. All creditors shall make proof under oath of their respective claims against the corporation and shall cause such proof of claim to be filed in the office of the clerk of the district court of the county in which the proceeding is pending within ~~six months from the date of the appointment of a receiver for the corporation, or within such other period of time if the court shall so order and direct~~ the time fixed by and in accordance with the procedure established by the district court. All creditors and claimants failing to do so, within the time limited by this section, or the time prescribed by the order of the court, may be barred by the court from participating in the distribution of the assets of the corporation. The court also may prescribe what notice, by publication or otherwise, shall be given to the creditors of the time fixed for the filing and making proof of claims.

Sec. 94. K.S.A. 17-6906 is hereby amended to read as follows: 17-6906. (a) The clerk of the district court, immediately upon the expiration of the time fixed for the filing of claims, in compliance with the provisions of K.S.A. 17-6905, and amendments thereto, shall notify the trustee or receiver of the filing of the claims, and the trustee or receiver, within 30 days after receiving the notice, shall inspect the claims, and if the trustee or receiver or any creditor shall not be satisfied with the validity or correctness of the same, or any of them, the trustee or receiver shall forthwith notify the creditors

whose claims are disputed of such decision. The trustee or receiver shall require all creditors whose claims are disputed to submit themselves to such examination in relation to their claims as the trustee or receiver shall direct, and the creditors shall produce such books and papers relating to their claims as shall be required. The trustee or receiver shall have power to examine, under oath or affirmation, all witnesses produced before the trustee or receiver touching the claims, and shall ~~recommend to the court the allowance or disallowance of~~ pass upon and allow or disallow the claims, or any part thereof, and notify the claimants of such determination.

(b) ~~The court shall approve, disapprove or modify the recommendations of the receiver and shall cause notice thereof to be given to the claimants. Within 30 days after receipt of such notice, any creditor or claimant dissatisfied with the court's determination shall have the right to a hearing thereon~~ Every creditor or claimant who shall have received notice from the receiver or trustee that such creditor's or claimant's claim has been disallowed in whole or in part may appeal to the district court within 30 days thereafter. The court, after hearing, shall determine the rights of the parties. ~~Any party aggrieved thereby may appeal to the supreme court as a matter of right from the order or decree expressing such determination.~~

Sec. 95. K.S.A. 17-6907 is hereby amended to read as follows: 17-6907. Whenever the property of a corporation is at the time of the appointment of a trustee or receiver encumbered with liens of any character, and the validity, extent or legality of any such lien is disputed or brought in question, and the property of the corporation is of a character which will deteriorate in value pending the litigation respecting the lien, the district court may order the receiver or trustee to sell the property of the corporation, clear of all encumbrances, at public or private sale, for the best price that can be obtained therefor. The net proceeds arising from the sale thereof, after deducting the costs of the sale, shall be paid into the court, there to remain subject to the order of the court, and to be disposed of as the court shall direct.

Sec. 96. K.S.A. 17-6908 is hereby amended to read as follows: 17-6908. The district court, before making distribution of the assets of a corporation among the creditors or stockholders thereof, shall allow and pay out of the assets: ~~(1)~~ (a) A reasonable compensation to the trustee or receiver for the trustee's or receiver's services; ~~(2)~~ (b) the cost and expenses incurred in and about the execution of ~~the receivership~~ such trustee's or receiver's trust, including reasonable ~~attorneys'~~ attorney fees; and ~~(3)~~ (c) the costs of the proceedings in the court.

Sec. 97. K.S.A. 17-6909 is hereby amended to read as follows: 17-6909. A trustee or receiver, upon application by the trustee or receiver in the court in which any suit is pending, shall be substituted as party plaintiff in the place of the corporation in any suit or proceeding which was so pending at the time of the trustee's or receiver's appointment. No action against a trustee or receiver of a corporation shall abate by reason of the trustee's or receiver's death, but, upon suggestion of the facts on the record, shall be continued against the trustee's or receiver's successor or against the corporation in case no new trustee or receiver is appointed.

Sec. 98. K.S.A. 17-6910 is hereby amended to read as follows: 17-6910. Whenever any corporation of this state, or any foreign corporation doing business in this state, shall become insolvent, the employees doing labor or service of whatever character in the regular employ of the corporation, shall have a lien upon the assets thereof for the amount of the wages due to them, not exceeding two months' wages, respectively,

which shall be paid prior to any other debt or debts of the corporation. The word "employee" as used in this section shall not be construed to include ~~anyone owning or controlling a majority of the voting stock or voting power~~ any of the officers of the corporation.

Sec. 99. K.S.A. 17-6911 is hereby amended to read as follows: 17-6911. The liquidation of the assets and business of an insolvent corporation may be discontinued at any time during the liquidation proceedings when it is established that cause for liquidation no longer exists. In such event the district court in its discretion, and subject to such condition as it may deem appropriate, may dismiss the proceedings and direct the trustee or receiver to redeliver to the corporation all of its remaining property and assets.

Sec. 100. K.S.A. 17-6913 is hereby amended to read as follows: 17-6913. (a) Any corporation of this state, ~~a plan of reorganization of which, pursuant to the provisions of any applicable statute of the United States relating to reorganizations of corporations, has been or shall be confirmed by the decree or order of a court of competent jurisdiction~~ an order for relief with respect to which has been entered pursuant to the federal bankruptcy reform act of 1978 (11 U.S.C. §§ 101 et seq.), may put into effect and carry out ~~the plan and the~~ any decrees and orders of the court or judge ~~relative thereto~~ in such bankruptcy proceeding, and may take any ~~proceeding and do any act provided in the plan~~ corporate action provided or directed by such decrees and orders, without further action by its directors or stockholders. Such power and authority may be exercised, and such ~~proceedings and acts~~ corporate action may be taken, as may be directed by such decrees or orders, by the trustee or trustees of such corporation appointed or elected in the ~~reorganization~~ bankruptcy proceedings, or a majority thereof, or if none be appointed or elected and acting, by designated officers of the corporation, or by a ~~master or other~~ representative appointed by the court or judge, with like effect as if exercised and taken by unanimous action of the directors and stockholders of the corporation.

(b) In the manner provided in subsection (a) ~~of this section~~, but without limiting the generality or effect of the foregoing, such corporation may: Alter, amend or repeal its bylaws; constitute or reconstitute and classify or reclassify its board of directors, and name, constitute or appoint directors and officers in place of or in addition to all or some of the directors or officers then in office; amend its articles of incorporation, and make any change in its capital or capital stock, or any other amendment, change or alteration, or provision, authorized by this ~~act~~ code; be dissolved, transfer all or part of its assets, merge or consolidate as permitted by this ~~act~~ code, except that no stockholder shall have any statutory right of appraisal of such stockholder's stock; change the location of its registered office, change its resident agent and remove or appoint any agent to receive service of process; authorize and fix the terms, manner and conditions of, the issuance of bonds, debentures or other obligations, whether or not convertible into stock of any class, or bearing warrants or other evidences of optional rights to purchase or subscribe for stock of any class; or lease its property and franchises to any corporation, if permitted by law.

(c) A certificate of any amendment, change or alteration, or of dissolution, or any agreement of merger or consolidation, made by such corporation pursuant to the provisions of this section, shall be filed with the secretary of state in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto, and, subject to

~~subsection (d) of~~ K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto, shall thereupon become effective in accordance with its terms and the provisions of ~~the instrument as provided in~~ this subsection. Such certificate, agreement of merger or other instrument shall be made and executed, as may be directed by such decrees or orders, by the trustee or trustees appointed or elected in the ~~reorganization~~ bankruptcy proceedings, or a majority thereof, or, if none be appointed or elected and acting, by the officers of the corporation, or by a ~~master or other~~ representative appointed by the court, and shall certify that provision for the making of such certificate, agreement or instrument is contained in a decree or order of a court having jurisdiction of a proceeding under ~~such applicable statute of the United States for the reorganization of such corporation~~ the federal bankruptcy reform act of 1978 (11 U.S.C. §§ 101 et seq.).

(d) The provisions of this section shall cease to apply to such corporation upon the entry of a final decree in the ~~reorganization~~ bankruptcy proceedings closing the case and discharging the trustee or trustees, if any, will not affect the validity of any act previously performed pursuant to subsections (a) through (c).

(e) On filing any certificate, agreement, report or other paper made or executed pursuant to the provisions of this section, there shall be paid to the secretary of state for the use of the state the same fees as are payable by corporations not in ~~reorganization~~ bankruptcy upon the filing of like certificates, agreements, reports or other papers.

Sec. 101. K.S.A. 17-7001 is hereby amended to read as follows: 17-7001. (a) At any time prior to the expiration of three years following the dissolution of a corporation pursuant to K.S.A. 17-6804, and amendments thereto, or, at any time prior to the expiration of such longer period as the court may have directed pursuant to K.S.A. 17-6807, and amendments thereto, a corporation may revoke the dissolution theretofore effected by it in the following manner:

(1) For purposes of this section, the term "stockholders" shall mean the stockholders of record on the date the dissolution became effective.

(2) The board of directors shall adopt a resolution recommending that the dissolution be revoked and directing that the question of the revocation be submitted to a vote at a special meeting of stockholders.

~~(2)~~ (3) Notice of the special meeting of stockholders shall be given in accordance with K.S.A. 17-6512, and amendments thereto, to each ~~stockholder whose shares were entitled to vote upon a proposed dissolution before the corporation was dissolved~~ of the stockholders.

~~(3)~~ (4) At the meeting, a vote of the stockholders shall be taken on ~~the~~ a resolution to revoke the dissolution. If a majority of the stock of the corporation which was outstanding and entitled to vote upon a dissolution at the time of its dissolution shall be voted for the resolution, a certificate of revocation of dissolution shall be executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, which shall state:

~~(i)~~ (A) The name of the corporation;

(B) the address of the corporation's registered office in this state, which shall be stated in accordance with K.S.A. 2015 Supp. 17-7924(c), and amendments thereto, and the name of its resident agreement at such address;

~~(ii)~~ (C) the names and respective addresses of its officers;

~~(iii)~~ (D) the names and respective addresses of its directors; and

~~(iv)~~ (E) that a majority of the stock of the corporation which was outstanding and

entitled to vote upon a dissolution at the time of its dissolution have voted in favor of a resolution to revoke the dissolution, or that, if applicable, in lieu of a meeting and vote of stockholders, the stockholders have given their written consent to the revocation in accordance with K.S.A. 17-6518, and amendments thereto.

(b) Upon the filing in the office of the secretary of state of the certificate of revocation of dissolution ~~in the office of the secretary of state~~, the revocation of the dissolution shall become effective and the corporation may again carry on its business.

(c) ~~If, after the dissolution of any such corporation became effective, any other corporation organized under the laws of this state shall have adopted the same name as such corporation, or shall have adopted a name so nearly similar thereto as not to distinguish it from such corporation, or any foreign corporation shall have qualified to do business in this state under the same name as such corporation or under a name so nearly similar thereto as not to distinguish it from such corporation, then such corporation shall not be reinstated under the same name which it bore when its dissolution became effective. In such case, it shall adopt and be reinstated under some other name, and the certificate to be filed under the provisions of this section shall set forth the name borne by such corporation at the time its dissolution became effective and the new name under which it is to be reinstated.~~

~~(d)~~ Upon the filing of the certificate with the secretary of state to which subsection (b) refers, the provisions of ~~subsection (d) of~~ K.S.A. 17-6501(c), and amendments thereto, shall govern, and the period of time the corporation was in dissolution shall be included within the calculation of the 30-day and 13-month periods to which ~~subsection (d) of~~ K.S.A. 17-6501(c), and amendments thereto, refers. An election of directors, however, may be held at the special meeting of stockholders to which subsection (a) refers, and~~,~~ in that event, that meeting of stockholders shall be deemed an annual meeting of stockholders for purposes of ~~subsection (d) of~~ K.S.A. 17-6501(c), and amendments thereto.

(d) If, after the dissolution became effective, any other entity identified in K.S.A. 2015 Supp. 17-7918, and amendments thereto, shall have adopted the same name as the corporation, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation, or any foreign covered entity shall have qualified to do business in this state under the same name as the corporation or under a name so nearly similar thereto as not to distinguish it from the corporation, then, in such case, the corporation shall not be reinstated under the same name which it bore when its dissolution became effective, but shall adopt and be reinstated under some other name, and in such case the certificate to be filed under this section shall set forth the name borne by the corporation at the time its dissolution became effective and the new name under which the corporation is to be reinstated.

(e) Nothing in this section shall be construed to affect the jurisdiction or power of the district court under K.S.A. 17-6808 and 17-6809, and amendments thereto.

(f) At any time prior to the expiration of three years following the dissolution of a nonstock corporation pursuant to K.S.A. 17-6805, and amendments thereto, or, at any time prior to the expiration of such longer period as the district court may have directed pursuant to K.S.A. 17-6807, and amendments thereto, a nonstock corporation may revoke the dissolution effected by it in a manner analogous to that by which the dissolution was authorized, including: (1) If applicable, a vote of the members entitled to vote, if any, on the dissolution; and (2) the filing of a certificate of revocation of

dissolution containing information comparable to that required by subsection (a)(4). Notwithstanding the foregoing, only subsections (b), (d) and (e) shall apply to nonstock corporations.

Sec. 102. K.S.A. 2015 Supp. 17-7002 is hereby amended to read as follows: 17-7002. (a) As used in this section, the term: (1) "Articles of incorporation" includes the articles of incorporation of a corporation organized under any special act or any law of this state; and (2) "authority to engage in business" includes the registration of any foreign corporation under K.S.A. 2015 Supp. 17-7931, and amendments thereto.

(b) Any corporation may ~~procure an extension, renewal or reinstatement~~, at any time before the expiration of the time limited for its existence and any corporation whose articles of incorporation or authority to engage in business has become forfeited or void pursuant to this code and any corporation whose articles of incorporation or authority to engage in business has expired by reason of failure to renew it or whose articles of incorporation or authority to engage in business has been renewed, but, through failure to comply strictly with the provisions of this code, the validity of whose renewal has been brought into question, at any time procure an extension, renewal or reinstatement of its articles of incorporation, if a domestic corporation, or its authority to engage in business, if a foreign corporation, together with all the rights, franchises, privileges and immunities and subject to all of its duties, debts and liabilities which had been secured or imposed by its original articles of incorporation, and all amendments thereto, or by its authority to engage in business, as the case may be, ~~and may designate a new registered office and resident agent in the following instances:~~

~~(1) At any time before the expiration of the time limited for the corporation's existence;~~

~~(2) at any time, where the corporation's articles of incorporation, if a domestic corporation, or the authority to engage in business, if a foreign corporation, has become inoperative by law for nonpayment of taxes or fees, or failure to file its annual report;~~

~~(3) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has expired by reason of failure to renew it;~~

~~(4) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has been renewed, but through failure to comply strictly with the provisions of this act, the validity of such renewal has been brought into question; and~~

~~(5) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has been forfeited pursuant to K.S.A. 2015 Supp. 17-7929 or 17-7934, and amendments thereto~~ by complying with the requirements of this section.

~~(b)~~ (c) The extension, renewal or reinstatement of the articles of incorporation or authority to engage in business may be procured by executing and filing a certificate in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

~~(c)~~ (d) The certificate required by subsection ~~(b)~~ (c) shall state:

(1) The name of the corporation, which shall be the existing name of the corporation or the name it bore when its articles of incorporation or authority to engage in business expired, except as provided in subsection ~~(c)~~ (f) and the date of filing of its original articles of incorporation with the secretary of state;

(2) ~~if a new registered office and resident agent is designated,~~ the address of the corporation's registered office in this state, which shall ~~include the street, city and zip code~~ be stated in accordance with K.S.A. 2015 Supp. 17-7924(c), and amendments thereto, and the name of its resident agent at such address;

(3) whether or not the renewal, or reinstatement is to be perpetual and, if not perpetual, the time for which the renewal or reinstatement is to continue; and, in case of renewal before the expiration of the time limited for its existence, the date when the renewal is to commence, which shall be prior to the date of the expiration of the old articles of incorporation or authority to engage in business which it is desired to renew;

(4) that the corporation desiring to be renewed or reinstated and so renewing or reinstating its corporate existence was duly organized under the laws of the state of its original incorporation;

(5) the date when the articles of incorporation or the authority to engage in business would expire, if such is the case, or such other facts as may show that the articles of incorporation or the authority to engage in business has become ~~inoperative~~ forfeited or void pursuant to this code, or that the validity of any renewal has been brought into question; and

(6) that the certificate for reinstatement is filed by authority of those who were directors or members of the governing body of the corporation at the time its articles of incorporation or the authority to engage in business expired, or who were elected directors or members of the governing body of the corporation as provided in subsection ~~(g)~~ (h).

~~(d)~~ (e) Upon the filing of the certificate in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto, the corporation shall be renewed or reinstated with the same force and effect as if its articles of incorporation or authority to engage in business had not ~~become inoperative and void~~ been forfeited or void pursuant to this code or had not expired by limitation. Such reinstatement shall validate all contracts, acts, matters and things made, done and performed within the scope of its articles of incorporation or authority to engage in business by the corporation, its officers and agents during the time when its articles of incorporation ~~were inoperative~~ or authority to engage in business was forfeited or void pursuant to this code, or after their expiration by limitation, with the same force and effect and to all intents and purposes as if the articles of incorporation had at all times remained in full force and effect. All real and personal property, rights and credits, which belonged to the corporation at the time its articles of incorporation ~~became inoperative~~ or authority to engage in business became forfeited or void pursuant to this code, or expired by limitation and which were not disposed of prior to the time of its renewal or reinstatement shall be vested in the corporation after its renewal or reinstatement, as fully and amply as they were held by the corporation at and before the time its articles of incorporation ~~became inoperative~~ or authority to engage in business became forfeited or void pursuant to this code, or expired by limitation, and the corporation after its renewal or reinstatement shall be as exclusively liable for all contracts, acts, matters and things made, done or performed in its name and on its behalf by its officers and agents prior to its reinstatement, as if its articles of incorporation or authority to engage in business had ~~remained~~ at all times remained in full force and effect.

~~(e)~~ (f) If, since the articles of incorporation became ~~inoperative or void for nonpayment of taxes or fees, or, failure to file annual reports~~ forfeited or void pursuant

to this code, or expired by limitation, any other corporation organized under the laws of this state shall have adopted the same name as the corporation sought to be renewed or reinstated or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or reinstated, or any foreign corporation registered in accordance with K.S.A. 2015 Supp. 17-7931, and amendments thereto, shall have adopted the same name as the corporation sought to be renewed or reinstated, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or reinstated, then in such case the corporation to be renewed or reinstated shall not be renewed under the same name which it bore when its articles of incorporation became ~~inoperative~~ forfeited or void pursuant to this code or expired, but shall adopt or be renewed under some other name; and in such case the certificate to be filed under the provisions of this section shall set forth the name borne by the corporation at the time its articles of incorporation became ~~inoperative~~ forfeited or void pursuant to this code, or expired and the new name under which the corporation is to be renewed or reinstated.

~~(f)~~ (g) Any corporation ~~seeking to renew or reinstate~~ that renews or reinstates its articles of incorporation ~~under the provisions of this act~~ or authority to engage in business under this code shall file all annual reports and pay to the secretary of state an amount equal to all fees and any penalties thereon due. Nonprofit corporations shall file only the annual reports for the three most recent reporting periods, but shall pay all fees due.

~~(g)~~ (h) If a sufficient number of the last acting officers of any corporation desiring to renew or reinstate its articles of incorporation are not available by reason of death, unknown address or refusal or neglect to act, the directors of the corporation or those remaining on the board, even if only one, may elect successors to such officers. In any case where there shall be no directors of the corporation available for the purposes aforesaid, the stockholders may elect a full board of directors, as provided by the bylaws of the corporation, and the board shall then elect such officers as are provided by law, by the articles of incorporation or by the bylaws to carry on the business and affairs of the corporation. A special meeting of the stockholders for the ~~purpose~~ purposes of electing directors may be called by any officer, director or stockholder upon notice given in accordance with K.S.A. 17-6512, and amendments thereto.

~~(h)~~ (i) After a reinstatement of the articles of incorporation of the corporation shall have been effected, ~~except where~~ the provisions of K.S.A. 17-6501(c), and amendments thereto, shall govern and the period of time the articles of incorporation of the corporation was forfeited pursuant to this code, or after its expiration by limitation, shall be included within the calculation of the 30-day and 13-month periods to which K.S.A. 17-6501(c), and amendments thereto, refers. A special meeting of stockholders ~~has been called~~ held in accordance with ~~the provisions of subsection (g), the officers who signed the certificate of reinstatement jointly shall call forthwith a special~~ subsection (h) shall be deemed an annual meeting of the stockholders ~~of the corporation upon notice given in accordance with K.S.A. 17-6512, and amendments thereto, and at the special meeting the stockholders shall elect a full board of directors, which board shall then elect such officers as are provided by law, by the articles of incorporation or the bylaws to carry on the business and affairs of the corporation~~ for purposes of K.S.A. 17-6501(c), and amendments thereto.

~~(i)~~ (j) Whenever it shall be desired to renew or reinstate the articles of incorporation

or authority to engage in business of any nonstock corporation ~~not for profit and having no capital stock~~, the governing body shall perform all the acts necessary for the renewal or reinstatement of the articles of incorporation of the corporation or its authority to engage in business which are performed by the board of directors in the case of a corporation having capital stock~~.~~, and the members of any nonstock corporation ~~not for profit and having no capital stock~~ who are entitled to vote for the election of members of its governing body and any other members entitled to vote for dissolution under the articles of incorporation or bylaws of such corporation, shall perform all the acts necessary for the renewal or reinstatement of the articles of incorporation of the corporation or its authority to engage in business which are performed by the stockholders in the case of a corporation having capital stock. In all other respects, the procedure for the renewal or reinstatement of the articles of incorporation ~~of a corporation not for profit and having no capital stock~~ or authority to engage in business of a nonstock corporation shall conform, as nearly as may be applicable, to the procedure prescribed in this section for the renewal or ~~reinstatement~~ revival of the articles of incorporation of a corporation having capital stock, except that subsection (i) shall not apply to nonstock corporations.

Sec. 103. K.S.A. 17-7003 is hereby amended to read as follows: 17-7003. Any corporation desiring to renew, extend and continue its corporate existence, shall, upon complying with the provisions of K.S.A. 17-7002, and amendments thereto, ~~shall be and~~ continue ~~as a corporation~~ for the time stated in its certificate of renewal, as a corporation and shall, in addition to the rights, privileges and immunities conferred by its articles of incorporation, ~~shall~~ possess and enjoy all the benefits of this ~~act~~ code, which are applicable to the nature of its business, and shall be subject to the restrictions and liabilities ~~imposed~~ by this ~~act~~ code imposed on such corporations.

Sec. 104. K.S.A. 17-7101 is hereby amended to read as follows: 17-7101. (a) When the officers, directors or stockholders of any corporation shall be liable by the provisions of this ~~act~~ code to pay the debts of the corporation, or any part thereof, any person to whom they are liable may have an action against any one or more of them. The petition in any such action shall state the claim against the corporation and the ground on which the plaintiff expects to charge the defendants personally.

(b) No suit shall be brought against any officer, director or stockholder for any debt of a corporation of which ~~he~~ such person is an officer, director or stockholder, until judgment be obtained therefor against the corporation and execution thereon returned unsatisfied.

Sec. 105. K.S.A. 17-7102 is hereby amended to read as follows: 17-7102. When any officer, director or stockholder shall pay any debt of a corporation for which ~~he~~ such person is made liable by the provisions of this ~~act, he~~ code, such person may recover the amount so paid in an action against the corporation for money paid for its use. In any such action, only the property of the corporation shall be liable to be taken, and not the property of any stockholder.

Sec. 106. K.S.A. 17-7201 is hereby amended to read as follows: 17-7201. (a) K.S.A. 17-7201 ~~to~~ through 17-7216, ~~inclusive~~ and amendments thereto, apply to all close corporations, as defined in K.S.A. 17-7202, and amendments thereto. Unless a corporation elects to become a close corporation under the foregoing sections in the manner prescribed therein, it shall be subject in all respects to the provisions of this ~~act~~ code, except the provisions of K.S.A. 17-7201 ~~to~~ through 17-7216, ~~inclusive~~ and

amendments thereto.

(b) All provisions of this ~~act~~ code shall be applicable to all close corporations, as defined in K.S.A. 17-7202, and amendments thereto, except as otherwise provided in K.S.A. 17-7201 ~~to~~ through 17-7216, ~~inclusive~~ and amendments thereto.

Sec. 107. K.S.A. 17-7203 is hereby amended to read as follows: 17-7203. A close corporation shall be formed in accordance with K.S.A. 17-6001, and 17-6002 and ~~17-6003~~ K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto, except that:

(a) Its articles of incorporation shall contain a heading stating the name of the corporation and that it is a close corporation; and

(b) Its articles of incorporation shall contain the provisions required by K.S.A. 17-7202, and amendments thereto.

Sec. 108. K.S.A. 17-7204 is hereby amended to read as follows: 17-7204. Any corporation organized under the ~~laws of this state~~ Kansas general corporation code may become a close corporation under K.S.A. 17-7201 through 17-7216, and amendments thereto, by executing and filing, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, a certificate of amendment of its articles of incorporation which shall contain: ~~(1)~~ (a) A statement that it elects to become a close corporation; ~~(2)~~ (b) the provisions required by K.S.A. 17-7202, and amendments thereto, to appear in the articles of incorporation of a close corporation; and ~~(3)~~ (c) a heading stating the name of the corporation and that it is a close corporation. Such amendment shall be adopted in accordance with the requirements of K.S.A. 17-6601 or 17-6602, and amendments thereto, except that it must be approved by a vote of the holders of record of at least $^2/_3$ of the shares of each class of stock of the corporation which are outstanding.

Sec. 109. K.S.A. 17-7205 is hereby amended to read as follows: 17-7205. A close corporation continues to be such and to be subject to the provisions of K.S.A. 17-7201 ~~to~~ through 17-7216, ~~inclusive~~ and amendments thereto, until:

(a) It files with the secretary of state a certificate of amendment deleting from its articles of incorporation the provisions required or permitted by K.S.A. 17-7202, and amendments thereto, to be stated in the articles of incorporation to qualify it as a close corporation; or

(b) any one of the provisions or conditions required or permitted by K.S.A. 17-7202, and amendments thereto, to be stated in the articles of incorporation to qualify a corporation as a close corporation has been breached, in fact, and neither the corporation nor any of its stockholders takes the steps required by K.S.A. 17-7208, and amendments thereto, to prevent such loss of status or to remedy such breach.

Sec. 110. K.S.A. 17-7206 is hereby amended to read as follows: 17-7206. (a) A corporation may voluntarily terminate its status as a close corporation and cease to be subject to the provisions of this ~~act~~ code relating thereto by amending its articles of incorporation to delete therefrom the additional provisions required or permitted by K.S.A. 17-7202, and amendments thereto, to be stated in the articles of incorporation of a close corporation. Any such amendment shall be adopted and shall become effective in accordance with K.S.A. 17-6602, and amendments thereto, except that it must be approved by vote of the holders of record of at least ~~two-thirds~~ ($^2/_3$) of the shares of each class of stock of the corporation which are outstanding.

(b) The articles of incorporation of a close corporation may provide that on any

amendment to terminate its status as a close corporation, a vote greater than ~~two-thirds (2/3)~~ or a vote of all shares of any class shall be required; and if the articles of incorporation contain such a provision, that provision shall not be amended, repealed or modified by any vote less than ~~that required to terminate the corporation's status as a close corporation~~ such greater vote.

Sec. 111. K.S.A. 2015 Supp. 17-7207 is hereby amended to read as follows: 17-7207. (a) If stock of a close corporation is issued or transferred to any person who is not entitled under any provision of the articles of incorporation permitted by ~~subsection (b) of~~ K.S.A. 17-7202(b), and amendments thereto, to be a holder of record of stock of such corporation, and if the certificate for such stock conspicuously notes or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto, of the qualifications of the persons entitled to be holders of record thereof, such person is conclusively presumed to have notice of the fact of ~~his~~ such person's ineligibility to be a stockholder.

(b) If the articles of incorporation of a close corporation state the number of persons, not in excess of 35, who are entitled to be holders of record of its stock, and if the certificate for such stock conspicuously states or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto, of such number, and if the issuance or transfer of stock to any person would cause the stock to be held by more than such number of persons, the person to whom such stock is issued or transferred is conclusively presumed to have notice of this fact.

(c) If a stock certificate of any close corporation conspicuously notes or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto, of the fact of a restriction on transfer of stock of the corporation, and the restriction is one which is permitted by K.S.A. 17-6426, and amendments thereto, the transferee of the stock is conclusively presumed to have notice of the fact that ~~he~~ such person has acquired stock in violation of the restriction, if such acquisition violates the restriction.

(d) Whenever any person to whom stock of a close corporation has been issued or transferred has, or is conclusively presumed under this section to have, notice either that: (1) ~~that he~~ Such person is a person not eligible to be a holder of stock of the corporation~~, or~~; (2) ~~that~~ transfer of stock to ~~him~~ such person would cause the stock of the corporation to be held by more than the number of persons permitted by its articles of incorporation to hold stock of the corporation~~,~~; or (3) ~~that~~ the transfer of stock is in violation of a restriction on transfer of stock, the corporation, at its option, may refuse to register transfer of the stock into the name of the transferee.

(e) The provisions of subsection (d) shall not be applicable if the transfer of stock, even though otherwise contrary to subsection (a), (b) or (c), has been consented to by all the stockholders of the close corporation, or if the close corporation has amended its articles of incorporation in accordance with K.S.A. 17-7206, and amendments thereto.

(f) The term "transfer," as used in this section, is not limited to a transfer for value.

(g) The provisions of this section do not impair in any way any rights of a transferee regarding any right to rescind the transaction or to recover under any applicable warranty, express or implied.

Sec. 112. K.S.A. 17-7208 is hereby amended to read as follows: 17-7208. (a) If any event occurs, as a result of which one or more of the provisions or conditions included

in a close corporation's articles of incorporation, pursuant to K.S.A. 17-7202, and amendments thereto, to qualify it as a close corporation has been breached, the corporation's status as a close corporation shall terminate unless:

(1) Within 30 days after the occurrence of the event, or within 30 days after the event has been discovered, whichever is later, the corporation files with the secretary of state a certificate, executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, stating that a specified provision or condition included in its articles of incorporation pursuant to K.S.A. 17-7202, and amendments thereto, to qualify it as a close corporation has ceased to be applicable, and furnishes a copy of such certificate to each stockholder; and

(2) the corporation concurrently with the filing of such certificate takes such steps as are necessary to correct the situation which threatens its status as a close corporation, including, without limitation, the refusal to register the transfer of stock which has been wrongfully transferred as provided by K.S.A. 17-7207, and amendments thereto, or a proceeding under subsection (b).

(b) The district court, upon the suit of the corporation or any stockholder, shall have jurisdiction to issue all orders necessary to prevent the corporation from losing its status as a close corporation, or to restore its status as a close corporation, by enjoining or setting aside any act or threatened act on the part of the corporation or a stockholder which would be inconsistent with any of the provisions or conditions required or permitted by K.S.A. 17-7202, and amendments thereto, to be stated in the articles of incorporation for a close corporation, unless it is an act approved in accordance with K.S.A. 17-7206, and amendments thereto. The district court may enjoin or set aside any transfer or threatened transfer of stock of a close corporation which is contrary to the terms of its articles of incorporation or of any transfer restriction permitted by K.S.A. 17-6426, and amendments thereto, and may enjoin any public offering, as defined in K.S.A. 17-7202, and amendments thereto, or threatened public offering of stock of the close corporation.

Sec. 113. K.S.A. 17-7209 is hereby amended to read as follows: 17-7209. If a restriction on the transfer of a security of a close corporation is held not to be authorized by K.S.A. 17-6426, and amendments thereto, the corporation, nevertheless, shall have an option, for a period of ~~thirty (~~30~~)~~ days after the judgment setting aside the restriction becomes final, to acquire the restricted security at a price which is agreed upon by the parties, or if no agreement is reached as to price, then at the fair value as determined by the district court. In order to determine fair value, the court may appoint an appraiser to receive evidence and report to the court ~~his~~ such appraiser's findings and recommendation as to fair value. ~~The appraiser shall have such powers and shall proceed, so far as applicable, in the same manner as appraisers appointed under K.S.A. 17-6712.~~

Sec. 114. K.S.A. 17-7211 is hereby amended to read as follows: 17-7211. (a) The articles of incorporation of a close corporation may provide that the business of the corporation shall be managed by the stockholders of the corporation, rather than by a board of directors. So long as this provision continues in effect: (1) No meeting of stockholders need be called to elect directors; (2) unless the context clearly requires otherwise, the stockholders of the corporation shall be deemed to be directors for purposes of applying provisions of this ~~act~~ code; (3) unless provided otherwise in the articles of incorporation or by agreement made between the stockholders, action by

stockholders shall be taken by the voting of shares of stock in the same manner as provided in K.S.A. 17-6502(a), and amendments thereto; and (4) the stockholders of the corporation shall be subject to all liabilities of directors. Such a provision may be inserted in the articles of incorporation by amendment, if all incorporators and subscribers or all holders of record of all of the outstanding stock, whether or not having voting power, authorize such a provision. An amendment to the articles of incorporation to delete such a provision shall be adopted by a vote of the holders of a majority of all outstanding stock of the corporation, whether or not otherwise entitled to vote.

(b) If the articles of incorporation contain a provision authorized by this section, the existence of such provision shall be noted conspicuously on the face or back of every stock certificate issued by such corporation or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto.

Sec. 115. K.S.A. 17-7212 is hereby amended to read as follows: 17-7212. (a) In addition to the provisions of K.S.A. 17-6516, and amendments thereto, respecting the appointment of a custodian for any corporation, the district court, upon application of any stockholder, may appoint one or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of any close corporation when:

(1) Pursuant to K.S.A. 17-7211, and amendments thereto, the business and affairs of the corporation are managed by the stockholders and they are so divided that the business of the corporation is suffering or is threatened with irreparable injury, and any remedy with respect to such deadlock provided in the articles of incorporation or bylaws or in any written agreement of the stockholders has failed; or

(2) The petitioning stockholder has the right to dissolution of the corporation under a provision of the articles of incorporation permitted by K.S.A. 17-7215, and amendments thereto.

(b) In lieu of appointing a custodian for a close corporation under this section or K.S.A. 17-6516, and amendments thereto, the court may appoint a provisional director, whose powers and status shall be as provided in K.S.A. 17-7213, and amendments thereto, if the court determines that it would be in the best interest of the corporation. Such appointment shall not preclude any subsequent order of the court appointing a custodian for such corporation.

Sec. 116. K.S.A. 17-7213 is hereby amended to read as follows: 17-7213. (a) Notwithstanding any contrary provision of the articles of incorporation or the bylaws or agreement of the stockholders, the district court may appoint a provisional director for a close corporation, if the directors are so divided respecting the management of the corporation's business and affairs that the votes required for action by the board of directors cannot be obtained, with the consequence that the business and affairs of the corporation can no longer be conducted to the advantage of the stockholders generally.

(b) An application for relief under this section must be filed: (1) By at least ~~one-half (1/2)~~ of the number of directors then in office; (2) by the holders of at least ~~one-third (1/3)~~ of all stock then entitled to elect directors; or (3) if there be more than one class of stock then entitled to elect one or more directors, by the holders of ~~two-thirds (2/3)~~ of the stock of any such class~~; but~~. The articles of incorporation of a close corporation may provide that a lesser proportion of the directors or of the stockholders or of a class of stockholders may apply for relief under this section.

(c) A provisional director shall be an impartial person who is neither a stockholder

nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the district court. A provisional director is not a receiver of the corporation and does not have the title and powers of a custodian or receiver appointed under K.S.A. 17-6516 or 17-6901, and amendments thereto. A provisional director shall have all the rights and powers of a duly elected director of the corporation, including the right to notice of and to vote at meetings of directors, until such time as ~~he~~ such person shall be removed by order of the court, or by the holders of a majority of all shares then entitled to vote to elect directors, or by the holders of ~~two-thirds (~~$^2/_3$~~)~~ of the shares of that class of voting shares which filed the application for appointment of a provisional director. ~~His~~ A provisional director's compensation shall be determined by agreement between ~~him~~ such person and the corporation, subject to approval of the court, which may fix ~~his~~ such person's compensation in the absence of agreement or in the event of disagreement between the provisional director and the corporation.

(d) Even though the requirements of subsection (b) ~~of this section~~, relating to the number of directors or stockholders who may petition for appointment of a provisional director are not satisfied, the district court, nevertheless, may appoint a provisional director if permitted by ~~subsection (b) of~~ K.S.A. 17-7212(b), and amendments thereto.

Sec. 117. K.S.A. 17-7215 is hereby amended to read as follows: 17-7215. (a) The articles of incorporation of any close corporation may include a provision granting to any stockholder, or to the holders of any specified number or percentage of shares of any class of stock, an option to have the corporation dissolved at will or upon the occurrence of any specified event or contingency. Whenever any such option to dissolve is exercised, the stockholders exercising such option shall give written notice thereof to all other stockholders. After the expiration of ~~thirty (~~30~~)~~ days following the sending of such notice, the dissolution of the corporation shall proceed as if the required number of stockholders having voting power had voted in favor thereof.

(b) If the articles of incorporation, as originally filed, do not contain a provision authorized by subsection (a), the articles may be amended to include such provision if adopted by the affirmative vote of the holders of all the outstanding stock, whether or not entitled to vote, unless the articles of incorporation specifically authorize such an amendment by a vote which shall be not less than ~~two-thirds (~~$^2/_3$~~)~~ of all the outstanding stock whether or not entitled to vote.

(c) Each stock certificate in any corporation whose articles of incorporation authorize dissolution, as permitted by this section, shall conspicuously note on the face thereof or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto, the existence of the provision. Unless noted conspicuously on the face of the stock certificate or in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto, or unless the transferee had actual knowledge of or consented to the dissolution, the provision is ineffective.

Sec. 118. K.S.A. 17-7302 is hereby amended to read as follows: 17-7302. (a) Whenever any foreign corporation admitted to do business in this state is a party to a merger or consolidation with any other foreign corporation, whether or not admitted to do business in this state, such foreign corporation shall file with the secretary of state of this state, within 30 days after the time the merger or consolidation becomes effective, a certificate of the proper officer of the jurisdiction under the laws of which the merger or consolidation was effected, attesting to such merger or consolidation and stating:

(1) The corporate parties thereto;

(2) the time when such merger or consolidation became effective; and

(3) that the resulting or surviving corporation is a corporation in good standing in such jurisdiction.

(b) Whenever any foreign corporation admitted to do business in this state shall amend its articles of incorporation in a manner which affects any of the information contained on such corporation's application to do business in Kansas, the corporation shall file with the secretary of state, within 30 days after the amendment is adopted, a certificate of the proper officer of the jurisdiction in which such corporation has been incorporated attesting to such amendment. In the alternative, any foreign corporation may amend its original application for authority to do business in Kansas by filing a certificate of amendment certifying that such amendment has been duly adopted and executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

Sec. 119. K.S.A. 17-7305 is hereby amended to read as follows: 17-7305. (a) Unless authority is expressly conferred by another law of this state, no foreign corporation shall possess the power of issuing bills, notes or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money.

(b) Foreign corporations authorized to do business in this state which are organized to buy, sell and otherwise deal in notes, open accounts and other similar evidences of debt, or to loan money and to take notes, open accounts and other similar evidences of debt as collateral security therefor, shall not be deemed to be engaging in the business of banking.

(c) Any corporation organized under the laws of another state, territory or foreign country, and authorized to do business in this state, shall be subject to the same provisions, judicial control, restrictions and penalties, except as otherwise provided in K.S.A. ~~17-7301 to~~ 17-7302 through 17-7308 and K.S.A. 2015 Supp. 17-7930 through 17-7937, ~~inclusive~~ and amendments thereto, as corporations organized under the laws of this state.

Sec. 120. K.S.A. 17-7307 is hereby amended to read as follows: 17-7307. (a) A foreign corporation which is required to comply with the provisions of K.S.A. ~~17-7301 and~~ 17-7302 and K.S.A. 2015 Supp. 17-7930 through 17-7934, and amendments thereto, and which has done business in this state without authority shall not maintain any action or special proceeding in this state, unless and until such corporation has been authorized to do business in this state and has paid to the state all taxes, fees and penalties which would have been due for the years or parts thereof during which it did business in this state without authority. This prohibition shall not apply to any successor in interest of any such foreign corporation.

(b) The failure of a foreign corporation to obtain authority to do business in this state shall not impair the validity of any contract or act of the foreign corporation or the right of any other party to the contract to maintain any action or special proceeding thereon, and shall not prevent the foreign corporation from defending any action or special proceeding in this state.

(c) Any person having a cause of action against any foreign corporation, whether or not such corporation is qualified to do business in this state, which cause of action arose in Kansas out of such corporation doing business in Kansas, or arose while such

corporation was doing business in Kansas, may file suit against the corporation in the proper court of a county in which there is proper venue. Service of process in any action shall be made in the manner prescribed by K.S.A. 60-304, and amendments thereto.

Sec. 121. K.S.A. 17-7404 is hereby amended to read as follows: 17-7404. ~~This act~~ Articles 60 through 74 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, shall be known and may be cited as the "Kansas general corporation code."

Sec. 122. K.S.A. 17-7503 is hereby amended to read as follows: 17-7503. (a) Every domestic corporation organized for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return. The report shall contain the following information:

(1) The name of the corporation;

(2) the location of the principal office;

(3) the names and addresses of the president, secretary, treasurer or equivalent of such officers and members of the board of directors;

(4) the number of shares of capital stock issued;

(5) the nature and kind of business in which the corporation is engaged; and

(6) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;

(2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;

(3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;

(4) the total number of stockholders of the corporation;

(5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;

(6) the number of acres of agricultural land, held and reported in each category under ~~provision~~ paragraph (5), stated separately, being irrigated; and

(7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This

report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury. At the time of filing such annual report it shall be the duty of each domestic corporation organized for profit to pay to the secretary of state an annual report fee in an amount equal to $40.

Sec. 123. K.S.A. 17-7504 is hereby amended to read as follows: 17-7504. (a) Every corporation organized not for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms prescribed by the secretary of state. The report shall be filed on the 15th day of the sixth month following the close of the taxable year. The report shall contain the following information:

(1) The name of the corporation;

(2) the location of the principal office;

(3) the names and addresses of the president, secretary and treasurer or equivalent of such officers, and the members of the governing body;

(4) the number of memberships or the number of shares of capital stock issued; and

(5) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;

(2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;

(3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;

(4) the total number of stockholders or members of the corporation;

(5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;

(6) the number of acres of agricultural land, held and reported in each category under paragraph (5) ~~of this subsection (b)~~, stated separately, being irrigated; and

(7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury.

(d) At the time of filing such report, each nonprofit corporation shall pay an annual report fee in an amount equal to $40 for all tax years commencing after December 31,

2003.

Sec. 124. K.S.A. 17-7505 is hereby amended to read as follows: 17-7505. (a) Every foreign corporation organized for profit, or organized under the cooperative type statutes of the state, territory or foreign country of incorporation, now or hereafter doing business in this state, and owning or using a part or all of its capital in this state, and subject to compliance with the laws relating to the admission of foreign corporations to do business in Kansas, shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation operates on a fiscal year other than the calendar year it shall give written notice thereof to the secretary of state prior to December 31 of the year commencing such fiscal year. The report shall be made on a form prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return. The report shall contain the following facts:

(1) The name of the corporation and under the laws of what state or country it is incorporated;

(2) the location of its principal office;

(3) the names and addresses of the president, secretary, treasurer, or equivalent of such officers, and members of the board of directors;

(4) the number of shares of capital stock issued;

(5) the nature and kind of business in which the company is engaged; and

(6) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;

(2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;

(3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;

(4) the total number of stockholders of the corporation;

(5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;

(6) the number of acres of agricultural land, held and reported in each category under paragraph (5)~~ of this subsection (b)~~, stated separately, being irrigated; and

(7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A.~~ 17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This

report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury.

(d) At the time of filing its annual report, each such foreign corporation shall pay to the secretary of state an annual report fee in an amount equal to $40.

Sec. 125. K.S.A. 2015 Supp. 17-7506 is hereby amended to read as follows: 17-7506. (a) The secretary of state shall charge each corporation a fee established pursuant to rules and regulations, but not exceeding $250, for issuing or filing and indexing articles of incorporation of a for-profit or a foreign corporation application.

(b) The secretary of state shall charge each corporation a fee established by rules and regulations, but not exceeding $50, for articles of incorporation of a nonprofit corporation.

(c) The secretary of state shall charge each corporation a fee established by rules and regulations, but not exceeding $150, for issuing or filing and indexing any of the corporate documents described below:

(1) Certificate of extension, restoration, renewal or revival of articles of incorporation;

(2) certificate of amendment of articles of incorporation, either prior to or after payment of capital;

(3) certificate of designation of preferences;

(4) certificate of retirement of preferred stock;

(5) certificate of increase or reduction of capital;

(6) certificate of dissolution, either prior to or after beginning business;

(7) certificate of revocation of voluntary dissolution;

(8) certificate of change of location of registered office and resident agent;

(9) agreement of merger or consolidation;

(10) certificate of ownership and merger;

(11) certificate of extension, restoration, renewal or revival of a certificate of authority of foreign corporation to do business in Kansas;

(12) change of resident agent or amendment by foreign corporation;

(13) certificate of withdrawal of foreign corporation;

(14) certificate of correction of any of the instruments designated in this section;

(15) reservation of corporate name;

(16) restated articles of incorporation; ~~and~~

(17) annual report extension; and

(18) certificate of validation.

(d) The secretary of state shall charge each corporation a fee established pursuant to rules and regulations but not exceeding $50 for issuing certified copies, photocopies, certificates of good standing and certificates of fact; and any other certificate or filing for which a filing or indexing fee is not prescribed by law.

(e) The secretary of state shall not charge fees for providing the following information: Name of the corporation; address of its registered office and the name of its resident agent; the amount of its authorized capital stock; the state of its incorporation; date of filing of articles of incorporation, foreign corporation application or annual report; and date of expiration.

(f) The secretary of state shall prescribe by rules and regulations any fees required by this act.

Sec. 126. K.S.A. 17-7510 is hereby amended to read as follows: 17-7510. (a) In addition to any other penalties, the failure of any domestic corporation to file the annual

report in accordance with the provisions of this act or to pay the annual report fee provided for within 90 days of the time for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same, shall work the forfeiture of the articles of incorporation of such domestic corporation. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its articles of incorporation shall be forfeited unless the annual report is filed and the fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fee within such time shall forfeit its articles of incorporation, and the secretary of state shall notify the attorney general that the articles of incorporation of such corporation have been forfeited.

(b) In addition to any other penalties, the failure of any foreign corporation to file the annual report or pay the annual report fee prescribed by this act within 90 days from the time provided for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same, shall work a forfeiture of its right or authority to do business in this state. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its authority to do business in this state shall be forfeited unless the annual report and fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fees within such time shall forfeit its authority to do business in this state, and the secretary of state shall publish a notice of such forfeiture in the Kansas register.

(c) This section shall not be construed to restrict the state from invoking any other remedies provided by law.

~~(c)~~ (d) The secretary of state shall not issue certificates of good standing for any corporation that has failed to file its annual report or pay its annual report fee.

Sec. 127. K.S.A. 17-7512 is hereby amended to read as follows: 17-7512. The provisions of this act relating to the filing of annual reports and the payment of ~~franchise taxes and~~ annual report fees shall not apply to banking, insurance or savings and loan corporations, credit unions, any firemen's relief association under the jurisdiction and supervision of the insurance commissioner or to Kansas venture capital, inc. or venture capital companies certified by the secretary of commerce pursuant to article 83 of chapter 74 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 128. K.S.A. 2015 Supp. 17-76,139 is hereby amended to read as follows: 17-76,139. (a) Every limited liability company organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

(1) The name of the limited liability company; and

(2) a list of the members owning at least 5% of the capital of the limited liability company, with the post office address of each.

(b) Every foreign limited liability company shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the limited liability company.

(c) The annual report required by this section shall be ~~dated,~~ executed by one or more authorized persons, and filed with the secretary of state. The execution of such annual report by a person who is authorized by this act to execute such annual report, upon filing such annual report with the secretary of state, constitutes an oath or affirmation, under penalties of perjury that, to the best of such person's knowledge and belief, the facts stated therein are true. At the time of filing the report, the limited liability company shall pay to the secretary of state an annual report fee in an amount equal to $40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of~~ K.S.A. 17-7510(a), and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the articles of organization of any domestic limited liability company or to the authority of any foreign limited liability company which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same. Whenever the articles of organization of a domestic limited liability company or the authority of any foreign limited liability company are forfeited for failure to file an annual report or to pay the required annual report fee, the domestic limited liability company or the authority of a foreign limited liability company may be reinstated by filing a certificate of reinstatement, pursuant to K.S.A. 2015 Supp. 17-76,146, and amendments thereto, and paying to the secretary of state all fees, including any penalties thereon, due to the state.

(e) No limited liability company shall be required to file its first annual report under this act, or pay any annual report fee required to accompany such report, unless such limited liability company has filed its articles of organization or application for authority at least six months prior to the last day of its tax period.

(f) All copies of applications for extension of the time for filing income tax returns submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or subsection (g). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed.

(g) A copy of such application shall be open to inspection by or disclosure to any person who was a member of such limited liability company during any part of the period covered by the extension.

Sec. 129. K.S.A. 2015 Supp. 17-7903 is hereby amended to read as follows: 17-7903. ~~(a)~~ The following documents related to corporations shall be filed with the secretary of state:

~~(1)~~ (a) For-profit filings:

~~(A)~~ (1) For-profit articles of incorporation as set forth in K.S.A. 17-6002, and amendments thereto;

~~(B)~~ (2) professional association articles of incorporation as set forth in K.S.A. 17-2709, 17-2711 and 17-6002, and amendments thereto;

~~(C)~~ (3) close corporation articles of incorporation as set forth in K.S.A. 17-6426, 17-7201, 17-7202 and 17-7203, and amendments thereto;

(4) certificate of validation as set forth in section 8, and amendments thereto;

~~(D)~~ (5) foreign for-profit application for authority as set forth in K.S.A. 2015 Supp. 17-7931 and K.S.A. 17-7307 through 17-7510, and amendments thereto;

~~(E)~~ (6) for-profit annual report as set forth in K.S.A. 17-7503 and 17-7505, and amendments thereto;

~~(F)~~ (7) professional association annual report as set forth in K.S.A. 17-2718, and amendments thereto;

~~(G)~~ (8) for-profit certificate of amendment as set forth in K.S.A. 17-6003, 17-6401, 17-6601, 17-6602 and 17-6603, and amendments thereto;

~~(H)~~ (9) amendment to professional associations as set forth in K.S.A. 17-2709, and amendments thereto;

~~(I)~~ (10) foreign for-profit corporation certificate of amendment as set forth in K.S.A. 17-7302, and amendments thereto;

~~(J)~~ (11) restated articles of incorporation as set forth in K.S.A. 17-6605, and amendments thereto;

~~(K)~~ (12) change of registered office or resident agent as set forth in sections K.S.A. 2015 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;

~~(L)~~ (13) for-profit certificate of correction as set forth in K.S.A. 2015 Supp. 17-7912, and amendments thereto;

~~(M)~~ (14) mergers as set forth in K.S.A. 17-6701 through 17-6708, and amendments thereto;

~~(N)~~ (15) foreign mergers as set forth in K.S.A. 17-7302, and amendments thereto;

~~(O)~~ (16) certificate of amendment or termination of merger as set forth in K.S.A. 17-6701, and amendments thereto;

~~(P)~~ (17) foreign corporation merger as set forth in K.S.A. 17-7302, and amendments thereto;

~~(Q)~~ (18) certificate of reinstatement as set forth in K.S.A. 17-7002, and amendments thereto;

~~(R)~~ (19) certificate of dissolution prior to commencing business as set forth in K.S.A. 17-6803, and amendments thereto;

~~(S)~~ (20) certificate of dissolution by stockholder's meeting as set forth in K.S.A. 17-6804, and amendments thereto;

~~(T)~~ (21) certificate of dissolution by written consent as set forth in K.S.A. 17-6804, and amendments thereto;

~~(U)~~ (22) foreign certificate of cancellation as set forth in K.S.A. 2015 Supp. 17-7936, and amendments thereto; and

~~(V)~~ (23) certificate of revocation of dissolution as set forth in K.S.A. 17-7001, and amendments thereto.

~~(2)~~ (b) Not-for-profit filings:

~~(A)~~ (1) Not-for-profit articles of incorporation as set forth in K.S.A. 17-6002, and amendments thereto;

~~(B)~~ (2) foreign not-for-profit application for authority as set forth in K.S.A. 2015 Supp. 17-7931, and amendments thereto;

~~(C)~~ (3) not-for-profit annual report as set forth in K.S.A. 17-7504, and amendments thereto;

~~(D)~~ (4) not-for-profit certificate of amendment as set forth in K.S.A. 17-6602, and amendments thereto;

~~(E)~~ (5) not-for-profit certificate of correction as set forth in K.S.A. 2015 Supp. 17-7912, and amendments thereto;

~~(F)~~ (6) not-for-profit change of registered office or resident agent as set forth in K.S.A. 2015 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;

~~(G)~~ (7) not-for-profit certificate of reinstatement as set forth in K.S.A. 17-7002, and amendments thereto; and

~~(H)~~ (8) certificate of dissolution as set forth in K.S.A. 17-6803, 17-6804 and 17-6805, and amendments thereto.

~~(b) This section shall take effect on and after January 1, 2015.~~

Sec. 130. K.S.A. 2015 Supp. 17-7908 is hereby amended to read as follows: 17-7908. All documents required by this act to be filed with the secretary of state shall be executed as follows:

(a) Documents related to corporations shall be executed in the following manner:

(1) The articles of incorporation for all corporations ~~shall be signed by the incorporator or incorporators~~, and any other document to be filed before the election of the initial board of directors, if the initial directors were not named in the articles of incorporation, shall be signed by the incorporator or incorporators or, in the case of any such other document, such incorporator's or incorporators' successors and assigns. If any incorporator is not available ~~by reason of death, incapacity or refusal or neglect to act~~, then ~~the~~ any such other document may be signed, with the same effect as if such incorporator had signed it, by any person for whom or on whose behalf such incorporator, in executing the articles of incorporation, was acting directly or indirectly as an employee or agent. ~~The~~, except that such other document shall state that ~~the~~ such incorporator is not available and the reason therefore, that such incorporator in executing the articles of incorporation was acting directly or indirectly as an employee or agent for or on behalf of such person and that such person's signature on such instrument is otherwise authorized and not wrongful.

(2) All documents related to a corporation that are not addressed by subsection (a)(1), shall be signed: (A) By any authorized officer of the corporation; (B) if it appears from the document that there are no such officers, by a majority of the directors or by such directors as may be designated by the board; (C) if it appears from the document that there are no such officers or directors, by the holders of record, or such of them as may be designated by the holders of record, of a majority of all outstanding shares of stock; or (D) by the holders of record of all outstanding shares of stock.

(b) Documents related to limited liability companies shall be executed in the following manner: All documents shall be signed by one or more authorized persons. Unless otherwise provided in an operating agreement, any person may sign the articles, any certificate, any amendment thereof, or enter into an operating agreement or amendment thereof by an agent.

(c) Documents related to limited partnerships shall be executed in the following manner:

(1) An initial certificate of limited partnership must be signed by all general partners;

(2) a certificate of amendment must be signed by at least one general partner and by each other general partner who is designated in the certificate of amendment as a new general partner; and

(3) a certificate of cancellation must be signed by all general partners or, if there is no general partner, by a majority of the limited partners.

(d) Documents related to limited liability partnerships shall be executed by an authorized person.

~~(e) This section shall take effect on and after January 1, 2015.~~

Sec. 131. K.S.A. 2015 Supp. 17-7918 is hereby amended to read as follows: 17-7918. (a) Except as otherwise provided in subsection (b), the names of all covered entities, except for banks, savings and loan associations and savings banks, must be distinguishable on the records of the office of the secretary of state from:

(1) The name of any other covered entity or foreign covered entity;

(2) the name of any non-covered entity, other than a general partnership, that has filed with the office of the secretary of state;

(3) any entity name reserved pursuant to K.S.A. 2015 Supp. 17-7923, and amendments thereto; and

(4) the name of any other covered entity or foreign covered entity whose public organic documents or foreign registration has been canceled or forfeited for any reason within the previous one year.

(b) A covered entity may register under any name that is not distinguishable on the records of the office of the secretary of state from the name of any other covered entity or non-covered entity that has filed with the office of the secretary of state with the written consent of the other entity, which written consent shall be filed with the secretary of state.

(c) A covered entity may use a name that is not distinguishable from a name described in subsection (a)(1) through (3) if the entity delivers to the secretary of state a certified copy of a final judgment of a court of competent jurisdiction establishing the right of the entity to use the name in this state.

Sec. 132. K.S.A. 2015 Supp. 17-7919 is hereby amended to read as follows: 17-7919. The name of a corporation, except for banks, savings and loan associations and savings banks, shall contain:

(a) One of the following words: "Association"; "church"; "college"; "company"; "corporation"; "club"; "foundation"; "fund"; "incorporated"; "institute"; "society"; "union"; "university"; "syndicate" or "limited";

(b) one of the following abbreviations: "Co."; "corp."; "inc." or "ltd."; or

(c) words or abbreviations of like import in other languages if they are written in Roman characters or letters.

~~(d) This section shall take effect on and after January 1, 2015.~~

Sec. 133. K.S.A. 2015 Supp. 17-7924 is hereby amended to read as follows: 17-7924. (a) Every covered entity shall have and maintain in this state a registered office which may, but need not be, the same as its place of business.

(b) ~~Unless the context otherwise requires,~~ Whenever the term "principal office or place of business in this state" or "principal office or place of business of the (applicable covered entity) in this state," or other term of like import, is or has been used in the covered entity's public organic documents, or in any other document or in any statute other than the Kansas uniform commercial code, unless the context indicates otherwise, it shall be deemed to mean and refer to the covered entity's registered office required by this section, and it shall not be necessary for any covered entity to amend its public organic documents or any other document to comply with this section.

(c) ~~This section shall take effect on and after January 1, 2015~~ As contained in any covered entity's organic documents or other document filed with the secretary of state under the business entity standard treatment act, the address of a registered office shall include the street, number, city and postal code.

Sec. 134. K.S.A. 2015 Supp. 17-7925 is hereby amended to read as follows: 17-7925.(a) Every covered entity shall have and maintain in this state a resident agent, which agent may be either:

(1) The covered entity itself;

(2) an individual resident in this state;

(3) a domestic corporation, a domestic limited partnership, a domestic limited liability partnership, a domestic limited liability company or a domestic business trust; or

(4) a foreign corporation, a foreign limited partnership, a foreign limited liability partnership, a foreign limited liability company or a foreign business trust ~~authorized to transact business in this state~~.

(b) Every resident agent for a covered entity shall:

(1) ~~The resident agent shall have~~ If a domestic entity, maintain a business office identical with the registered office which is generally open ~~during normal business hours~~, or if an individual, be generally present at a designated location in this state at sufficiently frequent times to accept service of process and otherwise perform the functions of a resident agent;

(2) if a foreign entity, be authorized to transact business in this state;

(3) accept service of process and other communications directed to the covered entity for which it serves as resident agent and forward the same to the covered entity to which the service or communication is directed; and

(4) forward to the covered entity for which it serves as a resident agent documents sent by the secretary of state.

(c) Unless the context otherwise requires, whenever the term "resident agent" or "registered agent" or "resident agent in charge of a (applicable covered entity's) principal office or place of business in this state," or other term of like import which refers to a covered entity's agent required by statute to be located in this state, is or has been used in a covered entity's public organic documents, or in any other document, or in any statute, it shall be deemed to mean and refer to the covered entity's resident agent required by this section, and it shall not be necessary for any covered entity to amend its public organic documents, or any other document, to comply with this section.

~~(d) This section shall take effect on and after January 1, 2015.~~

Sec. 135. K.S.A. 2015 Supp. 17-7927 is hereby amended to read as follows: 17-7927.(a) A resident agent may change the address of the registered office of any covered entities for which such agent is resident agent to another address in this state by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing with the secretary of state a certificate, executed by such resident agent, setting forth the names of all the covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such covered entities, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the covered entities recited in the certificate. ~~Upon the filing of such certificate, the secretary of state shall furnish to the resident agent a certified copy of the certificate, and~~ Thereafter, or until further change of address, as authorized by law, the registered office in this state of each of the covered entities ~~recited in the certificate~~ for which it is a resident agent shall be located at the new address of the resident agent thereof as given in the certificate.

(b) Whenever the location of a resident agent's office is moved to another room or suite within the same structure and such change is reported in writing to the secretary of state, no fee shall be charged for recording such change on the appropriate records on file with the secretary of state.

(c) In the event of a change of name of any person or entity acting as resident agent in this state, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such covered entities. A change of name of any person or entity acting as a resident agent as a result of a merger or consolidation of the resident agent, with or into another entity which succeeds to its assets by operation of law, shall be deemed a change of name for purposes of this section.

(d) In the event of both a change of name of any person or entity acting as resident agent for any covered entity and a change of address, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the covered entities represented by such resident agent and the address at which such resident agent has maintained the registered office for each such covered entity, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the covered entities recited in the certificate. Upon the filing of such certificate, and thereafter, or until further change of address or change of name, as authorized by law, the registered office in this state of each of the covered entities recited in the certificate shall be located at the new address of the resident agent as given in the certificate and the change of name shall be effective.

~~(c) This section shall take effect on and after January 1, 2015.~~

Sec. 136. K.S.A. 2015 Supp. 17-7928 is hereby amended to read as follows: 17-7928. (a) The resident agent of one or more covered entities may resign and appoint a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state, stating that the resident agent resigns and the name and address of the successor agent in accordance with K.S.A. 2015 Supp. 17-7924, and amendments thereto. There shall be attached to such certificate a statement executed by each affected covered entity ratifying and approving such change of resident agent. Upon such filing, the successor resident agent shall become the resident agent of such covered entities as have ratified and approved such substitution and the successor resident agent's address, as stated in such certificate, shall become the address of each such covered entity's registered office in this state.

(b) 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.

~~(c) This section shall take effect on and after January 1, 2015.~~

Sec. 137. K.S.A. 2015 Supp. 17-7929 is hereby amended to read as follows: 17-7929. (a) The resident agent of one or more covered entities may resign without appointing a successor by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 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 entities identified in the certificate, but such resignation shall not become effective until ~~60~~ 30 days after the certificate is filed. ~~There shall be attached to such certificate an affidavit of such resident agent, if an individual, or of an authorized governor, if an entity, that at least 30 days prior to the filing of such certificate, due notice was sent by certified or registered mail to the covered entities for which such resident agent is resigning as resident agent, at the principal office thereof within or outside the state of Kansas, if known to such resident agent, or if not so known, to the last known address of the individual at whose request such resident agent was appointed for such entity, of the resignation of such resident agent~~ The certificate shall be executed by the resident agent, shall contain a statement that written notice of resignation was given to each affected 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.

(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 ~~succeed~~ 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. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate setting forth the name and 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 address, as stated in such certificate, shall become the 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, ~~such covered entity fails to obtain and designate a new~~

~~resident agent, as required by this subsection,~~ the secretary of state ~~may~~ shall declare the entity's organizing documents forfeited ~~or, in the case of a foreign entity, the secretary may declare the foreign entity's authority to do business in this state 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 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.

~~(e) This section shall take effect on and after January 1, 2015.~~

Sec. 138. K.S.A. 2015 Supp. 17-7931 is hereby amended to read as follows: 17-7931. Before doing business in the state of Kansas, a foreign covered entity shall register with the secretary of state. In order to register, a foreign covered entity shall submit to the secretary of state, together with payment of a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, an original copy executed by a governor, of an application for registration as a foreign covered entity, setting forth:

(a) The name of the foreign covered entity;

(b) the ~~state or other~~ jurisdiction ~~or country~~ where organized;

(c) the date of its organization;

(d) a statement issued within 90 days of the date of application by the proper officer of the jurisdiction where such foreign entity is organized, or by a third-party agent authorized by such proper officer, that the foreign covered entity exists in good standing under the laws of the jurisdiction of its organization;

(e) the nature of the business or purposes to be conducted or promoted in the state of Kansas, including whether the covered entity operates for-profit or not-for-profit;

(f) the address of the registered office and the name and address of the resident agent for service of process required to be maintained by this act;

(g) an irrevocable written consent of the foreign covered entity that actions may be commenced against it in the proper court of any county where there is proper venue by the service of process on the secretary of state as provided for in K.S.A. 60-304, and amendments thereto, and stipulating and agreeing that such service shall be taken and held, in all courts, to be as valid and binding as if due service had been made upon the governors of the foreign covered entity; and

(h) ~~the name and business, residence or mailing address of each of the governors; and~~

~~(i)~~ the date on which the foreign covered entity first did, or intends to do, business in the state of Kansas.

Sec. 139. K.S.A. 2015 Supp. 17-7934 is hereby amended to read as follows: 17-7934. (a) ~~Each foreign covered entity shall have and maintain in the state of Kansas:~~

~~(1) A registered office which may, but need not, be its place of business in the state of Kansas; and~~

~~(2) a resident agent for service of process on the covered entity, which agent may be the foreign covered entity itself, an individual resident of the state of Kansas, a~~

~~domestic corporation, a domestic limited partnership, a domestic limited liability company, a domestic business trust, or a foreign corporation, foreign limited partnership, foreign limited liability company or foreign business trust authorized to do business in the state of Kansas whose business office is identical with the covered entity's registered office~~ Every foreign covered entity shall have and maintain in this state a registered office and a resident agent in the same manner as prescribed by K.S.A. 2015 Supp. 17-7924 and 17-7925, and amendments thereto.

(b) ~~A resident agent may change the address of the registered office of the foreign covered entity for which the resident agent is resident agent to another address in the state of Kansas by:~~

~~(1) Paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto;~~

~~(2) filing with the secretary of state a certificate executed by the resident agent, setting forth the names of all the foreign covered entities represented by the resident agent and the address at which the resident agent has maintained the registered office for each of such foreign covered entity; and~~

~~(3) certifying to the new address to which each such registered office will be changed on a given day and at which the resident agent will thereafter maintain the registered office for each of the foreign covered entities recited in the certificate. Upon the filing of the certificate, the secretary of state shall furnish to the resident agent a certified copy of such certificate. Thereafter, or until further change of address, as authorized by law, the registered office in the state of Kansas of each of the foreign covered entities recited in the certificate shall be located at the new address of the resident agent of the entity given in the certificate. Filing of the certificate shall be considered an amendment of the application of each foreign covered entity affected by the certificate, and the foreign covered entity shall not be required to take any further action with respect thereto, to amend its application. Any resident agent filing a certificate under this section, upon such filing, shall deliver promptly a copy of such certificate to each foreign covered entity affected thereby~~ Any foreign covered entity that has qualified to do business in this state may change its registered office or resident agent in the manner prescribed in K.S.A. 2015 Supp. 17-7926, and amendments thereto.

(c) ~~In the event of a change of name of any person acting as resident agent for a foreign covered entity in this state, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the foreign covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such foreign covered entities~~ Any resident agent may change the address of the foreign covered entity's registered office in the manner prescribed by K.S.A. 2015 Supp. 17-7927, and amendments thereto.

(d) ~~In the event of both a change of name of any person acting as resident agent for any foreign covered entity and a change of address, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the foreign covered entities represented by such~~

~~resident agent and the address at which such resident agent has maintained the registered office for each such foreign covered entity, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the foreign covered entities recited in the certificate. Upon the filing of such certificate, and thereafter, or until further change of address or change of name, as authorized by law, the registered office in this state of each of the foreign covered entities recited in the certificate shall be located at the new address of the resident agent as given in the certificate and the change of name shall be effective~~ Any resident agent designated by a foreign covered entity as its resident agent for service of process may resign pursuant to the provisions of K.S.A. 2015 Supp. 17-7928 or 17-7929, and amendments thereto.

~~(e) The resident agent of one or more foreign covered entities may resign and appoint a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state, stating that the resident agent resigns as resident agent for the foreign covered entity identified in the certificate and giving the name and address of the successor resident agent. There shall be attached to the certificate a statement executed by each affected foreign covered entity ratifying and approving the change of resident agent. Upon the filing, the successor resident agent shall become the resident agent of those foreign covered entities that have ratified and approved the substitution and the successor resident agent's address, as stated in the certificate, shall become the address of each such foreign covered entities' registered office in the state of Kansas. Filing of the certificate of resignation shall be deemed to be an amendment of the application of each foreign covered entity affected by the certificate, and the foreign covered entity shall not be required to take any further action with respect thereto, to amend its application.~~

~~(f) The resident agent of one or more foreign covered entities may resign without appointing a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state stating that the resident agent resigns as resident agent for the foreign covered entities identified in the certificate, but the resignation shall not become effective until 60 days after the certificate is filed. There shall be attached to the certificate an affidavit that, at least 30 days prior to the date of the filing of the certificate, notice of the resignation of the resident agent was sent by certified or registered mail to each foreign covered entity for which the resident agent is resigning as resident agent. The affidavit shall state that the notice was sent to the principal office of each of the foreign covered entities within or outside the state of Kansas, if known to the resident agent or, if not, to the last known address of the individual at whose request the resident agent was appointed for the foreign covered entity. After receipt of the notice of the resignation of its resident agent, the foreign covered entity for which the resident agent was acting shall obtain and designate a new resident agent, to take the place of the resident agent resigning. If a foreign covered entity fails to obtain and designate a new resident agent within 60 days after the filing by the resident agent of the certificate of resignation, that foreign covered entity shall not be permitted to do business in the state of Kansas and its registration shall be considered forfeited.~~

Sec. 140. K.S.A. 2015 Supp. 56-1a606 is hereby amended to read as follows: 56-

1a606. (a) Every limited partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

(1) The name of the limited partnership; and

(2) a list of the partners owning at least 5% of the capital of the partnership, with the address of each.

(c) Every limited partnership subject to the provisions of this section which is a limited agricultural partnership, as defined in K.S.A. 17-5903, and amendments thereto, and which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The number of acres and location, listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by the limited partnership; and

(2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be ~~dated,~~ signed by the general partner or partners of the limited partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the limited partnership shall pay to the secretary of state an annual report fee in an amount equal to $40.

(e) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of~~ K.S.A. 17-7510(a), and amendments thereto, relating to forfeiture of a domestic corporation's articles of incorporation for failure to file an annual report or pay the required annual report fee, shall be applicable to the certificate of partnership of any limited partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same. Whenever the certificate of partnership of a limited partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the limited partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 141. K.S.A. 2015 Supp. 56-1a607 is hereby amended to read as follows: 56-1a607. (a) Every foreign limited partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the

date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the limited partnership.

(c) Every foreign limited partnership subject to the provisions of this section which is a limited agricultural partnership, as defined in K.S.A. 17-5903, and amendments thereto, and which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The number of acres and location, listed by section, range, township and county of agricultural land in this state owned or leased by the limited partnership; and

(2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be ~~dated,~~ signed by the general partner or partners of the limited partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the foreign limited partnership shall pay to the secretary of state an annual report fee in an amount equal to $40.

(e) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (b) of~~ K.S.A. 17-7510(b), and amendments thereto, relating to forfeiture of a foreign corporation's authority to do business in this state for failure to file an annual report or pay the required annual report fee, shall be applicable to the authority of any foreign limited partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same. Whenever the authority of a foreign limited partnership to do business in this state is forfeited for failure to file an annual report or to pay the required annual report fee, the foreign limited partnership's authority to do business in this state may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 142. K.S.A. 2015 Supp. 56a-1201 is hereby amended to read as follows: 56a-1201. (a) Every limited liability partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability partnership's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability partnership's annual Kansas income tax

return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

(1) The name of the limited liability partnership; and

(2) a list of the partners owning at least 5% of the capital of the partnership, with the address of each.

(c) The annual report shall be ~~dated,~~ signed by a partner of the limited liability partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to $40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of~~ K.S.A. 17-7510(a), and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the statement of qualification of any limited liability partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of qualification of a limited liability partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 143. K.S.A. 2015 Supp. 56a-1202 is hereby amended to read as follows: 56a-1202. (a) Every foreign limited liability partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the foreign limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the foreign limited liability partnership's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the foreign limited liability partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the foreign limited liability partnership.

(c) The annual report shall be ~~dated,~~ signed by a partner of the foreign limited liability partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the foreign limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to $40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of~~ K.S.A. 17-7510(a), and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the statement of foreign

qualification of any foreign limited liability partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of foreign qualification of a foreign limited liability partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the statement of foreign qualification of the foreign limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 144. K.S.A. 17-1289, 17-12,100, 17-12,101, 17-12,102, 17-12,103, 17-12,104, 17-2036, 17-2718, 17-4634, 17-6001, 17-6004, 17-6006, 17-6007, 17-6008, 17-6009, 17-6010, 17-6101, 17-6102, 17-6104, 17-6106, 17-6301, 17-6302, 17-6304, 17-6401, 17-6402, 17-6404, 17-6405, 17-6407, 17-6408, 17-6409, 17-6410, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6420, 17-6422, 17-6425, 17-6426, 17-6501, 17-6502, 17-6503, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6512, 17-6513, 17-6514, 17-6515, 17-6516, 17-6517, 17-6518, 17-6521, 17-6522, 17-6523, 17-6603, 17-6605, 17-6701, 17-6702, 17-6703, 17-6704, 17-6705, 17-6706, 17-6707, 17-6708, 17-6710, 17-6712, 17-6801, 17-6803, 17-6804, 17-6805, 17-6805a, 17-6807, 17-6808, 17-6809, 17-6810, 17-6811, 17-6812, 17-6813, 17-6902, 17-6903, 17-6904, 17-6905, 17-6906, 17-6907, 17-6908, 17-6909, 17-6910, 17-6911, 17-6913, 17-7001, 17-7003, 17-7101, 17-7102, 17-7201, 17-7203, 17-7204, 17-7205, 17-7206, 17-7208, 17-7209, 17-7211, 17-7212, 17-7213, 17-7215, 17-7302, 17-7305, 17-7307, 17-7404, 17-7503, 17-7504, 17-7505, 17-7510 and 17-7512 and K.S.A. 2015 Supp. 17-6002, 17-6305, 17-6601, 17-6602, 17-7002, 17-7207, 17-7506, 17-76,139, 17-7903, 17-7908, 17-7918, 17-7919, 17-7924, 17-7925, 17-7927, 17-7928, 17-7929, 17-7931, 17-7934, 56-1a606, 56-1a607, 56a-1201 and 56a-1202 are hereby repealed."

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; in line 2, by striking all before the period and inserting "corporations; relating to the Kansas general corporation code; business entity standard treatment act; amending K.S.A. 17-1289, 17-2036, 17-2718, 17-4634, 17-6001, 17-6004, 17-6006, 17-6007, 17-6008, 17-6009, 17-6010, 17-6101, 17-6102, 17-6104, 17-6106, 17-6301, 17-6302, 17-6304, 17-6401, 17-6402, 17-6404, 17-6405, 17-6407, 17-6408, 17-6409, 17-6410, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6420, 17-6422, 17-6425, 17-6426, 17-6501, 17-6502, 17-6503, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6512, 17-6513, 17-6514, 17-6515, 17-6516, 17-6517, 17-6518, 17-6521, 17-6522, 17-6523, 17-6603, 17-6605, 17-6701, 17-6702, 17-6703, 17-6705, 17-6706, 17-6707, 17-6708, 17-6710, 17-6712, 17-6801, 17-6803, 17-6804, 17-6805, 17-6805a, 17-6807, 17-6808, 17-6809, 17-6810, 17-6811, 17-6812, 17-6813, 17-6902, 17-6903, 17-6904, 17-6905, 17-6906, 17-6907, 17-6908, 17-6909, 17-6910, 17-6911, 17-6913, 17-7001, 17-7003, 17-7101, 17-7102, 17-7201, 17-7203, 17-7204, 17-7205, 17-7206, 17-7208, 17-7209, 17-7211, 17-7212, 17-7213, 17-7215, 17-7302, 17-7305, 17-7307, 17-7404, 17-7503, 17-7504, 17-7505, 17-7510 and 17-7512 and K.S.A. 2015 Supp. 17-6002, 17-6305, 17-6601, 17-6602, 17-

7002, 17-7207, 17-7506, 17-76,139, 17-7903, 17-7908, 17-7918, 17-7919, 17-7924, 17-7925, 17-7927, 17-7928, 17-7929, 17-7931, 17-7934, 56-1a606, 56-1a607, 56a-1201 and 56a-1202 and repealing the existing sections; also repealing K.S.A. 17-12,100, 17-12,101, 17-12,102, 17-12,103, 17-12,104 and 17-6704";-

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

JEFF KING
GREG SMITH
DAVID HALEY
Conferees on part of Senate

JOHN E. BARKER
CHARLES MACHEERS
JOHN CARMICHAEL
Conferees on part of House

On motion of Rep. Macheers, the conference committee report on **S Sub for HB 2112** was adopted.

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

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Goico, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Hemsley, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schwab, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Schroeder.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 280** submits the following report:

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

On page 1, in line 19, after "amended" by inserting ", shall be exempt from all property or ad valorem taxes levied under the laws of this state"; by striking lines 21 through 36;

By striking all on pages 2 through 7;

On page 8, by striking all in lines 1 through10;

On page 9, by striking all in lines 7 through 43;

By striking all on pages 10 through 14;

On page 15, by striking all in lines 1 through 28;

On page 16, in line 27, by striking all following "(A)"; by striking all in lines 28 and 29; in line 30, by striking "de novo";

On page 31, in line 26, before "prior" by inserting "at least 10 business days"; in line 29, by striking "or" and inserting "and"; also in line 29 after "website" by inserting ", if the county maintains a county website,";

On page 41, by striking all in lines 7 through 43;

By striking all on page 42;

On page 43, by striking all in lines 1 through 3; in line 4, by striking "exceeds the statewide average" and inserting "fails to meet the minimum appraisal standards for commercial real property established by the official Kansas appraisal/sales ratio study conducted for the preceding year by the division of property valuation of the department of revenue"; in line 10, by striking all following "selected"; in line 11, by striking all before the period and inserting "so to represent a sample of the commercial property types which failed to meet statistical compliance in the county"; by striking all in line 26 and inserting "74-2433f, 79-1448, 79-1609 or 79-"; in line 31, by striking all after "shall"; by striking all in lines 32 through 39; in line 40, by striking all before the period and inserting "review and consider such appraisal in the determination of valuation or classification of the taxpayer's property and mail a supplemental notice of final determination. If the final determination is not in favor of the taxpayer then the county appraiser shall notify the taxpayer that the county is required to perform its own, or commission a fee simple single property appraisal. The county appraiser shall then have 90 days to furnish that appraisal along with a new supplemental notice of determination and if not in favor of the taxpayer include an explanation of the reasons the county appraiser did not rely upon the taxpayer's fee simple single property appraisal. Whenever a taxpayer submits a fee simple single property appraisal the burden of proof shall be on the county appraiser to dispute the value of that appraisal. Any taxpayer aggrieved by the final determination of the county appraiser may appeal to the state board of tax appeals as provided in K.S.A. 79-1609, and amendments thereto, within 30 days subsequent to the date of mailing of the supplemental notice of final determination";

On page 44, by striking all in lines 6 through 8 and inserting:

"Sec. 25. K.S.A. 2015 Supp. 12-1927 is hereby amended to read as follows: 12-1927. (a) (1) The recreation commission shall prepare an annual budget for the operation of the recreation system. Prior to the certification of its budget to the city or school district, the recreation commission shall meet for the purpose of answering and hearing objections of taxpayers relating to the proposed budget and for the purpose of considering amendments to such proposed budget. The recreation commission shall give at least 10 days' notice of the time and place of the meeting by publication in a weekly or daily newspaper having a general circulation in the taxing district. Such notice shall include the proposed budget and shall set out all essential items in the budget except such groupings as designated by the director of accounts and reports on a special publication form prescribed by the director of accounts and reports and

furnished with the regular budget form. The public hearing required to be held herein shall be held not less than 10 days prior to the date on which the recreation commission is required to certify its budget to the city or school district.

(2) Except as provided in subsection (b), after such hearing the budget shall be adopted or amended and adopted by the recreation commission. In order to provide funds to carry out the provisions of this act and to pay a portion of the principal and interest on bonds issued pursuant to K.S.A. 12-1774, and amendments thereto, the recreation commission shall annually, not later than August 1 of any year, certify its budget to such city or school district which shall levy a tax sufficient to raise the amount required by such budget on all the taxable tangible property within the taxing district.

(3) Each year a copy of the budget adopted by the recreation commission shall be filed with the city clerk in the case of a city-established recreation system or with the clerk of the school district in the case of a school district-established recreation system or with the clerk of the taxing district in the case of a jointly established recreation system. A copy of such budget also shall be filed with the county clerk of the county in which the recreation system is located. If the recreation system is located in more than one county, a copy of the budget shall be filed with the clerk of the county in which the greater portion of the assessed valuation of the recreation system is located. The city or school district shall not be required to levy a tax in excess of the maximum tax levy set by the city or school district by current resolution. In the case of a new recreation commission established under the provisions of this act, such levy shall not be required to exceed one mill. Whenever the recreation commission determines that the tax currently being levied for the commission, as previously established by the city or school district, is insufficient to operate the recreation system and the commission desires to increase the mill levy above the current levy, the commission shall request that the city or school district authorize an increase by adopting a resolution declaring it necessary to increase the annual levy. The city or school district may authorize the increase by resolution, but such increase shall not exceed one mill per year. The maximum annual mill levy for the recreation commission general fund shall not exceed a total of four mills.

(b) Prior to adopting the budget pursuant to subsection (a)(2), the Blue Valley recreation commission appointed by the Blue Valley unified school district no. 229 shall submit its proposed budget to the board of education of the school district. The board either shall approve or modify and approve the proposed budget. The recreation commission shall adopt the budget as approved or modified and approved by the school district board.

(c) Any resolution adopted under subsection (a) shall state the total amount of the tax to be levied for the recreation system and shall be published once each week for two consecutive weeks in the official newspaper of the taxing district. Whereupon, such annual levy in an amount not to exceed the amount stated in the resolution may be made for the ensuing budget year and each successive budget year unless a petition requesting an election upon the proposition to increase the tax levy in excess of the current tax levy, signed by at least 5% of the qualified voters of the taxing district, is filed with the county election officer within 30 days following the date of the last publication of the resolution. In the event a valid petition is filed, no such increased levy shall be made without such proposition having been submitted to and having been approved by a

majority of the voters of the taxing district voting at an election called and held thereon. All such elections shall be called and held in the manner provided by the general bond law, and the cost of the election shall be borne by the recreation commission. Such taxes shall be levied and collected in like manner as other taxes, which levy the city or school district shall certify, on or before August 25 of each year, to the county clerk who is hereby authorized and required to place the same on the tax roll of the county to be collected by the county treasurer and paid over by the county treasurer to the ex officio treasurer of the recreation commission.

~~(c)~~(d) The tax levy provided in this section shall not be considered a levy of such city or school district under any of the statutes of this state, but shall be in addition to all other levies authorized by law and, with respect to any such levy made for the first time in 1989, shall not be subject to the provisions of K.S.A. 79-5021 et seq., and amendments thereto.

~~(d)~~(e) (1) At any time after the making of the first tax levy pursuant to this act, the amount of such tax levy may be reduced by a majority of the voters of the taxing district voting at an election called pursuant to a petition and conducted in the same manner as that prescribed by subsection ~~(b)~~ (c). The authority of any recreation commission in existence on the effective date of this act or any recreation commission established under the provisions of this act to operate and conduct its activities may be revoked in any year following the third year of its operation by a majority of the voters of the taxing district voting at an election called pursuant to a petition and conducted in the same manner as that prescribed by subsection ~~(b)~~ (c). If the petition submitted is for the purpose of reducing the mill levy, it shall state the mill levy reduction desired. Upon revocation, all property and money belonging to the recreation commission shall become the property of the taxing authority levying the tax for the commission, and the recreation commission shall be dissolved. In the event the authority of a recreation commission is revoked pursuant to this subsection, the taxing authority may continue to levy a tax in the manner prescribed by the petition language for the purpose of paying any outstanding obligations of the recreation commission which exist on the date such authority is revoked. The authority to levy a tax for this purpose shall continue only as long as such outstanding obligations exist.

(2) If the recreation district whose authority is revoked owns any real property at the time of such revocation, title to such real property shall revert to the taxing authority.

~~(e)~~ (f) All financial records of the recreation commission shall be audited as provided in K.S.A. 75-1122, and amendments thereto, and a copy of such annual audit report shall be filed with the governing body of the city or school district, or both, in the case of a jointly established recreation system. A copy of such audit also shall be filed with the county clerk of the county in which the recreation system is located. If the recreation system is located in more than one county, a copy of the budget shall be filed with the clerk of the county in which the greater portion of the assessed valuation of the recreation system is located. The cost of each audit shall be borne by the recreation commission.";

Also on page 44, in line 10, following "Supp." by inserting "12-1927,";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "property"; in line 7, by striking "3-114, 12-1688,"; also in line 7, by striking "19-3557,"; in line 8, by striking all before "79-

504"; in line 9, by striking the first comma and inserting "and"; also in line 9, by striking ", 80-1520 and 80-1548"; in line 10, by striking ", 12-1928, 12-1936, 27-323";

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

MARVIN KLEEB
GENE SUELLENTROP
TOM SAWYER
Conferees on part of House

LES DONOVAN
CARYN TYSON
TOM HOLLAND
Conferees on part of Senate

On motion of Rep. Kleeb, the conference committee report on **H Sub for SB 280** was adopted.

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

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Goico, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Hemsley, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, McPherson, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Rubin, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schwab, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Schroeder.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2615** 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 10, following line 38, by inserting:

"(j) "Community mental health center" means any community mental health center organized pursuant to K.S.A. 19-4001 through 19-4015, and amendments thereto, or a mental health clinic organized pursuant to K.S.A. 65-211 through 65-215, and amendments thereto, and licensed in accordance with K.S.A. 75-3307b, and

amendments thereto.";

On page 11, following line 29, by inserting:

"Sec. 5. K.S.A. 75-6115 is hereby amended to read as follows: 75-6115. (a) The Kansas tort claims act shall not be applicable to claims arising from the rendering of or failure to render professional services by a health care provider other than:

(1) A charitable health care provider;

(2) a hospital owned by a municipality and the employees thereof;

(3) a local health department and the employees thereof;

(4) an indigent health care clinic and the employees thereof; ~~or~~

(5) a district coroner or deputy district coroner appointed pursuant to K.S.A. 22a-226, and amendments thereto; or

(6) a community mental health center and the employees thereof.

(b) Claims for damages against a health care provider that is a governmental entity or an employee of a governmental entity other than those health care providers enumerated in subsection (a), arising out of the rendering of or failure to render professional services by such health care provider, may be recovered in the same manner as claims for damages against any other health care provider.

(c) As used in this section:

(1) "Indigent health care clinic" shall have the meaning ascribed to such term under K.S.A. 75-6102, and amendments thereto.

(2) "Charitable health care provider" shall have the meaning ascribed to such term under K.S.A. 75-6102, and amendments thereto.

(3) "Health care provider" shall have the meaning ascribed to such term under K.S.A. 40-3401, and amendments thereto.

(4) "Hospital" means a medical care facility as defined in K.S.A. 65-425, and amendments thereto, and includes within its meaning any clinic, school of nursing, long-term care facility, child-care facility and emergency medical or ambulance service operated in connection with the operation of the medical care facility.

(5) "Local health department" shall have the meaning ascribed to such term under K.S.A. 65-241, and amendments thereto.

New Sec. 6. Sections 6 through 29, and amendments thereto, shall be known and may be cited as the acupuncture practice act.

New Sec. 7. As used in the acupuncture practice act:

(a) "ACAOM" means the national accrediting agency recognized by the U.S. department of education that provides accreditation for educational programs for acupuncture and oriental medicine. For purposes of the acupuncture practice act, the term ACAOM shall also include any entity deemed by the board to be the equivalent of ACAOM.

(b) "Act" means the acupuncture practice act.

(c) "Acupuncture" means the use of needles inserted into the human body by piercing of the skin and related modalities for the assessment, evaluation, prevention, treatment or correction of any abnormal physiology or pain by means of controlling and regulating the flow and balance of energy in the body and stimulating the body to restore itself to its proper functioning and state of health.

(d) "Board" means the state board of healing arts.

(e) "Council" means the acupuncture advisory council established by section 18, and amendments thereto.

(f) "Licensed acupuncturist" means any person licensed to practice acupuncture under the acupuncture practice act.

(g) "NCCAOM" means the national certification commission for acupuncture and oriental medicine. NCCAOM is a national organization that validates entry-level competency in the practice of acupuncture and oriental medicine through the administration of professional certification examinations. For purposes of the acupuncture practice act, the term NCCAOM shall also include any entity deemed by the board to be the equivalent of the NCCAOM.

(h) "Physician" means a person licensed to practice medicine and surgery or osteopathy in Kansas.

(i) "Practice of acupuncture" includes, but is not limited to:

(1) Techniques sometimes called "dry needling," "trigger point therapy," "intramuscular therapy," "auricular detox treatment" and similar terms;

(2) mechanical, thermal, pressure, suction, friction, electrical, magnetic, light, sound, vibration, manual and electromagnetic treatment;

(3) the use, application or recommendation of therapeutic exercises, breathing techniques, meditation and dietary and nutritional counselings; and

(4) the use and recommendation of herbal products and nutritional supplements, according to the acupuncturist's level of training and certification by the NCCAOM or its equivalent.

(j) "Practice of acupuncture" does not include:

(1) Prescribing, dispensing or administering of any controlled substances as defined in K.S.A. 65-4101 et seq., and amendments thereto, or any prescription-only drugs;

(2) the practice of medicine and surgery, including obstetrics and the use of lasers or ionizing radiation;

(3) the practice of osteopathic medicine and surgery or osteopathic manipulative treatment;

(4) the practice of chiropractic;

(5) the practice of dentistry; or

(6) the practice of podiatry.

New Sec. 8. (a) On and after July 1, 2017, except as otherwise provided in this act, no person shall practice acupuncture unless such person possesses a current and valid acupuncture license issued under this act.

(b) (1) No person shall depict oneself orally or in writing, expressly or by implication, as a holder of a license who does not hold a current license under this act.

(2) Only persons licensed under this act shall be entitled to use the title "licensed acupuncturist" or the designated letters "L.Ac."

(3) Nothing in this section shall be construed to prohibit an acupuncturist licensed under this act from listing or using in conjunction with their name any letters, words, abbreviations or other insignia to denote any educational degrees, certifications or credentials which such licensed acupuncturist has earned.

(4) Violation of this section shall constitute a class B misdemeanor.

New Sec. 9. Needles used in the practice of acupuncture shall only be prepackaged, single-use and sterile. These needles shall only be used on an individual patient in a single treatment session.

New Sec. 10. (a) The following shall be exempt from the requirements for an acupuncture license pursuant to this act:

(1) Any person licensed in this state to practice medicine and surgery, osteopathy, dentistry or podiatry, a licensed chiropractor or a licensed naturopathic doctor, if the person confines the person's acts or practice to the scope of practice authorized by their health professional licensing laws and does not represent to the public that the person is licensed under this act;

(2) any herbalist or herbal retailer who does not hold oneself out to be a licensed acupuncturist;

(3) any health care provider in the United States armed forces, federal facilities and other military service when acting in the line of duty in this state;

(4) any student, trainee or visiting teacher of acupuncture, oriental medicine or herbology who is designated as a student, trainee or visiting teacher while participating in a course of study or training under the supervision of a licensed acupuncturist licensed under this act in a program that the council has approved. This includes continuing education programs and any acupuncture or herbology programs that are a recognized route by the NCCAOM, or its equivalent, to certification;

(5) any person rendering assistance in the case of an emergency or disaster relief;

(6) any person practicing self-care or any family member providing gratuitous care, so long as such person or family member does not represent or hold oneself out to the public to be an acupuncturist;

(7) any person who massages, so long as such person does not practice acupuncture or hold oneself out to be a licensed acupuncturist;

(8) any person whose professional services are performed pursuant to delegation by and under the supervision of a practitioner licensed under this act;

(9) any team acupuncturist or herbology practitioner, who is traveling with and treating those associated with an out-of-state or national team that is temporarily in the state for training or competition purposes; and

(10) any person licensed as a physical therapist when performing dry needling, trigger point therapy or services specifically authorized in accordance with the provisions of the physical therapy practice act.

(b) This section shall take effect on and after July 1, 2017.

New Sec. 11. An applicant for licensure as an acupuncturist shall file an application, on forms provided by the board, showing to the satisfaction of the board that the applicant:

(a) Is at least 21 years of age;

(b) has successfully completed secondary schooling or its equivalent;

(c) has satisfactorily completed a course of study involving acupuncture from an accredited school of acupuncture which the board shall determine to have educational standards substantially equivalent to the minimum educational standards for acupuncture colleges as established by the ACAOM or NCCAOM;

(d) has satisfactorily passed a license examination approved by the board;

(e) has the reasonable ability to communicate in English; and

(f) has paid all fees required for licensure pursuant to section 16, and amendments thereto.

New Sec. 12. (a) The board, without examination, may issue a license to a person who has been in the active practice of acupuncture in some other state, territory, the District of Columbia or other country upon certification by the proper licensing authority of that state, territory, District of Columbia or other country certifying that the

applicant is duly licensed, that the applicant's license has never been limited, suspended or revoked, that the licensee has never been censured or received other disciplinary actions and that, so far as the records of such authority are concerned, the applicant is entitled to such licensing authority's endorsement. The applicant shall also present proof satisfactory to the board:

(1) That the state, territory, District of Columbia or country in which the applicant last practiced has and maintains standards at least equal to those maintained in Kansas;

(2) that the applicant's original license was based upon an examination at least equal in quality to the examination required in this state and that the passing grade required to obtain such original license was comparable to that required in this state;

(3) the date of the applicant's original license and all endorsed licenses and the date and place from which any license was attained;

(4) the applicant has been actively engaged in practice under such license or licenses since issued. The board may adopt rules and regulations establishing qualitative and quantitative practice activities which qualify as active practice;

(5) that the applicant has a reasonable ability to communicate in English; and

(6) that the applicant has paid all the application fees as prescribed by section 16, and amendments thereto.

(b) An applicant for a license by endorsement shall not be licensed unless, as determined by the board, the applicant's individual qualifications are substantially equivalent to the Kansas requirements for licensure under the acupuncture practice act.

New Sec. 13. The board shall waive the education and examination requirements for an applicant who submits an application on or before January 1, 2018, and who, on or before July 1, 2017:

(a) Is 21 years of age or older;

(b) has successfully completed secondary schooling or its equivalent;

(c) (1) (A) has completed a minimum of 1,350 hours of study, excluding online study in the field of acupuncture; and

(B) has been engaged in the practice of acupuncture with a minimum of 1,500 patient visits during a period of at least three of the five years immediately preceding July 1, 2017, as evidenced by two affidavits from office partners, clinic supervisors or other individuals approved by the board, who have personal knowledge of the years of practice and number of patients visiting the applicant for acupuncture. The board may adopt rules and regulations for further verification of the applicant's practice of acupuncture; or

(2) has satisfactorily passed a license examination approved by the board;

(d) has a reasonable ability to communicate in English; and

(e) has paid all fees required for licensure as prescribed by section 16, and amendments thereto.

New Sec. 14. (a) The license shall be canceled on March 31 of each year unless renewed in the manner prescribed by the board. In each case in which a license is renewed for a period of time of less than 12 months, the board may prorate the amount of the fee established under section 16, and amendments thereto. The request for renewal shall be on a form provided by the board and shall be accompanied by the prescribed fee, which shall be paid not later than the renewal date of the license.

(b) There is hereby created a designation of an active license. The board is authorized to issue an active license to any licensee who makes written application for

such license on a form provided by the board and remits the fee established pursuant to section 16, and amendments thereto. The board shall require every active licensee to submit evidence of satisfactory completion of a program of continuing education required by the board. The requirements for continuing education for licensed acupuncturists shall be established by rules and regulations adopted by the board.

(c) The board, prior to renewal of a license, shall require an active licensee to submit to the board evidence satisfactory to the board that the licensee is maintaining a policy of professional liability insurance. The board shall fix by rules and regulations the minimum level of coverage for such professional liability insurance.

(d) At least 30 days before the renewal date of a licensee's license, the board shall notify the licensee of the renewal date by mail addressed to the licensee's last known mailing address. If the licensee fails to submit the renewal application and pay the renewal fee by the renewal date of the license, the licensee shall be given notice that the licensee has failed to submit the renewal application and pay the renewal fee by the renewal date of the license, that the license will be deemed canceled if not renewed within 30 days following the renewal date, that upon receipt of the renewal application and renewal fee and an additional late fee established by rules and regulations not to exceed $500 within the 30-day period, the license will not be canceled and that, if both fees are not received within the 30-day period, the license shall be deemed canceled by operation of law and without further proceedings.

(e) Any license canceled for failure to renew may be reinstated within two years of cancellation upon recommendation of the board and upon payment of the renewal fees then due and upon proof of compliance with the continuing education requirements established by the board by rules and regulations. Any person who has not been in the active practice of acupuncture for which reinstatement is sought or who has not been engaged in a formal educational program during the two years preceding the application for reinstatement may be required to complete such additional testing, training or education as the board may deem necessary to establish the licensee's present ability to practice with reasonable skill and safety.

(f) There is hereby created a designation of an exempt license. The board is authorized to issue an exempt license to any licensee who makes written application for such license on a form provided by the board and remits the fee established pursuant to section 16, and amendments thereto. The board may issue an exempt license to a person who is not regularly engaged in the practice of acupuncture in Kansas and who does not hold oneself out to the public as being professionally engaged in such practice. An exempt license shall entitle the holder to all privileges attendant to the practice of acupuncture for which such license is issued. Each exempt license may be renewed subject to the provisions of this section. Each exempt licensee shall be subject to all provisions of the acupuncture practice act, except as otherwise provided in this subsection. The holder of an exempt license may be required to submit evidence of satisfactory completion of a program of continuing education required by this section. The requirements for continuing education for exempt licensees shall be established by rules and regulations adopted by the board. Each exempt licensee may apply for an active license to regularly engage in the practice of acupuncture upon filing a written application with the board. The request shall be on a form provided by the board and shall be accompanied by the license fee established pursuant to section 16, and amendments thereto. For the licensee whose license has been exempt for less than two

years, the board shall adopt rules and regulations establishing appropriate continuing education requirements for exempt licensees to become licensed to regularly practice acupuncture within Kansas. Any licensee whose license has been exempt for more than two years and who has not been in the active practice of acupuncture since the license has been exempt may be required to complete such additional testing, training or education as the board may deem necessary to establish the licensee's present ability to practice with reasonable skill and safety. Nothing in this subsection shall be construed to prohibit a person holding an exempt license from serving as a paid employee of: (1) A local health department as defined by K.S.A. 65-241, and amendments thereto; or (2) an indigent health care clinic as defined by K.S.A. 75-6102, and amendments thereto.

(g) There is hereby created the designation of inactive license. The board is authorized to issue an inactive license to any licensee who makes written application for such license on a form provided by the board and remits the fee established pursuant to section 16, and amendments thereto. The board may issue an inactive license only to a person who is not regularly engaged in the practice of acupuncture in Kansas and who does not hold oneself out to the public as being professionally engaged in such practice. An inactive license shall not entitle the holder to practice acupuncture in this state. Each inactive license may be renewed subject to the provisions of this section. Each inactive licensee shall be subject to all provisions of the acupuncture practice act, except as otherwise provided in this subsection. The holder of an inactive license shall not be required to submit evidence of satisfactory completion of a program of continuing education required by subsection (b). Each inactive licensee may apply for an active license upon filing a written application with the board. The request shall be on a form provided by the board and shall be accompanied by the license fee established pursuant to section 16, and amendments thereto. For those licensees whose licenses have been inactive for less than two years, the board shall adopt rules and regulations establishing appropriate continuing education requirements for inactive licensees to become licensed to regularly practice acupuncture within Kansas. Any licensee whose license has been inactive for more than two years and who has not been in the active practice of acupuncture or engaged in a formal education program since the license has been inactive may be required to complete such additional testing, training or education as the board may deem necessary to establish the licensee's present ability to practice with reasonable skill and safety.

(h) This section shall take effect on and after July 1, 2017.

New Sec. 15. A person whose license has been revoked may apply for reinstatement after the expiration of three years from the effective date of the revocation. Application for reinstatement shall be on a form provided by the board and shall be accompanied by the fee established by the board in accordance with section 16, and amendments thereto. The burden of proof by clear and convincing evidence shall be on the applicant to show sufficient rehabilitation to justify reinstatement. If the board determines that a license should not be reinstated, the person shall not be eligible to reapply for reinstatement for three years from the effective date of the denial. All proceedings conducted on an application for reinstatement shall be in accordance with the Kansas administrative procedure act and shall be reviewable in accordance with the Kansas judicial review act. The board, on its own motion, may stay the effectiveness of an order of revocation of license.

New Sec. 16. The board shall charge and collect in advance nonrefundable fees for

acupuncturists as established by the board by rules and regulations, not to exceed:

Initial application for licensure.....$700

Annual renewal for active license - paper.....$300

Annual renewal for active license - online.....$250

Annual renewal for inactive license - paper.....$200

Annual renewal for inactive license - online.....$150

Annual renewal for exempt license - paper.....$200

Annual renewal for exempt license - online.....$150

Late renewal fee.....$100

Conversion from inactive to active license.....$300

Conversion from exempt to active license.....$300

Application for reinstatement of revoked license.....$1,000

Certified copy of license.....$25

Written verification of license.....$25

New Sec. 17. The board shall remit all moneys received by or for the board from fees, charges or penalties 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. Ten percent of such amount shall be credited to the state general fund and the balance shall be credited to the healing arts fee fund. All expenditures from the healing arts 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 president of the board or by a person or persons designated by the president.

New Sec. 18. (a) There is hereby established the acupuncture advisory council to assist the state board of healing arts in carrying out the provisions of this act. The council shall consist of five members, all citizens and residents of the state of Kansas, appointed as follows:

(1) The board shall appoint one member who is a physician licensed to practice medicine and surgery or osteopathy. The member appointed by the board shall serve at the pleasure of the board. The governor shall appoint three acupuncturists who have at

least three years' experience in acupuncture preceding appointment and are actively engaged, in this state, in the practice of acupuncture or the teaching of acupuncture. At least two of the governor's appointments shall be made from a list of four nominees submitted by the Kansas association of oriental medicine. The governor shall appoint one member from the public sector who is not engaged, directly or indirectly, in the provision of health services. Insofar as possible, persons appointed by the governor to the council shall be from different geographic areas.

(2) The members appointed by the governor shall be appointed for terms of four years and until a successor is appointed. If a vacancy occurs on the council, the appointing authority of the position which has become vacant shall appoint a person of like qualifications to fill the vacant position for the unexpired term.

(b) The council shall meet at least once each year at a time of its choosing at the board's main office and at such other times as may be necessary on the chairperson's call or on the request of a majority of the council's members.

(c) A majority of the council constitutes a quorum. No action may be taken by the council except by affirmative vote of the majority of the members present and voting.

(d) Members of the council attending meetings of the council, or a subcommittee of the council, shall be paid amounts provided in K.S.A. 75-3223(e), and amendments thereto, from the healing arts fee fund.

New Sec. 19. The acupuncture advisory council shall advise the board regarding:

(a) Examination, licensing and other fees;

(b) rules and regulations to be adopted to carry out the provisions of this act;

(c) the number of yearly continuing education hours required to maintain active licensure;

(d) changes and new requirements taking place in the areas of acupuncture; and

(e) such other duties and responsibilities as the board may assign.

New Sec. 20. The board shall promulgate all necessary rules and regulations which may be necessary to administer the provisions of this act and to supplement the provisions herein.

New Sec. 21. (a) A licensee's license may be revoked, suspended, limited or placed on probation, or the licensee may be publicly censured, or an application for a license or for reinstatement of a license may be denied upon a finding of the existence of any of the following grounds:

(1) The licensee has committed an act of unprofessional conduct as defined by rules and regulations adopted by the board;

(2) the licensee has committed fraud or misrepresentation in applying for or securing an original, renewal or reinstated license;

(3) the licensee has committed an act of professional incompetency as defined by rules and regulations adopted by the board;

(4) the licensee has been convicted of a felony;

(5) the licensee has violated any provision of the acupuncture practice act;

(6) the licensee has violated any lawful order or rule and regulation of the board;

(7) the licensee has been found to be mentally ill, disabled, not guilty by reason of insanity, not guilty because the licensee suffers from a mental disease or defect or incompetent to stand trial by a court of competent jurisdiction;

(8) the licensee has failed to report to the board any adverse action taken against the licensee by another state or licensing jurisdiction, a peer review body, a health care

facility, a professional association or society, a governmental agency, a law enforcement agency or a court for acts or conduct similar to acts or conduct which would constitute grounds for disciplinary action under this section;

(9) the licensee has surrendered a license or authorization to practice as an acupuncturist in another state or jurisdiction, has agreed to a limitation or restriction of privileges at any medical care facility or has surrendered the licensee's membership on any professional staff or in any professional association or society while under investigation for acts or conduct similar to acts or conduct which would constitute grounds for disciplinary action under this section;

(10) the licensee has failed to report to the board the surrender of the licensee's license or authorization to practice as an acupuncturist in another state or jurisdiction or the surrender of the licensee's membership on any professional staff or in any professional association or society while under investigation for acts or conduct similar to acts or conduct which would constitute grounds for disciplinary action under this section;

(11) the licensee has an adverse judgment, award or settlement rendered against the licensee resulting from a medical liability claim related to acts or conduct similar to acts or conduct which would constitute grounds for disciplinary action under this section;

(12) the licensee has failed to report to the board any adverse judgment, settlement or award against the licensee resulting from a medical malpractice liability claim related to acts or conduct similar to acts or conduct which would constitute grounds for disciplinary action under this section; or

(13) the licensee's ability to practice with reasonable skill and safety to patients is impaired by reason of physical or mental illness, or use of alcohol, drugs or controlled substances. When reasonable suspicion of impairment exists, the board may take action in accordance with K.S.A. 65-2842, and amendments thereto. All information, reports, findings and other records relating to impairment shall be confidential and not subject to discovery by or release to any person or entity outside of a board proceeding. This provision regarding confidentiality shall expire on July 1, 2022, unless the legislature reviews and reenacts such provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2022.

(b) The denial, refusal to renew, suspension, limitation, probation or revocation of a license or other sanction may be ordered by the board upon a finding of a violation of the acupuncture practice act. All administrative proceedings conducted pursuant to this act shall be in accordance with the Kansas administrative procedure act and shall be reviewable in accordance with the Kansas judicial review act.

(c) This section shall take effect on and after July 1, 2017.

New Sec. 22. (a) The board shall have jurisdiction of proceedings to take disciplinary action against any licensee practicing under the acupuncture practice act. Any such action shall be taken in accordance with the Kansas administrative procedure act.

(b) Either before or after formal charges have been filed, the board and the licensee may enter into a stipulation which shall be binding upon the board and the licensee entering into such stipulation, and the board may enter its findings of fact and enforcement order based upon such stipulation without the necessity of filing any formal charges or holding hearings in the case. An enforcement order based upon a stipulation may order any disciplinary action against the licensee entering into such

stipulation.

(c) The board may temporarily suspend or temporarily limit the license of any licensee in accordance with the emergency adjudicative proceedings provisions under the Kansas administrative procedure act if the board determines that there is cause to believe that grounds exist for disciplinary action against the licensee and that the licensee's continuation of practice would constitute an imminent danger to public health and safety.

(d) Judicial review and civil enforcement of any agency action under this act shall be in accordance with the Kansas judicial review act.

New Sec. 23. The board or a committee of the board may implement non-disciplinary resolutions concerning a licensed acupuncturist consistent with the provisions of K.S.A. 65-2838a, and amendments thereto.

New Sec. 24. The state board of healing arts, in addition to any other penalty prescribed under the acupuncture practice act, may assess a civil fine, after proper notice and an opportunity to be heard, against a licensee for a violation of the acupuncture practice act in an amount not to exceed $2,000 for a first violation, $5,000 for a second violation and $10,000 for a third violation and any subsequent violation. All fines assessed and collected under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4218, 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. Fines collected under this section shall be considered administrative fines pursuant to 11 U.S.C. § 523.

New Sec. 25. (a) Any complaint or report, record or other information relating to a complaint which is received, obtained or maintained by the board shall be confidential and shall not be disclosed by the board or its employees in a manner which identifies or enables identification of the person who is the subject or source of the information, except the information may be disclosed:

(1) In any proceeding conducted by the board under the law or in an appeal of an order of the board entered in a proceeding, or to any party to a proceeding or appeal or the party's attorney;

(2) to the person who is the subject of the information or to any person or entity when requested by the person who is the subject of the information, but the board may require disclosure in such a manner that will prevent identification of any other person who is the subject or source of the information; or

(3) to a state or federal licensing, regulatory or enforcement agency with jurisdiction over the subject of the information or to an agency with jurisdiction over acts or conduct similar to acts or conduct which would constitute grounds for action under this act.

(b) Any confidential complaint or report, record or other information disclosed by the board as authorized by this section shall not be re-disclosed by the receiving agency except as otherwise authorized by law.

(c) This section regarding confidentiality shall expire on July 1, 2022, unless the legislature reviews and reenacts such provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2022.

New Sec. 26. (a) No person reporting to the state board of healing arts in good faith any information such person may have relating to alleged incidents of malpractice, or the qualifications, fitness or character of, or disciplinary action taken against a person

licensed, registered or certified by the board shall be subject to a civil action for damages as a result of reporting such information.

(b) Any state, regional or local association composed of persons licensed to practice acupuncture and the individual members of any committee thereof, which in good faith investigates or communicates information pertaining to the alleged incidents of malpractice, or the qualifications, fitness or character of, or disciplinary action taken against any licensee, registrant or certificate holder to the state board of healing arts or to any committee or agent thereof, shall be immune from liability in any civil action that is based upon such investigation or transmittal of information if the investigation and communication was made in good faith and did not represent as true any matter not reasonably believed to be true.

New Sec. 27. (a) The confidential relations and communications between a licensed acupuncturist and the acupuncturist's patient are placed on the same basis as those established between a physician and a physician's patient in K.S.A. 60-427, and amendments thereto.

(b) This section shall take effect on and after July 1, 2017.

New Sec. 28. (a) When it appears that any person is violating any provision of this act, the board may bring an action in the name of the state in a court of competent jurisdiction for an injunction against such violation without regard as to whether proceedings have been or may be instituted before the board or whether criminal proceedings have been or may be instituted.

(b) This section shall take effect on and after July 1, 2017.

New Sec. 29. If any provision of the acupuncture practice act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the acupuncture practice act which can be given effect without the invalid provision or application, and to this end the provisions of the acupuncture practice act are declared to be severable.

Sec. 30. K.S.A. 2015 Supp. 65-2872 is hereby amended to read as follows: 65-2872. The practice of the healing arts shall not be construed to include the following persons:

(a) Persons rendering gratuitous services in the case of an emergency.

(b) Persons gratuitously administering ordinary household remedies.

(c) The members of any church practicing their religious tenets provided they shall not be exempt from complying with all public health regulations of the state.

(d) Students while in actual classroom attendance in an accredited healing arts school who after completing one year's study treat diseases under the supervision of a licensed instructor.

(e) Students upon the completion of at least three years study in an accredited healing arts school and who, as a part of their academic requirements for a degree, serve a preceptorship not to exceed 180 days under the supervision of a licensed practitioner.

(f) Persons who massage for the purpose of relaxation, muscle conditioning, or figure improvement, provided no drugs are used and such persons do not hold themselves out to be physicians or healers.

(g) Persons whose professional services are performed under the supervision or by order of or referral from a practitioner who is licensed under this act.

(h) Persons in the general fields of psychology, education and social work, dealing with the social, psychological and moral well-being of individuals or groups, or both,

provided they do not use drugs and do not hold themselves out to be the physicians, surgeons, osteopathic physicians or chiropractors.

(i) Practitioners of the healing arts in the United States army, navy, air force, public health service, and coast guard or other military service when acting in the line of duty in this state.

(j) Practitioners of the healing arts licensed in another state when and while incidentally called into this state in consultation with practitioners licensed in this state.

(k) Dentists practicing their professions, when licensed and practicing in accordance with the provisions of article 14 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

(l) Optometrists practicing their professions, when licensed and practicing under and in accordance with the provisions of article 15 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

(m) Nurses practicing their profession when licensed and practicing under and in accordance with the provisions of article 11 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

(n) Podiatrists practicing their profession, when licensed and practicing under and in accordance with the provisions of article 20 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

(o) Every act or practice falling in the field of the healing arts, not specifically excepted herein, shall constitute the practice thereof.

(p) Pharmacists practicing their profession, when licensed and practicing under and in accordance with the provisions of article 16 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

(q) A dentist licensed in accordance with the provisions of article 14 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, who administers general and local anesthetics to facilitate medical procedures conducted by a person licensed to practice medicine and surgery if such dentist is certified by the board of healing arts under K.S.A. 65-2899, and amendments thereto, to administer such general and local anesthetics.

(r) Practitioners of the healing arts duly licensed under the laws of another state who do not open an office or maintain or appoint a place to regularly meet patients or to receive calls within this state, but who order services which are performed in this state in accordance with rules and regulations of the board. The board shall adopt rules and regulations identifying circumstances in which professional services may be performed in this state based upon an order by a practitioner of the healing arts licensed under the laws of another state.

(s) Acupuncturists, when licensed and practicing in accordance with sections 6 through 29, and amendments thereto, rules and regulations adopted thereto, and interpretations thereof by the supreme court of this state.

(t) Persons licensed by the state board of cosmetology practicing their professions, when licensed and practicing under and in accordance with the provisions of article 19

of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any interpretation thereof by the supreme court of this state.

New Sec. 31. (a) The board shall adopt rules and regulations establishing minimum education and training requirements for the practice of dry needling by a licensed physical therapist.

(b) This section shall be part of and supplemental to the physical therapy practice act.

Sec. 32. K.S.A. 2015 Supp. 65-2901 is hereby amended to read as follows: 65-2901. As used in ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto~~ the physical therapy practice act:

(a) "Physical therapy" means examining, evaluating and testing individuals with mechanical, anatomical, physiological and developmental impairments, functional limitations and disabilities or other health and movement-related conditions in order to determine a diagnosis solely for physical therapy, prognosis, plan of therapeutic intervention and to assess the ongoing effects of physical therapy intervention. Physical therapy also includes alleviating impairments, functional limitations and disabilities by designing, implementing and modifying therapeutic interventions that may include, but are not limited to, therapeutic exercise; functional training in community or work integration or reintegration; manual therapy; dry needling; therapeutic massage; prescription, application and, as appropriate, fabrication of assistive, adaptive, orthotic, prosthetic, protective and supportive devices and equipment; airway clearance techniques; integumentary protection and repair techniques; debridement and wound care; physical agents or modalities; mechanical and electrotherapeutic modalities; patient-related instruction; reducing the risk of injury, impairments, functional limitations and disability, including the promotion and maintenance of fitness, health and quality of life in all age populations and engaging in administration, consultation, education and research. Physical therapy also includes the care and services provided by a physical therapist or a physical therapist assistant under the direction and supervision of a physical therapist who is licensed pursuant to ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto~~ the physical therapy practice act. Physical therapy does not include the use of roentgen rays and radium for diagnostic and therapeutic purposes, the use of electricity for surgical purposes, including cauterization, the practice of any branch of the healing arts and the making of a medical diagnosis.

(b) "Physical therapist" means a person who is licensed to practice physical therapy pursuant to ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto~~ the physical therapy practice act. Any person who successfully meets the requirements of K.S.A. 65-2906, and amendments thereto, shall be known and designated as a physical therapist and may designate or describe oneself, as appropriate, as a physical therapist, physiotherapist, licensed physical therapist, doctor of physical therapy, abbreviations thereof, or words similar thereto or use of the designated letters P.T., Ph. T., M.P.T., D.P.T. or L.P.T. Nothing in this section shall be construed to prohibit physical therapists licensed under K.S.A. 2015 Supp. 65-2906 and 65-2909, and amendments thereto, from listing or using in conjunction with their name any letters, words, abbreviations or other insignia to designate any educational degrees, certifications or credentials recognized by the board which such licensee has earned. Each licensee when using the letters or term "Dr." or "Doctor" in conjunction with such

licensee's professional practice, whether in any written or oral communication, shall identify oneself as a "physical therapist" or "doctor of physical therapy."

(c) "Physical therapist assistant" means a person who is certified pursuant to ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto,~~ the physical therapy practice act and who works under the direction of a physical therapist, and who assists the physical therapist in selected components of physical therapy intervention. Any person who successfully meets the requirements of K.S.A. 65-2906, and amendments thereto, shall be known and designated as a physical therapist assistant, and may designate or describe oneself as a physical therapist assistant, certified physical therapist assistant, abbreviations thereof, or words similar thereto or use of the designated letters P.T.A., C.P.T.A. or P.T. Asst. Nothing in this section shall be construed to prohibit physical therapist assistants certified under K.S.A. 2015 Supp. 65-2906 and 65-2909, and amendments thereto, from listing or using in conjunction with their name any letters, words, abbreviations or other insignia to designate any educational degrees, certifications or credentials which such physical therapist assistant has earned.

(d) "Board" means the state board of healing arts.

(e) "Council" means the physical therapy advisory council.

(f) "Dry needling" means a skilled intervention using a thin filiform needle to penetrate into or through the skin and stimulate underlying myofascial trigger points or muscular or connective tissues for the management of neuromuscular pain or movement impairments.

(g) "Physician" means a person licensed to practice medicine and surgery.

~~(g)~~ (h) "Recognized by the board" means an action taken by the board at an open meeting to recognize letters, words, abbreviations or other insignia to designate any educational degrees, certifications or credentials, consistent with the provisions of this act, which a physical therapist may appropriately use to designate or describe oneself and which shall be published in the official minutes of the board.

Sec. 33. K.S.A. 2015 Supp. 65-2913 is hereby amended to read as follows: 65-2913. (a) It shall be unlawful for any person who is not licensed under ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto,~~ the physical therapy practice act as a physical therapist or whose license has been suspended or revoked in any manner to represent oneself as a physical therapist or to use in connection with such person's name the words physical therapist, physiotherapist, licensed physical therapist or doctor of physical therapy or use the abbreviations P.T., Ph. T., M.P.T., D.P.T. or L.P.T., or any other letters, words, abbreviations or insignia, indicating or implying that such person is a physical therapist. A violation of this subsection shall constitute a class B nonperson misdemeanor. Nothing in this section shall be construed to prohibit physical therapists licensed under K.S.A. 2015 Supp. 65-2906 and 65-2909, and amendments thereto, from listing or using in conjunction with their name any letters, words, abbreviations or other insignia to designate any educational degrees, certifications or credentials recognized by the board which such licensee has earned. Each licensee when using the letters or term "Dr." or "Doctor" in conjunction with such licensee's professional practice, whether in any written or oral communication, shall identify oneself as a "physical therapist" or "doctor of physical therapy."

(b) Any person who, in any manner, represents oneself as a physical therapist

assistant, or who uses in connection with such person's name the words or letters physical therapist assistant, certified physical therapist assistant, P.T.A., C.P.T.A. or P.T. Asst., or any other letters, words, abbreviations or insignia, indicating or implying that such person is a physical therapist assistant, without a valid existing certificate as a physical therapist assistant issued to such person pursuant to ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto,~~ the physical therapy practice act shall be guilty of a class B nonperson misdemeanor. Nothing in this section shall be construed to prohibit physical therapist assistants certified under K.S.A. 2015 Supp. 65-2906 and 65-2909, and amendments thereto, from listing or using in conjunction with their name any letters, words, abbreviations or other insignia to designate any educational degrees, certifications or credentials which such physical therapist assistant has earned.

(c) Nothing in this act is intended to limit, preclude or otherwise interfere with the practices of other health care providers formally trained and practicing their profession. The provisions of ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto,~~ the physical therapy practice act shall not apply to the following individuals so long as they do not hold themselves out in a manner prohibited under subsection (a) or (b) ~~of this section~~:

(1) Persons rendering assistance in the case of an emergency;

(2) members of any church practicing their religious tenets;

(3) persons whose services are performed pursuant to the delegation of and under the supervision of a physical therapist who is licensed under this act;

(4) health care providers in the United States armed forces, public health services, federal facilities and coast guard or other military service when acting in the line of duty in this state;

(5) licensees under the healing arts act, and practicing their professions, when licensed and practicing in accordance with the provisions of law or persons performing services pursuant to the delegation of a licensee under ~~subsection (g) of~~ K.S.A. 65-2872(g), and amendments thereto;

(6) dentists practicing their professions, when licensed and practicing in accordance with the provisions of law;

(7) nurses practicing their professions, when licensed and practicing in accordance with the provisions of law or persons performing services pursuant to the delegation of a licensed nurse under ~~subsection (m) of~~ K.S.A. 65-1124(m), and amendments thereto;

(8) health care providers who have been formally trained and are practicing in accordance with their training or have received specific training in one or more functions included in this act pursuant to established educational protocols or both;

(9) students while in actual attendance in an accredited health care educational program and under the supervision of a qualified instructor;

(10) self-care by a patient or gratuitous care by a friend or family member;

(11) optometrists practicing their profession when licensed and practicing in accordance with the provisions of article 15 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto;

(12) podiatrists practicing their profession when licensed and practicing in accordance with the provisions of article 20 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto;

(13) occupational therapists practicing their profession when licensed and

practicing in accordance with the occupational therapy practice act and occupational therapy assistants practicing their profession when licensed and practicing in accordance with the occupational therapy practice act;

(14) respiratory therapists practicing their profession when licensed and practicing in accordance with the respiratory therapy practice act;

(15) physician assistants practicing their profession when licensed and practicing in accordance with the physician assistant licensure act;

(16) persons practicing corrective therapy in accordance with their training in corrective therapy;

(17) athletic trainers practicing their profession when licensed and practicing in accordance with the athletic trainers licensure act;

(18) persons who massage for the purpose of relaxation, muscle conditioning or figure improvement, so long as no drugs are used and such persons do not hold themselves out to be physicians or healers;

(19) barbers practicing their profession when licensed and practicing in accordance with the provisions of article 18 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto;

(20) cosmetologists practicing their profession when licensed and practicing in accordance with the provisions of article 19 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto;

(21) attendants practicing their profession when certified and practicing in accordance with the provisions of article 61 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto; ~~and~~

(22) naturopathic doctors practicing their profession when licensed and practicing in accordance with the naturopathic doctor licensure act; and

(23) acupuncturists practicing their profession when licensed and practicing in accordance with the acupuncture practice act.

(d) Any patient monitoring, assessment or other procedures designed to evaluate the effectiveness of prescribed physical therapy must be performed by or pursuant to the delegation of a licensed physical therapist or other health care provider.

(e) Nothing in this act shall be construed to permit the practice of medicine and surgery. No statute granting authority to licensees of the state board of healing arts shall be construed to confer authority upon physical therapists to engage in any activity not conferred by ~~article 29 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto~~ the physical therapy practice act.

New Sec. 34. (a) As part of an original application for or reinstatement of any license, registration, permit or certificate or in connection with any investigation of any holder of a license, registration, permit or certificate, the behavioral sciences regulatory board may require a person to be fingerprinted and submit to a state and national criminal history record check. The fingerprints shall be used to identify the person and to determine whether the person has a record of criminal history in this state or another jurisdiction. The behavioral sciences regulatory board 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 behavioral sciences regulatory board may use the information obtained from fingerprinting and the criminal history for purposes of verifying the identification of the person and in the official determination of the qualifications and fitness of the person to be issued or to

maintain a license, registration, permit or certificate.

(b) Local and state law enforcement officers and agencies shall assist the behavioral sciences regulatory board in the taking and processing of fingerprints of applicants for and holders of any license, registration, permit or certificate and shall release all records of adult convictions and nonconvictions and adult convictions or adjudications of another state or country to the behavioral sciences regulatory board.

(c) The behavioral sciences regulatory board may fix and collect a fee as may be required by the board in an amount equal to the cost of fingerprinting and the criminal history record check. Any moneys collected under this subsection shall be deposited in the state treasury and credited to the behavioral sciences regulatory board fee fund. The behavioral sciences regulatory board shall remit all moneys received by or for it from fees, charges or penalties 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 behavioral sciences regulatory board fee fund.

Sec. 35. K.S.A. 65-5806 is hereby amended to read as follows: 65-5806. (a) An applicant who meets the requirements for licensure pursuant to this act, has paid the license fee provided for by K.S.A. 65-5808, and amendments thereto, and has otherwise complied with the provisions of this act shall be licensed by the board.

(b) Licenses issued pursuant to this act shall expire 24 months from the date of issuance unless revoked prior to that time. A license may be renewed upon application and payment of the fee provided for by K.S.A. 65-5808, and amendments thereto. The application for renewal shall be accompanied by evidence satisfactory to the board that the applicant has completed during the previous 24 months the continuing education required by rules and regulations of the board. As part of such continuing education, a licensee shall complete not less than six continuing education hours relating to diagnosis and treatment of mental disorders and not less than three continuing education hours of professional ethics.

(c) A person whose license has been suspended or revoked may make written application to the board requesting reinstatement of the license upon termination of the period of suspension or revocation in a manner prescribed by the board, which application shall be accompanied by the fee provided for by K.S.A. 65-5808, and amendments thereto.

(d) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 36. K.S.A. 2015 Supp. 65-5807 is hereby amended to read as follows: 65-5807. (a) The board may issue a license to an individual who is currently registered, certified or licensed to practice professional counseling in another jurisdiction if the board determines that:

(1) The standards for registration, certification or licensure to practice professional counseling in the other jurisdiction are substantially equivalent to the requirements of this state; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure to practice professional counseling ~~during the five years~~ for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as

established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) a ~~masters~~ master's degree in counseling from a regionally accredited university or college.

(b) Applicants for licensure as a clinical professional counselor shall additionally demonstrate competence to diagnose and treat mental disorders through meeting the requirements of either ~~paragraph (1) or (2) of~~ subsection (a)(1) or (a)(2) and at least two of the following areas acceptable to the board:

(1) Either graduate coursework as established by rules and regulations of the board or passing a national clinical examination approved by the board;

(2) three years of clinical practice with demonstrated experience in diagnosing or treating mental disorders; or

(3) attestation from a professional licensed to diagnose and treat mental disorders in independent practice or licensed to practice medicine and surgery stating that the applicant is competent to diagnose and treat mental disorders.

(c) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 65-5808, and amendments thereto, if required by the board.

Sec. 37. K.S.A. 65-5808 is hereby amended to read as follows: 65-5808. (a) The board ~~shall~~ may fix ~~by rules and regulations~~ the following fees, and any such fees shall be established by rules and regulations adopted by the board:

(1) For application for licensure as a professional counselor, not more than $100;

(2) for an original license as a professional counselor, not more than $175;

(3) for ~~examination~~ a temporary license as a professional counselor, not more than $175;

(4) for renewal ~~of a license~~ for licensure as a professional counselor, not more than $150;

(5) ~~for reinstatement of a license, not more than $175;~~

~~(6) for replacement of a license, not more than $20;~~

~~(7)~~ for application for licensure as a clinical professional counselor, not more than $175;

(6) for licensure as a clinical professional counselor, not more than $175;

~~(8)~~ (7) for renewal for licensure as a clinical professional counselor, not more than $175;

~~(9)~~ (8) for late renewal penalty, an amount equal to the fee for renewal of a license; ~~and~~

~~(10) for exchange of a license in lieu of registration pursuant to subsection (b) of K.S.A. 65-5811 and amendments thereto, not to exceed $150~~

(9) for reinstatement of a license, not more than $175;

(10) for replacement of a license, not more than $20; and

(11) for a wallet card license, not more than $5.

(b) Fees paid to the board are not refundable.

Sec. 38. K.S.A. 2015 Supp. 65-5809 is hereby amended to read as follows: 65-5809. (a) The board may refuse to issue, ~~suspend, limit, refuse to renew, condition or revoke any license granted under the professional counselors licensure act for any of the following reasons:~~

~~(a) Use of drugs or alcohol, or both, to an extent that impairs the individual's ability to engage in the practice of professional counseling;~~

~~(b) the individual has been convicted of a felony and, after investigation, the board finds that the individual has not been sufficiently rehabilitated to merit the public trust;~~

~~(c) use of fraud, deception, misrepresentation or bribery in securing any license issued pursuant to the provisions of the professional counselors licensure act or in obtaining permission to take any examination given or required pursuant to the provisions of the professional counselors licensure act;~~

~~(d) obtaining or attempting to obtain any fee, charge, tuition or other compensation by fraud, deception or misrepresentation;~~

~~(e) incompetence, misconduct, fraud, misrepresentation or dishonesty in the performance of the functions or duties of a professional counselor or clinical professional counselor;~~

~~(f) violation of, or assisting or enabling any individual to violate, any provision of the professional counselors licensure act or any rule and regulation adopted under such act;~~

~~(g) impersonation of any individual holding a license or allowing any individual to use a license or diploma from any school of a person licensed under the professional counselors licensure act or a diploma from any school of an applicant for licensure under the professional counselors licensure act;~~

~~(h) revocation or suspension of a license or other authorization to practice counseling granted by another state, territory, federal agency or country upon grounds for which revocation or suspension is authorized by the professional counselors licensure act;~~

~~(i) the individual is mentally ill or physically disabled to an extent that impairs the individual's ability to engage in the practice of professional counseling;~~

~~(j) assisting or enabling any person to hold oneself out to the public or offer to hold oneself out to the public as a licensed professional counselor or a licensed clinical professional counselor who is not licensed under the provisions of the professional counselors licensure act;~~

~~(k) the issuance of the license was based upon a material mistake of fact;~~

~~(l) violation of any professional trust or confidence;~~

~~(m) use of any advertisement or solicitation which is false, misleading or deceptive to the general public or persons to whom the advertisement or solicitation is primarily directed;~~

~~(n) unprofessional conduct as defined by rules and regulations adopted by the board; or~~

~~(o) the licensee~~ renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for licensure:

(1) Is incompetent to practice professional counseling, which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity

or incompetence to practice professional counseling;

(2) has been convicted of a felony offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(5) has violated a provision of the professional counselors licensure act or one or more rules and regulations of the board;

(6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

(7) has knowingly made a false statement on a form required by the board for a license or license renewal;

(8) has failed to obtain continuing education credits as required by rules and regulations adopted by the board;

(9) has been found to have engaged in unprofessional conduct as defined by applicable rules and regulations adopted by the board; or

(10) has had a registration, license or certificate as a professional counselor revoked, suspended or limited, or has had other disciplinary action taken, or an application for a registration, license or certificate denied, by the proper regulatory authority of another state, territory, District of Columbia, or other country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^{2}/_{3}$ majority vote.

(c) Administrative proceedings and disciplinary actions regarding licensure under the professional counselors licensure act shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under the professional counselors licensure act shall be in accordance with the Kansas judicial review act.

New Sec. 39. On and after July 1, 2017, all licensees providing postgraduate clinical supervision for those working toward clinical licensure must be board-approved clinical supervisors.

(a) Applications for a board-approved clinical supervisor shall be made to the board on a form and in the manner prescribed by the board. Each application shall be accompanied by the fee fixed under K.S.A. 65-5808, and amendments thereto.

(b) Each applicant for board-approved clinical supervisor shall furnish evidence satisfactory to the board that the applicant:

(1) (A) Is currently licensed as a clinical professional counselor and has practiced as a clinical professional counselor for two years beyond the supervisor's licensure date; or

(B) is a person who is licensed at the graduate level to practice in one of the

behavioral sciences, and whose authorized scope of practice permits the independent practice of counseling, therapy, or psychotherapy and has practiced at least two years of clinical practice beyond the date of licensure at this level;

(2) does not have any disciplinary action that would prohibit providing clinical supervision; and

(3) (A) has completed the minimum number of semester hours of coursework related to the enhancement of supervision skills approved by the board; or

(B) has completed the minimum number of continuing education hours related to the enhancement of supervision skills approved by the board.

(c) Each board-approved clinical supervisor shall complete, as part of the continuing education required under K.S.A. 65-5806, and amendments thereto, at least three hours of continuing education related to the enhancement of supervisory skills, and at least one such hour must focus on ethics in supervision.

Sec. 40. K.S.A. 2015 Supp. 65-6309 is hereby amended to read as follows: 65-6309. (a) Except as provided in subsections (b) and (c), an applicant shall be exempted from the requirement for any examination provided for herein if:

(1) The applicant proves to the board that the applicant is licensed or registered under the laws of a state or territory of the United States that imposes substantially the same requirements as this act as determined by the board; and

(2) pursuant to the laws of any such state or territory, the applicant has taken and passed an examination similar to that for which exemption is sought, as determined by the board.

(b) The board may issue a license to an individual who is currently licensed to practice social work at the clinical level in another jurisdiction if the board determines that:

(1) The standards for licensure to practice social work at the clinical level in the other jurisdiction are substantially equivalent to the requirements of this state for licensure at the clinical level; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Licensure to practice social work at the clinical level ~~during the five years~~ for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a licensing board or agency; and

(C) a ~~masters~~ master's or doctoral degree in social work from a regionally accredited university or college and from an accredited graduate social work program recognized and approved by the board pursuant to rules and regulations adopted by the board.

(c) Applicants for licensure as a clinical specialist social worker shall additionally demonstrate competence to diagnose and treat mental disorders through meeting the following requirements:

(1) Passing a national clinical examination approved by the board or, in the absence of the national examination, continuous licensure to practice as a clinical social worker during the 10 years immediately preceding the application; and

(2) three years of clinical practice with demonstrated experience in diagnosing or

treating mental disorders.

(d) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 65-6314, and amendments thereto, if required by the board.

(e) Upon application, the board shall issue temporary licenses to persons who have submitted documentation and met all qualifications for licensure under provisions of this act, except passage of the required examination, and who have paid the required fee.

(f) ~~Such persons shall take the license examination within six months subsequent to the date of issuance of the temporary license unless there are extenuating circumstances approved by the board.~~

~~(g)~~ Absent extenuating circumstances approved by the board, a temporary license issued by the board shall expire upon the date the board issues or denies a license to practice social work or six months after the date of issuance of the temporary license. No temporary license will be renewed or issued again on any subsequent applications for the same license level. The preceding provisions in no way limit the number of times an applicant may take the examination.

~~(h)~~ (g) No person may work under a temporary license except under the supervision of a licensed social worker.

~~(i)~~ (h) Nothing in this section shall affect any temporary license to practice issued under this section prior to the effective date of this act and in effect on the effective date of this act. Such temporary license shall be subject to the provisions of this section in effect at the time of its issuance and shall continue to be effective until the date of expiration of the license as provided under this section at the time of issuance of such temporary license.

~~(j)~~ (i) Any individual employed by a hospital and working in the area of hospital social services to patients of such hospital on July 1, 1974, is exempt from the provisions of this act.

~~(k) If an applicant is denied licensure, the board shall provide the applicant with a written explanation of the denial within 10 days after the decision of the board, excluding Saturdays, Sundays and legal holidays.~~

Sec. 41. K.S.A. 2015 Supp. 65-6311 is hereby amended to read as follows: 65-6311. (a) The board may ~~suspend, limit, revoke, condition or refuse to issue or renew a license of any social worker upon proof that the social worker:~~

~~(1) Has been convicted of a felony and, after investigation, the board finds that the licensee has not been sufficiently rehabilitated to merit the public trust;~~

~~(2) has been found guilty of fraud or deceit in connection with services rendered as a social worker or in establishing needed qualifications under this act;~~

~~(3) has knowingly aided or abetted a person, not a licensed social worker, in representing such person as a licensed social worker in this state;~~

~~(4) has been found guilty of unprofessional conduct as defined by rules established by the board;~~

~~(5) has been found to have engaged in diagnosis as authorized under K.S.A. 65-6319, and amendments thereto, even though not authorized to engage in such diagnosis under K.S.A. 65-6319, and amendments thereto;~~

~~(6) has been found guilty of negligence or wrongful actions in the performance of duties; or~~

~~(7)~~ refuse to issue, renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for license:

(1) Is incompetent to practice social work, which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity or incompetence to practice social work;

(2) has been convicted of a felony offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(5) has violated a provision of the social workers licensure act or one or more rules and regulations of the board;

(6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

(7) has knowingly made a false statement on a form required by the board for a license or license renewal;

(8) has failed to obtain continuing education credits as required by rules and regulations adopted by the board;

(9) has been found to have engaged in unprofessional conduct as defined by applicable rules and regulations adopted by the board; or

(10) has had a license, registration or certificate to practice social work revoked, suspended or limited, or has had other disciplinary action taken, or an application for a license, registration or certificate denied, by the proper ~~licensing~~ regulatory authority of another state, territory, District of Columbia, or other country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) ~~Proceedings to consider the suspension, revocation or refusal to renew a license shall be conducted in accordance with the provisions of the Kansas administrative procedure act~~ For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^{2}/_{3}$ majority vote.

(c) Administrative proceedings and disciplinary actions regarding licensure under the social workers licensure act shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under the social workers licensure act shall be in accordance with the Kansas judicial review act.

Sec. 42. K.S.A. 2015 Supp. 65-6313 is hereby amended to read as follows: 65-6313. (a) All licenses issued shall be effective upon the date issued and shall expire at

the end of 24 months from the date of issuance.

(b) (1) Except as otherwise provided in K.S.A. 65-6311, and amendments thereto, a license may be renewed by the payment of the renewal fee set forth in K.S.A. 65-6314, and amendments thereto, and the execution and submission of a signed statement, on a form to be provided by the board, attesting that the applicant's license has been neither revoked nor currently suspended and that applicant has met the requirements for continuing education established by the board including not less than three continuing education hours of professional ethics.

(2) An applicant for renewal of a license as a master social worker or a specialist clinical social worker, as part of such continuing education, shall complete not less than six continuing education hours relating to diagnosis and treatment of mental disorders.

(3) ~~On and after January 1, 2011,~~ An applicant for first time licensure renewal as a baccalaureate social worker, master social worker or specialist clinical social worker, as part of such continuing education, shall complete not less than six hours of social worker safety awareness training. If the applicant for first time licensure renewal has already taken such training, as part of a previous level of social work licensure renewal, then the applicant is not required to complete an additional six hours of social worker safety training.

(c) The application for renewal shall be made on or before the date of the expiration of the license or on or before the date of the termination of the period of suspension.

(d) If the application for renewal, including payment of the required renewal fee, is not made on or before the date of the expiration of the license, the license is void, and no license shall be reinstated except upon payment of the required renewal fee established under K.S.A. 65-6314, and amendments thereto, plus a penalty equal to the renewal fee, and proof satisfactory to the board of the completion of 40 hours of continuing education within two years prior to application for reinstatement. Upon receipt of such payment and proof, the board shall reinstate the license. A license shall be reinstated under this subsection, upon receipt of such payment and proof, at any time after the expiration of such license.

(e) In case of a lost or destroyed license, and upon satisfactory proof of the loss or destruction thereof, the board may issue a duplicate license and shall charge a fee as set forth in K.S.A. 65-6314, and amendments thereto, for such duplicate license.

(f) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 43. K.S.A. 65-6314 is hereby amended to read as follows: 65-6314. (a) The following fees ~~shall~~ may be established by the board ~~by rules and regulations~~ in accordance with the following limitations, and any such fees shall be established by rules and regulations adopted by the board:

(1) Renewal or reinstatement fee for a license as a social work associate shall be not more than $150.

(2) Application, new license, reinstatement or renewal fee for a license as a baccalaureate social worker shall be not more than $150.

(3) Application, new license, reinstatement or renewal fee for a license as master social worker shall be not more than $150.

(4) Application, new license, reinstatement or renewal fee for a license in a social work specialty shall be not more than $150.

(5) ~~Examination fee for a license as a baccalaureate social worker, for a license as a~~

~~master social worker or for a license in a social work specialty shall be not more than $200. If an applicant fails an examination, such applicant may be admitted to subsequent examinations upon payment of an additional fee prescribed by the board of not more than $200.~~

~~(6)~~ Replacement fee for reissuance of a license certificate due to loss or name change shall be not more than $20.

(6) Replacement fee for reissuance of a wallet card shall be not more than $5.

(7) Temporary license fee for a baccalaureate social worker, master social worker or a social work specialty shall be not more than $50.

(8) Application fee for approval as board-approved continuing education sponsors shall be as follows:

(A) Initial application fee for one year provisionally approved providers shall be not more than $125;

(B) three-year renewal fees for approved providers shall be not more than $350; and

(C) application fees for single program providers shall be not more than $50 for each separately offered continuing education activity for which prior approval is sought.

(b) Fees paid to the board are not refundable.

New Sec. 44. K.S.A. 65-6301 through 65-6320, and this section, and amendments thereto, shall be known and may be cited as the social workers licensure act.

Sec. 45. K.S.A. 2015 Supp. 65-6405 is hereby amended to read as follows: 65-6405. (a) A person who is waiting to take the examination required by the board may apply to the board for a temporary license to practice as a licensed marriage and family therapist by:

(1) Paying an application fee ~~of no more than $150,~~ as established by the board under K.S.A. 65-6411, and amendments thereto; and

(2) meeting the application requirements as stated in ~~subsections (a)(1), (2) and (4) of~~ K.S.A. 65-6404(a)(1), (a)(2) and (a)(4), and amendments thereto.

(b) (1) A temporary license may be issued by the board after the application has been reviewed and approved by the board and the applicant has paid the appropriate fee set by the board for issuance of new licenses.

(2) Absent extenuating circumstances approved by the board, a temporary license issued by the board shall expire upon the date the board issues or denies the person a license to practice marriage and family therapy or 12 months after the date of issuance of the temporary license.

(3) ~~A temporary licensee shall take the license examination within six months subsequent to the date of issuance of the temporary license unless there are extenuating circumstances approved by the board or if the temporary licensee does not take the license examination within six months subsequent to the date of issuance of the temporary license and no extenuating circumstances have been approved by the board, the temporary license will expire after the first six months.~~

~~(4)~~ No temporary license will be renewed or issued again on any subsequent application for the same license level. The preceding provision in no way limits the number of times an applicant may take the examination.

(c) A person practicing marriage and family therapy with a temporary license may not use the title "licensed marriage and family therapist" or the initials "LMFT" independently. The word "licensed" may be used only when followed by the words "by

temporary license" such as licensed marriage and family therapist by temporary license, or marriage and family therapist, temporarily licensed.

(d) No person may practice marriage and family therapy under a temporary license except under the supervision of a person licensed by the behavioral sciences regulatory board at the independent level.

(e) Nothing in this section shall affect any temporary license to practice issued under this section prior to the effective date of this act and in effect on the effective date of this act. Such temporary license shall be subject to the provisions of this section in effect at the time of its issuance and shall continue to be effective until the date of expiration of the license as provided under this section at the time of issuance of such temporary license.

Sec. 46. K.S.A. 2015 Supp. 65-6406 is hereby amended to read as follows: 65-6406. (a) The board may issue a license to an individual who is currently registered, certified or licensed to practice marriage and family therapy in another jurisdiction if the board determines that:

(1) The standards for registration, certification or licensure to practice marriage and family therapy in the other jurisdiction are substantially the equivalent of the requirements of the marriage and family therapists licensure act and rules and regulations of the board;

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure to practice marriage and family therapy ~~during the five years~~ for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) completion of a ~~masters~~ master's degree in marriage and family therapy from a regionally accredited university.

(b) Applicants for licensure as a clinical marriage and family therapist shall additionally demonstrate competence to diagnose and treat mental disorders through meeting the requirements of either ~~paragraph (1) or (2) of~~ subsection (a)(1) or (a)(2) and at least two of the following areas acceptable to the board:

(1) Either graduate coursework as established by rules and regulations of the board or passing a national clinical examination approved by the board;

(2) three years of clinical practice with demonstrated experience in diagnosing or treating mental disorders; or

(3) attestation from a professional licensed to diagnose and treat mental disorders in independent practice or licensed to practice medicine and surgery stating that the applicant is competent to diagnose and treat mental disorders.

(c) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 65-6411, and amendments thereto, if required by the board.

Sec. 47. K.S.A. 65-6407 is hereby amended to read as follows: 65-6407. (a) An applicant who meets the requirements for licensure pursuant to this act, has paid the license fee provided for by K.S.A. 65-6411, and amendments thereto, and has otherwise complied with the provisions of this act shall be licensed by the board.

(b) Licenses issued pursuant to this act shall expire 24 months from the date of issuance unless revoked prior to that time. A license may be renewed upon application and payment of the fee provided for by K.S.A. 65-6411, and amendments thereto. The application for renewal shall be accompanied by evidence satisfactory to the board that the applicant has completed during the previous 24 months the continuing education required by rules and regulations of the board. As part of such continuing education, the applicant shall complete not less than six continuing education hours relating to diagnosis and treatment of mental disorders and not less than three continuing education hours of professional ethics.

(c) A person whose license has been suspended or revoked may make written application to the board requesting reinstatement of the license upon termination of the period of suspension or revocation in a manner prescribed by the board, which application shall be accompanied by the fee provided for by K.S.A. 65-6411, and amendments thereto.

(d) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 48. K.S.A. 65-6408 is hereby amended to read as follows: 65-6408. The board may refuse to ~~grant licensure to, or may suspend, revoke, condition, limit, qualify or restrict the licensure of any individual who the board, after a hearing, determines~~ issue, renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for license:

(1) Is incompetent to practice marriage and family therapy, ~~or is found to engage in the practice of marriage and family therapy in a manner harmful or dangerous to a client or to the public~~ which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity or incompetence to practice marriage and family therapy;

(2) ~~is~~ has been convicted ~~by a court of competent jurisdiction~~ of a ~~crime that the board determines is of a nature to render the convicted person unfit to practice marriage and family therapy~~ felony offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

~~(3)~~ (5) has violated a provision of the marriage and family therapists licensure act or one or more of the rules and regulations of the board;

~~(4)~~ (6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

~~(5)~~ (7) has knowingly made a false statement on a form required by the board for license or license renewal;

~~(6)~~ (8) has failed to obtain continuing education credits required by rules and regulations of the board;

~~(7)~~ (9) has been found ~~guilty of~~ to have engaged in unprofessional conduct as defined by applicable rules and regulations ~~established~~ adopted by the board; or

~~(8)~~ (10) has had a registration, license or certificate as a marriage and family therapist revoked, suspended or limited, or has had other disciplinary action taken, or an application for registration, license or certificate denied, by the proper regulatory authority of another state, territory, District of Columbia or another country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^2/_3$ majority vote.

(c) Administrative proceedings and disciplinary actions regarding licensure under the marriage and family therapists licensure act shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under the marriage and family therapists licensure act shall be in accordance with the Kansas judicial review act.

Sec. 49. K.S.A. 65-6411 is hereby amended to read as follows: 65-6411. (a) The board ~~shall~~ may fix ~~by rules and regulations and shall collect~~ the following fees, and any such fees shall be established by rules and regulations adopted by the board:

(1) For application for licensure as a marriage and family therapist, not to exceed $150;

(2) for original licensure as a marriage and family therapist, not to exceed $175;

~~(3) for examination, not to exceed $275;~~

~~(4)~~ for renewal ~~of a license~~ for licensure as a marriage and family therapist, not to exceed $175;

~~(5)~~ (4) for application for licensure as a clinical marriage and family therapist, not to exceed $175;

(5) for original licensure as a clinical marriage and family therapist, not to exceed $175;

(6) for renewal for licensure as a clinical marriage and family therapist, not to exceed $175;

(7) for reinstatement of a license, not to exceed $175;

(8) for replacement of a license, not to exceed $20; ~~and~~

(9) for ~~late charges, not to exceed $5 for each 30 days of delay beyond the date the renewal application was to be made~~ renewal penalty, an amount equal to the renewal of license; and

(10) for a wallet card license, not to exceed $5.

(b) Fees paid to the board are not refundable.

New Sec. 50. On and after July 1, 2017, all licensees providing postgraduate clinical supervision for those working toward clinical licensure must be board-approved clinical supervisors.

(a) Applications for board-approved clinical supervisor shall be made to the board on a form and in the manner prescribed by the board. Each application shall be

accompanied by the fee fixed under K.S.A. 65-6411, and amendments thereto.

(b) Each applicant for board-approved clinical supervisor shall furnish evidence satisfactory to the board that the applicant:

(1) (A) Is currently licensed as a clinical marriage and family therapist and has practiced as a clinical marriage and family therapist for two years beyond the supervisor's licensure date; or

(B) be a person who is licensed at the graduate level to practice in one of the behavioral sciences, and whose authorized scope of practice permits the diagnosis and treatment of mental disorders and shall have at least two years of professional experience in the independent practice of clinical marriage and family therapy beyond the date of licensure at this level;

(2) does not have any disciplinary action that would prohibit providing clinical supervision; and

(3) (A) has completed the minimum number of semester hours of coursework related to the enhancement of supervision skills approved by the board; or

(B) has completed the minimum number of continuing education hours related to the enhancement of supervision skills approved by the board.

(c) Each board-approved clinical supervisor shall complete, as part of the continuing education required under K.S.A. 65-6407, and amendments thereto, at least three hours of continuing education related to the enhancement of supervisory skills, and at least one such hour must focus on ethics in supervision.

Sec. 51. K.S.A. 2015 Supp. 65-6607 is hereby amended to read as follows: 65-6607. K.S.A. 2015 Supp. 65-6607 through 65-6620, and amendments thereto, shall be known and may be cited as the ~~addictions~~ addiction counselor licensure act.

Sec. 52. K.S.A. 2015 Supp. 65-6608 is hereby amended to read as follows: 65-6608. As used in the ~~addictions~~ addiction counselor licensure act:

(a) "Board" means the behavioral sciences regulatory board created under K.S.A. 74-7501, and amendments thereto.

(b) "Addiction counseling" means the utilization of special skills to assist persons with addictions, and to assist such persons' families and friends to achieve resolution of addiction through the exploration of the disease and its ramifications, the examination of attitudes and feelings, the consideration of alternative solutions and decision making, as these relate specifically to addiction. Evaluation and assessment, treatment including treatment plan development, crisis intervention, referral, record keeping and clinical consultation specifically related to addiction are within the scope of addiction counseling. Additionally, at the clinical level of licensure, addiction counseling includes independent practice and the diagnosis and treatment of substance use disorders.

(c) "Licensed 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 shall engage in the practice of addiction counseling in a state-licensed or certified alcohol and other drug treatment program or in completing a Kansas domestic violence offender assessment for participants in a certified batterer intervention program pursuant to K.S.A. 2015 Supp. 75-7d01 through 75-7d13, and amendments thereto, unless otherwise exempt ~~for~~ from licensure under ~~subsection (m) of~~ K.S.A. 59-29b46(n), and amendments thereto.

(d) "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.

(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 under this act.

Sec. 53. K.S.A. 2015 Supp. 65-6609 is hereby amended to read as follows: 65-6609. (a) ~~On and after September 1, 2011,~~ No person shall engage in the practice of addiction counseling or represent that such person is a licensed addiction counselor or is an addiction counselor ~~or,~~ a substance abuse counselor or an alcohol and drug counselor without having first obtained a license as an addiction counselor under the ~~addictions~~ addiction counselor licensure act.

(b) On and after September 1, 2016, no person shall engage in the practice of addiction counseling or represent that such person is a licensed master's addiction counselor, master's addiction counselor, master's substance abuse counselor or master's alcohol and drug counselor without having first obtained a license as a master's addiction counselor under the addiction counselor licensure act.

(c) ~~On and after September 1, 2011,~~ No person shall engage in the practice of addiction counseling as a clinical addiction counselor or represent that such person is a licensed clinical addiction counselor ~~or is,~~ a clinical addiction counselor ~~or,~~ a clinical substance abuse counselor or a clinical alcohol and drug counselor without having first obtained a license as a clinical addiction counselor under the addiction counselor licensure act.

~~(c)~~ (d) Violation of this section is a class B misdemeanor.

Sec. 54. K.S.A. 2015 Supp. 65-6610 is hereby amended to read as follows: 65-6610. (a) An applicant for licensure as an addiction counselor shall furnish evidence that the applicant:

(1) Has attained the age of 21; ~~and~~

(2) (A) has completed at least a baccalaureate degree from an addiction counseling program that is part of a college or university approved by the board; or

(B) has completed at least a baccalaureate degree from a college or university approved by the board ~~in a related field that includes~~. As part of, or in addition to, the baccalaureate degree coursework, such applicant shall also complete a minimum number of semester hours of coursework on substance use disorders as approved by the board; or

(C) ~~has completed at least a baccalaureate degree from a college or university approved by the board in a related field with additional coursework in addiction counseling from a college or university approved by the board, and such degree program and the additional coursework includes a minimum number of semester hours of coursework on substance use disorders as approved by the board; or~~

~~(D)~~ is currently licensed in Kansas as a licensed baccalaureate social worker and has completed a minimum number of semester hours of coursework on substance use disorders as approved by the board; ~~or~~ and

~~(E) is currently licensed in Kansas as a licensed master social worker, licensed professional counselor, licensed marriage and family therapist or licensed masters level psychologist; and~~

(3) has passed an examination approved by the board; ~~and~~

(4) has satisfied the board that the applicant is a person who merits the public trust; and

(5) ~~each applicant~~ has paid the application fee established by the board under K.S.A. 2015 Supp. 65-6618, and amendments thereto.

(b) Applications for licensure as a master's addiction counselor shall be made to the board on a form and in the manner prescribed by the board. Each applicant shall furnish evidence satisfactory to the board that the applicant:

(1) (A) Has attained the age of 21;

(B) (i) has completed at least a master's degree from an addiction counseling program that is part of a college or university approved by the board;

(ii) has completed at least a master's degree from a college or university approved by the board. As part of or in addition to the master's degree coursework, such applicant shall also complete a minimum number of semester hours of coursework supporting the diagnosis and treatment of substance use disorders as approved by the board; or

(iii) is currently licensed in Kansas as a licensed master social worker, licensed professional counselor, licensed marriage and family therapist or licensed master's level psychologist; and

(C) has passed an examination approved by the board;

(D) has satisfied the board that the applicant is a person who merits the public trust; and

(E) has paid the application fee fixed under K.S.A. 2015 Supp. 65-6618, and amendments thereto; or

(2) (A) has met the following requirements on or before July 1, 2016:

(i) Holds an active license by the board as an addiction counselor; and

(ii) has completed at least a master's degree in a related field from a college or university approved by the board; and

(B) has completed six hours of continuing education in the diagnosis and treatment of substance use disorders during the three years immediately preceding the application date.

(c) Applications for licensure as a clinical addiction counselor shall be made to the board on a form and in the manner prescribed by the board. Each applicant shall furnish evidence satisfactory to the board that the applicant:

(1) Has attained the age of 21; and

(2) (A) (i) has completed at least a master's degree from an addiction counseling program that is part of a college or university approved by the board; and

(ii) has completed not less than two years of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 4,000 hours of supervised professional experience including at least 1,500 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 150 hours of clinical supervision, including not less than 50 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric

association; or has completed not less than ~~two years~~ one year of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 2,000 hours of supervised professional experience including at least 750 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 75 hours of clinical supervision, including not less than 25 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association, and such person has a doctoral degree in addiction counseling or a related field as approved by the board; or

(B) (i) has completed at least a master's degree from a college or university approved by the board ~~in a related field that includes~~. As part of or in addition to the master's degree coursework, such applicant shall also complete a minimum number of semester hours of coursework supporting the diagnosis and treatment of substance use disorders as approved by the board; and

(ii) has completed not less than two years of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 4,000 hours of supervised professional experience including at least 1,500 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 150 hours of clinical supervision, including not less than 50 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association; or has completed not less than ~~two years~~ one year of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 2,000 hours of supervised professional experience including at least 750 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 75 hours of clinical supervision, including not less than 25 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association, and such person has a doctoral degree in addiction counseling or a related field as approved by the board; or

~~(C) (i) has completed a master's degree from a college or university approved by the board in a related field with additional coursework in addiction counseling from a college or university approved by the board and such degree program and additional coursework includes a minimum number of semester hours of coursework supporting the diagnosis and treatment of substance use disorders as approved by the board; and~~

~~(ii) has completed not less than two years of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 4,000 hours of supervised professional experience including at least 1,500 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 150 hours of clinical supervision, including not less than 50 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association; or has completed not less than two years of postgraduate supervised~~

~~professional experience in accordance with a clinical supervision plan approved by the board of not less than 2,000 hours of supervised professional experience including at least 750 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 75 hours of clinical supervision, including not less than 25 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association, and such person has a doctoral degree in addiction counseling or a related field as approved by the board; or~~

~~(D) (i)~~ has completed a master's degree ~~in a related field~~ from a college or university approved by the board and is licensed by the board as a licensed master's addiction counselor; and

(ii) has completed not less than two years of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 4,000 hours of supervised professional experience including at least 1,500 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 150 hours of clinical supervision, including not less than 50 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association; or has completed not less than ~~two years~~ one year of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 2,000 hours of supervised professional experience including at least 750 hours of direct client contact conducting substance abuse assessments and treatment with individuals, couples, families or groups and not less than 75 hours of clinical supervision, including not less than 25 hours of person-to-person individual supervision, integrating diagnosis and treatment of substance use disorders with use of the diagnostic and statistical manual of mental disorders of the American psychiatric association, and such person has a doctoral degree in addiction counseling or a related field as approved by the board; or

(E) is currently licensed in Kansas as a licensed psychologist, licensed specialist clinical social worker, licensed clinical professional counselor, licensed clinical psychotherapist or licensed clinical marriage and family therapist and provides to the board an attestation from a professional licensed to diagnose and treat mental disorders, or substance use disorders, or both, in independent practice or licensed to practice medicine and surgery stating that the applicant is competent to diagnose and treat substance use disorders; and

(3) has passed an examination approved by the board; and

(4) has satisfied the board that the applicant is a person who merits the public trust; and

(5) has paid the application fee fixed under K.S.A. 2015 Supp. 65-6618, and amendments thereto.

~~(c)~~ (d) Prior to July 1, 2017, a person who was registered by the behavioral sciences regulatory board as an alcohol and other drug counselor or credentialed by the Kansas department for aging and disability services as an alcohol and drug credentialed counselor or credentialed by the Kansas association of addiction professionals as an alcohol and other drug abuse counselor in Kansas at any time prior to the effective date

of this act, who was registered in Kansas as an alcohol and other drug counselor, an alcohol and drug credentialed counselor or a credentialed alcohol and other drug abuse counselor within three years prior to the effective date of this act and whose last registration or credential in Kansas prior to the effective date of this act was not suspended or revoked, upon application to the board, payment of fees and completion of applicable continuing education requirements, shall be licensed as a licensed addiction counselor by providing demonstration acceptable to the board of competence to perform the duties of an addiction counselor.

~~(d)~~ (e) Prior to July 1, 2017, any person who was registered by the behavioral sciences regulatory board as an alcohol and other drug counselor or credentialed by the department of social and rehabilitation services as an alcohol and drug credentialed counselor or credentialed by the Kansas association of addiction professionals as an alcohol and other drug abuse counselor in Kansas at any time prior to the effective date of this act, and who is also licensed to practice independently as a mental health practitioner or person licensed to practice medicine and surgery, and who was registered or credentialed in Kansas as an alcohol and other drug counselor within three years prior to the effective date of this act and whose last registration or credential in Kansas prior to the effective date of this act was not suspended or revoked, upon application to the board, payment of fees and completion of applicable continuing education requirements, shall be licensed as a licensed clinical addiction counselor and may engage in the independent practice of addiction counseling and is authorized to diagnose and treat substance use disorders specified in the edition of the diagnostic and statistical manual of mental disorders of the American psychiatric association designated by the board by rules and regulations.

~~(e)~~ (f) Prior to July 1, 2017, any person who was credentialed by the department of social and rehabilitation services as an alcohol and drug counselor and has been actively engaged in the practice, supervision or administration of addiction counseling in Kansas for not less than four years and holds a master's degree in a related field from a college or university approved by the board and whose last registration or credential in Kansas prior to the effective date of this act was not suspended or revoked, upon application to the board, payment of fees and completion of applicable continuing education requirements, shall be licensed as a clinical addiction counselor and may engage in the independent practice of addiction counseling and is authorized to diagnose and treat substance use disorders specified in the edition of the diagnostic and statistical manual of mental disorders of the American psychiatric association designated by the board by rules and regulations.

~~(f) A licensed addiction counselor shall engage in the practice of addiction counseling only in a state licensed or certified alcohol and other drug treatment program, unless otherwise exempt from licensure under subsection (m) of K.S.A. 59-29b46, and amendments thereto.~~

Sec. 55. K.S.A. 2015 Supp. 65-6611 is hereby amended to read as follows: 65-6611. (a) A person who is waiting to take the examination for licensure as an addiction counselor may apply to the board for a temporary license to practice as a licensed addiction counselor by: (1) Paying an application fee for a temporary license fixed under K.S.A. 2015 Supp. 65-6618, and amendments thereto~~,~~; and (2) meeting the application requirements as stated in ~~subsections (a)(1), (2) and (4) of~~ K.S.A. 2015 Supp. 65-6610(a)(1), (a)(2) and (a)(4), and amendments thereto.

(b) A person who is waiting to take the examination for licensure as a master's addiction counselor may apply to the board for a temporary license to practice as a licensed master's addiction counselor by: (1) Paying an application fee for a temporary license fixed under K.S.A. 2015 Supp. 65-6618, and amendments thereto; and (2) meeting the application requirements as stated in K.S.A 2015 Supp. 65-6610(b)(1), (b)(2) and (b)(4), and amendments thereto.

(c) (1) A temporary license may be issued by the board after the application has been reviewed and approved by the board and the applicant has paid the appropriate fee set by the board for issuance of new licenses.

(2) Absent extenuating circumstances approved by the board, a temporary license issued by the board shall expire upon the date the board issues or denies the person a license to practice addiction counseling or 12 months after the date of issuance of the temporary license.

(3) No temporary license will be renewed or issued again on any subsequent application for the same license level. The preceding provision in no way limits the number of times an applicant may take the examination.

~~(c)~~ (d) A person practicing addiction counseling with a temporary license may not use the title "licensed addiction counselor" or "licensed master's addiction counselor" or use the initials "LAC" or "LMAC" independently. The word "licensed" may be used only when followed by the words "by temporary license" such as licensed addiction counselor by temporary license, or addiction counselor, temporarily licensed.

~~(d)~~ (e) No person may practice addiction counseling under a temporary license except in a licensed or certified alcohol and other drug abuse program, under the direction of a person licensed by the behavioral sciences regulatory board at the clinical level or a person licensed to practice medicine and surgery.

~~(e)~~ (f) Nothing in this section shall affect any temporary license to practice issued under this section prior to the effective date of this act and in effect on the effective date of this act. Such temporary license shall be subject to the provisions of this section in effect at the time of its issuance and shall continue to be effective until the date of expiration of the license as provided under this section at the time of issuance of such license.

Sec. 56. K.S.A. 2015 Supp. 65-6612 is hereby amended to read as follows: 65-6612. (a) Upon written application and board approval, an individual who is licensed to engage in the independent clinical practice of addiction counseling at the clinical level in another jurisdiction and who is in good standing in that other jurisdiction may engage in the independent practice of clinical addiction counseling as provided by the ~~addictions~~ addiction counselor licensure act, in this state for not more than 15 days per year upon receipt of a temporary permit to practice issued by the board.

(b) Any clinical addiction counseling services rendered within any 24-hour period shall count as one entire day of clinical addiction counseling services.

(c) The temporary permit to practice shall be effective on the date of approval by the board and shall expire December 31 of that year. Upon written application and for good cause shown, the board may extend the temporary permit to practice no more than 15 additional days.

(d) The board shall charge a fee for a temporary permit to practice and a fee for an extension of a temporary permit to practice as fixed under K.S.A. 2015 Supp. 65-6618, and amendments thereto.

(e) A person who holds a temporary permit to practice clinical addiction counseling in this state shall be deemed to have submitted to the jurisdiction of the board and shall be bound by the statutes and regulations that govern the practice of clinical addiction counseling in this state.

(f) In accordance with the Kansas administrative procedure act, the board may issue a cease and desist order or assess a fine of up to $1,000 per day, or both, against a person licensed in another jurisdiction who engages in the independent practice of clinical addiction counseling in this state without complying with the provisions of this section.

Sec. 57. K.S.A. 2015 Supp. 65-6613 is hereby amended to read as follows: 65-6613. (a) The board may issue a license to an individual who is currently registered, certified or licensed to practice addiction counseling in another jurisdiction if the board determines that:

(1) The standards for registration, certification or licensure to practice addiction counseling in the other jurisdiction are substantially the equivalent of the requirements of the ~~addictions~~ addiction counselor licensure act and rules and regulations of the board; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure to practice as an addiction ~~counseling during the five years~~ counselor for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board; ~~and~~

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) completion of at least a baccalaureate ~~or master's~~ degree ~~in addiction counseling~~ from a college or university approved by the board ~~or completion of a baccalaureate or master's degree in a related field that includes all required addiction coursework~~.

(b) The board may issue a license to an individual who is currently registered, certified or licensed to practice addiction counseling at the master's level in another jurisdiction if the board determines that:

(1) (A) The standards for registration, certification or licensure to practice addiction counseling at the master's level in the other jurisdiction are substantially the equivalent of the requirements of the addiction counselor licensure act and rules and regulations of the board; and

(B) completion of at least a master's degree from a college or university approved by the board; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) Registration, certification or licensure to practice addiction counseling at the master's level for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) completion of at least a master's degree from a college or university approved

by the board.

(c) The board may issue a license to an individual who is currently registered, certified or licensed to practice ~~clinical~~ addiction counseling at the clinical level in another jurisdiction if the board determines that:

(1) (A) The standards for registration, certification or licensure to practice ~~clinical~~ addiction counseling at the clinical level in the other jurisdiction are substantially the equivalent of the requirements of the ~~addictions~~ addiction counselor licensure act and rules and regulations of the board; ~~or~~ and

(B) the applicant demonstrates completion of at least a master's degree from a college or university approved by the board; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure to practice ~~clinical~~ addiction counseling ~~during the five years~~ at the clinical level for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board; ~~and~~

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; ~~and~~

(C) ~~(i)~~ completion of at least a master's degree ~~in clinical addiction counseling~~ from a college or university approved by the board; ~~or~~

~~(ii) completion of at least a master's degree from a college or university approved by the board in a related field that includes a minimum number of semester hours of coursework supporting the diagnosis and treatment of substance use disorders as approved by the board; or~~

~~(iii) completion of at least a master's degree from a college or university approved by the board in a related field with additional coursework in addiction counseling from a college or university approved by the board and such degree program and additional coursework includes a minimum number of semester hours of coursework supporting the diagnosis and treatment of substance use disorders as approved by the board;~~ and

(D) at least two of the following areas acceptable to the board:

(i) Either coursework as established by rules and regulations of the board or passing a national clinical examination approved by the board; ~~or~~

(ii) three years of clinical practice with demonstrated experience supporting diagnosing or treating substance use disorders; or

(iii) attestation from a professional licensed to diagnose and treat mental disorders, or substance use disorders, or both, in independent practice or licensed to practice medicine and surgery stating that the applicant is competent to diagnose and treat substance use disorders.

~~(c)~~ (d) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 2015 Supp. 65-6618, and amendments thereto, if required by the board.

Sec. 58. K.S.A. 2015 Supp. 65-6614 is hereby amended to read as follows: 65-6614. (a) An applicant who meets the requirements for licensure pursuant to this act, has paid the license fee provided for by K.S.A. 2015 Supp. 65-6618, and amendments thereto, and has otherwise complied with the provisions of this act shall be licensed by the board.

(b) Licenses issued pursuant to this act shall expire 24 months from the date of

issuance unless revoked prior to that time. A license may be renewed upon application and payment of the fee provided for by K.S.A. 2015 Supp. 65-6618, and amendments thereto. The application for renewal shall be accompanied by evidence satisfactory to the board that the applicant has completed during the previous 24 months the continuing education required by rules and regulations of the board, including not less than three hours in ethics. In addition, as part of such continuing education, the master's addiction counselor applicant and the clinical addiction counselor applicant shall complete not less than six continuing education hours relating to diagnosis and treatment of substance use disorders. ~~Both the clinical addiction counselor applicant and the addiction counselor applicant shall complete not less than three continuing education hours of professional ethics.~~

(c) A person whose license has been suspended or revoked may make written application to the board requesting reinstatement of the license upon termination of the period of suspension or revocation in a manner prescribed by the board, which application shall be accompanied by the fee provided for by K.S.A. 2015 Supp. 65-6618, and amendments thereto.

(d) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 59. K.S.A. 2015 Supp. 65-6615 is hereby amended to read as follows: 65-6615. (a) The board may refuse to ~~grant licensure to, or may suspend, revoke, condition, limit, qualify or restrict the licensure issued under this act of any individual who the board, after the opportunity for a hearing, determines:~~

~~(a)~~ issue, renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for license:

(1) Is incompetent to practice addiction counseling, ~~or is found to engage in the practice of addiction counseling in a manner harmful or dangerous to a client or to the public~~ which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity or incompetence to practice addiction counseling;

~~(b)~~ (2) ~~is~~ has been convicted ~~by a court of competent jurisdiction~~ of a felony, ~~misdemeanor crimes against persons or substantiation of abuse against a child, adult or resident of a care facility, even if not practice related~~ offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

~~(c)~~ (5) has violated a provision of the ~~addictions~~ addiction counselor licensure act or one or more of the rules and regulations of the board;

~~(d)~~ (6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

~~(e)~~ (7) has knowingly made a false statement on a form required by the board for license or license renewal;

~~(f)~~ (8) has failed to obtain continuing education credits required by rules and regulations of the board;

~~(g)~~ (9) has been found ~~guilty of~~ to have engaged in unprofessional conduct as defined by applicable rules and regulations ~~established~~ adopted by the board; or

~~(h)~~ (10) has had a registration, license or certificate as an addiction counselor revoked, suspended or limited, or has had other disciplinary action taken, or an application for registration, license or certificate denied, by the proper regulatory authority of another state, territory, District of Columbia or another country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^{2}/_{3}$ majority vote.

(c) Administrative proceedings and disciplinary actions regarding licensure under the addiction counselor licensure act shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under the addiction counselor licensure act shall be in accordance with the Kansas judicial review act.

Sec. 60. K.S.A. 2015 Supp. 65-6616 is hereby amended to read as follows: 65-6616. Nothing in the ~~addictions~~ addiction counselor licensure act shall be construed:

(a) To prevent addiction counseling practice by students or interns or individuals preparing for the practice of addiction counseling to practice under qualified supervision of a professional, recognized and approved by the board, in an educational institution or agency so long as they are designated by titles such as "student," "trainee," "intern" or other titles clearly indicating training status;

(b) to authorize the practice of psychology, medicine and surgery, professional counseling, marriage and family therapy, master's level psychology or social work or other professions licensed by the behavioral sciences regulatory board;

(c) to apply to the activities and services of a rabbi, priest, minister, clergy person or organized ministry of any religious denomination or sect, including a Christian-Science practitioner, unless such person or individual who is a part of the organized ministry is a licensed addiction counselor;

(d) to apply to the activities and services of qualified members of other professional groups including, but not limited to, attorneys, physicians, psychologists, master's level psychologists, marriage and family therapists, professional counselors, or other professions licensed by the behavioral sciences regulatory board, registered nurses or social workers performing services consistent with the laws of this state, their training and the code of ethics of their profession, so long as they do not represent themselves as being an addiction counselor; or

(e) to prevent qualified persons from doing work within the standards and ethics of their respective professions and callings provided they do not hold themselves out to the

public by any title or description of services as being an addiction counselor.

Sec. 61. K.S.A. 2015 Supp. 65-6617 is hereby amended to read as follows: 65-6617. (a) A person licensed under the ~~addictions~~ addiction counselor licensure act and employees and professional associates of the person shall not be required to disclose any information that the person, employee or associate may have acquired in rendering addiction counseling services, unless:

(1) Disclosure is required by other state laws;

(2) failure to disclose the information presents a clear and present danger to the health or safety of an individual;

(3) the person, employee or associate is a party defendant to a civil, criminal or disciplinary action arising from the therapy, in which case a waiver of the privilege accorded by this section is limited to that action;

(4) the client is a defendant in a criminal proceeding and the use of the privilege would violate the defendant's right to a compulsory process or the right to present testimony and witnesses in that person's behalf; or

(5) a client agrees to a waiver of the privilege accorded by this section, and in circumstances where more than one person in a family is receiving therapy, each such family member agrees to the waiver. Absent a waiver from each family member, an addiction counselor shall not disclose information received from a family member.

(b) Nothing in this section or in this act shall be construed to prohibit any person licensed under the ~~addictions~~ addiction counselor licensure act from testifying in court hearings concerning matters of adult abuse, adoption, child abuse, child neglect or other matters pertaining to the welfare of children or from seeking collaboration or consultation with professional colleagues or administrative superiors, or both, on behalf of a client. There is no privilege under this section for information which is required to be reported to a public official.

Sec. 62. K.S.A. 2015 Supp. 65-6618 is hereby amended to read as follows: 65-6618. (a) The board ~~shall~~ may fix ~~by rules and regulations and shall collect~~ the following fees, and any such fees shall be established by rules and regulations adopted by the board:

(1) For application for licensure as an addiction counselor, not to exceed $150;

(2) for original licensure as an addiction counselor, not to exceed $150;

(3) for renewal ~~of a license~~ for licensure as an addiction counselor, not to exceed $150;

(4) for a temporary license ~~as an addiction counselor~~, not to exceed $100;

(5) for application for licensure as a master's addiction counselor, not to exceed $150;

(6) for original licensure as a master's addiction counselor, not to exceed $150;

(7) for renewal for licensure as a master's addiction counselor, not to exceed $150;

(8) for application for licensure as a clinical addiction counselor, not to exceed $150;

~~(6)~~ (9) for original licensure as a clinical addiction counselor, not to exceed $150;

~~(7)~~ (10) for renewal for licensure as a clinical addiction counselor, not to exceed $150;

~~(8)~~ (11) for a temporary permit to practice clinical addiction counseling, not to exceed $200;

~~(9)~~ (12) for extension of a temporary permit to practice clinical addiction

counseling, not to exceed $200;

~~(10)~~ (13) for reinstatement of a license, not to exceed $150;

~~(11)~~ (14) for replacement of a license, not to exceed $20; ~~and~~

~~(12)~~ (15) for late renewal penalty, an amount equal to the fee for renewal; and

(16) for a wallet license, not more than $5.

(b) The board shall require that fees paid for any examination under the ~~addictions~~ addiction counselor licensure act be paid directly to the examination services by the person taking the examination.

(c) Fees paid to the board are not refundable.

Sec. 63. K.S.A. 2015 Supp. 65-6620 is hereby amended to read as follows: 65-6620. A licensee under the ~~addictions~~ addiction counselor licensure act, at the beginning of a client-therapist relationship, shall inform the client of the level of such licensee's training and the title or titles and license or licenses of such licensee. As a part of such obligation, such licensee shall disclose whether such licensee has a baccalaureate, master's degree or a doctoral degree. If such licensee has a doctoral degree, such licensee shall disclose whether or not such doctoral degree is a doctor of medicine degree or some other doctoral degree. If such licensee does not have a medical doctor's degree, such licensee shall disclose that the licensee is not authorized to practice medicine and surgery and is not authorized to prescribe drugs. As a part of such disclosure, such licensee shall advise the client that certain mental disorders can have medical or biological origins, and that the client should consult with a physician. Documentation of such disclosures to a client shall be made in the client's record.

Sec. 64. K.S.A. 2015 Supp. 74-5310 is hereby amended to read as follows: 74-5310. (a) The board shall issue a license as a psychologist to any person who pays an application fee prescribed by the board, if required by the board, not in excess of $225 and, if required by the board, an original license fee not in excess of $150, which shall not be refunded, who either satisfies the board as to such person's training and experience after a thorough review of such person's credentials and who passes a satisfactory examination in psychology. Any person paying the fee must also submit evidence verified by oath and satisfactory to the board that such person:

(1) Is at least 21 years of age;

(2) is of good moral character;

(3) has received the doctor's degree based on a program of studies in content primarily psychological from an educational institution having a graduate program with standards consistent with those of the state universities of Kansas, or the substantial equivalent of such program in both subject matter and extent of training; and

(4) has had at least two years of supervised experience, a significant portion of which shall have been spent in rendering psychological services satisfying the board's approved standards for the psychological service concerned.

(b) The board shall adopt rules and regulations establishing the criteria which an educational institution shall satisfy in meeting the requirements established under ~~item (3) of~~ subsection (a)(3). The board may send a questionnaire developed by the board to any educational institution for which the board does not have sufficient information to determine whether the educational institution meets the requirements of ~~item (3) of~~ subsection (a)(3) and rules and regulations adopted under this section. The questionnaire providing the necessary information shall be completed and returned to the board in order for the educational institution to be considered for approval. The

board may contract with investigative agencies, commissions or consultants to assist the board in obtaining information about educational institutions. In entering such contracts the authority to approve educational institutions shall remain solely with the board.

Sec. 65. K.S.A. 74-5311 is hereby amended to read as follows: 74-5311. ~~Examinations for applicants under this act shall be held by the board from time to time but not less than once each year.~~ The board shall adopt rules and regulations governing the subject, scope~~,~~ and form of ~~the~~ examinations for applicants under this act or shall contract with a national testing service to provide an examination approved by the board. ~~The board shall prescribe an initial examination fee not to exceed $350. If an applicant fails the first examination, such applicant may be admitted to any subsequent examination upon payment of an additional fee prescribed by the board not to exceed $350. The examination fees prescribed by the board under this section shall be fixed by rules and regulations of the board.~~

Sec. 66. K.S.A. 2015 Supp. 74-5315 is hereby amended to read as follows: 74-5315. (a) The board may grant a license to any person who, at the time of application, is registered, certified or licensed as a psychologist at the doctoral level in another jurisdiction if the board determines that:

(1) The requirements of such jurisdiction for such certification or licensure are substantially the equivalent of the requirements of this state; or

(2) the applicant demonstrates on forms provided by the board compliance with the following standards as adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure as a psychologist at the doctoral level ~~during the five years~~ for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) a doctoral degree in psychology from a regionally accredited university or college.

(b) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 74-5310, and amendments thereto, if required by the board.

Sec. 67. K.S.A. 2015 Supp. 74-5316 is hereby amended to read as follows: 74-5316. (a) Upon application, the board may issue temporary licenses to persons who have met all qualifications for licensure under provisions of the licensure of psychologists act of the state of Kansas, except passage of the required examination, pursuant to K.S.A. 74-5310, and amendments thereto, who must wait for completion of the next examination, who have paid the required application, examination and temporary license fees and who have submitted documentation as required by the board, under the following:

(1) ~~The temporary license shall expire upon receipt and recording of the temporary licensee's second examination score by the board if such temporary licensee fails the examination after two attempts or upon the date the board issues or denies the temporary licensee a license to practice psychology if such temporary licensee passes the examination;~~

~~(2)~~ Such temporary licensee shall take the next license examination subsequent to the date of issuance of the temporary license unless there are extenuating circumstances

approved by the board;

~~(3)~~ (2) the board shall adopt rules and regulations prescribing continuing education requirements for temporary licensees, including, but not limited to, a requirement that temporary licensees shall complete a minimum of 25 contact hours of continuing education during the two-year period of temporary licensure, which shall include a minimum of three hours in psychology ethics;

~~(4)~~ (3) no person may work under a temporary license except under the supervision of a licensed psychologist as prescribed in rules and regulations adopted by the board; and

~~(5)~~ (4) the fee for such temporary license ~~shall~~ may be fixed ~~by rules and regulations adopted~~ by the board and shall not exceed $200, and any such fee shall be established by rules and regulations adopted by the board.

(b) Upon application, the board may issue temporary licenses not to exceed two years to persons who have completed all requirements for a doctoral degree approved by the board but have not received such degree conferral or who have met all qualifications for licensure under provisions of such act, except completion of the postdoctoral supervised work experience pursuant to ~~subsection (a)(4) of~~ K.S.A. 74-5310(a)(4), and amendments thereto, who have paid the required application and temporary license fees and who have submitted documentation as required by the board, under the following:

(1) The temporary license shall expire at the end of the two-year period after issuance or if such temporary licensee is denied a license to practice psychology;

(2) the temporary license may be renewed for one additional two-year period after expiration;

(3) temporary licensees shall take the license examination pursuant to ~~subsection (a)(4) of~~ K.S.A. 74-5310(a)(4), and amendments thereto, subsequent to the date of issuance and prior to expiration of the temporary license unless there are extenuating circumstances approved by the board;

(4) temporary licensees shall be working toward the completion of the postdoctoral supervised work experience prescribed in ~~subsection (a)(4) of~~ K.S.A. 74-5310(a)(4), and amendments thereto;

(5) the board shall adopt rules and regulations prescribing continuing education requirements for temporary licensees, including, but not limited to, a requirement that temporary licensees shall complete a minimum of 25 contact hours of continuing education during the two-year period of temporary licensure, which shall include a minimum of three hours in psychology ethics;

(6) no temporary licensee may work under a temporary license except under the supervision of a licensed psychologist as prescribed in rules and regulations adopted by the board; and

(7) the fee for a renewal of the temporary license ~~shall~~ may be fixed ~~by rules and regulations adopted~~ by the board and shall not exceed $200 per issuance, and any such fee shall be established by rules and regulations adopted by the board.

(c) A person practicing psychology with a temporary license may not use the title "licensed psychologist" or the initials "LP" independently. The word "licensed" may be used only when preceded by the word "temporary" such as temporary licensed psychologist, or the initials "TLP."

(d) This section shall be part of and supplemental to the provisions of article 53 of

chapter 74 of the Kansas Statutes Annotated, and amendments thereto.

(e) As used in this section, "temporary licensee" means any person practicing psychology with a temporary license pursuant to subsection (b) or (c) ~~of this section~~.

Sec. 68. K.S.A. 74-5318 is hereby amended to read as follows: 74-5318. ~~On or before the first day of April of alternate years, the board shall mail to every psychologist licensed in Kansas an application blank for renewal, which shall contain space for insertion of information as required for the application blank under K.S.A. 74-5317 and amendments thereto, addressing the same to the post office address given at the last previous renewal. In addition,~~ The (a) An application for renewal shall be accompanied by evidence satisfactory to the board that the applicant has completed, during the previous 24 months, the continuing education required by rules and regulations of the board. As part of such continuing education, a licensed psychologist shall complete not less than six continuing education hours relating to diagnosis and treatment of mental disorders and not less than three continuing education hours of professional ethics.

(b) A licensee shall submit the application to the board with a renewal fee fixed by rules and regulations of the board not to exceed $200. Upon receipt of such application and fee, the board shall issue a renewal license for the period commencing on the date on which the license is issued and expiring on June 30 of the next even-numbered year. Initial licenses shall be for the current biennium of registration.

(c) Applications for renewal of a license shall be made biennially on or before July 1 and, if not so made, an additional fee equal to the renewal fee shall be added to the regular renewal fee.

(d) Any psychologist who has failed to renew a license and continues to represent oneself as a psychologist after July 1 shall be in violation of the licensure of psychologists act of the state of Kansas. The board may suspend or revoke such psychologist's license under the provisions of K.S.A. 74-5324, and amendments thereto.

(e) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 69. K.S.A. 2015 Supp. 74-5324 is hereby amended to read as follows: 74-5324. (a) The board may ~~suspend, limit, revoke, condition or refuse to issue or renew a license of any psychologist upon proof that the psychologist: (a) Has been convicted of a felony involving moral turpitude; or (b) has been guilty of fraud or deceit in connection with services rendered as a psychologist or in establishing qualifications under this act; or (c) has aided or abetted a person, not a licensed psychologist, in representing such person as a psychologist in this state; or (d) has been guilty of unprofessional conduct as defined by rules and regulations established by the board; or (e) has been guilty of negligence or wrongful actions in the performance of duties; or (f) has knowingly submitted a misleading, deceptive, untrue or fraudulent misrepresentation on a claim form, bill or statement or (g)~~ refuse to issue, renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for a license:

(1) Is incompetent to practice psychology, which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity or incompetence to practice psychology;

(2) has been convicted of a felony offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(5) has violated a provision of the licensure of psychologists act of the state of Kansas or one or more rules and regulations of the board;

(6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

(7) has knowingly made a false statement on a form required by the board for a license or license renewal;

(8) has failed to obtain continuing education credits as required by rules and regulations of the board;

(9) has been found to have engaged in unprofessional conduct as defined by applicable rules and regulations adopted by the board; or

(10) has had a registration, license or certificate as a psychologist revoked, suspended or limited, or has had other disciplinary action taken, or an application for registration, license or certificate denied, by the proper regulatory authority of another state, territory, District of Columbia or another country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^{2}/_{3}$ majority vote.

(c) Administrative proceedings and disciplinary actions regarding licensure under the licensure of psychologists act of the state of Kansas shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under the licensure of psychologists of the state of Kansas act shall be in accordance with the Kansas judicial review act.

Sec. 70. K.S.A. 74-5361 is hereby amended to read as follows: 74-5361. As used in this act:

(a) "Practice of psychology" shall have the meaning ascribed thereto in K.S.A. 74-5302 and amendments thereto.

(b) "Board" means the behavioral sciences regulatory board created by K.S.A. 74-7501 and amendments thereto.

(c) "Licensed ~~masters~~ master's level psychologist" means a person licensed by the board under the provisions of this act.

(d) "Licensed clinical psychotherapist" means a person licensed by the board under this act who engages in the independent practice of ~~masters~~ master's level psychology including the diagnosis and treatment of mental disorders specified in the edition of the diagnostic and statistical manual of mental disorders of the American psychiatric

association designated by the board by rules and regulations.

(e) "~~Masters~~Master's level psychology" means the practice of psychology pursuant to the restrictions set out in K.S.A. 74-5362, and amendments thereto, and includes the diagnosis and treatment of mental disorders as authorized under K.S.A. 74-5361 et seq., and amendments thereto.

Sec. 71. K.S.A. 74-5362 is hereby amended to read as follows: 74-5362. (a) Any person who is licensed under the provisions of this act as a licensed ~~masters~~ master's level psychologist shall have the right to practice psychology ~~only insofar as such practice is part of the duties of such person's paid position and is performed solely on behalf of the employer,~~ so long as such practice is under the direction of a licensed clinical psychotherapist, 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 mental disorders. When a client has symptoms of a mental disorder, a ~~licensed masters level psychologist~~ licensee under the licensure of master's level psychologists act shall consult with the client's primary care physician or psychiatrist to determine if there may be a medical condition or medication that may be causing or contributing to the client's symptoms of a mental disorder. A client may request in writing that such consultation be waived and such request shall be made a part of the client's record. A licensed ~~masters~~ master's level psychologist may continue to evaluate and treat the client until such time that the medical consultation is obtained or waived.

(b) A licensed ~~masters~~ master's level psychologist may use the title licensed ~~masters~~ master's level psychologist and the abbreviation LMLP but may not use the title licensed psychologist or psychologist. A licensed clinical psychotherapist may use the title licensed clinical psychotherapist and the abbreviation LCP but may not use the title licensed psychologist or psychologist.

Sec. 72. K.S.A. 74-5363 is hereby amended to read as follows: 74-5363. (a) Any person who desires to be licensed under this act shall apply to the board in writing, on forms prepared and furnished by the board. Each application shall contain appropriate documentation of the particular qualifications required by the board and shall be accompanied by the required fee.

(b) The board shall license as a licensed ~~masters~~ master's level psychologist any applicant for licensure who pays the fee prescribed by the board under K.S.A. 74-5365, and amendments thereto, which shall not be refunded, who has satisfied the board as to such applicant's training and who complies with the provisions of this subsection ~~(b)~~. An applicant for licensure also shall submit evidence ~~verified under oath and~~ satisfactory to the board that such applicant:

(1) Is at least 21 years of age;

(2) has satisfied the board that the applicant is a person who merits public trust;

(3) has received at least 60 graduate hours including a master's degree in psychology based on a program of studies in psychology from an educational institution having a graduate program in psychology consistent with state universities of Kansas; or until July 1, 2003, has received at least a master's degree in psychology and during such master's or post-master's coursework completed a minimum of 12 semester hours or its equivalent in psychological foundation courses such as, but not limited to, philosophy of psychology, psychology of perception, learning theory, history of psychology, motivation, and statistics and 24 semester hours or its equivalent in

professional core courses such as, but not limited to, two courses in psychological testing, psychopathology, two courses in psychotherapy, personality theories, developmental psychology, research methods, social psychology; or has passed comprehensive examinations or equivalent final examinations in a doctoral program in psychology and during such graduate program completed a minimum of 12 semester hours or its equivalent in psychological foundation courses such as, but not limited to, philosophy of psychology, psychology of perception, learning theory, history of psychology, motivation, and statistics and 24 semester hours or its equivalent in professional core courses such as, but not limited to, two courses in psychological testing, psychopathology, two courses in psychotherapy, personality theories, developmental psychology, research methods, social psychology;

(4) has completed 750 clock hours of academically supervised practicum in the master's degree program or 1,500 clock hours of postgraduate supervised work experience;

(5) has passed an examination approved by the board with a minimum score set by the board by rules and regulations ~~at 10 percentage points below the score set by the board for licensed psychologists~~.

(c) (1) Applications for licensure as a clinical psychotherapist shall be made to the board on a form and in the manner prescribed by the board. Each applicant shall furnish evidence satisfactory to the board that the applicant:

(A) Is licensed by the board as a licensed ~~masters~~ master's level psychologist or meets all requirements for licensure as a ~~masters~~ master's level psychologist;

(B) has completed 15 credit hours as part of or in addition to the requirements under subsection (b) supporting diagnosis or treatment of mental disorders with use of the American psychiatric association's diagnostic and statistical manual, through identifiable study of ~~the following content areas~~: Psychopathology, diagnostic assessment, interdisciplinary referral and collaboration, treatment approaches and professional ethics;

(C) has completed a graduate level supervised clinical practicum of supervised professional experience including psychotherapy and assessment with individuals, couples, families or groups, integrating diagnosis and treatment of mental disorders with use of the American psychiatric association's diagnostic and statistical manual, with not less than 350 hours of direct client contact or additional postgraduate supervised experience as determined by the board;

(D) has completed not less than two years of postgraduate supervised professional experience in accordance with a clinical supervision plan approved by the board of not less than 4,000 hours of supervised professional experience including at least 1,500 hours of direct client contact conducting psychotherapy and assessments with individuals, couples, families or groups and not less than 150 hours of clinical supervision, including not less than 50 hours of person-to-person individual supervision, integrating diagnosis and treatment of mental disorders with use of the American psychiatric association's diagnostic and statistical manual;

(E) for persons earning a degree under subsection (b) prior to July 1, 2003, in lieu of the education requirements under ~~parts~~ subparagraphs (B) and (C) ~~of this subsection~~, has completed the education requirements for licensure as a licensed ~~masters~~ master's level psychologist in effect on the day immediately preceding the effective date of this act;

(F) for persons who apply for and are eligible for a temporary ~~permit~~ license to practice as a licensed ~~masters~~ master's level psychologist on the day immediately preceding the effective date of this act, in lieu of the education and training requirements under ~~parts~~ subparagraphs (B), (C) and (D) ~~of this subsection~~, has completed the education and training requirements for licensure as a ~~masters~~ master's level psychologist in effect on the day immediately preceding the effective date of this act;

(G) has passed an examination approved by the board with the same minimum passing score as that set by the board for licensed psychologists; and

(H) has paid the application fee, if required by the board.

(2) A person who was licensed or registered as a ~~masters~~ master's level psychologist in Kansas at any time prior to the effective date of this act, who has been actively engaged in the practice of ~~masters~~ master's level psychology as a registered or licensed ~~masters~~ master's level psychologist within five years prior to the effective date of this act and whose last license or registration in Kansas prior to the effective date of this act was not suspended or revoked, upon application to the board, payment of fees and completion of applicable continuing education requirements, shall be licensed as a licensed clinical psychotherapist by providing demonstration of competence to diagnose and treat mental disorders through at least two of the following areas acceptable to the board:

(A) Either: (i) Graduate coursework; or (ii) passing a national, clinical examination;

(B) either: (i) Three years of clinical practice in a community mental health center, its contracted affiliate or a state mental hospital; or (ii) three years of clinical practice in other settings with demonstrated experience in diagnosing or treating mental disorders; or

(C) attestation from one professional licensed to diagnose and treat mental disorders in independent practice or licensed to practice medicine and surgery that the applicant is competent to diagnose and treat mental disorders.

(3) A licensed clinical psychotherapist may engage in the independent practice of ~~masters~~ master's level psychology and is authorized to diagnose and treat mental disorders specified in the edition of the diagnostic and statistical manual of mental disorders of the American psychiatric association designated by the board by rules and regulations. When a client has symptoms of a mental disorder, a licensed clinical psychotherapist shall consult with the client's primary care physician or psychiatrist to determine if there may be a medical condition or medication that may be causing or contributing to the client's symptoms of a mental disorder. A client may request in writing that such consultation be waived and such request shall be made a part of the client's record. A licensed clinical psychotherapist may continue to evaluate and treat the client until such time that the medical consultation is obtained or waived.

(d) The board shall adopt rules and regulations establishing the criteria which an educational institution shall satisfy in meeting the requirements established under ~~item (3) of~~ subsection (b)(3). The board may send a questionnaire developed by the board to any educational institution for which the board does not have sufficient information to determine whether the educational institution meets the requirements of ~~item (3) of~~ subsection (b)(3) and rules and regulations adopted under this section. The questionnaire providing the necessary information shall be completed and returned to the board in order for the educational institution to be considered for approval. The

board may contract with investigative agencies, commissions or consultants to assist the board in obtaining information about educational institutions. In entering such contracts the authority to approve educational institutions shall remain solely with the board.

Sec. 73. K.S.A. 74-5365 is hereby amended to read as follows: 74-5365. (a) The ~~application, issuance of a new license and renewal fee for licensure under this act shall~~ following fees may be fixed by the board ~~by rules and regulations in an amount not to exceed $200.~~ for licensure under the licensure of master's level psychologists act: For application, issuance of a new license and renewal of a license, an amount not to exceed $200; for replacement of a license, an amount not to exceed $20; and for a wallet card license, an amount not to exceed $5. Any such fees required by the board shall be established by rules and regulations adopted by the board.

(b) Fees paid to the board are not refundable.

(c) The application for renewal shall be accompanied by evidence satisfactory to the board that the applicant has completed, during the previous 24 months, the continuing education required by rules and regulations of the board. As part of such continuing education, a licensed ~~masters~~ master's level psychologist and a licensed clinical psychotherapist shall complete not less than six continuing education hours relating to diagnosis and treatment of mental disorders and not less than three continuing education hours of professional ethics.

(d) Within 30 days after any change of permanent address, a licensee shall notify the board of such change.

Sec. 74. K.S.A. 2015 Supp. 74-5367 is hereby amended to read as follows: 74-5367. (a) The board may issue a temporary license to practice as a licensed ~~masters~~ master's level psychologist to any person who pays a fee prescribed by the board under this section, which shall not be refunded, and who meets all the requirements for licensure under K.S.A. 74-5361 et seq., and amendments thereto, as a licensed ~~masters~~ master's level psychologist except the requirement of postgraduate supervised work experience or passing the licensing examination, or both.

(b) ~~(1)~~ Absent extenuating circumstances approved by the board, a temporary license issued by the board shall expire upon the date the board issues or denies a license to practice ~~masters~~ master's level psychology or 24 months after the date of issuance of the temporary license. No temporary license issued by the board will be renewed or issued again on any subsequent applications for the same license level. The preceding provision in no way limits the number of times an applicant may take the examination.

~~(2) A temporary licensee shall take the examination within the first 12 months subsequent to the issuance of the temporary license unless there are extenuating circumstances approved by the board or if the temporary licensee does not take the examination within the first 12 months subsequent to the issuance of the temporary license and no extenuating circumstances have been approved by the board, the temporary license will expire after the first 12 months.~~

(c) The board ~~shall~~ may fix ~~by rules and regulations~~ a fee for the application of the temporary license. The application fee shall not exceed $100. Any such fee shall be established by rules and regulations adopted by the board.

(d) A person practicing ~~masters~~ master's level psychology with a temporary license may not use the title "licensed ~~masters~~ master's level psychologist" or the initials "LMLP" independently. The word "licensed" may be used only when followed by the

words "by temporary license" such as licensed ~~masters~~ master's level psychologist by temporary license, or ~~masters~~ master's level psychologist licensed by temporary license.

(e) No person may work under a temporary license except under the supervision of a person licensed to practice psychology or ~~masters~~ master's level psychology in Kansas.

(f) The application for a temporary license may be denied or a temporary license which has been issued may be suspended or revoked on the same grounds as provided for suspension or revocation of a license under K.S.A. 74-5369, and amendments thereto.

(g) Nothing in this section shall affect any temporary license to practice issued under this section prior to the effective date of this act and in effect on the effective date of this act. Such temporary license shall be subject to the provisions of this section in effect at the time of its issuance and shall continue to be effective until the date of expiration of the license as provided under this section at the time of issuance of such temporary license.

Sec. 75. K.S.A. 2015 Supp. 74-5369 is hereby amended to read as follows: 74-5369. ~~An application for licensure under K.S.A. 74-5361 to 74-5371, inclusive, and amendments thereto, may be denied or a license granted under this act may be suspended, limited, revoked, have a condition placed on it or not renewed by the board upon proof that the applicant or licensee:~~

~~(a) Has been convicted of a felony involving moral turpitude;~~

~~(b) has been found guilty of fraud or deceit in connection with the rendering of professional services or in establishing such person's qualifications under this act;~~

~~(c) has aided or abetted a person not licensed as a psychologist, licensed under this act or an uncertified assistant, to hold oneself out as a psychologist in this state;~~

~~(d) has been guilty of unprofessional conduct as defined by rules and regulations of the board;~~

~~(e) has been guilty of neglect or wrongful duties in the performance of duties; or~~

~~(f)~~ (a) The board may refuse to issue, renew or reinstate a license, may condition, limit, revoke or suspend a license, may publicly or privately censure a licensee or may impose a fine not to exceed $1,000 per violation upon a finding that a licensee or an applicant for licensure:

(1) Is incompetent to practice psychology, which means:

(A) One or more instances involving failure to adhere to the applicable standard of care to a degree that constitutes gross negligence, as determined by the board;

(B) repeated instances involving failure to adhere to the applicable standard of care to a degree that constitutes ordinary negligence, as determined by the board; or

(C) a pattern of practice or other behavior that demonstrates a manifest incapacity or incompetence to practice master's level psychology;

(2) has been convicted of a felony offense and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(3) has been convicted of a misdemeanor against persons and has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(4) is currently listed on a child abuse registry or an adult protective services registry as the result of a substantiated finding of abuse or neglect by any state agency, agency of another state or the United States, territory of the United States or another

country and the applicant or licensee has not demonstrated to the board's satisfaction that such person has been sufficiently rehabilitated to merit the public trust;

(5) has violated a provision of the licensure of master's level psychologists act or one or more rules and regulations of the board;

(6) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;

(7) has knowingly made a false statement on a form required by the board for a license or license renewal;

(8) has failed to obtain continuing education credits as required by rules and regulations adopted by the board;

(9) has been found to have engaged in unprofessional conduct as defined by applicable rules and regulations of the board; or

(10) has had a registration, license or certificate as a ~~masters~~ master's level psychologist revoked, suspended or limited, or has had other disciplinary action taken, or an application for a registration, license or certificate denied, by the proper regulatory authority of another state, territory, District of Columbia or another country, a certified copy of the record of the action of the other jurisdiction being conclusive evidence thereof.

(b) For issuance of a new license or reinstatement of a revoked or suspended license for a licensee or applicant for licensure with a felony conviction, the board may only issue or reinstate such license by a $^2/_3$ majority vote.

(c) Administrative proceedings ~~under K.S.A. 74-5361 to 74-5371, inclusive, and amendments thereto,~~ and disciplinary actions regarding licensure under the licensure of master's level psychologists act shall be conducted in accordance with the Kansas administrative procedure act. Judicial review and civil enforcement of agency actions under ~~K.S.A. 74-5361 to 74-5371, inclusive, and amendments thereto,~~ the licensure of master's level psychologists act shall be in accordance with the Kansas judicial review act.

Sec. 76. K.S.A. 74-5370 is hereby amended to read as follows: 74-5370. The board may adopt rules and regulations to administer the provisions of ~~K.S.A. 74-5361 to 74-5371, inclusive, and amendments thereto~~ the licensure of master's level psychologists act.

Sec. 77. K.S.A. 2015 Supp. 74-5375 is hereby amended to read as follows: 74-5375. (a) The behavioral sciences regulatory board may issue a license to an individual who is currently registered, certified or licensed to practice psychology at the ~~masters~~ master's level in another jurisdiction if the board determines that:

(1) The standards for registration, certification or licensure to practice psychology at the ~~masters~~ master's level in the other jurisdiction are substantially equivalent to the requirements of this state; or

(2) the applicant demonstrates, on forms provided by the board, compliance with the following standards adopted by the board:

(A) ~~Continuous~~ Registration, certification or licensure to practice psychology at the ~~masters~~ master's level ~~during the five years~~ for at least 60 of the last 66 months immediately preceding the application with at least the minimum professional experience as established by rules and regulations of the board;

(B) the absence of disciplinary actions of a serious nature brought by a registration, certification or licensing board or agency; and

(C) a ~~masters~~ master's degree in psychology from a regionally accredited university or college.

(b) Applicants for licensure as a clinical psychotherapist shall additionally demonstrate competence to diagnose and treat mental disorders through meeting the requirements of either ~~paragraph (1) or (2) of~~ subsection (a)(1) or (a)(2) and at least two of the following areas acceptable to the board:

(1) Either graduate coursework as established by rules and regulations of the board or passing a national clinical examination approved by the board;

(2) three years of clinical practice with demonstrated experience in diagnosing or treating mental disorders; or

(3) attestation from a professional licensed to diagnose and treat mental disorders in independent practice or licensed to practice medicine and surgery stating that the applicant is competent to diagnose and treat mental disorders.

(c) An applicant for a license under this section shall pay an application fee established by the board under K.S.A. 74-5365, and amendments thereto, if required by the board.

Sec. 78. K.S.A. 2015 Supp. 74-5376 is hereby amended to read as follows: 74-5376. K.S.A. 74-5361 through ~~74-5375~~ 74-5374 and K.S.A. 2015 Supp. 74-5375, and amendments thereto, shall be known and may be cited as the licensure of ~~masters~~ master's level psychologists act.

Sec. 79. K.S.A. 2015 Supp. 74-7507 is hereby amended to read as follows: 74-7507. (a) The behavioral sciences regulatory board shall have the following powers, duties and functions:

(1) Recommend to the appropriate district or county attorneys prosecution for violations of this act, the licensure of psychologists act of the state of Kansas, the professional counselors licensure act, ~~K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, K.S.A 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, the marriage and family therapists licensure act or the ~~addictions~~ addiction counselor licensure act;

(2) compile and publish annually a list of the names and addresses of all persons who are licensed under this act, are licensed under the licensure of psychologists act of the state of Kansas, ~~are licensed under~~ the professional counselors licensure act, ~~are licensed under K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, are licensed under K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, ~~are licensed under~~ the marriage and family therapists licensure act or ~~are licensed under~~ the ~~addictions~~ addiction counselor licensure act;

(3) prescribe the form and contents of examinations required under this act, the licensure of psychologists act of the state of Kansas, the professional counselors licensure act, ~~K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, the marriage and family therapists licensure act or the ~~addictions~~ addiction counselor licensure act;

(4) enter into contracts necessary to administer this act, the licensure of

psychologists act of the state of Kansas, the professional counselors licensure act, ~~K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, the marriage and family therapists licensure act or the ~~addictions~~ addiction counselor licensure act;

(5) adopt an official seal;

(6) adopt and enforce rules and regulations for professional conduct of persons licensed under the licensure of psychologists act of the state of Kansas, ~~licensed under~~ the professional counselors licensure act, ~~licensed under K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, licensed under K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, ~~licensed under~~ the marriage and family therapists licensure act or ~~licensed under~~ the ~~addictions~~ addiction counselor licensure act;

(7) adopt and enforce rules and regulations establishing requirements for the continuing education of persons licensed under the licensure of psychologists act of the state of Kansas, ~~licensed under~~ the professional counselors licensure act, ~~licensed under K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, licensed under K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, ~~licensed under~~ the marriage and family therapists licensure act or ~~licensed under~~ the ~~addictions~~ addiction counselor licensure act;

(8) adopt rules and regulations establishing classes of social work specialties which will be recognized for licensure under K.S.A. 65-6301 to 65-6318, inclusive, and amendments thereto;

(9) adopt rules and regulations establishing procedures for examination of candidates for licensure under the licensure of psychologists act of the state of Kansas, ~~for licensure under~~ the professional counselors licensure act, ~~for licensure under K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, for licensure under K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, ~~for licensure under~~ the marriage and family therapists licensure act, ~~for licensure under~~ the ~~addictions~~ addiction counselor licensure act and for issuance of such certificates and such licenses;

(10) adopt rules and regulations as may be necessary for the administration of this act, the licensure of psychologists act of the state of Kansas, the professional counselors licensure act, ~~K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto~~ the social workers licensure act, the licensure of master's level psychologists act, the applied behavior analysis licensure act, the marriage and family therapists licensure act and the ~~addictions~~ addiction counselor licensure act and to carry out the purposes thereof;

(11) appoint an executive director and other employees as provided in K.S.A. 74-7501, and amendments thereto; and

(12) exercise such other powers and perform such other functions and duties as

may be prescribed by law.

(b) ~~The behavioral sciences regulatory board, in addition to any other penalty, may assess an administrative penalty, after notice and an opportunity to be heard, against a licensee or registrant for a violation of any of the provisions of the licensure of psychologists act of the state of Kansas, the professional counselors licensure act, K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, K.S.A. 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto, the marriage and family therapists licensure act or the addictions counselor licensure act in an amount not to exceed $1,000. All fines assessed and collected under 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 state general fund.~~

~~(c)~~ If an order of the behavioral sciences regulatory board is adverse to a licensee or registrant of the board, the actual costs shall be charged to such person as in ordinary civil actions in the district court ~~in an amount not to exceed $200~~. The board shall pay any additional costs and, if the board is the unsuccessful party, the costs shall be paid by the board. Witness fees and costs may be taxed in accordance with statutes governing taxation of witness fees and costs in the district court.

Sec. 80. K.S.A. 2015 Supp. 74-7508 is hereby amended to read as follows: 74-7508. (a) In connection with any investigation, based upon a written complaint or other reasonably reliable written information, by the behavioral sciences regulatory board, the board or its duly authorized agents or employees shall at all reasonable times have access to, for the purpose of examination, and the right to copy any document, report, record or other physical evidence of any person being investigated, or any document, report, record or other evidence maintained by and in possession of any clinic or office of a practitioner of the behavioral sciences, or other public or private agency if such document, report, record or other physical evidence relates to practices which may be grounds for disciplinary action.

(b) In all matters pending before the behavioral sciences regulatory board, the board shall have the power to administer oaths and take testimony. For the purpose of all investigations and proceedings conducted by the behavioral sciences regulatory board:

(1) The board may issue subpoenas compelling the attendance and testimony of witnesses or the production for examination or copying of documents, reports, records or any other physical evidence if such documents, reports, records or other physical evidence relates to practices which may be grounds for disciplinary action. Within five days after the service of the subpoena on any person requiring the production of any documents, reports, records or other physical evidence in the person's possession or under the person's control, such person may petition the board to revoke, limit or modify the subpoena. The board shall revoke, limit or modify such subpoena if in its opinion the documents, reports, records or other physical evidence required does not relate to practices which may be grounds for disciplinary action, is not relevant to the allegation which is the subject matter of the proceeding or investigation, or does not describe with sufficient particularity the documents, reports, records or other physical evidence which is required to be produced. Any member of the board, or any agent designated by the board, may administer oaths or affirmations, examine witnesses and receive such documents, reports, records or other physical evidence.

(2) The district court, upon application by the board or by the person subpoenaed, shall have jurisdiction to issue an order:

(A) Requiring such person to appear before the board or the board's duly authorized agent to produce documents, reports, records or other physical evidence relating to the matter under investigation; or

(B) revoking, limiting or modifying the subpoena if in the court's opinion the evidence demanded does not relate to practices which may be grounds for disciplinary action, is not relevant to the allegation which is the subject matter of the hearing or investigation or does not describe with sufficient particularity the documents, reports, records or other physical evidence which is required to be produced.

(3) (A) If the board determines that an individual has practiced without a valid license a profession regulated by the board for which the practitioners of the profession are required by law to be licensed in order to practice the profession, in addition to any other penalties imposed by law, the board, in accordance with the Kansas administrative procedure act, may issue a cease and desist order against such individual.

(B) Whenever in the judgment of the behavioral sciences regulatory board any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of K.S.A. 65-6301 to 65-6320, inclusive, and amendments thereto, 74-5361 to 74-5374, inclusive, and K.S.A. 2015 Supp. 74-5375, and amendments thereto, the licensure of psychologists act, the marriage and family therapists licensure act or the alcohol and other drug abuse counselor registration act, or any valid rule or regulation of the board, the board may make application to any court of competent jurisdiction for an order enjoining such acts or practices, and upon a showing by the board that such person has engaged, or is about to engage in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court without bond.

(c) Any complaint or report, record or other information relating to a complaint which is received, obtained or maintained by the behavioral sciences regulatory board shall be confidential and shall not be disclosed by the board or its employees in a manner which identifies or enables identification of the person who is the subject or source of the information except the information may be disclosed:

(1) In any proceeding conducted by the board under the law or in an appeal of an order of the board entered in a proceeding, or to any party to a proceeding or appeal or the party's attorney;

(2) to the person who is the subject of the information or to any person or entity when requested by the person who is the subject of the information, but the board may require disclosure in such a manner that will prevent identification of any other person who is the subject or source of the information; or

(3) to a state or federal licensing, regulatory or enforcement agency with jurisdiction over the subject of the information or to an agency with jurisdiction over acts or conduct similar to acts or conduct which would constitute grounds for action under this act. Any confidential complaint or report, record or other information disclosed by the board as authorized by this section shall not be redisclosed by the receiving agency except as otherwise authorized by law.

(d) Nothing in this section or any other provision of law making communications between a practitioner of one of the behavioral sciences and the practitioner's client or patient a privileged or confidential communication shall apply to investigations or

proceedings conducted pursuant to this section. The behavioral sciences regulatory board and its employees, agents and representatives shall keep in confidence the content and the names of any clients or patients whose records are reviewed during the course of investigations and proceedings pursuant to this section.

(e) In all matters pending before the behavioral sciences regulatory board, the board shall have the power to revoke the license or registration of any licensee or registrant who voluntarily surrenders such person's license or registration pending investigation of misconduct or while charges of misconduct against the licensee are pending or anticipated.

(f) In all matters pending before the behavioral sciences regulatory board, the board shall have the option to censure the licensee or registrant in lieu of other disciplinary action.

Sec. 81. K.S.A. 2015 Supp. 59-29b46 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" ~~shall have the meaning ascribed to it~~ 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. 2015 Supp. 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 either Osawatomie state hospital or Larned state hospital, any physician or any other institution or individual authorized or licensed by law to give care or treatment to any person.

~~(e)~~ (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 ~~subsection (b) or (e) of~~ K.S.A. 59-29b54(b) or (c), and amendments thereto.

~~(f)~~ (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 ~~(k)~~ (m); or

(2) uses alcoholic beverages or any substance ~~as defined in subsection (k)~~ to the extent that the person's health may be substantially impaired or endangered without treatment.

~~(g)~~ (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~~, as defined in subsection (f),~~ 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 ~~as defined in subsection (k)~~, 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.

~~(h)~~ (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.

~~(i)~~ (l) "Psychologist" means a licensed psychologist, as defined by K.S.A. 74-5302, and amendments thereto.

~~(j) "State certified alcohol and drug abuse counselor" means a person approved by the secretary for aging and disability services to perform assessments using the American Society of Addiction Medicine criteria and employed at a state funded and~~

~~designated assessment center.~~

~~(k)~~ (m) "Substance" means: (1) The same as the term "controlled substance" as defined in K.S.A. 2015 Supp. 21-5701, and amendments thereto; or

(2) fluorocarbons, toluene or volatile hydrocarbon solvents.

~~(l)~~ (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.

~~(m)~~ (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 shall not include a licensed medical care facility, a licensed adult care home, a facility licensed under K.S.A. 75-3307b, 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.

~~(n)~~ (p) The terms defined in K.S.A. 59-3051, and amendments thereto, shall have the meanings provided by that section.

Sec. 82. K.S.A. 59-29b54 is hereby amended to read as follows: 59-29b54. (a) A treatment facility may admit and detain any person for emergency observation and treatment upon an ex parte emergency custody order issued by a district court pursuant to K.S.A. 59-29b58, and amendments thereto.

(b) A treatment facility or the detox unit at Osawatomie state hospital or at Larned state hospital may admit and detain any person presented for emergency observation and treatment upon written application of a law enforcement officer having custody of that person pursuant to K.S.A. 59-29b53, and amendments thereto. The application shall state:

(1) The name and address of the person sought to be admitted, if known;

(2) the name and address of the person's spouse or nearest relative, if known;

(3) the officer's belief that the person is or may be a person with an alcohol or substance abuse problem subject to involuntary commitment for care and treatment and is likely to cause harm to self or others if not immediately detained;

(4) the factual circumstances in support of that belief and the factual circumstances under which the person was taken into custody including any known pending criminal charges; and

(5) the fact that the law enforcement officer will file the petition provided for in K.S.A. 59-29b57, and amendments thereto, by the close of business of the first day thereafter that the district court is open for the transaction of business, or that the officer has been informed by a parent, legal guardian or other person, whose name shall be stated in the application will file the petition provided for in K.S.A. 59-29b57, and amendments thereto, within that time.

(c) A treatment facility may admit and detain any person presented for emergency observation and treatment upon the written application of any individual. The application shall state:

(1) The name and address of the person sought to be admitted, if known;

(2) the name and address of the person's spouse or nearest relative, if known;

(3) the applicant's belief that the person may be a person with an alcohol or substance abuse problem subject to involuntary commitment and is likely to cause harm to self or others if not immediately detained;

(4) the factual circumstances in support of that belief;

(5) any pending criminal charges, if known;

(6) the fact that the applicant will file the petition provided for in K.S.A. 59-29b57, and amendments thereto, by the close of business of the first day thereafter that the district court is open for the transaction of business; and

(7) the application shall also be accompanied by a statement in writing of a physician, psychologist or ~~state certified alcohol and drug abuse~~ licensed addiction counselor finding that the person is likely to be a person with an alcohol or substance abuse problem subject to involuntary commitment for care and treatment under this act.

(d) Any treatment facility or personnel thereof, who in good faith renders treatment in accordance with law to any person admitted pursuant to subsection (b) or (c), shall not be liable in a civil or criminal action based upon a claim that the treatment was rendered without legal consent.

Sec. 83. K.S.A. 59-29b61 is hereby amended to read as follows: 59-29b61. (a) The order for an evaluation required by ~~subsection (a)(5) of~~ K.S.A. 59-29b60(a)(5), and amendments thereto, shall be served in the manner provided for in ~~a subsections (c) and (d) of~~ K.S.A. 59-29b63(c) and (d), and amendments thereto. It shall order the proposed patient to submit to an evaluation to be conducted by a physician, psychologist or ~~state certified alcohol and drug abuse~~ licensed addiction counselor and to undergo such other medical examinations or evaluations as may be designated by the court in the order, except that any proposed patient who is not subject to a temporary custody order issued pursuant to K.S.A. 59-29b59, and amendments thereto, and who requests a hearing pursuant to K.S.A. 59-29b62, and amendments thereto, need not submit to such evaluations or examinations until that hearing has been held and the court finds that there is probable cause to believe that the proposed patient is a person with an alcohol or substance abuse problem subject to involuntary commitment for care and treatment under this act. The evaluation may be conducted at a treatment facility, the home of the proposed patient or any other suitable place that the court determines is not likely to have a harmful effect on the welfare of the proposed patient.

(b) At the time designated by the court in the order, but in no event later than three

days prior to the date of the trial provided for in K.S.A. 59-29b65, and amendments thereto, the examiner shall submit to the court a report, in writing, of the evaluation which report also shall be made available to counsel for the parties at least three days prior to the trial. The report also shall be made available to the proposed patient and to whomever the patient directs, unless for good cause recited in the order, the court orders otherwise. Such report shall state that the examiner has made an examination of the proposed patient and shall state the opinion of the examiner on the issue of whether or not the proposed patient is a person with an alcohol or substance abuse problem subject to involuntary commitment for care and treatment under this act and the examiner's opinion as to the least restrictive treatment alternative which will protect the proposed patient and others and allow for the improvement of the proposed patient if treatment is ordered.

Sec. 84. K.S.A. 2015 Supp. 59-3077 is hereby amended to read as follows: 59-3077. (a) At any time after the filing of the petition provided for in K.S.A. 59-3058, 59-3059, 59-3060 or 59-3061, and amendments thereto, any person may file in addition to that original petition, or as a part thereof, or at any time after the appointment of a temporary guardian as provided for in K.S.A. 59-3073, and amendments thereto, or a guardian as provided for in K.S.A. 59-3067, and amendments thereto, the temporary guardian or guardian may file, a verified petition requesting that the court grant authority to the temporary guardian or guardian to admit the proposed ward or ward to a treatment facility, as defined in subsection (h), and to consent to the care and treatment of the proposed ward or ward therein. The petition shall include:

(1) The petitioner's name and address, and if the petitioner is the proposed ward's or ward's court appointed temporary guardian or guardian, that fact;

(2) the proposed ward's or ward's name, age, date of birth, address of permanent residence, and present address or whereabouts, if different from the proposed ward's or ward's permanent residence;

(3) the name and address of the proposed ward's or ward's court appointed temporary guardian or guardian, if different from the petitioner;

(4) the factual basis upon which the petitioner alleges the need for the proposed ward or ward to be admitted to and treated at a treatment facility, or for the proposed ward or ward to continue to be treated at the treatment facility to which the proposed ward or ward has already been admitted, or for the guardian to have continuing authority to admit the ward for care and treatment at a treatment facility pursuant to ~~subsection (b)(3) of~~ K.S.A. 59-2949,(b)(3) or ~~subsection (b)(3) of~~ K.S.A. 59-29b49(b)(3), and amendments thereto;

(5) the names and addresses of witnesses by whom the truth of this petition may be proved; and

(6) a request that the court find that the proposed ward or ward is in need of being admitted to and treated at a treatment facility, and that the court grant to the temporary guardian or guardian the authority to admit the proposed ward or ward to a treatment facility and to consent to the care and treatment of the proposed ward or ward therein.

(b) The petition may be accompanied by a report of an examination and evaluation of the proposed ward or ward conducted by an appropriately qualified professional, which shows that the criteria set out in K.S.A. 39-1803, ~~subsection (e) of~~ K.S.A. 59-2946(e), ~~subsection (f) of~~ K.S.A. 59-29b46(i) or K.S.A. 76-12b03, and amendments thereto, are met.

(c) Upon the filing of such a petition, the court shall issue the following:

(1) An order fixing the date, time and place of a hearing on the petition. Such hearing, in the court's discretion, may be conducted in a courtroom, a treatment facility or at some other suitable place. The time fixed in the order shall in no event be earlier than seven days or later than 21 days after the date of the filing of the petition. The court may consolidate this hearing with the trial upon the original petition filed pursuant to K.S.A. 59-3058, 59-3059, 59-3060 or 59-3061, and amendments thereto, or with the trial provided for in the care and treatment act for mentally ill persons or the care and treatment act for persons with an alcohol or substance abuse problem, if the petition also incorporates the allegations required by, and is filed in compliance with, the provisions of either of those acts.

(2) An order requiring that the proposed ward or ward appear at the time and place of the hearing on the petition unless the court makes a finding prior to the hearing that the presence of the proposed ward or ward will be injurious to the person's health or welfare, or that the proposed ward's or ward's impairment is such that the person could not meaningfully participate in the proceedings, or that the proposed ward or ward has filed with the court a written waiver of such ward's right to appear in person. In any such case, the court shall enter in the record of the proceedings the facts upon which the court has found that the presence of the proposed ward or ward at the hearing should be excused. Notwithstanding the foregoing provisions of this subsection, if the proposed ward or ward files with the court at least one day prior to the date of the hearing a written notice stating the person's desire to be present at the hearing, the court shall order that the person must be present at the hearing.

(3) An order appointing an attorney to represent the proposed ward or ward. The court shall give preference, in the appointment of this attorney, to any attorney who has represented the proposed ward or ward in other matters, if the court has knowledge of that prior representation. The proposed ward, or the ward with the consent of the ward's conservator, if one has been appointed, shall have the right to engage an attorney of the proposed ward's or ward's choice and, in such case, the attorney appointed by the court shall be relieved of all duties by the court. Any appointment made by the court shall terminate upon a final determination of the petition and any appeal therefrom, unless the court continues the appointment by further order.

(4) An order fixing the date, time and a place that is in the best interest of the proposed ward or ward, at which the proposed ward or ward shall have the opportunity to consult with such ward's attorney. This consultation shall be scheduled to occur prior to the time at which the examination and evaluation ordered pursuant to subsection (d)(1), if ordered, is scheduled to occur.

(5) A notice similar to that provided for in K.S.A. 59-3066, and amendments thereto.

(d) Upon the filing of such a petition, the court may issue the following:

(1) An order for a psychological or other examination and evaluation of the proposed ward or ward, as may be specified by the court. The court may order the proposed ward or ward to submit to such an examination and evaluation to be conducted through a general hospital, psychiatric hospital, community mental health center, community developmental disability organization, or by a private physician, psychiatrist, psychologist or other person appointed by the court who is qualified to examine and evaluate the proposed ward or ward. The costs of this examination and

evaluation shall be assessed as provided for in K.S.A. 59-3094, and amendments thereto.

(2) If the petition is accompanied by a report of an examination and evaluation of the proposed ward or ward as provided for in subsection (b), an order granting temporary authority to the temporary guardian or guardian to admit the proposed ward or ward to a treatment facility and to consent to the care and treatment of the proposed ward or ward therein. Any such order shall expire immediately after the hearing upon the petition, or as the court may otherwise specify, or upon the discharge of the proposed ward or ward by the head of the treatment facility, if the proposed ward or ward is discharged prior to the time at which the order would otherwise expire.

(3) For good cause shown, an order of continuance of the hearing.

(4) For good cause shown, an order of advancement of the hearing.

(5) For good cause shown, an order changing the place of the hearing.

(e) The hearing on the petition shall be held at the time and place specified in the court's order issued pursuant to subsection (c), unless an order of advancement, continuance, or a change of place of the hearing has been issued pursuant to subsection (d). The petitioner and the proposed ward or ward shall each be afforded an opportunity to appear at the hearing, to testify and to present and cross-examine witnesses. If the hearing has been consolidated with a trial being held pursuant to either the care and treatment act for mentally ill persons or the care and treatment act for persons with an alcohol or substance abuse problem, persons not necessary for the conduct of the proceedings may be excluded as provided for in those acts. The hearing shall be conducted in as informal a manner as may be consistent with orderly procedure. The court shall have the authority to receive all relevant and material evidence which may be offered, including the testimony or written report, findings or recommendations of any professional or other person who has examined or evaluated the proposed ward or ward pursuant to any order issued by the court pursuant to subsection (d). Such evidence shall not be privileged for the purpose of this hearing.

(f) Upon completion of the hearing, if the court finds by clear and convincing evidence that the criteria set out in K.S.A. 39-1803, ~~subsection (e) of~~ K.S.A. 59-2946(e), ~~subsection (f) of~~ K.S.A. 59-29b46(i) or K.S.A. 76-12b03, and amendments thereto, are met, and after a careful consideration of reasonable alternatives to admission of the proposed ward or ward to a treatment facility, the court may enter an order granting such authority to the temporary guardian or guardian as is appropriate, including continuing authority to the guardian to readmit the ward to an appropriate treatment facility as may later become necessary. Any such grant of continuing authority shall expire two years after the date of final discharge of the ward from such a treatment facility if the ward has not had to be readmitted to a treatment facility during that two-year period of time. Thereafter, any such grant of continuing authority may be renewed only after the filing of another petition seeking authority in compliance with the provision of this section.

(g) Nothing herein shall be construed so as to prohibit the head of a treatment facility from admitting a proposed ward or ward to that facility as a voluntary patient if the head of the treatment facility is satisfied that the proposed ward or ward at that time has the capacity to understand such ward's illness and need for treatment, and to consent to such ward's admission and treatment. Upon any such admission, the head of the treatment facility shall give notice to the temporary guardian or guardian as soon as

possible of the ward's admission, and shall provide to the temporary guardian or guardian copies of any consents the proposed ward or ward has given. Thereafter, the temporary guardian or guardian shall timely either seek to obtain proper authority pursuant to this section to admit the proposed ward or ward to a treatment facility and to consent to further care and treatment, or shall otherwise assume responsibility for the care of the proposed ward or ward, consistent with the authority of the temporary guardian or guardian, and may arrange for the discharge from the facility of the proposed ward or ward, unless the head of the treatment facility shall file a petition requesting the involuntary commitment of the proposed ward or ward to that or some other facility.

(h) As used herein, "treatment facility" means the Kansas neurological institute, Larned state hospital, Osawatomie state hospital, Parsons state hospital and training center, the rainbow mental health facility, any intermediate care facility for people with intellectual disability, any psychiatric hospital licensed pursuant to K.S.A. 75-3307b, and amendments thereto, and any other facility for mentally ill persons or people with intellectual or developmental disabilities licensed pursuant to K.S.A. 75-3307b, and amendments thereto, if the proposed ward or ward is to be admitted as an inpatient or resident of that facility.

Sec. 85. K.S.A. 65-4016 is hereby amended to read as follows: 65-4016. The secretary shall adopt rules and regulations with respect to treatment facilities to be licensed and designed to further the accomplishment of the purposes of this law in promoting a safe and adequate treatment program for individuals in treatment facilities in the interest of public health, safety and welfare ~~including, but not limited to, minimum qualifications for employees of licensed or certified programs which are less than the qualifications required for a registered alcohol and other drug abuse counselor~~. Boards of trustees or directors of institutions licensed under this act shall have the right to select the professional staff members of such institutions and to select and employ interns, nurses and other personnel.

Sec. 86. K.S.A. 2015 Supp. 65-4024a is hereby amended to read as follows: 65-4024a. As used in this act:

(a) "Act" means the alcohol or other drug addiction treatment act.

(b) "Alcohol or other drug addiction" means a pattern of substance use, leading to significant impairment or distress, manifested by three or more of the following occurring at any time in the same 12-month period:

(1) Tolerance, defined as: (A) A need for markedly increased amounts of the substance to achieve intoxication or desired effect; or (B) a markedly diminished effect with continued use of the same amount of substance;

(2) withdrawal, as manifested by either of the following: (A) The characteristic withdrawal syndrome for the substance; or (B) the same or a closely related substance is taken to relieve or avoid withdrawal symptoms;

(3) the substance is often taken in larger amounts or over a longer period than was intended;

(4) there is a persistent desire or unsuccessful efforts to cut down or control substance use;

(5) a great deal of time is spent in activities necessary to obtain the substance, use the substance or recover from its effects;

(6) important social, occupational or recreational activities are given up or reduced

because of substance use;

(7) the substance use is continued despite knowledge of having a persistent or recurrent physical or psychological problem that is likely to have been caused or exacerbated by the substance.

(c) "Care or treatment" means such necessary services as are in the best interests of the physical and mental health of the patient.

(d) "Committee" means the Kansas citizens committee on alcohol and other drug abuse.

(e) ~~"Counselor" means an individual whose education, experience and training has been evaluated and approved by the Kansas department for aging and disability services to provide the scope of practice afforded to an alcohol and drug credentialed counselor or counselor assistant working in a licensed, certified alcohol and drug treatment program.~~

~~(f)~~ "Department" means the Kansas department for aging and disability services.

~~(g)~~ (f) "Designated state funded assessment center" or "assessment center" means a treatment facility designated by the secretary.

~~(h)~~ (g) "Discharge"~~ shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(i)~~ (h) "Government unit" means any county, municipality or other political subdivision of the state; or any department, division, board or other agency of any of the foregoing.

~~(j)~~ (i) "Head of the treatment facility"~~ shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(k)~~ (j) "Incapacitated by alcohol"~~ shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(l)~~ (k) "Intoxicated individual" means an individual who is under the influence of alcohol or drugs or both.

~~(m)~~ (l) "Law enforcement officer"~~ shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

(m) "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. 2015 Supp. 75-7d01 through 75-7d13, and amendments thereto, unless otherwise exempt from licensure under K.S.A. 59-29b46(n), and amendments thereto.

(n) "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.

(o) "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.

(p) "Patient" ~~shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(o)~~ (q) "Private treatment facility" ~~shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(p)~~ (r) "Public treatment facility" ~~shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(q)~~ (s) "Treatment" ~~shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(r)~~ (t) "Treatment facility" ~~shall have the meaning ascribed to it~~ means the same as defined in K.S.A. 59-29b46, and amendments thereto.

~~(s)~~ (u) "Secretary" means the secretary for aging and disability services.

New Sec. 87. This act shall be known and may be cited as the interstate medical licensure compact.

INTERSTATE MEDICAL LICENSURE COMPACT

SECTION 1

PURPOSE

In order to strengthen access to health care, and in recognition of the advances in the delivery of health care, the member states of the interstate medical licensure compact have allied in common purpose to develop a comprehensive process that complements the existing licensing and regulatory authority of state medical boards, provides a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients. The compact creates another pathway for licensure and does not otherwise change a state's existing medical practice act. The compact also adopts the prevailing standard for licensure and affirms that the practice of medicine occurs where the patient is located at the time of the physician-patient encounter, and therefore, requires the physician to be under the jurisdiction of the state medical board where the patient is located. State medical boards that participate in the compact retain the jurisdiction to impose an adverse action against a license to practice medicine in that state issued to a physician through the procedures in the compact.

SECTION 2

DEFINITIONS

In this compact:

(a) "Bylaws" means those bylaws established by the interstate commission pursuant to section 11 for its governance, or for directing and controlling its actions and conduct.

(b) "Commissioner" means the voting representative appointed by each member board pursuant to section 11.

(c) "Conviction" means a finding by a court that an individual is guilty of a criminal offense through adjudication, or entry of a plea of guilt or no contest to the charge by the offender. Evidence of an entry of a conviction of a criminal offense by the court shall be considered final for purposes of disciplinary action by a member board.

(d) "Expedited license" means a full and unrestricted medical license granted by a

member state to an eligible physician through the process set forth in the compact.

(e) "Interstate commission" means the interstate commission created pursuant to section 11.

(f) "License" means authorization by a state for a physician to engage in the practice of medicine, which would be unlawful without the authorization.

(g) "Medical practice act" means laws and regulations governing the practice of allopathic and osteopathic medicine within a member state.

(h) "Member board" means a state agency in a member state that acts in the sovereign interests of the state by protecting the public through licensure, regulation and education of physicians as directed by the state government.

(i) "Member state" means a state that has enacted the compact.

(j) "Practice of medicine" means the clinical prevention, diagnosis or treatment of human disease, injury or condition requiring a physician to obtain and maintain a license in compliance with the medical practice act of a member state.

(k) "Physician" means any person who:

(1) Is a graduate of a medical school accredited by the liaison committee on medical education, the commission on osteopathic college accreditation or a medical school listed in the international medical education directory or its equivalent;

(2) passed each component of the United States medical licensing examination (USMLE) or the comprehensive osteopathic medical licensing examination (COMLEX-USA) within three attempts, or any of its predecessor examinations accepted by a state medical board as an equivalent examination for licensure purposes;

(3) successfully completed graduate medical education approved by the accreditation council for graduate medical education or the American osteopathic association;

(4) holds specialty certification or a time-unlimited specialty certificate recognized by the American board of medical specialties or the American osteopathic association's bureau of osteopathic specialists;

(5) possesses a full and unrestricted license to engage in the practice of medicine issued by a member board;

(6) has never been convicted, received adjudication, deferred adjudication, community supervision or deferred disposition for any offense by a court of appropriate jurisdiction;

(7) has never held a license authorizing the practice of medicine subjected to discipline by a licensing agency in any state, federal or foreign jurisdiction, excluding any action related to non-payment of fees related to a license;

(8) has never had a controlled substance license or permit suspended or revoked by a state or the United States drug enforcement administration; and

(9) is not under active investigation by a licensing agency or law enforcement authority in any state, federal or foreign jurisdiction.

(l) "Offense" means a felony, gross misdemeanor or crime of moral turpitude.

(m) "Rule" means a written statement by the interstate commission promulgated pursuant to section 12 of the compact that is of general applicability, implements, interprets or prescribes a policy or provision of the compact, or an organizational, procedural or practice requirement of the interstate commission, and has the force and effect of statutory law in a member state, and includes the amendment, repeal or suspension of an existing rule.

(n) "State" means any state, commonwealth, district or territory of the United States.

(o) "State of principal license" means a member state where a physician holds a license to practice medicine and which has been designated as such by the physician for purposes of registration and participation in the compact.

SECTION 3
ELIGIBILITY

(a) A physician must meet the eligibility requirements as defined in section 2(k) to receive an expedited license under the terms and provisions of the compact.

(b) A physician who does not meet the requirements of section 2(k) may obtain a license to practice medicine in a member state if the individual complies with all laws and requirements, other than the compact, relating to the issuance of a license to practice medicine in that state.

SECTION 4
DESIGNATION OF STATE OF PRINCIPAL LICENSE

(a) A physician shall designate a member state as the state of principal license for purposes of registration for expedited licensure through the compact if the physician possesses a full and unrestricted license to practice medicine in that state, and the state is:

(1) The state of primary residence for the physician;

(2) the state where at least 25% of the practice of medicine occurs;

(3) the location of the physician's employer; or

(4) if no state qualifies under subsection (a)(1), subsection (a)(2) or subsection (a)(3), the state designated as state of residence for purpose of federal income tax.

(b) A physician may redesignate a member state as state of principal license at any time,as long as the state meets the requirements in subsection (a).

(c) The interstate commission is authorized to develop rules to facilitate redesignation of another member state as the state of principal license.

SECTION 5
APPLICATION AND ISSUANCE OF EXPEDITED LICENSURE

(a) A physician seeking licensure through the compact shall file an application for an expedited license with the member board of the state selected by the physician as the state of principal license.

(b) Upon receipt of an application for an expedited license, the member board within the state selected as the state of principal license shall evaluate whether the physician is eligible for expedited licensure and issue a letter of qualification, verifying or denying the physician's eligibility, to the interstate commission.

(1) Static qualifications, which include verification of medical education, graduate medical education, results of any medical or licensing examination and other qualifications as determined by the interstate commission through rule, shall not be subject to additional primary source verification where already primary source verified by the state of principal license.

(2) The member board within the state selected as the state of principal license

shall, in the course of verifying eligibility, perform a criminal background check of an applicant, including the use of the results of fingerprint or other biometric data checks compliant with the requirements of the federal bureau of investigation, with the exception of federal employees who have suitability determination in accordance with 5 C.F.R. § 731.202.

(3) Appeal on the determination of eligibility shall be made to the member state where the application was filed and shall be subject to the law of that state.

(c) Upon verification in subsection (b), physicians eligible for an expedited license shall complete the registration process established by the interstate commission to receive a license in a member state selected pursuant to subsection (a), including the payment of any applicable fees.

(d) After receiving verification of eligibility under subsection (b) and any fees under subsection (c), a member board shall issue an expedited license to the physician. This license shall authorize the physician to practice medicine in the issuing state consistent with the medical practice act and all applicable laws and regulations of the issuing member board and member state.

(e) An expedited license shall be valid for a period consistent with the licensure period in the member state and in the same manner as required for other physicians holding a full and unrestricted license within the member state.

(f) An expedited license obtained though the compact shall be terminated if a physician fails to maintain a license in the state of principal licensure for a non-disciplinary reason, without redesignation of a new state of principal licensure.

(g) The interstate commission is authorized to develop rules regarding the application process, including payment of any applicable fees, and the issuance of an expedited license.

SECTION 6
FEES FOR EXPEDITED LICENSURE

(a) A member state issuing an expedited license authorizing the practice of medicine in that state may impose a fee for a license issued or renewed through the compact.

(b) The interstate commission is authorized to develop rules regarding fees for expedited licenses.

SECTION 7
RENEWAL AND CONTINUED PARTICIPATION

(a) A physician seeking to renew an expedited license granted in a member state shall complete a renewal process with the interstate commission if the physician:

(1) Maintains a full and unrestricted license in a state of principal license;

(2) has not been convicted, received adjudication, deferred adjudication, community supervision or deferred disposition for any offense by a court of appropriate jurisdiction;

(3) has not had a license authorizing the practice of medicine subject to discipline by a licensing agency in any state, federal or foreign jurisdiction, excluding any action related to non-payment of fees related to a license; and

(4) has not had a controlled substance license or permit suspended or revoked by a state or the United States drug enforcement administration.

(b) Physicians shall comply with all continuing professional development or continuing medical education requirements for renewal of a license issued by a member state.

(c) The interstate commission shall collect any renewal fees charged for the renewal of a license and distribute the fees to the applicable member board.

(d) Upon receipt of any renewal fees collected in subsection (c), a member board shall renew the physician's license.

(e) Physician information collected by the interstate commission during the renewal process will be distributed to all member boards.

(f) The interstate commission is authorized to develop rules to address renewal of licenses obtained through the compact.

SECTION 8
COORDINATED INFORMATION SYSTEM

(a) The interstate commission shall establish a database of all physicians licensed, or who have applied for licensure, under section 5.

(b) Notwithstanding any other provision of law, member boards shall report to the interstate commission any public action or complaints against a licensed physician who has applied or received an expedited license through the compact.

(c) Member boards shall report disciplinary or investigatory information determined as necessary and proper by rule of the interstate commission.

(d) Member boards may report any non-public complaint, disciplinary or investigatory information not required by subsection (c) to the interstate commission.

(e) Member boards shall share complaint or disciplinary information about a physician upon request of another member board.

(f) All information provided to the interstate commission or distributed by member boards shall be confidential, filed under seal, and used only for investigatory or disciplinary matters.

(g) The interstate commission is authorized to develop rules for mandated or discretionary sharing of information by member boards.

SECTION 9
JOINT INVESTIGATIONS

(a) Licensure and disciplinary records of physicians are deemed investigative.

(b) In addition to the authority granted to a member board by its respective medical practice act or other applicable state law, a member board may participate with other member boards in joint investigations of physicians licensed by the member boards.

(c) A subpoena issued by a member state shall be enforceable in other member states.

(d) Member boards may share any investigative, litigation or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(e) Any member state may investigate actual or alleged violations of the statutes authorizing the practice of medicine in any other member state in which a physician holds a license to practice medicine.

SECTION 10
DISCIPLINARY ACTIONS

(a) Any disciplinary action taken by any member board against a physician licensed through the compact shall be deemed unprofessional conduct, which may be subject to discipline by other member boards, in addition to any violation of the medical practice act or regulations in that state.

(b) If a license granted to a physician by the member board in the state of principal license is revoked, surrendered or relinquished in lieu of discipline, or suspended, then all licenses issued to the physician by member boards shall automatically be placed, without further action necessary by any member board, on the same status. If the member board in the state of principal license subsequently reinstates the physician's license, a license issued to the physician by any other member board shall remain encumbered until that respective member board takes action to reinstate the license in a manner consistent with the medical practice act of that state.

(c) If disciplinary action is taken against a physician by a member board not in the state of principal license, any other member board may deem the action conclusive as to matter of law and fact decided, and:

(1) Impose the same or lesser sanctions against the physician so long as such sanctions are consistent with the medical practice act of that state; or

(2) pursue separate disciplinary action against the physician under its respective medical practice act, regardless of the action taken in other member states.

(d) If a license granted to a physician by a member board is revoked, surrendered or relinquished in lieu of discipline, or suspended, then any license issued to the physician by any other member board shall be suspended, automatically and immediately without further action necessary by the other member boards, for 90 days upon entry of the order by the disciplining board, to permit the member boards to investigate the basis for the action under the medical practice act of that state. A member board may terminate the automatic suspension of the license it issued prior to the completion of the 90-day suspension period in a manner consistent with the medical practice act of that state.

SECTION 11
INTERSTATE MEDICAL LICENSURE
COMPACT COMMISSION

(a) The member states hereby create the interstate medical licensure compact commission.

(b) The purpose of the interstate commission is the administration of the interstate medical licensure compact, which is a discretionary state function.

(c) The interstate commission shall be a body corporate and joint agency of the member states and shall have all the responsibilities, powers and duties set forth in the compact, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of the compact.

(d) The interstate commission shall consist of two voting representatives appointed by each member state who shall serve as commissioners. In states where allopathic and osteopathic physicians are regulated by separate member boards, or if the licensing and disciplinary authority is split between multiple member boards within a member state, the member state shall appoint one representative from each member board. A commissioner shall be:

(1) An allopathic or osteopathic physician appointed to a member board;

(2) an executive director, executive secretary or similar executive of a member board; or

(3) a member of the public appointed to a member board.

(e) The interstate commission shall meet at least once each calendar year. A portion of this meeting shall be a business meeting to address such matters as may properly come before the commission, including the election of officers. The chairperson may call additional meetings and shall call for a meeting upon the request of a majority of the member states.

(f) The bylaws may provide for meetings of the interstate commission to be conducted by telecommunication or electronic communication.

(g) Each commissioner participating at a meeting of the interstate commission is entitled to one vote. A majority of commissioners shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission. A commissioner shall not delegate a vote to another commissioner. In the absence of its commissioner, a member state may delegate voting authority for a specified meeting to another person from that state who shall meet the requirements of subsection (d).

(h) The interstate commission shall provide public notice of all meetings and all meetings shall be open to the public. The interstate commission may close a meeting, in full or in portion, where it determines by a two-thirds vote of the commissioners present that an open meeting would be likely to:

(1) Relate solely to the internal personnel practices and procedures of the interstate commission;

(2) discuss matters specifically exempted from disclosure by federal statute;

(3) discuss trade secrets, commercial or financial information that is privileged or confidential;

(4) involve accusing a person of a crime, or formally censuring a person;

(5) discuss information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(6) discuss investigative records compiled for law enforcement purposes; or

(7) specifically relate to the participation in a civil action or other legal proceeding.

(i) The interstate commission shall keep minutes which shall fully describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, including record of any roll call votes.

(j) The interstate commission shall make its information and official records, to the extent not otherwise designated in the compact or by its rules, available to the public for inspection.

(k) The interstate commission shall establish an executive committee, which shall include officers, members, and others as determined by the bylaws. The executive committee shall have the power to act on behalf of the interstate commission, with the exception of rulemaking, during periods when the interstate commission is not in session. When acting on behalf of the interstate commission, the executive committee shall oversee the administration of the compact including enforcement and compliance with the provisions of the compact, its bylaws and rules, and other such duties as necessary.

(l) The interstate commission may establish other committees for governance and administration of the compact.

SECTION 12
POWERS AND DUTIES OF
THE INTERSTATE COMMISSION

The interstate commission shall have the duty and power to:

(a) Oversee and maintain the administration of the compact;

(b) promulgate rules which shall be binding to the extent and in the manner provided for in the compact;

(c) issue, upon the request of a member state or member board, advisory opinions concerning the meaning or interpretation of the compact, its bylaws, rules and actions;

(d) enforce compliance with compact provisions, the rules promulgated by the interstate commission and the bylaws, using all necessary and proper means, including, but not limited to, the use of judicial process;

(e) establish and appoint committees including, but not limited to, an executive committee as required by section 11, which shall have the power to act on behalf of the interstate commission in carrying out its powers and duties;

(f) pay, or provide for the payment of the expenses related to the establishment, organization and ongoing activities of the interstate commission;

(g) establish and maintain one or more offices;

(h) borrow, accept, hire or contract for services of personnel;

(i) purchase and maintain insurance and bonds;

(j) employ an executive director who shall have such powers to employ, select or appoint employees, agents or consultants, and to determine their qualifications, define their duties and fix their compensation;

(k) establish personnel policies and programs relating to conflicts of interest, rates of compensation and qualifications of personnel;

(l) accept donations and grants of money, equipment, supplies, materials and services, and to receive, utilize and dispose of it in a manner consistent with the conflict of interest policies established by the interstate commission;

(m) lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve or use, any property, real, personal or mixed;

(n) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed;

(o) establish a budget and make expenditures;

(p) adopt a seal and bylaws governing the management and operation of the interstate commission;

(q) report annually to the legislatures and governors of the member states concerning the activities of the interstate commission during the preceding year. Such reports shall also include reports of financial audits and any recommendations that may have been adopted by the interstate commission;

(r) coordinate education, training and public awareness regarding the compact, its implementation and its operation;

(s) maintain records in accordance with the bylaws;

(t) seek and obtain trademarks, copyrights and patents; and

(u) perform such functions as may be necessary or appropriate to achieve the purposes of the compact.

SECTION 13

FINANCE POWERS

(a) The interstate commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the interstate commission and its staff. The total assessment must be sufficient to cover the annual budget approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated upon a formula to be determined by the interstate commission, which shall promulgate a rule binding upon all member states.

(b) The interstate commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same.

(c) The interstate commission shall not pledge the credit of any of the member states, except by, and with the authority of, the member state.

(d) The interstate commission shall be subject to a yearly financial audit conducted by a certified or licensed public accountant and the report of the audit shall be included in the annual report of the interstate commission.

SECTION 14
ORGANIZATION AND OPERATION OF
THE INTERSTATE COMMISSION

(a) The interstate commission shall, by a majority of commissioners present and voting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact within 12 months of the first interstate commission meeting.

(b) The interstate commission shall elect or appoint annually from among its commissioners a chairperson, a vice-chairperson and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson, or in the chairperson's absence or disability, the vice-chairperson, shall preside at all meetings of the interstate commission.

(c) Officers selected in subsection (b) shall serve without remuneration from the interstate commission.

(d) The officers and employees of the interstate commission shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of, or relating to, an actual or alleged act, error or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of interstate commission employment, duties or responsibilities; provided that such person shall not be protected from suit or liability for damage, loss, injury or liability caused by the intentional or willful and wanton misconduct of such person.

(1) The liability of the executive director and employees of the interstate commission or representatives of the interstate commission, acting within the scope of such person's employment or duties for acts, errors or omissions occurring within such person's state, may not exceed the limits of liability set forth under the constitution and laws of that state for state officials, employees and agents. The interstate commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability

for damage, loss, injury or liability caused by the intentional or willful and wanton misconduct of such person.

(2) The interstate commission shall defend the executive director, its employees, and subject to the approval of the attorney general or other appropriate legal counsel of the member state represented by an interstate commission representative, shall defend such interstate commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error or omission that occurred within the scope of interstate commission employment, duties or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of interstate commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from intentional or willful and wanton misconduct on the part of such person.

(3) To the extent not covered by the state involved, member state or the interstate commission, the representatives or employees of the interstate commission shall be held harmless in the amount of a settlement or judgment, including attorney fees and costs, obtained against such persons arising out of an actual or alleged act, error or omission that occurred within the scope of interstate commission employment, duties or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of interstate commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

SECTION 15
RULEMAKING FUNCTIONS OF
THE INTERSTATE COMMISSION

(a) The interstate commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of the compact. Notwithstanding the foregoing, in the event the interstate commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the interstate commission shall be invalid and have no force or effect.

(b) Rules deemed appropriate for the operations of the interstate commission shall be made pursuant to a rulemaking process that substantially conforms to the "model state administrative procedure act" of 2010, and subsequent amendments thereto.

(c) Not later than 30 days after a rule is promulgated, any person may file a petition for judicial review of the rule in the United States district court for the District of Columbia or the federal district where the interstate commission has its principal offices, provided that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the interstate commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the authority granted to the interstate commission.

SECTION 16
OVERSIGHT OF INTERSTATE COMPACT

(a) The executive, legislative and judicial branches of state government in each member state shall enforce the compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of the compact and the rules promulgated hereunder shall have standing as statutory law, but shall not override existing state authority to regulate the practice of medicine.

(b) All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of the compact, which may affect the powers, responsibilities or actions of the interstate commission.

(c) The interstate commission shall be entitled to receive all service of process in any such proceeding and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the interstate commission shall render a judgment or order void as to the interstate commission, the compact or promulgated rules.

SECTION 17
ENFORCEMENT OF INTERSTATE COMPACT

(a) The interstate commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of the compact.

(b) The interstate commission may, by majority vote of the commissioners, initiate legal action in the United States district court for the District of Columbia, or, at the discretion of the interstate commission, in the federal district where the interstate commission has its principal offices, to enforce compliance with the provisions of the compact, and its promulgated rules and bylaws, against a member state in default. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

(c) The remedies herein shall not be the exclusive remedies of the interstate commission. The interstate commission may avail itself of any other remedies available under state law or the regulation of a profession.

SECTION 18
DEFAULT PROCEDURES

(a) The grounds for default include, but are not limited to, failure of a member state to perform such obligations or responsibilities imposed upon it by the compact, or the rules and bylaws of the interstate commission promulgated under the compact.

(b) If the interstate commission determines that a member state has defaulted in the performance of its obligations or responsibilities under the compact, or the bylaws or promulgated rules, the interstate commission shall:

(1) provide written notice to the defaulting state and other member states, of the nature of the default, the means of curing the default, and any action taken by the interstate commission. The interstate commission shall specify the conditions by which the defaulting state must cure its default; and

(2) provide remedial training and specific technical assistance regarding the default.

(c) If the defaulting state fails to cure the default, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the

commissioners and all rights, privileges and benefits conferred by the compact shall terminate on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

(d) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to terminate shall be given by the interstate commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(e) The interstate commission shall establish rules and procedures to address licenses and physicians that are materially impacted by the termination of a member state, or the withdrawal of a member state.

(f) The member state, which has been terminated is responsible for all dues, obligations, and liabilities incurred through the effective date of termination including obligations, the performance of which extends beyond the effective date of termination.

(g) The interstate commission shall not bear any costs relating to any state that has been found to be in default or which has been terminated from the compact, unless otherwise mutually agreed upon in writing between the interstate commission and the defaulting state.

(h) The defaulting state may appeal the action of the interstate commission by petitioning the United States district court for the District of Columbia or the federal district where the interstate commission has its principal offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

SECTION 19
DISPUTE RESOLUTION

(a) The interstate commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states or member boards.

(b) The interstate commission shall promulgate rules providing for both mediation and binding dispute resolution as appropriate.

SECTION 20
MEMBER STATES, EFFECTIVE
DATE AND AMENDMENT

(a) Any state is eligible to become a member state of the compact.

(b) The compact shall become effective and binding upon legislative enactment of the compact into law by no less than seven states. Thereafter, it shall become effective and binding on a state upon enactment of the compact into law by that state.

(c) The governors of non-member states, or their designees, shall be invited to participate in the activities of the interstate commission on a non-voting basis prior to adoption of the compact by all states.

(d) The interstate commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and binding upon the interstate commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

SECTION 21
WITHDRAWAL

(a) Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from the compact by specifically repealing the statute which enacted the compact into law.

(b) Withdrawal from the compact shall be by the enactment of a statute repealing the same, but shall not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member state.

(c) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing the compact in the withdrawing state.

(d) The interstate commission shall notify the other member states of the withdrawing state's intent to withdraw within 60 days of its receipt of notice provided under subsection (c).

(e) The withdrawing state is responsible for all dues, obligations and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of withdrawal.

(f) Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the interstate commission.

(g) The interstate commission is authorized to develop rules to address the impact of the withdrawal of a member state on licenses granted in other member states to physicians who designated the withdrawing member state as the state of principal license.

SECTION 22
DISSOLUTION

(a) The compact shall dissolve effective upon the date of the withdrawal or default of the member state, which reduces the membership in the compact to one member state.

(b) Upon the dissolution of the compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the interstate commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

SECTION 23
SEVERABILITY AND CONSTRUCTION

(a) The provisions of the compact shall be severable, and if any phrase, clause, sentence or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

(b) The provisions of the compact shall be liberally construed to effectuate its purposes.

(c) Nothing in the compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

SECTION 24
BINDING EFFECT OF COMPACT
AND OTHER LAWS

(a) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(b) All laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(c) All lawful actions of the interstate commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(d) All agreements between the interstate commission and the member states are binding in accordance with their terms.

(e) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

New Sec. 88. The provisions of sections 88 through 97, and amendments thereto, shall be known and may be cited as the independent practice of midwifery act.

New Sec. 89. As used in the independent practice of midwifery act:

(a) "Board" means the state board of healing arts.

(b) "Certified nurse-midwife" means an individual who:

(1) Is educated in the two disciplines of nursing and midwifery;

(2) is currently certified by a certifying board approved by the state board of nursing; and

(3) is currently licensed under the Kansas nurse practice act.

(c) "Independent practice of midwifery" means the provision of clinical services by a certified nurse-midwife without the requirement of a collaborative practice agreement with a person licensed to practice medicine and surgery when such clinical services are limited to those associated with a normal, uncomplicated pregnancy and delivery, including:

(1) The prescription of drugs and diagnostic tests;

(2) the performance of episiotomy or repair of a minor vaginal laceration;

(3) the initial care of the normal newborn; and

(4) family planning services, including treatment or referral of male partners for sexually-transmitted infections.

(d) The provisions of this section shall become effective on January 1, 2017.

New Sec. 90. (a) In order to obtain authorization to engage in the independent practice of midwifery, a certified nurse-midwife must meet the following requirements:

(1) Be licensed to practice professional nursing under the Kansas nurse practice act;

(2) have successfully completed a course of study in nurse-midwifery in a school of nurse-midwifery approved by the board;

(3) have successfully completed a national certification approved by the board;

(4) have successfully completed a refresher course as defined by rules and regulations of the board, if the individual has not been in active midwifery practice for five years immediately preceding the application;

(5) be authorized to perform the duties of a certified nurse-midwife by the state board of nursing;

(6) be licensed as an advanced practice registered nurse by the state board of nursing; and

(7) have paid all fees for licensure prescribed in section 92, and amendments thereto.

(b) Upon application to the board by any certified nurse-midwife and upon satisfaction of the standards and requirements established under this act, the board shall grant an authorization to the applicant to engage in the independent practice of midwifery.

(c) A person whose licensure has been revoked may make written application to the board requesting reinstatement of the license in a manner prescribed by the board, which application shall be accompanied by the fee prescribed in section 92, and amendments thereto.

(d) The provisions of this section shall become effective on January 1, 2017.

New Sec. 91. (a) Licenses issued under this act shall expire on the date of expiration established by rules and regulations of the board, unless renewed in the manner prescribed by the board. The request for renewal shall be accompanied by the fee prescribed in section 92, and amendments thereto.

(b) At least 30 days before the expiration of a licensee's license, the board shall notify the licensee of the expiration, by mail, addressed to the licensee's last known mailing address. If the licensee fails to submit an application for renewal on a form provided by the board, or fails to pay the renewal fee by the date of expiration, the board shall give a second notice to the licensee that the license has expired and the license may be renewed only if the application for renewal, the renewal fee, and the late renewal fee are received by the board within the 30-day period following the date of expiration and that, if both fees are not received within the 30-day period, the license shall be deemed canceled by operation of law and without further proceedings.

(c) The board may require any licensee, as a condition of renewal, to submit with the application of renewal evidence of satisfactory completion of a program of continuing education as required by rules and regulations of the board.

(d) The provisions of this section shall become effective on January 1, 2017.

New Sec. 92. (a) The board shall charge and collect, in advance, fees for certified nurse-midwives, as established by the board, not to exceed:

Application for license.....$100

License renewal.....$100

Late license renewal.....$100

License reinstatement fee.....$100

Revoked license fee.....$100

Certified copy of license.....$50

Verified copy of license.....$25

(b) The board shall remit all moneys received by or for the board from fees, charges or penalties 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. Ten percent of each such amount shall be credited to the state general fund, and the balance shall be credited to the healing arts fee fund. All expenditures from the healing arts 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 president of the board or persons designated by the president.

(c) The provisions of this section shall become effective on January 1, 2017.

New Sec. 93. (a) It shall be unlawful for a person to engage in the independent practice of midwifery without a collaborative practice agreement with a person licensed to practice medicine and surgery, unless such certified nurse-midwife holds a license from the state board of nursing and the board.

(b) The provisions of this section shall become effective on January 1, 2017.

New Sec. 94. (a) The board, in consultation with the state board of nursing, shall adopt rules and regulations pertaining to certified nurse-midwives engaging in the independent practice of midwifery and governing the ordering of tests, diagnostic services and prescribing of drugs and referral or transfer to physicians in the event of complications or emergencies. Such rules and regulations shall not be adopted until the state board of nursing and the board have consulted and concurred on the content of each rule and regulation. Such rules and regulations shall be adopted no later than January 1, 2017.

(b) A certified nurse midwife engaging in the independent practice of midwifery shall be subject to the provisions of the independent practice of midwifery act with respect to the ordering of tests, diagnostic services and prescribing of drugs, and shall not be subject to the provisions of K.S.A. 65-1130, and amendments thereto.

(c) The standards of care for certified nurse-midwives in the ordering of tests, diagnostic services and the prescribing of drugs shall be those standards which protect patients and shall be standards comparable to persons licensed to practice medicine and surgery providing the same services.

(d) The board is hereby authorized to solely adopt those rules and regulations necessary to administer the administrative provisions of this act.

New Sec. 95. (a) The board may deny, revoke, limit or suspend any license or authorization issued to a certified nurse-midwife to engage in the independent practice of midwifery that is issued by the board or applied for under this act, or may publicly censure a licensee or holder of a temporary permit or authorization, if the applicant or licensee is found after a hearing:

(1) To be guilty of fraud or deceit while engaging in the independent practice of midwifery or in procuring or attempting to procure a license to engage in the independent practice of midwifery;

(2) to have been found guilty of a felony or to have been found guilty of a misdemeanor involving an illegal drug offense unless the applicant or licensee establishes sufficient rehabilitation to warrant the public trust, except that notwithstanding K.S.A. 74-120, and amendments thereto, no license or authorization to practice and engage in the independent practice of midwifery shall be granted to a person with a felony conviction for a crime against persons as specified in article 34 of chapter 21 of the Kansas Statutes Annotated, prior to its repeal, or article 54 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2015 Supp. 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

(3) to have committed an act of professional incompetence as defined in subsection (c);

(4) to be unable to practice the healing arts with reasonable skill and safety by reason of impairment due to physical or mental illness or condition or use of alcohol, drugs or controlled substances. All information, reports, findings and other records relating to impairment shall be confidential and not subject to discovery or release to any person or entity outside of a board proceeding. The provisions of this paragraph providing confidentiality of records shall expire on July 1, 2022, unless the legislature reviews and reenacts such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2022;

(5) to be a person who has been adjudged in need of a guardian or conservator, or both, under the act for obtaining a guardian or conservator, or both, and who has not been restored to capacity under that act;

(6) to be guilty of unprofessional conduct as defined by rules and regulations of the board;

(7) to have willfully or repeatedly violated the provisions of the Kansas nurse practice act or any rules and regulations adopted pursuant to that act;

(8) to have a license to practice nursing as a registered nurse or as a practical nurse denied, revoked, limited or suspended, or to have been publicly or privately censured, by a licensing authority of another state, agency of the United States government, territory of the United States or country, or to have other disciplinary action taken against the applicant or licensee by a licensing authority of another state, agency of the United States government, territory of the United States or country. A certified copy of the record or order of public or private censure, denial, suspension, limitation, revocation or other disciplinary action of the licensing authority of another state, agency of the United States government, territory of the United States or country shall constitute prima facie evidence of such a fact for purposes of this paragraph; or

(9) to have assisted suicide in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2015 Supp. 21-5407, and amendments thereto, as established by any of the following:

(A) A copy of the record of criminal conviction or plea of guilty to a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2015 Supp. 21-5407, and amendments thereto;

(B) a copy of the record of a judgment of contempt of court for violating an injunction issued under K.S.A. 60-4404, and amendments thereto; or

(C) a copy of the record of a judgment assessing damages under K.S.A. 60-4405, and amendments thereto.

(b) No person shall be excused from testifying in any proceedings before the board under this act or in any civil proceedings under this act before a court of competent jurisdiction on the ground that such testimony may incriminate the person testifying, but such testimony shall not be used against the person for the prosecution of any crime under the laws of this state, except the crime of perjury as defined in K.S.A. 2015 Supp. 21-5903, and amendments thereto.

(c) As used in this section, "professional incompetency" means:

(1) One or more instances involving failure to adhere to the applicable standard of care to a degree which constitutes gross negligence, as determined by the board;

(2) repeated instances involving failure to adhere to the applicable standard of care

to a degree which constitutes ordinary negligence, as determined by the board; or

(3) a pattern of practice or other behavior which demonstrates a manifest incapacity or incompetence to engage in the independent practice of midwifery.

(d) The board, upon request, shall receive from the Kansas bureau of investigation such criminal history record information relating to arrests and criminal convictions, as necessary, for the purpose of determining initial and continuing qualifications of licensees and applicants for licensure by the board.

(e) The provisions of this section shall become effective on January 1, 2017.

New Sec. 96. (a) There is hereby established a nurse-midwives council to advise the board in carrying out the provisions of this act. The council shall consist of seven members, all residents of the state of Kansas appointed as follows: Two members shall be licensees of the board, appointed by the board, who are licensed to practice medicine and surgery and whose specialty and customary practice includes obstetrics; one member shall be the president of the board or a board member designated by the president; and four members shall be licensed certified nurse-midwives appointed by the board of nursing.

(b) If a vacancy occurs on the council, the appointing authority of the position which has become vacant shall appoint a person of like qualifications to fill the vacant position for the unexpired term, if any.

New Sec. 97. (a) Nothing in the independent practice of midwifery act should be construed to authorize a certified nurse-midwife engaging in the independent practice of midwifery under such act to perform, induce or prescribe drugs for an abortion.

(b) The provisions of this section shall become effective on January 1, 2017.

Sec. 98. On and after January 1, 2017, K.S.A. 2015 Supp. 65-1130 is hereby amended to read as follows: (a) No professional nurse shall announce or represent to the public that such person is an advanced practice registered nurse unless such professional nurse has complied with requirements established by the board and holds a valid license as an advanced practice registered nurse in accordance with the provisions of this section.

(b) The board shall establish standards and requirements for any professional nurse who desires to obtain licensure as an advanced practice registered nurse. Such standards and requirements shall include, but not be limited to, standards and requirements relating to the education of advanced practice registered nurses. The board may give such examinations and secure such assistance as it deems necessary to determine the qualifications of applicants.

(c) The board shall adopt rules and regulations applicable to advanced practice registered nurses which:

(1) Establish roles and identify titles and abbreviations of advanced practice registered nurses which are consistent with nursing practice specialties recognized by the nursing profession.

(2) Establish education and qualifications necessary for licensure for each role of advanced practice registered nurse established by the board at a level adequate to assure the competent performance by advanced practice registered nurses of functions and procedures which advanced practice registered nurses are authorized to perform. Advanced practice registered nursing is based on knowledge and skills acquired in basic nursing education, licensure as a registered nurse and graduation from or completion of a master's or higher degree in one of the advanced practice registered nurse roles

approved by the board of nursing.

(3) Define the role of advanced practice registered nurses and establish limitations and restrictions on such role. The board shall adopt a definition of the role under this ~~subsection (c)(3)~~ paragraph which is consistent with the education and qualifications required to obtain a license as an advanced practice registered nurse, which protects the public from persons performing functions and procedures as advanced practice registered nurses for which they lack adequate education and qualifications and which authorizes advanced practice registered nurses to perform acts generally recognized by the profession of nursing as capable of being performed, in a manner consistent with the public health and safety, by persons with postbasic education in nursing. In defining such role the board shall consider: (A) The education required for a licensure as an advanced practice registered nurse; (B) the type of nursing practice and preparation in specialized advanced practice skills involved in each role of advanced practice registered nurse established by the board; (C) the scope and limitations of advanced practice nursing prescribed by national advanced practice organizations; and (D) acts recognized by the nursing profession as appropriate to be performed by persons with postbasic education in nursing.

(d) An advanced practice registered nurse may prescribe drugs pursuant to a written protocol as authorized by a responsible physician. Each written protocol shall contain a precise and detailed medical plan of care for each classification of disease or injury for which the advanced practice registered nurse is authorized to prescribe and shall specify all drugs which may be prescribed by the advanced practice registered nurse. Any written prescription order shall include the name, address and telephone number of the responsible physician. The advanced practice registered nurse may not dispense drugs, but may request, receive and sign for professional samples and may distribute professional samples to patients pursuant to a written protocol as authorized by a responsible physician. In order to prescribe controlled substances, the advanced practice registered nurse shall (1) register with the federal drug enforcement administration; and (2) notify the board of the name and address of the responsible physician or physicians. In no case shall the scope of authority of the advanced practice registered nurse exceed the normal and customary practice of the responsible physician. An advanced practice registered nurse certified in the role of registered nurse anesthetist while functioning as a registered nurse anesthetist under K.S.A. 65-1151 ~~to~~ through 65-1164, ~~inclusive,~~ and amendments thereto, shall be subject to the provisions of K.S.A. 65-1151 ~~to~~ through 65-1164, ~~inclusive,~~ and amendments thereto, with respect to drugs and anesthetic agents and shall not be subject to the provisions of this subsection. For the purposes of this subsection, "responsible physician" means a person licensed to practice medicine and surgery in Kansas who has accepted responsibility for the protocol and the actions of the advanced practice registered nurse when prescribing drugs.

(e) As used in this section, "drug" means those articles and substances defined as drugs in K.S.A. 65-1626 and 65-4101, and amendments thereto.

(f) A person registered to practice as an advanced registered nurse practitioner in the state of Kansas immediately prior to the effective date of this act shall be deemed to be licensed to practice as an advanced practice registered nurse under this act and such person shall not be required to file an original application for licensure under this act. Any application for registration filed which has not been granted prior to the effective date of this act shall be processed as an application for licensure under this act.

(g) An advanced practice registered nurse certified in the role of certified nurse-midwife and engaging in the independent practice of midwifery under the independent practice of midwifery act with respect to prescribing drugs shall be subject to the provisions of the independent practice of midwifery act and shall not be subject to the provisions of this section.

Sec. 99. On and after January 1, 2017, K.S.A. 2015 Supp. 65-1626 is hereby amended to read as follows: 65-1626. For the purposes of this act:

(a) "Administer" means the direct application of a drug, whether by injection, inhalation, ingestion or any other means, to the body of a patient or research subject by:

(1) A practitioner or pursuant to the lawful direction of a practitioner;

(2) the patient or research subject at the direction and in the presence of the practitioner; or

(3) a pharmacist as authorized in K.S.A. 65-1635a, and amendments thereto.

(b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor or dispenser but shall not include a common carrier, public warehouseman or employee of the carrier or warehouseman when acting in the usual and lawful course of the carrier's or warehouseman's business.

(c) "Application service provider" means an entity that sells electronic prescription or pharmacy prescription applications as a hosted service where the entity controls access to the application and maintains the software and records on its server.

(d) "Authorized distributor of record" means a wholesale distributor with whom a manufacturer has established an ongoing relationship to distribute the manufacturer's prescription drug. An ongoing relationship is deemed to exist between such wholesale distributor and a manufacturer when the wholesale distributor, including any affiliated group of the wholesale distributor, as defined in section 1504 of the internal revenue code, complies with any one of the following: (1) The wholesale distributor has a written agreement currently in effect with the manufacturer evidencing such ongoing relationship; and (2) the wholesale distributor is listed on the manufacturer's current list of authorized distributors of record, which is updated by the manufacturer on no less than a monthly basis.

(e) "Board" means the state board of pharmacy created by K.S.A. 74-1603, and amendments thereto.

(f) "Brand exchange" means the dispensing of a different drug product of the same dosage form and strength and of the same generic name as the brand name drug product prescribed.

(g) "Brand name" means the registered trademark name given to a drug product by its manufacturer, labeler or distributor.

(h) "Chain pharmacy warehouse" means a permanent physical location for drugs or devices, or both, that acts as a central warehouse and performs intracompany sales or transfers of prescription drugs or devices to chain pharmacies that have the same ownership or control. Chain pharmacy warehouses must be registered as wholesale distributors.

(i) "Co-licensee" means a pharmaceutical manufacturer that has entered into an agreement with another pharmaceutical manufacturer to engage in a business activity or occupation related to the manufacture or distribution of a prescription drug and the national drug code on the drug product label shall be used to determine the identity of the drug manufacturer.

(j) "DEA" means the U.S. department of justice, drug enforcement administration.

(k) "Deliver" or "delivery" means the actual, constructive or attempted transfer from one person to another of any drug whether or not an agency relationship exists.

(l) "Direct supervision" means the process by which the responsible pharmacist shall observe and direct the activities of a pharmacy student or pharmacy technician to a sufficient degree to assure that all such activities are performed accurately, safely and without risk or harm to patients, and complete the final check before dispensing.

(m) "Dispense" means to deliver prescription medication to the ultimate user or research subject by or pursuant to the lawful order of a practitioner or pursuant to the prescription of a mid-level practitioner.

(n) "Dispenser" means a practitioner or pharmacist who dispenses prescription medication, or a physician assistant who has authority to dispense prescription-only drugs in accordance with K.S.A. 65-28a08(b), and amendments thereto.

(o) "Distribute" means to deliver, other than by administering or dispensing, any drug.

(p) "Distributor" means a person who distributes a drug.

(q) "Drop shipment" means the sale, by a manufacturer, that manufacturer's co-licensee, that manufacturer's third party logistics provider, or that manufacturer's exclusive distributor, of the manufacturer's prescription drug, to a wholesale distributor whereby the wholesale distributor takes title but not possession of such prescription drug and the wholesale distributor invoices the pharmacy, the chain pharmacy warehouse, or other designated person authorized by law to dispense or administer such prescription drug, and the pharmacy, the chain pharmacy warehouse, or other designated person authorized by law to dispense or administer such prescription drug receives delivery of the prescription drug directly from the manufacturer, that manufacturer's co-licensee, that manufacturer's third party logistics provider, or that manufacturer's exclusive distributor, of such prescription drug. Drop shipment shall be part of the "normal distribution channel."

(r) "Drug" means: (1) Articles recognized in the official United States pharmacopoeia, or other such official compendiums of the United States, or official national formulary, or any supplement of any of them; (2) articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in ~~man~~ human or other animals; (3) articles, other than food, intended to affect the structure or any function of the body of ~~man~~ human or other animals; and (4) articles intended for use as a component of any articles specified in paragraph (1), (2) or (3) ~~of this subsection~~; but does not include devices or their components, parts or accessories, except that the term "drug" shall not include amygdalin (laetrile) or any livestock remedy, if such livestock remedy had been registered in accordance with the provisions of article 5 of chapter 47 of the Kansas Statutes Annotated, prior to its repeal.

(s) "Durable medical equipment" means technologically sophisticated medical devices that may be used in a residence, including the following: (1) Oxygen and oxygen delivery system; (2) ventilators; (3) respiratory disease management devices; (4) continuous positive airway pressure (CPAP) devices; (5) electronic and computerized wheelchairs and seating systems; (6) apnea monitors; (7) transcutaneous electrical nerve stimulator (TENS) units; (8) low air loss cutaneous pressure management devices; (9) sequential compression devices; (10) feeding pumps; (11) home phototherapy devices; (12) infusion delivery devices; (13) distribution of medical

gases to end users for human consumption; (14) hospital beds; (15) nebulizers; or (16) other similar equipment determined by the board in rules and regulations adopted by the board.

(t) "Electronic prescription" means an electronically prepared prescription that is authorized and transmitted from the prescriber to the pharmacy by means of electronic transmission.

(u) "Electronic prescription application" means software that is used to create electronic prescriptions and that is intended to be installed on the prescriber's computers and servers where access and records are controlled by the prescriber.

(v) "Electronic signature" means a confidential personalized digital key, code, number or other method for secure electronic data transmissions which identifies a particular person as the source of the message, authenticates the signatory of the message and indicates the person's approval of the information contained in the transmission.

(w) "Electronic transmission" means the transmission of an electronic prescription, formatted as an electronic data file, from a prescriber's electronic prescription application to a pharmacy's computer, where the data file is imported into the pharmacy prescription application.

(x) "Electronically prepared prescription" means a prescription that is generated using an electronic prescription application.

(y) "Exclusive distributor" means any entity that: (1) Contracts with a manufacturer to provide or coordinate warehousing, wholesale distribution or other services on behalf of a manufacturer and who takes title to that manufacturer's prescription drug, but who does not have general responsibility to direct the sale or disposition of the manufacturer's prescription drug; (2) is registered as a wholesale distributor under the pharmacy act of the state of Kansas; and (3) to be considered part of the normal distribution channel, must be an authorized distributor of record.

(z) "Facsimile transmission" or "fax transmission" means the transmission of a digital image of a prescription from the prescriber or the prescriber's agent to the pharmacy. "Facsimile transmission" includes, but is not limited to, transmission of a written prescription between the prescriber's fax machine and the pharmacy's fax machine; transmission of an electronically prepared prescription from the prescriber's electronic prescription application to the pharmacy's fax machine, computer or printer; or transmission of an electronically prepared prescription from the prescriber's fax machine to the pharmacy's fax machine, computer or printer.

(aa) "Generic name" means the established chemical name or official name of a drug or drug product.

(bb) (1) "Institutional drug room" means any location where prescription-only drugs are stored and from which prescription-only drugs are administered or dispensed and which is maintained or operated for the purpose of providing the drug needs of:

(A) Inmates of a jail or correctional institution or facility;

(B) residents of a juvenile detention facility, as defined by the revised Kansas code for care of children and the revised Kansas juvenile justice code;

(C) students of a public or private university or college, a community college or any other institution of higher learning which is located in Kansas;

(D) employees of a business or other employer; or

(E) persons receiving inpatient hospice services.

(2) "Institutional drug room" does not include:

(A) Any registered pharmacy;

(B) any office of a practitioner; or

(C) a location where no prescription-only drugs are dispensed and no prescription-only drugs other than individual prescriptions are stored or administered.

(cc) "Intermediary" means any technology system that receives and transmits an electronic prescription between the prescriber and the pharmacy.

(dd) "Intracompany transaction" means any transaction or transfer between any division, subsidiary, parent or affiliated or related company under common ownership or control of a corporate entity, or any transaction or transfer between co-licensees of a co-licensed product.

(ee) "Medical care facility" shall have the meaning provided in K.S.A. 65-425, and amendments thereto, except that the term shall also include facilities licensed under the provisions of K.S.A. 75-3307b, and amendments thereto, except community mental health centers and facilities for people with intellectual disability.

(ff) "Manufacture" means the production, preparation, propagation, compounding, conversion or processing of a drug either directly or indirectly by extraction from substances of natural origin, independently by means of chemical synthesis or by a combination of extraction and chemical synthesis and includes any packaging or repackaging of the drug or labeling or relabeling of its container, except that this term shall not include the preparation or compounding of a drug by an individual for the individual's own use or the preparation, compounding, packaging or labeling of a drug by:

(1) A practitioner or a practitioner's authorized agent incident to such practitioner's administering or dispensing of a drug in the course of the practitioner's professional practice;

(2) a practitioner, by a practitioner's authorized agent or under a practitioner's supervision for the purpose of, or as an incident to, research, teaching or chemical analysis and not for sale; or

(3) a pharmacist or the pharmacist's authorized agent acting under the direct supervision of the pharmacist for the purpose of, or incident to, the dispensing of a drug by the pharmacist.

(gg) "Manufacturer" means a person licensed or approved by the FDA to engage in the manufacture of drugs and devices.

(hh) "Mid-level practitioner" means a certified nurse-midwife engaging in the independent practice of midwifery under the independent practice of midwifery act, an advanced practice registered nurse issued a license pursuant to K.S.A. 65-1131, and amendments thereto, who has authority to prescribe drugs pursuant to a written protocol with a responsible physician under K.S.A. 65-1130, and amendments thereto, or a physician assistant licensed pursuant to the physician assistant licensure act who has authority to prescribe drugs ~~prior to January 11, 2016, pursuant to a written protocol with a responsible physician under K.S.A. 65-28a08, and amendments thereto, and on and after January 11, 2016,~~ pursuant to a written agreement with a supervising physician under K.S.A. 65-28a08, and amendments thereto.

(ii) "Normal distribution channel" means a chain of custody for a prescription-only drug that goes from a manufacturer of the prescription-only drug, from that manufacturer to that manufacturer's co-licensed partner, from that manufacturer to that

manufacturer's third-party logistics provider or from that manufacturer to that manufacturer's exclusive distributor, directly or by drop shipment, to:

(1) A pharmacy to a patient or to other designated persons authorized by law to dispense or administer such drug to a patient;

(2) a wholesale distributor to a pharmacy to a patient or other designated persons authorized by law to dispense or administer such drug to a patient;

(3) a wholesale distributor to a chain pharmacy warehouse to that chain pharmacy warehouse's intracompany pharmacy to a patient or other designated persons authorized by law to dispense or administer such drug to a patient; or

(4) a chain pharmacy warehouse to the chain pharmacy warehouse's intracompany pharmacy to a patient or other designated persons authorized by law to dispense or administer such drug to a patient.

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

(kk) "Pharmacist" means any natural person licensed under this act to practice pharmacy.

(ll) "Pharmacist-in-charge" means the pharmacist who is responsible to the board for a registered establishment's compliance with the laws and regulations of this state pertaining to the practice of pharmacy, manufacturing of drugs and the distribution of drugs. The pharmacist-in-charge shall supervise such establishment on a full-time or a part-time basis and perform such other duties relating to supervision of a registered establishment as may be prescribed by the board by rules and regulations. Nothing in this definition shall relieve other pharmacists or persons from their responsibility to comply with state and federal laws and regulations.

(mm) "Pharmacist intern" means: (1) A student currently enrolled in an accredited pharmacy program; (2) a graduate of an accredited pharmacy program serving an internship; or (3) a graduate of a pharmacy program located outside of the United States which is not accredited and who has successfully passed equivalency examinations approved by the board.

(nn) "Pharmacy," "drugstore" or "apothecary" means premises, laboratory, area or other place: (1) Where drugs are offered for sale where the profession of pharmacy is practiced and where prescriptions are compounded and dispensed; or (2) which has displayed upon it or within it the words "pharmacist," "pharmaceutical chemist," "pharmacy," "apothecary," "drugstore," "druggist," "drugs," "drug sundries" or any of these words or combinations of these words or words of similar import either in English or any sign containing any of these words; or (3) where the characteristic symbols of pharmacy or the characteristic prescription sign "Rx" may be exhibited. As used in this subsection, premises refers only to the portion of any building or structure leased, used or controlled by the licensee in the conduct of the business registered by the board at the address for which the registration was issued.

(oo) "Pharmacy prescription application" means software that is used to process prescription information, is installed on a pharmacy's computers or servers, and is controlled by the pharmacy.

(pp) "Pharmacy technician" means an individual who, under the direct supervision and control of a pharmacist, may perform packaging, manipulative, repetitive or other nondiscretionary tasks related to the processing of a prescription or medication order and who assists the pharmacist in the performance of pharmacy related duties, but who

does not perform duties restricted to a pharmacist.

(qq) "Practitioner" means a person licensed to practice medicine and surgery, dentist, podiatrist, veterinarian, optometrist or scientific investigator or other person authorized by law to use a prescription-only drug in teaching or chemical analysis or to conduct research with respect to a prescription-only drug.

(rr) "Preceptor" means a licensed pharmacist who possesses at least two years' experience as a pharmacist and who supervises students obtaining the pharmaceutical experience required by law as a condition to taking the examination for licensure as a pharmacist.

(ss) "Prescriber" means a practitioner or a mid-level practitioner.

(tt) "Prescription" or "prescription order" means: (1) An order to be filled by a pharmacist for prescription medication issued and signed by a prescriber in the authorized course of such prescriber's professional practice; or (2) an order transmitted to a pharmacist through word of mouth, note, telephone or other means of communication directed by such prescriber, regardless of whether the communication is oral, electronic, facsimile or in printed form.

(uu) "Prescription medication" means any drug, including label and container according to context, which is dispensed pursuant to a prescription order.

(vv) "Prescription-only drug" means any drug whether intended for use by ~~man~~ human or animal, required by federal or state law, including 21 U.S.C. § 353, to be dispensed only pursuant to a written or oral prescription or order of a practitioner or is restricted to use by practitioners only.

(ww) "Probation" means the practice or operation under a temporary license, registration or permit or a conditional license, registration or permit of a business or profession for which a license, registration or permit is granted by the board under the provisions of the pharmacy act of the state of Kansas requiring certain actions to be accomplished or certain actions not to occur before a regular license, registration or permit is issued.

(xx) "Professional incompetency" means:

(1) One or more instances involving failure to adhere to the applicable standard of pharmaceutical care to a degree which constitutes gross negligence, as determined by the board;

(2) repeated instances involving failure to adhere to the applicable standard of pharmaceutical care to a degree which constitutes ordinary negligence, as determined by the board; or

(3) a pattern of pharmacy practice or other behavior which demonstrates a manifest incapacity or incompetence to practice pharmacy.

(yy) "Readily retrievable" means that records kept by automatic data processing applications or other electronic or mechanized record-keeping systems can be separated out from all other records within a reasonable time not to exceed 48 hours of a request from the board or other authorized agent or that hard-copy records are kept on which certain items are asterisked, redlined or in some other manner visually identifiable apart from other items appearing on the records.

(zz) "Retail dealer" means a person selling at retail nonprescription drugs which are prepackaged, fully prepared by the manufacturer or distributor for use by the consumer and labeled in accordance with the requirements of the state and federal food, drug and cosmetic acts. Such nonprescription drugs shall not include: (1) A controlled substance;

(2) a prescription-only drug; or (3) a drug intended for human use by hypodermic injection.

(aaa) "Secretary" means the executive secretary of the board.

(bbb) "Third party logistics provider" means an entity that: (1) Provides or coordinates warehousing, distribution or other services on behalf of a manufacturer, but does not take title to the prescription drug or have general responsibility to direct the prescription drug's sale or disposition; (2) is registered as a wholesale distributor under the pharmacy act of the state of Kansas; and (3) to be considered part of the normal distribution channel, must also be an authorized distributor of record.

(ccc) "Unprofessional conduct" means:

(1) Fraud in securing a registration or permit;

(2) intentional adulteration or mislabeling of any drug, medicine, chemical or poison;

(3) causing any drug, medicine, chemical or poison to be adulterated or mislabeled, knowing the same to be adulterated or mislabeled;

(4) intentionally falsifying or altering records or prescriptions;

(5) unlawful possession of drugs and unlawful diversion of drugs to others;

(6) willful betrayal of confidential information under K.S.A. 65-1654, and amendments thereto;

(7) conduct likely to deceive, defraud or harm the public;

(8) making a false or misleading statement regarding the licensee's professional practice or the efficacy or value of a drug;

(9) commission of any act of sexual abuse, misconduct or exploitation related to the licensee's professional practice; or

(10) performing unnecessary tests, examinations or services which have no legitimate pharmaceutical purpose.

(ddd) "Vaccination protocol" means a written protocol, agreed to by a pharmacist and a person licensed to practice medicine and surgery by the state board of healing arts, which establishes procedures and recordkeeping and reporting requirements for administering a vaccine by the pharmacist for a period of time specified therein, not to exceed two years.

(eee) "Valid prescription order" means a prescription that is issued for a legitimate medical purpose by an individual prescriber licensed by law to administer and prescribe drugs and acting in the usual course of such prescriber's professional practice. A prescription issued solely on the basis of an internet-based questionnaire or consultation without an appropriate prescriber-patient relationship is not a valid prescription order.

(fff) "Veterinary medical teaching hospital pharmacy" means any location where prescription-only drugs are stored as part of an accredited college of veterinary medicine and from which prescription-only drugs are distributed for use in treatment of or administration to a nonhuman.

(ggg) "Wholesale distributor" means any person engaged in wholesale distribution of prescription drugs or devices in or into the state, including, but not limited to, manufacturers, repackagers, own-label distributors, private-label distributors, jobbers, brokers, warehouses, including manufacturers' and distributors' warehouses, co-licensees, exclusive distributors, third party logistics providers, chain pharmacy warehouses that conduct wholesale distributions, and wholesale drug warehouses, independent wholesale drug traders and retail pharmacies that conduct wholesale

distributions. Wholesale distributor shall not include persons engaged in the sale of durable medical equipment to consumers or patients.

(hhh) "Wholesale distribution" means the distribution of prescription drugs or devices by wholesale distributors to persons other than consumers or patients, and includes the transfer of prescription drugs by a pharmacy to another pharmacy if the total number of units of transferred drugs during a twelve-month period does not exceed 5% of the total number of all units dispensed by the pharmacy during the immediately preceding twelve-month period. Wholesale distribution does not include:

(1) The sale, purchase or trade of a prescription drug or device, an offer to sell, purchase or trade a prescription drug or device or the dispensing of a prescription drug or device pursuant to a prescription;

(2) the sale, purchase or trade of a prescription drug or device or an offer to sell, purchase or trade a prescription drug or device for emergency medical reasons;

(3) intracompany transactions, as defined in this section, unless in violation of own use provisions;

(4) the sale, purchase or trade of a prescription drug or device or an offer to sell, purchase or trade a prescription drug or device among hospitals, chain pharmacy warehouses, pharmacies or other health care entities that are under common control;

(5) the sale, purchase or trade of a prescription drug or device or the offer to sell, purchase or trade a prescription drug or device by a charitable organization described in 503(c)(3) of the internal revenue code of 1954 to a nonprofit affiliate of the organization to the extent otherwise permitted by law;

(6) the purchase or other acquisition by a hospital or other similar health care entity that is a member of a group purchasing organization of a prescription drug or device for its own use from the group purchasing organization or from other hospitals or similar health care entities that are members of these organizations;

(7) the transfer of prescription drugs or devices between pharmacies pursuant to a centralized prescription processing agreement;

(8) the sale, purchase or trade of blood and blood components intended for transfusion;

(9) the return of recalled, expired, damaged or otherwise non-salable prescription drugs, when conducted by a hospital, health care entity, pharmacy, chain pharmacy warehouse or charitable institution in accordance with the board's rules and regulations;

(10) the sale, transfer, merger or consolidation of all or part of the business of a retail pharmacy or pharmacies from or with another retail pharmacy or pharmacies, whether accomplished as a purchase and sale of stock or business assets, in accordance with the board's rules and regulations;

(11) the distribution of drug samples by manufacturers' and authorized distributors' representatives;

(12) the sale of minimal quantities of drugs by retail pharmacies to licensed practitioners for office use; or

(13) the sale or transfer from a retail pharmacy or chain pharmacy warehouse of expired, damaged, returned or recalled prescription drugs to the original manufacturer, originating wholesale distributor or to a third party returns processor in accordance with the board's rules and regulations.

Sec. 100. On and after January 1, 2017, K.S.A. 2015 Supp. 65-4101 is hereby amended to read as follows: 65-4101. As used in this act: (a) "Administer" means the

direct application of a controlled substance, whether by injection, inhalation, ingestion or any other means, to the body of a patient or research subject by:

(1) A practitioner or pursuant to the lawful direction of a practitioner; or

(2) the patient or research subject at the direction and in the presence of the practitioner.

(b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor or dispenser. It does not include a common carrier, public warehouseman or employee of the carrier or warehouseman.

(c) "Application service provider" means an entity that sells electronic prescription or pharmacy prescription applications as a hosted service where the entity controls access to the application and maintains the software and records on its server.

(d) "Board" means the state board of pharmacy.

(e) "Bureau" means the bureau of narcotics and dangerous drugs, United States department of justice, or its successor agency.

(f) "Controlled substance" means any drug, substance or immediate precursor included in any of the schedules designated in K.S.A. 65-4105, 65-4107, 65-4109, 65-4111 and 65-4113, and amendments thereto.

(g) (1) "Controlled substance analog" means a substance that is intended for human consumption, and:

(A) The chemical structure of which is substantially similar to the chemical structure of a controlled substance listed in or added to the schedules designated in K.S.A. 65-4105 or 65-4107, and amendments thereto;

(B) which has a stimulant, depressant or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant or hallucinogenic effect on the central nervous system of a controlled substance included in the schedules designated in K.S.A. 65-4105 or 65-4107, and amendments thereto; or

(C) with respect to a particular individual, which such individual represents or intends to have a stimulant, depressant or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant or hallucinogenic effect on the central nervous system of a controlled substance included in the schedules designated in K.S.A. 65-4105 or 65-4107, and amendments thereto.

(2) "Controlled substance analog" does not include:

(A) A controlled substance;

(B) a substance for which there is an approved new drug application; or

(C) a substance with respect to which an exemption is in effect for investigational use by a particular person under section 505 of the federal food, drug and cosmetic act, 21 U.S.C. § 355, to the extent conduct with respect to the substance is permitted by the exemption.

(h) "Counterfeit substance" means a controlled substance which, or the container or labeling of which, without authorization bears the trademark, trade name or other identifying mark, imprint, number or device or any likeness thereof of a manufacturer, distributor or dispenser other than the person who in fact manufactured, distributed or dispensed the substance.

(i) "Cultivate" means the planting or promotion of growth of five or more plants which contain or can produce controlled substances.

(j) "DEA" means the U.S. department of justice, drug enforcement administration.

(k) "Deliver" or "delivery" means the actual, constructive or attempted transfer

from one person to another of a controlled substance, whether or not there is an agency relationship.

(l) "Dispense" means to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the packaging, labeling or compounding necessary to prepare the substance for that delivery, or pursuant to the prescription of a mid-level practitioner.

(m) "Dispenser" means a practitioner or pharmacist who dispenses, or a physician assistant who has authority to dispense prescription-only drugs in accordance with K.S.A. 65-28a08(b), and amendments thereto.

(n) "Distribute" means to deliver other than by administering or dispensing a controlled substance.

(o) "Distributor" means a person who distributes.

(p) "Drug" means: (1) Substances recognized as drugs in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States or official national formulary or any supplement to any of them; (2) substances intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in ~~man~~ human or animals; (3) substances (other than food) intended to affect the structure or any function of the body of ~~man~~ human or animals; and (4) substances intended for use as a component of any article specified in paragraph (1), (2) or (3) ~~of this subsection~~. It does not include devices or their components, parts or accessories.

(q) "Immediate precursor" means a substance which the board has found to be and by rule and regulation designates as being the principal compound commonly used or produced primarily for use and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance, the control of which is necessary to prevent, curtail or limit manufacture.

(r) "Electronic prescription" means an electronically prepared prescription that is authorized and transmitted from the prescriber to the pharmacy by means of electronic transmission.

(s) "Electronic prescription application" means software that is used to create electronic prescriptions and that is intended to be installed on the prescriber's computers and servers where access and records are controlled by the prescriber.

(t) "Electronic signature" means a confidential personalized digital key, code, number or other method for secure electronic data transmissions which identifies a particular person as the source of the message, authenticates the signatory of the message and indicates the person's approval of the information contained in the transmission.

(u) "Electronic transmission" means the transmission of an electronic prescription, formatted as an electronic data file, from a prescriber's electronic prescription application to a pharmacy's computer, where the data file is imported into the pharmacy prescription application.

(v) "Electronically prepared prescription" means a prescription that is generated using an electronic prescription application.

(w) "Facsimile transmission" or "fax transmission" means the transmission of a digital image of a prescription from the prescriber or the prescriber's agent to the pharmacy. "Facsimile transmission" includes, but is not limited to, transmission of a written prescription between the prescriber's fax machine and the pharmacy's fax machine; transmission of an electronically prepared prescription from the prescriber's

electronic prescription application to the pharmacy's fax machine, computer or printer; or transmission of an electronically prepared prescription from the prescriber's fax machine to the pharmacy's fax machine, computer or printer.

(x) "Intermediary" means any technology system that receives and transmits an electronic prescription between the prescriber and the pharmacy.

(y) "Isomer" means all enantiomers and diastereomers.

(z) "Manufacture" means the production, preparation, propagation, compounding, conversion or processing of a controlled substance either directly or indirectly or by extraction from substances of natural origin or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled substance by an individual for the individual's own lawful use or the preparation, compounding, packaging or labeling of a controlled substance:

(1) By a practitioner or the practitioner's agent pursuant to a lawful order of a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

(2) by a practitioner or by the practitioner's authorized agent under such practitioner's supervision for the purpose of or as an incident to research, teaching or chemical analysis or by a pharmacist or medical care facility as an incident to dispensing of a controlled substance.

(aa) "Marijuana" means all parts of all varieties of the plant Cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, except the resin extracted therefrom, fiber, oil, or cake or the sterilized seed of the plant which is incapable of germination.

(bb) "Medical care facility" shall have the meaning ascribed to that term in K.S.A. 65-425, and amendments thereto.

(cc) "Mid-level practitioner" means a certified nurse-midwife engaging in the independent practice of midwifery under the independent practice of midwifery act, an advanced practice registered nurse issued a license pursuant to K.S.A. 65-1131, and amendments thereto, who has authority to prescribe drugs pursuant to a written protocol with a responsible physician under K.S.A. 65-1130, and amendments thereto, or a physician assistant licensed under the physician assistant licensure act who has authority to prescribe drugs ~~prior to January 11, 2016, pursuant to a written protocol with a responsible physician under K.S.A. 65-28a08, and amendments thereto, and on and after January 11, 2016,~~ pursuant to a written agreement with a supervising physician under K.S.A. 65-28a08, and amendments thereto.

(dd) "Narcotic drug" means any of the following whether produced directly or indirectly by extraction from substances of vegetable origin or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis:

(1) Opium and opiate and any salt, compound, derivative or preparation of opium or opiate;

(2) any salt, compound, isomer, derivative or preparation thereof which is

chemically equivalent or identical with any of the substances referred to in paragraph (1) but not including the isoquinoline alkaloids of opium;

(3) opium poppy and poppy straw;

(4) coca leaves and any salt, compound, derivative or preparation of coca leaves, and any salt, compound, isomer, derivative or preparation thereof which is chemically equivalent or identical with any of these substances, but not including decocainized coca leaves or extractions of coca leaves which do not contain cocaine or ecgonine.

(ee) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under K.S.A. 65-4102, and amendments thereto, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

(ff) "Opium poppy" means the plant of the species Papaver somniferum l. except its seeds.

(gg) "Person" means an individual, corporation, government, or governmental subdivision or agency, business trust, estate, trust, partnership or association or any other legal entity.

(hh) "Pharmacist" means any natural person licensed under K.S.A. 65-1625 et seq., and amendments thereto, to practice pharmacy.

(ii) "Pharmacist intern" means: (1) A student currently enrolled in an accredited pharmacy program; (2) a graduate of an accredited pharmacy program serving such person's internship; or (3) a graduate of a pharmacy program located outside of the United States which is not accredited and who had successfully passed equivalency examinations approved by the board.

(jj) "Pharmacy prescription application" means software that is used to process prescription information, is installed on a pharmacy's computers and servers, and is controlled by the pharmacy.

(kk) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(ll) "Practitioner" means a person licensed to practice medicine and surgery, dentist, podiatrist, veterinarian, optometrist, or scientific investigator or other person authorized by law to use a controlled substance in teaching or chemical analysis or to conduct research with respect to a controlled substance.

(mm) "Prescriber" means a practitioner or a mid-level practitioner.

(nn) "Production" includes the manufacture, planting, cultivation, growing or harvesting of a controlled substance.

(oo) "Readily retrievable" means that records kept by automatic data processing applications or other electronic or mechanized recordkeeping systems can be separated out from all other records within a reasonable time not to exceed 48 hours of a request from the board or other authorized agent or that hard-copy records are kept on which certain items are asterisked, redlined or in some other manner visually identifiable apart from other items appearing on the records.

(pp) "Ultimate user" means a person who lawfully possesses a controlled substance for such person's own use or for the use of a member of such person's household or for administering to an animal owned by such person or by a member of such person's household.";

Also on page 11, in line 30, after the first "K.S.A." by inserting "59-29b54, 59-29b61, 65-4016, 65-5806, 65-5808, 65-6314, 65-6407, 65-6408, 65-6411, 74-5311, 74-5318, 74-5319, 74-5320, 74-5321, 74-5325, 74-5326, 74-5327, 74-5328, 74-5332, 74-5333, 74-5334, 74-5336, 74-5338, 74-5361, 74-5362, 74-5363, 74-5365, 74-5370, 75-6115 and"; also in line 30, after "Supp." by inserting "59-29b46, 59-3077,"; in line 31, before "and" by inserting ", 65-2872, 65-2901, 65-2913, 65-4024a, 65-5807, 65-5809, 65-5815, 65-6309, 65-6311, 65-6313, 65-6405, 65-6406, 65-6412, 65-6607, 65-6608, 65-6609, 65-6610, 65-6611, 65-6612, 65-6613, 65-6614, 65-6615, 65-6616, 65-6617, 65-6618, 65-6619, 65-6620, 74-5310, 74-5315, 74-5316, 74-5324, 74-5337, 74-5367, 74-5369, 74-5375, 74-5376, 74-7507, 74-7508";

Also on page 11, following line 31, by inserting:

"Sec. 102. On and after January 1, 2017, K.S.A. 2015 Supp. 65-1130, 65-1626 and 65-4101 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, by striking all in lines 1 through 4 and inserting:

"AN ACT concerning healthcare providers; relating to powers, duties and functions thereof; licensure requirements; regulation; acupuncturists; certified nurse-midwives; physical therapists; professions regulated by the behavioral science regulatory board; amending K.S.A. 59-29b54, 59-29b61, 65-4016, 65-5806, 65-5808, 65-6314, 65-6407, 65-6408, 65-6411, 74-5311, 74-5318, 74-5361, 74-5362, 74-5363, 74-5365, 74-5370, 75-6115 and 75-6120 and K.S.A. 2015 Supp. 59-29b46, 59-3077, 65-1130, 65-1431, 65-1626, 65-2809, 65-2872, 65-2901, 65-2913, 65-4024a, 65-4101, 65-5807, 65-5809, 65-6309, 65-6311, 65-6313, 65-6405, 65-6406, 65-6607, 65-6608, 65-6609, 65-6610, 65-6611, 65-6612, 65-6613, 65-6614, 65-6615, 65-6616, 65-6617, 65-6618, 65-6620, 74-5310, 74-5315, 74-5316, 74-5324, 74-5367, 74-5369, 74-5375, 74-5376, 74-7507, 74-7508 and 75-6102 and repealing the existing sections; also repealing K.S.A. 74-5319, 74-5320, 74-5321, 74-5325, 74-5326, 74-5327, 74-5328, 74-5332, 74-5333, 74-5334, 74-5336 and 74-5338 and K.S.A. 2015 Supp. 65-5815, 65-6412, 65-6619 and 74-5337.";

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

MICHAEL O'DONNELL, II
ELAINE BOWERS
Conferees on part of Senate

DANIEL R. HAWKINS
WILLIE O. DOVE
Conferees on part of House

On motion of Rep. Hawkins, the conference committee report on **HB 2615** was adopted.

On roll call, the vote was: Yeas 115; Nays 7; Present but not voting: 0; Absent or not voting: 3.

Yeas: Alcala, Alford, Anthimides, Ballard, Barker, Barton, Becker, Billinger, Boldra, Bollier, Bradford, Bruchman, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Curtis, E. Davis, DeGraaf, Dierks, Doll, Dove, Esau, Estes, Finch, Finney, Francis, Frownfelter, Gallagher, Garber,

Goico, Gonzalez, Hawkins, Hedke, Helgerson, Hemsley, Henderson, Henry, Hibbard, Highberger, Highland, Hildabrand, Hill, Hineman, Hoffman, Houston, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Kuether, Lewis, Lunn, Lusk, Lusker, Macheers, Mason, Mast, Merrick, Moxley, O'Brien, Osterman, Ousley, F. Patton, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rooker, Ruiz, Ryckman, Ryckman Sr., Sawyer, Scapa, Schwartz, Scott, Seiwert, Sloan, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Whipple, Whitmer, K. Williams, Wilson, Wolfe Moore.

Nays: Grosserode, Houser, K. Jones, McPherson, Rubin, Schwab, Winn.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Schroeder.

The House stood at ease until the sound of the gavel.

Rep. Merrick called the House to order.

PERSONAL PRIVILEGE

Rep. Hedke addressed remarks to the members of the House.

MESSAGES FROM THE SENATE

The Senate adopts the Conference Committee report on **SB 248**.

The Senate adopts the Conference Committee report on **H Sub for SB 280**.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 402** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 402 as follows:

On page 1, by striking all in lines 6 through 36;

By striking all in pages 2 through 7;

On page 8, by striking all in lines 1 through 5; following line 5, by inserting:

"Section 1. K.S.A. 2015 Supp. 39-702 is hereby amended to read as follows: 39-702. The following words and phrases when used in this act shall, for the purposes of this act, have the meanings respectively ascribed to them in this section:

(a) "Secretary" means the secretary for children and families, unless otherwise specified.

(b) "Applicants" means all persons who, as individuals, or in whose behalf requests are made of the secretary for aid or assistance.

(c) "Social welfare service" may include such functions as giving assistance, the prevention of public dependency, and promoting the rehabilitation of dependent persons or those who are approaching public dependency.

(d) "Assistance" includes such items or functions as the giving or providing of money, food assistance, food, clothing, shelter, medicine or other materials, the giving of any service, including instructive or scientific. The definitions of social welfare service and assistance in this section shall be deemed as partially descriptive and not limiting.

(e) "Temporary assistance to needy families" means financial assistance with respect to or on behalf of a dependent child or dependent children and includes financial assistance for any month to meet the needs of the relative or qualifying caretaker with whom any dependent child is living.

(f) "Medical assistance" means the payment of all or part of the cost of necessary: (1) Medical, remedial, rehabilitative or preventive care and services ~~which~~ that are within the scope of services to be provided under a medical care plan developed by the secretary pursuant to this act and furnished by health care providers who have a current approved provider agreement with the secretary; and (2) transportation to obtain care and services ~~which~~ that are within the scope of services to be provided under a medical care plan developed by the secretary pursuant to this act.

(g) "Dependent children" means needy children under the age of 18, or who are under the age of 19 and are full-time students in secondary schools or the equivalent educational program who are in the care of a biological or adoptive parent, court appointed guardian, conservator or legal custodian and who are living with any relative, including first cousins, uncles, aunts, and persons of preceding generations are denoted by prefixes of grand, great, or great-great, and including the spouses or former spouses of any persons named in the above groups, in a place of residence maintained by one or more of such relatives as their own home.

(h) "The blind" means not only those who are totally and permanently devoid of vision, but also those persons whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential.

(i) "Recipient" means a person who has received assistance under the terms of this act.

(j) "Intake office" means the place where the secretary shall maintain an office for receiving applications.

(k) "Adequate consideration" means consideration equal, or reasonably proportioned to the value of that for which it is given.

(l) "Title IV-D" means part D of title IV of the federal social security act, ~~(~~42 U.S.C. § 651 et seq.~~)~~, as in effect on May 1, 1997.

(m) "TANF diversion assistance" means a one-time voluntary payment option in lieu of ongoing TANF assistance. The diversion payment is available to applicants who have not received TANF assistance as an adult, and is designed to meet a crisis or emergency hardship that would endanger such applicants' ability to remain employed or to accept an offer of employment. Any household that includes such recipient accepting the diversion payment is ineligible to receive on-going TANF assistance for 12 months after receipt of the diversion payment. Any recipient who receives a diversion payment is limited to ~~42~~ 18 months of TANF cash assistance in a lifetime, unless such recipient shall meet a hardship criteria as defined by the secretary.

(n) "Non-cooperation" means the failure of the applicant or recipient to comply with all requirements provided in state and federal law, rules and regulations and agency policy.

Sec. 2. K.S.A. 2015 Supp. 39-709 is hereby amended to read as follows: 39-709. (a) *General eligibility requirements for assistance for which federal moneys are expended.* Subject to the additional requirements below, assistance in accordance with plans under which federal moneys are expended may be granted to any needy person who:

(1) Has insufficient income or resources to provide a reasonable subsistence compatible with decency and health. Where a husband and wife or cohabiting partners are living together, the combined income or resources of both shall be considered in determining the eligibility of either or both for such assistance unless otherwise prohibited by law. The secretary, in determining need of any applicant for or recipient of assistance shall not take into account the financial responsibility of any individual for any applicant or recipient of assistance unless such applicant or recipient is such individual's spouse, cohabiting partner or such individual's minor child or minor stepchild if the stepchild is living with such individual. The secretary in determining need of an individual may provide such income and resource exemptions as may be permitted by federal law. For purposes of eligibility for temporary assistance for needy families, for food assistance and for any other assistance provided through the Kansas department for children and families under which federal moneys are expended, the secretary for children and families shall consider one motor vehicle owned by the applicant for assistance, regardless of the value of such vehicle, as exempt personal property and shall consider any equity in any boat, personal water craft, recreational vehicle, recreational off-highway vehicle or all-terrain vehicle, as defined by K.S.A. 8-126, and amendments thereto, or any additional motor vehicle owned by the applicant for assistance to be a nonexempt resource of the applicant for assistance except that any additional motor vehicle used by the applicant, the applicant's spouse or the applicant's cohabiting partner for the primary purpose of earning income may be considered as exempt personal property in the secretary's discretion.

(2) Is a citizen of the United States or is an alien lawfully admitted to the United States and who is residing in the state of Kansas.

(b) *Temporary assistance for needy families.* Assistance may be granted under this act to any dependent child, or relative, subject to the general eligibility requirements as set out in subsection (a), who resides in the state of Kansas or whose parent or other relative with whom the child is living resides in the state of Kansas. Such assistance shall be known as temporary assistance for needy families. ~~On and after January 1, 2017, the department shall conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department.~~ Where the husband and wife or cohabiting partners are living together, both shall register for work under the program requirements for temporary assistance for needy families in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

(1) As used in this subsection, "family group" or "household" means the applicant or recipient for TANF, child care subsidy or employment services and all individuals living together in which there is a relationship of legal responsibility or a qualifying caretaker relationship. This will include a cohabiting boyfriend or girlfriend living with the person legally responsible for the child. The family group shall not be eligible for TANF if the family group contains at least one adult member who has received TANF, including the federal TANF assistance received in any other state, for ~~36~~ 24 calendar

months beginning on and after October 1, 1996, unless the secretary determines a hardship exists and grants an extension allowing receipt of TANF until the ~~48-month~~ 36-month limit is reached. No extension beyond ~~48~~ 36 months shall be granted. Hardship provisions for a recipient include:

(A) Is a caretaker of a disabled family member living in the household;

(B) has a disability which precludes employment on a long-term basis or requires substantial rehabilitation;

(C) needs a time limit extension to overcome the effects of domestic violence/sexual assault;

(D) is involved with prevention and protection services (PPS) and has an open social service plan; or

(E) is determined by the ~~36th~~ 24th month to have an extreme hardship other than what is designated in criteria listed in subparagraphs (A) through ~~(E)~~ (D). This determination will be made by the executive review team.

(2) All adults applying for TANF shall be required to complete a work program assessment as specified by the Kansas department for children and families, including those who have been disqualified for or denied TANF due to non-cooperation, drug testing requirements or fraud. Adults who are not otherwise eligible for TANF, such as ineligible aliens, relative/non-relative caretakers and adults receiving supplemental security income are not required to complete the assessment process. During the application processing period, applicants must complete at least one module or its equivalent of the work program assessment to be considered eligible for TANF benefits, unless good cause is found to be exempt from the requirements. Good cause exemptions shall only include:

(A) The applicant can document an existing certification verifying completion of the work program assessment;

(B) the applicant has a valid offer of employment or is employed a minimum of 20 hours a week;

(C) the applicant is a parenting teen without a GED or high school diploma;

(D) the applicant is enrolled in job corps;

(E) the applicant is working with a refugee social services agency; or

(F) the applicant has completed the work program assessment within the last 12 months.

(3) The department for children and families shall maintain a sufficient level of dedicated work program staff to enable the agency to conduct work program case management services to TANF recipients in a timely manner and in full accordance with state law and agency policy.

(4) TANF mandatory work program applicants and recipients shall participate in work components that lead to competitive, integrated employment. Components are defined by the federal government as being either primary or secondary. In order to meet federal work participation requirements, households need to meet at least 30 hours of participation per week, at least 20 hours of which need to be primary and at least 10 hours may be secondary components in one parent households where the youngest child is six years of age or older. Participation hours shall be 55 hours in two parent households (35 hours per week if child care is not used). The maximum assignment is 40 hours per week per individual. For two parent families to meet the federal work participation rate both parents must participate in a combined total of 55 hours per

week, 50 hours of which must be in primary components, or one or both parents could be assigned a combined total of 35 hours per week (30 hours of which must be primary components) if department for children and families paid child care is not received by the family. Single parent families with a child under age six meet the federal participation requirement if the parent is engaged in work or work activities for at least 20 hours per week in a primary work component. The following components meet federal definitions of primary hours of participation: Full or part-time employment, apprenticeship, work study, self-employment, job corps, subsidized employment, work experience sites, on-the-job training, supervised community service, vocational education, job search and job readiness. Secondary components include: Job skills training, education directly related to employment such as adult basic education and English as a second language, and completion of a high school diploma or GED.

(5) A parent or other adult caretaker personally providing care for a child under the age of three months in their TANF household is exempt from work participation activities until the month the child turns three months of age. Such three-month limitation shall not apply to a parent or other adult caretaker who is personally providing care for a child born significantly premature, with serious medical conditions or with a disability as defined by the secretary, in consultation with the secretary of health and environment, and adopted in the rules and regulations. The three-month period is defined as two consecutive months starting with the month after childbirth. The exemption for caring for a child under three months cannot be claimed:

(A) By either parent when two parents are in the home and the household meets the two-parent definition for federal reporting purposes;

(B) by one parent or caretaker when the other parent or caretaker is in the home, and available, capable and suitable to provide care and the household does not meet the two-parent definition for federal reporting purposes;

(C) by a person age 19 or younger when such person is pregnant or a parent of a child in the home and the person does not possess a high school diploma or its equivalent. Such person shall become exempt the month such person turns age 20; or

(D) ~~by any adult in the TANF assistance plan when at least one adult has reached the 36 months of TANF cash assistance; or~~

~~(E)~~ by any person assigned to a work participation activity for substance use disorders.

(6) TANF work experience placements shall be reviewed after 90 days and are limited to six months per ~~48-month~~ 24-month lifetime limit. A client's progress shall be reviewed prior to each new placement regardless of the length of time they are at the work experience site.

(7) TANF participants with disabilities shall engage in required employment activities to the maximum extent consistent with their abilities. TANF participants shall provide current documentation by a qualified medical practitioner that details the abilities to engage in employment and any limitations in work activities along with the expected duration of such limitations. Disability is defined as a physical or mental impairment constituting or resulting in a substantial impediment to employment for such individual.

(8) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for TANF benefits based on non-

cooperation with work programs shall be as follows:

(A) For a first penalty, three months and full cooperation with work program activities;

(B) for a second penalty, six months and full cooperation with work program activities;

(C) for a third penalty, one year and full cooperation with work program activities; and

(D) for a fourth or subsequent penalty, 10 years.

(9) Individuals that have not cooperated with TANF work programs shall be ineligible to participate in the food assistance program. The comparable penalty shall be applied to only the individual in the food assistance program who failed to comply with the TANF work requirement. The agency shall impose the same penalty to the member of the household who failed to comply with TANF requirements. The penalty periods are three months, six months, one year, or 10 years.

(10) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for child care subsidy or TANF benefits based on parents' non-cooperation with child support services shall be as follows:

(A) For the first penalty, three months and cooperation with child support services prior to regaining eligibility;

(B) for a second penalty, six months and cooperation with child support services prior to regaining eligibility;

(C) for a third penalty, one year and cooperation with child support services prior to regaining eligibility; and

(D) for a fourth penalty, 10 years.

(11) Individuals that have not cooperated without good cause with child support services shall be ineligible to participate in the food assistance program. The period of disqualification ends once it has been determined that such individual is cooperating with child support services.

(12) (A) Any individual who is found to have committed fraud or is found guilty of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, in either the TANF or child care program shall render all adults in the family unit ineligible for TANF assistance. Adults in the household who were determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, shall render themselves and all adult household members ineligible for their lifetime for TANF, even if fraud was committed in only one program. Households who have been determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2015 Supp. 21-5801, and amendments thereto, shall be required to name a protective payee as approved by the secretary or the secretary's designee to administer TANF benefits or food assistance on behalf of the children. No adult in a household may have access to the TANF cash assistance benefit.

(B) Any individual that has failed to cooperate with a fraud investigation shall be ineligible to participate in the TANF cash assistance program and the child care subsidy program until the department for children and families determines that such individual is cooperating with the fraud investigation. The department for children and families shall maintain a sufficient level of fraud investigative staff to enable the department to

conduct fraud investigations in a timely manner and in full accordance with state law and department rules and regulations or policies.

(13) (A) Food assistance shall not be provided to any person convicted of a felony offense occurring on or after July 1, 2015, which includes as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog. For food assistance, the individual shall be permanently disqualified if they have been convicted of a state or federal felony offense occurring on or after July 1, 2015, involving possession or use of a controlled substance or controlled substance analog.

(B) Notwithstanding the provisions of subparagraph (A), an individual shall be eligible for food assistance if the individual enrolls in and participates in a drug treatment program approved by the secretary, submits to and passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan.

An individual's failure to submit to testing or failure to successfully pass a drug test shall result in ineligibility for food assistance until a drug test is successfully passed. Failure to successfully complete a drug treatment program shall result in ineligibility for food assistance until a drug treatment plan approved by the secretary is successfully completed, the individual passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan.

(C) The provisions of subparagraph (B) shall not apply to any individual who has been convicted for a second or subsequent felony offense as provided in subparagraph (A).

(14) No TANF cash assistance shall be used to purchase alcohol, cigarettes, tobacco products, lottery tickets, concert tickets, professional or collegiate sporting event tickets or tickets for other entertainment events intended for the general public or sexually oriented adult materials. No TANF cash assistance shall be used in any retail liquor store, casino, gaming establishment, jewelry store, tattoo parlor, massage parlor, body piercing parlor, spa, nail salon, lingerie shop, tobacco paraphernalia store, vapor cigarette store, psychic or fortune telling business, bail bond company, video arcade, movie theater, swimming pool, cruise ship, theme park, dog or horse racing facility, parimutuel facility, or sexually oriented business or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment, or in any business or retail establishment where minors under age 18 are not permitted. ~~TANF cash assistance transactions for cash withdrawals from automated teller machines shall be limited to $25, per transaction and to one transaction per day.~~ No TANF cash assistance shall be used for purchases at points of sale outside the state of Kansas. ~~The secretary for children and families is authorized to raise or rescind the automated teller machine withdrawal limit established by this section in order to ensure continued appropriation of the TANF block grant through compliance with the provisions of the middle class tax relief and job creation act of 2012 which govern adequate access to cash assistance.~~

(15) (A) The secretary for children and families shall place a photograph of the recipient, if agreed to by such recipient of public assistance, on any Kansas benefits card issued by the Kansas department for children and families that the recipient uses in obtaining food, cash or any other services. When a recipient of public assistance is a minor or otherwise incapacitated individual, a parent or legal guardian of such recipient

may have a photograph of such parent or legal guardian placed on the card.

(B) Any Kansas benefits card with a photograph of a recipient shall be valid for voting purposes as a public assistance identification card in accordance with the provisions of K.S.A. 25-2908, and amendments thereto.

(C) As used in this paragraph and its subparagraphs, "Kansas benefits card" means any card issued to provide food assistance, cash assistance or child care assistance, including, but not limited to, the vision card, EBT card and Kansas benefits card.

(D) The Kansas department for children and families shall monitor all recipient requests for a Kansas benefits card replacement and, upon the fourth such request in a 12-month period, send a notice alerting the recipient that the recipient's account is being monitored for potential suspicious activity. If a recipient makes an additional request for replacement subsequent to such notice, the department shall refer the investigation to the department's fraud investigation unit.

(16) The secretary for children and families shall adopt rules and regulations:

(A) In determining eligibility for the child care subsidy program, including an income of a cohabiting partner in a child care household; and

(B) in determining and maintaining eligibility for non-TANF child care, requiring that all included adults shall be employed a minimum of 20 hours per week or more as defined by the secretary or meet the following specific qualifying exemptions:

(i) Adults who are not capable of meeting the requirement due to a documented physical or mental condition;

(ii) adults who are former TANF recipients who need child care for employment after their TANF case has closed and earned income is a factor in the closure in the two months immediately following TANF closure;

(iii) adult parents included in a case in which the only child receiving benefits is the child of a minor parent who is working on completion of high school or obtaining a GED; ~~or~~

(iv) adults who are participants in a ~~mandatory~~ food assistance ~~education~~ employment and training program; or

(v) adults who are participants in an early head start child care partnership program and are working or in school or training.

The department for children and families shall provide child care for the pursuit of any degree or certification if the occupation has at least an average job outlook listed in the occupational outlook of the U.S. department of labor, bureau of labor statistics. For occupations with less than an average job outlook, educational plans shall require approval of the secretary or secretary's designee. Child care may also be approved if the student provides verification of a specific job offer that will be available to such student upon completion of the program. Child care for post-secondary education shall be allowed for a lifetime maximum of 24 months per adult. The 24 months may not have to be consecutive. Students shall be engaged in paid employment for a minimum of 15 hours per week. In a two-parent adult household, child care would not be allowed if both parents are adults and attending a formal education or training program at the same time. The household may choose which one of the parents is participating as a post-secondary student. The other parent shall meet another approvable criteria for child care subsidy.

(17) (A) The secretary for children and families is prohibited from requesting or implementing a waiver or program from the U.S. department of agriculture for the time

limited assistance provisions for able-bodied adults aged 18 through 49 without dependents in a household under the food assistance program. The time on food assistance for able-bodied adults aged 18 through 49 without dependents in the household shall be limited to three months in a 36-month period if such adults are not meeting the requirements imposed by the U.S. department of agriculture that they must work for at least 20 hours per week or participate in a federally approved work program or its equivalent.

(B) Each food assistance household member who is not otherwise exempt from the following work requirements shall: Register for work; participate in an employment and training program, if assigned to such a program by the department; accept a suitable employment offer; and not voluntarily quit a job of at least 30 hours per week.

(C) Any recipient who has not complied with the work requirements under subparagraph (B) shall be ineligible to participate in the food assistance program for the following time period and until the recipient complies with such work requirements:

(i) For a first penalty, three months;

(ii) for a second penalty, six months; and

(iii) for a third penalty and any subsequent penalty, one year.

(18) Eligibility for the food assistance program shall be limited to those individuals who are citizens or who meet qualified non-citizen status as determined by U.S. department of agriculture. Non-citizen individuals who are unable or unwilling to provide qualifying immigrant documentation, as defined by the U.S. department of agriculture, residing within a household shall not be included when determining the household's size for the purposes of assigning a benefit level to the household for food assistance or comparing the household's monthly income with the income eligibility standards. The gross non-exempt earned and unearned income and resources of disqualified individuals shall be counted in its entirety as available to the remaining household members.

(19) The secretary for children and families shall not enact the state option from the U.S. department of agriculture for broad-based categorical eligibility for households applying for food assistance according to the provisions of 7 C.F.R. § 273.2(j)(2)(ii).

(20) No federal or state funds shall be used for television, radio or billboard advertisements that are designed to promote food assistance benefits and enrollment. No federal or state funding shall be used for any agreements with foreign governments designed to promote food assistance.

(21) (A) The secretary for children and families shall not apply gross income standards for food assistance higher than the standards specified in 7 U.S.C. § 2015(c) unless expressly required by federal law. Categorical eligibility exempting households from such gross income standards requirements shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(B) The secretary for children and families shall not apply resource limits standards for food assistance that are higher than the standards specified in 7 U.S.C. § 2015(g)(1) unless expressly required by federal law. Categorical eligibility exempting households from such resource limits shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(c) (1) On and after January 1, 2017, the department for children and families shall conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department. For TANF cash

assistance, food assistance and the child care subsidy program, the department shall verify the identity of all adults in the assistance household.

(2) The department of administration shall provide monthly to the Kansas department for children and families the social security numbers or alternate taxpayer identification numbers of all persons who claim a Kansas lottery prize in excess of $5,000 during the reported month. The Kansas department for children and families shall verify if individuals with such winnings are receiving TANF cash assistance, food assistance or assistance under the child care subsidy program and take appropriate action. The Kansas department for children and families shall use data received under this subsection solely, and for no other purpose, to determine if any recipient's eligibility for benefits has been affected by lottery prize winnings. The Kansas department for children and families shall not publicly disclose the identity of any lottery prize winner, including recipients who are determined to have illegally received benefits.

(d) *Temporary assistance for needy families; assignment of support rights and limited power of attorney.* By applying for or receiving temporary assistance for needy families such applicant or recipient shall be deemed to have assigned to the secretary on behalf of the state any accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. In any case in which an order for child support has been established and the legal custodian and obligee under the order surrenders physical custody of the child to a caretaker relative without obtaining a modification of legal custody and support rights on behalf of the child are assigned pursuant to this section, the surrender of physical custody and the assignment shall transfer, by operation of law, the child's support rights under the order to the secretary on behalf of the state. Such assignment shall be of all accrued, present or future rights to support of the child surrendered to the caretaker relative. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant, recipient or obligee. By applying for or receiving temporary assistance for needy families, or by surrendering physical custody of a child to a caretaker relative who is an applicant or recipient of such assistance on the child's behalf, the applicant, recipient or obligee is also deemed to have appointed the secretary, or the secretary's designee, as an attorney-in-fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full.

~~(d)~~ (e) *Requirements for medical assistance for which federal moneys or state moneys or both are expended.* (1) When the secretary has adopted a medical care plan under which federal moneys or state moneys or both are expended, medical assistance in accordance with such plan shall be granted to any person who is a citizen of the United States or who is an alien lawfully admitted to the United States and who is residing in the state of Kansas, whose resources and income do not exceed the levels prescribed by the secretary. In determining the need of an individual, the secretary may provide for income and resource exemptions and protected income and resource levels. Resources from inheritance shall be counted. A disclaimer of an inheritance pursuant to

K.S.A. 59-2291, and amendments thereto, shall constitute a transfer of resources. The secretary shall exempt principal and interest held in irrevocable trust pursuant to K.S.A. 16-303(c), and amendments thereto, from the eligibility requirements of applicants for and recipients of medical assistance. Such assistance shall be known as medical assistance.

(2) For the purposes of medical assistance eligibility determinations on or after July 1, 2004, if an applicant or recipient owns property in joint tenancy with some other party and the applicant or recipient of medical assistance has restricted or conditioned their interest in such property to a specific and discrete property interest less than 100%, then such designation will cause the full value of the property to be considered an available resource to the applicant or recipient. Medical assistance eligibility for receipt of benefits under the title XIX of the social security act, commonly known as medicaid, shall not be expanded, as provided for in the patient protection and affordable care act, public law 111-148, 124 stat. 119, and the health care and education reconciliation act of 2010, public law 111-152, 124 stat. 1029, unless the legislature expressly consents to, and approves of, the expansion of medicaid services by an act of the legislature.

(3) (A) Resources from trusts shall be considered when determining eligibility of a trust beneficiary for medical assistance. Medical assistance is to be secondary to all resources, including trusts, that may be available to an applicant or recipient of medical assistance.

(B) If a trust has discretionary language, the trust shall be considered to be an available resource to the extent, using the full extent of discretion, the trustee may make any of the income or principal available to the applicant or recipient of medical assistance. Any such discretionary trust shall be considered an available resource unless: (i) At the time of creation or amendment of the trust, the trust states a clear intent that the trust is supplemental to public assistance; and (ii) the trust: (a) Is funded from resources of a person who, at the time of such funding, owed no duty of support to the applicant or recipient of medical assistance; or (b) is funded not more than nominally from resources of a person while that person owed a duty of support to the applicant or recipient of medical assistance.

(C) For the purposes of this paragraph, "public assistance" includes, but is not limited to, medicaid, medical assistance or title XIX of the social security act.

(4) (A) When an applicant or recipient of medical assistance is a party to a contract, agreement or accord for personal services being provided by a nonlicensed individual or provider and such contract, agreement or accord involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits, or other related issues, any moneys paid under such contract, agreement or accord shall be considered to be an available resource unless the following restrictions are met: (i) The contract, agreement or accord must be in writing and executed prior to any services being provided; (ii) the moneys paid are in direct relationship with the fair market value of such services being provided by similarly situated and trained nonlicensed individuals; (iii) if no similarly situated nonlicensed individuals or situations can be found, the value of services will be based on federal hourly minimum wage standards; (iv) such individual providing the services will report all receipts of moneys as income to the appropriate state and federal governmental revenue agencies; (v) any amounts due under such contract, agreement or accord shall

be paid after the services are rendered; (vi) the applicant or recipient shall have the power to revoke the contract, agreement or accord; and (vii) upon the death of the applicant or recipient, the contract, agreement or accord ceases.

(B) When an applicant or recipient of medical assistance is a party to a written contract for personal services being provided by a licensed health professional or facility and such contract involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits or other related issues, any moneys paid in advance of receipt of services for such contracts shall be considered to be an available resource.

(5) Any trust may be amended if such amendment is permitted by the Kansas uniform trust code.

~~(e)~~ (f) *Eligibility for medical assistance of resident receiving medical care outside state.* A person who is receiving medical care including long-term care outside of Kansas whose health would be endangered by the postponement of medical care until return to the state or by travel to return to Kansas, may be determined eligible for medical assistance if such individual is a resident of Kansas and all other eligibility factors are met. Persons who are receiving medical care on an ongoing basis in a long-term medical care facility in a state other than Kansas and who do not return to a care facility in Kansas when they are able to do so, shall no longer be eligible to receive assistance in Kansas unless such medical care is not available in a comparable facility or program providing such medical care in Kansas. For persons who are minors or who are under guardianship, the actions of the parent or guardian shall be deemed to be the actions of the child or ward in determining whether or not the person is remaining outside the state voluntarily.

~~(f)~~ (g) *Medical assistance; assignment of rights to medical support and limited power of attorney; recovery from estates of deceased recipients.* (1) (A) Except as otherwise provided in K.S.A. 39-786 and 39-787, and amendments thereto, or as otherwise authorized on and after September 30, 1989, under section 303 of the federal medicare catastrophic coverage act of 1988, whichever is applicable, by applying for or receiving medical assistance under a medical care plan in which federal funds are expended, any accrued, present or future rights to support and any rights to payment for medical care from a third party of an applicant or recipient and any other family member for whom the applicant is applying shall be deemed to have been assigned to the secretary on behalf of the state. The assignment shall automatically become effective upon the date of approval for such assistance without the requirement that any document be signed by the applicant or recipient. By applying for or receiving medical assistance the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments, representing payments received by the secretary in on behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for assistance and shall remain in effect until the assignment has been terminated in full. The assignment of any rights to payment for medical care from a third party under this subsection shall not prohibit a health care provider from directly billing an insurance carrier for services rendered if the provider has not submitted a claim covering such services to the

secretary for payment. Support amounts collected on behalf of persons whose rights to support are assigned to the secretary only under this subsection and no other shall be distributed pursuant to K.S.A. 39-756(d), and amendments thereto, except that any amounts designated as medical support shall be retained by the secretary for repayment of the unreimbursed portion of assistance. Amounts collected pursuant to the assignment of rights to payment for medical care from a third party shall also be retained by the secretary for repayment of the unreimbursed portion of assistance.

(B) Notwithstanding the provisions of subparagraph (A), the secretary of health and environment, or the secretary's designee, is hereby authorized to and shall exercise any of the powers specified in subparagraph (A) in relation to performance of such secretary's duties pertaining to medical subrogation, estate recovery or any other duties assigned to such secretary in article 74 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) The amount of any medical assistance paid after June 30, 1992, under the provisions of subsection ~~(d)~~ (e) is: (A) A claim against the property or any interest therein belonging to and a part of the estate of any deceased recipient or, if there is no estate, the estate of the surviving spouse, if any, shall be charged for such medical assistance paid to either or both; and (B) a claim against any funds of such recipient or spouse in any account under K.S.A. 9-1215, 17-2263, 17-2264, 17-5828 or 17-5829, and amendments thereto. There shall be no recovery of medical assistance correctly paid to or on behalf of an individual under subsection ~~(d)~~ (e) except after the death of the surviving spouse of the individual, if any, and only at a time when the individual has no surviving child who is under 21 years of age or is blind or permanently and totally disabled. Transfers of real or personal property by recipients of medical assistance without adequate consideration are voidable and may be set aside. Except where there is a surviving spouse, or a surviving child who is under 21 years of age or is blind or permanently and totally disabled, the amount of any medical assistance paid under subsection ~~(d)~~ (e) is a claim against the estate in any guardianship or conservatorship proceeding. The monetary value of any benefits received by the recipient of such medical assistance under long-term care insurance, as defined by K.S.A. 40-2227, and amendments thereto, shall be a credit against the amount of the claim provided for such medical assistance under this subsection. The secretary of health and environment is authorized to enforce each claim provided for under this subsection. The secretary of health and environment shall not be required to pursue every claim, but is granted discretion to determine which claims to pursue. All moneys received by the secretary of health and environment from claims under this subsection shall be deposited in the social welfare fund. The secretary of health and environment may adopt rules and regulations for the implementation and administration of the medical assistance recovery program under this subsection.

(3) By applying for or receiving medical assistance under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, such individual or such individual's agent, fiduciary, guardian, conservator, representative payee or other person acting on behalf of the individual consents to the following definitions of estate and the results therefrom:

(A) If an individual receives any medical assistance before July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim is limited to the

individual's probatable estate as defined by applicable law; and

(B) if an individual receives any medical assistance on or after July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim shall apply to the individual's medical assistance estate. The medical assistance estate is defined as including all real and personal property and other assets in which the deceased individual had any legal title or interest immediately before or at the time of death to the extent of that interest or title. The medical assistance estate includes, without limitation assets conveyed to a survivor, heir or assign of the deceased recipient through joint tenancy, tenancy in common, survivorship, transfer-on-death deed, payable-on-death contract, life estate, trust, annuities or similar arrangement.

(4) The secretary of health and environment or the secretary's designee is authorized to file and enforce a lien against the real property of a recipient of medical assistance in certain situations, subject to all prior liens of record and transfers for value to a bona fide purchaser of record. The lien must be filed in the office of the register of deeds of the county where the real property is located within one year from the date of death of the recipient and must contain the legal description of all real property in the county subject to the lien.

(A) After the death of a recipient of medical assistance, the secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by such recipient.

(B) The secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by a recipient of medical assistance during the lifetime of such recipient. Such lien may be filed only after notice and an opportunity for a hearing has been given. Such lien may be enforced only upon competent medical testimony that the recipient cannot reasonably be expected to be discharged and returned home. A six-month period of compensated inpatient care at a nursing home or other medical institution shall constitute a determination by the department of health and environment that the recipient cannot reasonably be expected to be discharged and returned home. To return home means the recipient leaves the nursing or medical facility and resides in the home on which the lien has been placed for a continuous period of at least 90 days without being readmitted as an inpatient to a nursing or medical facility. The amount of the lien shall be for the amount of assistance paid by the department of health and environment until the time of the filing of the lien and for any amount paid thereafter for such medical assistance to the recipient. After the lien is filed against any real property owned by the recipient, such lien will be dissolved if the recipient is discharged, returns home and resides upon the real property to which the lien is attached for a continuous period of at least 90 days without being readmitted as an inpatient to a nursing or medical facility. If the recipient is readmitted as an inpatient to a nursing or medical facility for a continuous period of less than 90 days, another continuous period of at least 90 days shall be completed prior to dissolution of the lien.

(5) The lien filed by the secretary of health and environment or the secretary's designee for medical assistance correctly received may be enforced before or after the death of the recipient by the filing of an action to foreclose such lien in the Kansas district court or through an estate probate court action in the county where the real property of the recipient is located. However, it may be enforced only:

(A) After the death of the surviving spouse of the recipient;

(B) when there is no child of the recipient, natural or adopted, who is 20 years of age or less residing in the home;

(C) when there is no adult child of the recipient, natural or adopted, who is blind or disabled residing in the home; or

(D) when no brother or sister of the recipient is lawfully residing in the home, who has resided there for at least one year immediately before the date of the recipient's admission to the nursing or medical facility, and has resided there on a continuous basis since that time.

(6) The lien remains on the property even after a transfer of the title by conveyance, sale, succession, inheritance or will unless one of the following events occur:

(A) The lien is satisfied. The recipient, the heirs, personal representative or assigns of the recipient may discharge such lien at any time by paying the amount of the lien to the secretary of health and environment or the secretary's designee;

(B) the lien is terminated by foreclosure of prior lien of record or settlement action taken in lieu of foreclosure; or

(C) the value of the real property is consumed by the lien, at which time the secretary of health and environment or the secretary's designee may force the sale for the real property to satisfy the lien.

(7) If the secretary for aging and disability services or the secretary of health and environment, or both, or such secretary's designee has not filed an action to foreclose the lien in the Kansas district court in the county where the real property is located within 10 years from the date of the filing of the lien, then the lien shall become dormant, and shall cease to operate as a lien on the real estate of the recipient. Such dormant lien may be revived in the same manner as a dormant judgment lien is revived under K.S.A. 60-2403 et seq., and amendments thereto.

(8) Within seven days of receipt of notice by the secretary for children and families or the secretary's designee of the death of a recipient of medical assistance under this subsection, the secretary for children and families or the secretary's designee shall give notice of such recipient's death to the secretary of health and environment or the secretary's designee.

(9) All rules and regulations adopted on and after July 1, 2013, and prior to July 1, 2014, to implement this subsection shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the secretary of health and environment until revised, amended, revoked or nullified pursuant to law.

~~(g)~~ (h) *Placement under the revised Kansas code for care of children or revised Kansas juvenile justice code; assignment of support rights and limited power of attorney.* In any case in which the secretary for children and families pays for the expenses of care and custody of a child pursuant to K.S.A. 2015 Supp. 38-2201 et seq. or 38-2301 et seq., and amendments thereto, including the expenses of any foster care placement, an assignment of all past, present and future support rights of the child in custody possessed by either parent or other person entitled to receive support payments for the child is, by operation of law, conveyed to the secretary. Such assignment shall become effective upon placement of a child in the custody of the secretary or upon payment of the expenses of care and custody of a child by the secretary without the requirement that any document be signed by the parent or other person entitled to receive support payments for the child. When the secretary pays for the expenses of

care and custody of a child or a child is placed in the custody of the secretary, the parent or other person entitled to receive support payments for the child is also deemed to have appointed the secretary, or the secretary's designee, as attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary on behalf of the child. This limited power of attorney shall be effective from the date the assignment to support rights becomes effective and shall remain in effect until the assignment of support rights has been terminated in full.

~~(h)~~ (i) No person who voluntarily quits employment or who is fired from employment due to gross misconduct as defined by rules and regulations of the secretary or who is a fugitive from justice by reason of a felony conviction or charge or violation of a condition of probation or parole imposed under federal or state law shall be eligible to receive public assistance benefits in this state. Any recipient of public assistance who fails to timely comply with monthly reporting requirements under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary by rules and regulations.

~~(i)~~ (j) If the applicant or recipient of temporary assistance for needy families is a mother of the dependent child, as a condition of the mother's eligibility for temporary assistance for needy families the mother shall identify by name and, if known, by current address the father of the dependent child except that the secretary may adopt by rules and regulations exceptions to this requirement in cases of undue hardship. Any recipient of temporary assistance for needy families who fails to cooperate with requirements relating to child support services under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary.

~~(j)~~ (k) By applying for or receiving child care benefits or food assistance, the applicant or recipient shall be deemed to have assigned, pursuant to K.S.A. 39-756, and amendments thereto, to the secretary on behalf of the state only accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant or recipient. By applying for or receiving child care benefits or food assistance, the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full. An applicant or recipient who has assigned support rights to the secretary pursuant to this subsection shall cooperate in establishing and enforcing support obligations to the same extent required of applicants for or recipients of temporary assistance for needy families.

~~(k)~~ (l) (1) A program of drug screening for applicants for cash assistance as a condition of eligibility for cash assistance and persons receiving cash assistance as a condition of continued receipt of cash assistance shall be established, subject to

applicable federal law, by the secretary for children and families on and before January 1, 2014. Under such program of drug screening, the secretary for children and families shall order a drug screening of an applicant for or a recipient of cash assistance at any time when reasonable suspicion exists that such applicant for or recipient of cash assistance is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, an applicant's or recipient's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening records of the applicant or recipient indicating unlawful use of a controlled substance or controlled substance analog.

(2) Any applicant for or recipient of cash assistance whose drug screening results in a positive test may request that the drug screening specimen be sent to a different drug testing facility for an additional drug screening. Any applicant for or recipient of cash assistance who requests an additional drug screening at a different drug testing facility shall be required to pay the cost of drug screening. Such applicant or recipient who took the additional drug screening and who tested negative for unlawful use of a controlled substance and controlled substance analog shall be reimbursed for the cost of such additional drug screening.

(3) Any applicant for or recipient of cash assistance who tests positive for unlawful use of a controlled substance or controlled substance analog shall be required to complete a substance abuse treatment program approved by the secretary for children and families, secretary of labor or secretary of commerce, and a job skills program approved by the secretary for children and families, secretary of labor or secretary of commerce. Subject to applicable federal laws, any applicant for or recipient of cash assistance who fails to complete or refuses to participate in the substance abuse treatment program or job skills program as required under this subsection shall be ineligible to receive cash assistance until completion of such substance abuse treatment and job skills programs. Upon completion of both substance abuse treatment and job skills programs, such applicant for or recipient of cash assistance may be subject to periodic drug screening, as determined by the secretary for children and families. Upon a second positive test for unlawful use of a controlled substance or controlled substance analog, a recipient of cash assistance shall be ordered to complete again a substance abuse treatment program and job skills program, and shall be terminated from cash assistance for a period of 12 months, or until such recipient of cash assistance completes both substance abuse treatment and job skills programs, whichever is later. Upon a third positive test for unlawful use of a controlled substance or controlled substance analog, a recipient of cash assistance shall be terminated from cash assistance, subject to applicable federal law.

(4) If an applicant for or recipient of cash assistance is ineligible for or terminated from cash assistance as a result of a positive test for unlawful use of a controlled substance or controlled substance analog, and such applicant for or recipient of cash assistance is the parent or legal guardian of a minor child, an appropriate protective payee shall be designated to receive cash assistance on behalf of such child. Such parent or legal guardian of the minor child may choose to designate an individual to receive

cash assistance for such parent's or legal guardian's minor child, as approved by the secretary for children and families. Prior to the designated individual receiving any cash assistance, the secretary for children and families shall review whether reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog.

(A) In addition, any individual designated to receive cash assistance on behalf of an eligible minor child shall be subject to drug screening at any time when reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, the designated individual's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening records of the designated individual indicating unlawful use of a controlled substance or controlled substance analog.

(B) Any designated individual whose drug screening results in a positive test may request that the drug screening specimen be sent to a different drug testing facility for an additional drug screening. Any designated individual who requests an additional drug screening at a different drug testing facility shall be required to pay the cost of drug screening. Such designated individual who took the additional drug screening and who tested negative for unlawful use of a controlled substance and controlled substance analog shall be reimbursed for the cost of such additional drug screening.

(C) Upon any positive test for unlawful use of a controlled substance or controlled substance analog, the designated individual shall not receive cash assistance on behalf of the parent's or legal guardian's minor child, and another designated individual shall be selected by the secretary for children and families to receive cash assistance on behalf of such parent's or legal guardian's minor child.

(5) If a person has been convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall thereby become forever ineligible to receive any cash assistance under this subsection unless such conviction is the person's first conviction. First-time offenders convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall become ineligible to receive cash assistance for five years from the date of conviction.

(6) Except for hearings before the Kansas department for children and families or, the results of any drug screening administered as part of the drug screening program authorized by this subsection shall be confidential and shall not be disclosed publicly.

(7) The secretary for children and families may adopt such rules and regulations as are necessary to carry out the provisions of this subsection.

(8) Any authority granted to the secretary for children and families under this

subsection shall be in addition to any other penalties prescribed by law.

(9) As used in this subsection:

(A) "Cash assistance" means cash assistance provided to individuals under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations adopted pursuant to such statutes.

(B) "Controlled substance" means the same as in K.S.A. 2015 Supp. 21-5701, and amendments thereto, and 21 U.S.C. § 802.

(C) "Controlled substance analog" means the same as in K.S.A. 2015 Supp. 21-5701, and amendments thereto.

Sec. 3. K.S.A. 39-719b is hereby amended to read as follows: 39- 719b. (a) If at any time during the continuance of assistance to any person, the recipient thereof becomes possessed of any property or income in excess of the amount ascertained at the time of granting assistance, or if any of the recipient's circumstances which affect eligibility to receive assistance change from the time of determination of eligibility, it shall be the duty of the recipient to notify the secretary immediately of the receipt or possession of such property, income, or of such change in circumstances affecting eligibility and ~~said~~ the secretary may, after investigation, cancel or modify the assistance payment in accordance with the circumstances.

(b) Any assistance paid shall be recoverable by the secretary as a debt due to the state. If during the life or on the death of any person receiving assistance, it is found that the recipient was possessed of income or property in excess of the amount reported or ascertained at the time of granting assistance, and if it be shown that such assistance was obtained by an ineligible recipient, the total amount of the assistance may be recovered by the secretary as a fourth class claim from the estate of the recipient or in an action brought against the recipient while living.

(c) The total amount of any assistance that is sold, transferred or otherwise disposed of to others by a recipient or any other person, or the total amount of any assistance that is knowingly purchased, acquired or possessed by any person, except as authorized in state and federal law, rules and regulations and agency policy of the department for children and families or the department of health and environment is a debt due to the state and the total amount of such assistance that was improperly sold, transferred, disposed, purchased, acquired or possessed shall be recoverable by the secretary for children and families or the secretary of health and environment. Such debt may be recovered during the life or upon the death of any recipient or person who sold, transferred, disposed, purchased, acquired or possessed such assistance and may be recovered as a fourth class claim from the estate of the person or in an action brought against the recipient or person while living.

Sec. 4. K.S.A. 2015 Supp. 39-7,121 is hereby amended to read as follows: 39-7,121. (a) The department of health and environment shall establish and implement an electronic pharmacy claims management system in order to provide for the on-line adjudication of claims and for electronic prospective drug utilization review.

(b) The system shall provide for electronic point-of-sale review of drug therapy using predetermined standards to screen for potential drug therapy problems including incorrect drug dosage, adverse drug-drug interactions, drug-disease contraindications, therapeutic duplication, incorrect duration of drug treatment, drug-allergy interactions and clinical abuse or misuse.

(c) The department of health and environment shall not utilize ~~this~~ the system

established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive the product or therapy recommended by the recipient's physician:

(1) If such recommended drug usage or drug therapy commenced on or before July 1, 2016; or

(2) for a period of longer than 30 days, if the drug usage or drug therapy is used for the treatment of multiple sclerosis.

(d) (1) If the department of health and environment utilizes the system established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician, the department shall provide access for prescribing physicians to a clear and convenient process to request an override of such requirement. The department shall expeditiously grant such request for an override if:

(A) The required drug usage or drug therapy is contraindicated for the patient or will likely cause an adverse reaction by or physical or mental harm to the patient;

(B) the required drug usage or drug therapy is expected to be ineffective based on the known relevant clinical characteristics of the patient and the known characteristics of the required drug usage or drug therapy;

(C) the patient has tried the required drug usage or drug therapy while under the patient's current or previous health insurance or health benefit plan, and such use was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event. For purposes of this paragraph, use of pharmacy drug samples shall not constitute use and failure of such drug usage or drug therapy; or

(D) the patient has previously been found to be stable on a different drug usage or drug therapy selected by such patient's physician for treatment of the medical condition under consideration.

(2) The department of health and environment, or any managed care organization or other entity administering the system established under this section, or any other similar system or program, shall respond to and render a decision upon a prescribing physician's request for an override as provided in this subsection within 72 hours of receiving such request.

(e) (1) Any proposed department of health and environment policy or rule and regulation related to any use of the system established under this section, or any other system or program, to require that a recipient has utilized or failed with a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician, shall be reviewed and approved by the medicaid drug utilization review board established by K.S.A. 2015 Supp. 39-7,119, and amendments thereto, prior to implementation by the department.

(2) Any proposed policy or rule and regulation related to use of any such system related to any medication used to treat mental illness shall be reviewed and approved by the mental health medication advisory committee established by K.S.A. 2015 Supp. 39-7,121b, and amendments thereto, and the medicaid drug utilization review board established by K.S.A. 2015 Supp. 39-7,119, and amendments thereto, prior to implementation by the department.

(f) The secretary of health and environment shall study and review the use of the program established under this section and prepare a report detailing the exact amount

of money saved by using such program that requires that a recipient utilized or failed a drug usage or drug therapy prior to allowing the recipient to receive any product or therapy recommended by the recipient's physician and the percentage and amount of such savings that are returned to the state of Kansas. The secretary shall submit such report to the senate committee on public health and welfare, the senate committee on ways and means, the house committee on appropriations and the house committee on health and human services on or before January 9, 2017 and on or before the first day of the regular session of the legislature each year thereafter.

Sec. 5. K.S.A. 39-719b and K.S.A. 2015 Supp. 39-702, 39-709 and 39-7,121 are hereby repealed.";

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 and 3 and inserting "concerning public assistance; relating to cash assistance, food assistance, medical assistance and child care subsidies; eligibility; recovery of assistance debt; verification of identity and income; fraud investigations; work requirements; lifetime benefit limits; removing certain limitations under the electronic claims management system; amending K.S.A. 39-719b and K.S.A. 2015 Supp. 39-702, 39-709 and 39-7,121 and repealing the existing sections.";

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

DANIEL R. HAWKINS
WILLIE O. DOVE
Conferees on part of House

MICHAEL O'DONNELL, II
JIM DENNING
Conferees on part of Senate

On motion of Rep. Hawkins, the conference committee report on **H Sub for SB 402** was adopted.

On roll call, the vote was: Yeas 79; Nays 43; Present but not voting: 0; Absent or not voting: 3.

Yeas: Alford, Anthimides, Barker, Barton, Billinger, Boldra, Bradford, Bruchman, Campbell, B. Carpenter, W. Carpenter, Claeys, Corbet, E. Davis, DeGraaf, Dierks, Dove, Esau, Estes, Finch, Francis, Garber, Goico, Gonzalez, Grosserode, Hawkins, Hedke, Helgerson, Hemsley, Hibbard, Highland, Hildabrand, Hoffman, Houser, Huebert, Hutchins, Hutton, Johnson, D. Jones, K. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Lunn, Macheers, Mason, Mast, McPherson, Merrick, O'Brien, Osterman, Pauls, Peck, Phillips, R. Powell, Proehl, Rahjes, Read, Rhoades, Rubin, Ryckman, Ryckman Sr., Scapa, Schwartz, Seiwert, C. Smith, Suellentrop, Sutton, S. Swanson, Thimesch, Thompson, Todd, Vickrey, Waymaster, Weber, C., Whitmer, K. Williams.

Nays: Alcala, Ballard, Becker, Bollier, Burroughs, Carlin, Carmichael, Clark, Clayton, Concannon, Curtis, Doll, Finney, Frownfelter, Gallagher, Henderson, Henry, Highberger, Hill, Hineman, Houston, Jennings, Kuether, Lewis, Lusk, Lusker, Moxley, Ousley, F. Patton, Rooker, Ruiz, Sawyer, Schwab, Scott, Sloan, Tietze, Trimmer, Victors, Ward, Whipple, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Schroeder.

PERSONAL PRIVILEGE

Rep. Suellentrop addressed remarks to the members of the House.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 249** submits the following report:

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

On page 1, by striking all in lines 8 through 36;

By striking all on pages 2 through 7;

On page 8, by striking all in lines 1 through 23; following line 23, by inserting:

"Section 1. (a) For the fiscal years ending June 30, 2016, June 30, 2017, and June 30, 2018, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, fees, receipts, disbursements, procedures and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

(b) The agencies named in this act are hereby authorized to initiate and complete the capital improvement projects specified and authorized by this act or for which appropriations are made by this act, subject to the restrictions and limitations imposed by this act.

(c) This act shall be known and may be cited as the omnibus appropriation act of 2016 and shall constitute the omnibus reconciliation spending limit bill for the 2016 regular session of the legislature for purposes of K.S.A. 75-6702(a), and amendments thereto.

(d) The appropriations made by this act shall not be subject to the provisions of K.S.A. 46-155, and amendments thereto.

Sec. 2. (a) The department of corrections is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for a refund of supervision fees to the following claimant:

Scott Davis
767 S Drury Lane
Wichita KS 67207.....$50.00

(b) The department of corrections is hereby authorized and directed to pay the following amounts from the Lansing correctional facility – facilities operations account of the state general fund for property lost to the following claimants:

Randy Pioletti # 39725
P. O. Box 2
Lansing, KS 66043.....$233.21

James E. Tackett # 59193
P. O. Box 2
Lansing, KS 66043.....$30.00

Jose Morales # 71954
P. O. Box 2
Lansing, KS 66043.....$50.28

Michael D. Wilkins # 108849
P. O. Box 2
Lansing, KS 66043.....$105.33

(c) The department of corrections is hereby authorized and directed to pay the following amounts from the Hutchinson correctional facility – facilities operations account of the state general fund for property lost to the following claimants:
Charles Denmark Wagner # 93947
P. O. Box 1568
Hutchinson, KS 67504.....$20.00

Davett Smith II # 784535
P. O. Box 1568
Hutchinson, KS 67504.....$199.35

Tyron James # 77522
P. O. Box 311
El Dorado, KS 67042.....$17.69

Andrew Zeiner # 72623
P. O. Box 2
Lansing, KS 66043.....$41.56

(d) The department of corrections is hereby authorized and directed to pay the following amounts from the El Dorado correctional facility – facilities operations account of the state general fund for property lost to the following claimants:
Vernon J. Amos # 55009
P. O. Box 311
El Dorado, KS 67042.....$5.17

Raymond D. Boothe # 79444
P. O. Box 311
El Dorado, KS 67042.....$4.00

(e) The department of corrections is hereby authorized and directed to pay the following amount from the correctional industries fund of the state general fund for incorrect invoicing to the following claimant:
Landers Segal Color Co. Inc. DBA Lansco Colors
1 Blue Hill Plaza, P. O. Box 1685
Pearl River, NY 10965.....$6,506.21

Sec. 3. The department for aging and disability services is hereby authorized and directed to pay the following amount from the Larned state hospital – operating expenditures account of the state general fund for property lost to the following claimant:
Donald W. Rhyne
2601 Gabriel Avenue
Parsons, KS 67357.....$636.23

Sec. 4. The adjutant general is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for a settlement agreement to the following claimant:
Michaela Isch
219 Park St.
Winfield, KS 67156.....$4,000.00

Sec. 5. There is hereby appropriated from the state general fund, as reimbursements for legal costs incurred for sexually violent predator proceedings, the following amounts to the following claimants:
County Treasurer
McPherson County
117 N Maple
McPherson, KS 67460.....$37,400.79

County Treasurer
Butler County
205 W Central
El Dorado, KS 67042.....$24,017.43

Sec. 6. The department of revenue is hereby authorized and directed to pay the following amounts from the motor-vehicle fuel tax refund fund, for claims not filed within the statutory filing period prescribed in K.S.A. 79-3458, and amendments thereto, to the following claimants:
Bell, Kenneth
1979 N 300 Rd.
Wellsville, KS 66092.....$51.00

Canaan Well Service Inc.
1401 N Park
Wellington, KS 67152.....$758.39

Dustrol Inc.
P.O. Box 309
Towanda, KS 67144.....$138.02

Garten Bros Inc.

2305 Fair Rd.
Abilene, KS 67410.....$280.80

Golf Club of Kansas
P.O. Box 6984
Lees Summit, MO 64064.....$702.22

Hasenkamp, Dan
375 F Road
Centralia, KS 66415.....$481.68

Horgan, Timothy P.
15700 Trowbridge Rd.
Wheaton, KS 66521.....$37.08

Katy Parsons Golf Club
P.O. Box 376
Parsons, KS 67357.....$33.00

Moxley, Tom J.
1852 S 200 Rd.
Council Grove, KS 66846.....$162.00

Pennys Concrete Inc.
23400 W 82nd St.
Shawnee Mission, KS 66227.....$6,073.70

Red Bee Ranch
953 S Greenwich Rd.
Wichita, KS 67207.....$104.28

Strobel, John R.
31464 N Hwy. 59
Garnett, KS 66032.....$366.34

USD 282 Howard
P.O. Box 607
Howard, KS 67349.....$4,188.94

USD 247 Cherokee
506 S Smelter
Cherokee, KS 40652.....$9,177.71

Vestring, Louis
9872 NE Stony Creek Rd.
Cassoday, KS 66842.....$282.96

White, John T.
P.O. Box 114
Allen, KS 66833.....$105.72

Sec. 7. (a) Except as otherwise provided in sections 2 through 6 of this act, the director of accounts and reports is hereby authorized and directed to draw warrants on the state treasurer in favor of the claimants specified in sections 2 through 6 of this act, upon vouchers duly executed by the state agencies directed to pay the amounts specified in such sections to the claimants or their legal representatives or duly authorized agents, as provided by law.

(b) The director of accounts and reports shall secure prior to the payment of any amount to any claimant, other than amounts authorized to be paid pursuant to section 6 of this act, as motor-vehicle fuel tax refunds or as transactions between state agencies as provided in sections 2 through 6 of this act, a written release and satisfaction of all claims and rights against the state of Kansas and any agencies, officers and employees of the state of Kansas regarding their respective claims.

Sec. 8.

STATE BOARD OF VETERINARY EXAMINERS

(a) On July 1, 2016, the director of accounts and reports shall transfer all moneys in the veterinary examiners fee fund of the Kansas department of agriculture to the veterinary examiners fee fund of the state board of veterinary examiners. On July 1, 2016, all liabilities of the veterinary examiners fee fund of the Kansas department of agriculture are hereby transferred to and imposed on the veterinary examiners fee fund of the state board of veterinary examiners and the veterinary examiners fee fund of the Kansas department of agriculture is hereby abolished.

Sec. 9.

LEGISLATIVE COORDINATING COUNCIL

(a) In addition to the other purposes for which expenditures may be made by the above agency from the legislative coordinating council – operations account of the state general fund for fiscal year 2017, expenditures shall be made by the above agency from the legislative coordinating council – operations account of the state general fund for fiscal year 2017 for the director of legislative administrative services, under the direction of the legislative coordinating council, to administer and supervise the live audio streaming of legislative proceedings: *Provided,* That in providing such live audio streaming, the director shall work in cooperation with the information network of Kansas, inc., created by K.S.A. 74-9303, and amendments thereto, which shall provide any services and equipment that the director and the board of the information network of Kansas, inc., have agreed upon and that the director determines to be necessary for the provision of such live audio streaming.

Sec. 10.

SECRETARY OF STATE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Publication of proposed constitutional amendments.....$29,833

Sec. 11.

DEPARTMENT OF ADMINISTRATION

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 80(c) of chapter 104 of the 2015 Session Laws of Kansas, on the Docking state office building rehab, repair and razing fund of the department of administration is hereby decreased from no limit to $0.

(b) On the effective date of this act, the provisions of section 80(d) of chapter 104 of the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 12.

DEPARTMENT OF ADMINISTRATION

(a) On or before June 30, 2017, the secretary of administration: (1) Shall determine the amount of moneys appropriated in each account of the state general fund or each special revenue fund or funds appropriated for fiscal year 2017 for the executive branch agencies that are not required to be expended or encumbered due to the department of administration implementing procurement and risk management recommendations, modifying any state employee insurance and benefit program, or implementing any other efficiency recommendation made to the 2016 legislature by the Kansas statewide efficiency review; and (2) shall certify each such amount to the director of the budget, accompanied by such other information with respect thereto as may be prescribed by the director of the budget: *Provided,* That, on or before June 30, 2017, the director of the budget shall certify each amount appropriated from the state general fund, which is certified by the secretary of administration pursuant to this section, to the director of accounts and reports and upon receipt of each such certification, the amount so certified is hereby lapsed: *Provided further,* That, on or before June 30, 2017, the director of the budget shall certify each amount appropriated from each special revenue fund or funds, which is certified by the secretary of administration pursuant to this section, to the director of accounts and reports and upon receipt of each such certification, the amount so certified is hereby transferred to the state general fund: *And provided further,* That, at the same time as the director of the budget transmits each such certification to the director of accounts and reports, the director of the budget shall transmit a copy of each such certification to the director of legislative research: *And provided further,* That the aggregate of all amounts lapsed from appropriations from the state general fund and amounts transferred from special revenue funds pursuant to this subsection, shall be equal to $6,500,000 or more.

(b) During the fiscal year ending June 30, 2017, the director of the budget may transfer any part of any item of appropriation due to the department of administration implementing procurement and risk management recommendations; modifying any

state employee insurance and benefit program; or implementing any other efficiency recommendation made to the 2016 legislature by the Kansas statewide efficiency review in any executive branch agency account of the state general fund or any special revenue fund or funds appropriated for fiscal year 2017 for such executive branch agency to another item of appropriation for the same purposes in any other executive branch agency account of the state general fund or any special revenue fund or funds appropriated for fiscal year 2017 for such other executive branch agency. The director of the budget shall certify each such amount transferred and shall transmit a copy of each such certification to the director of legislative research.

(c) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 81(c) of chapter 104 of the 2015 Session Laws of Kansas, on the Docking state office building rehab, repair and razing fund of the department of administration is hereby decreased from no limit to $0.

(d) On July 1, 2016, the provisions of section 81(d) of chapter 104 of the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

(e) During the fiscal year ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year 2017, for the secretary of administration, as part of the system of payroll accounting formulated under K.S.A. 75-5501, and amendments thereto, to establish a payroll deduction plan for the purpose of allowing insurers, who are authorized to do business in the state of Kansas, to offer to state employees accident, disability, specified disease and hospital indemnity products which may be purchased by such employees: *Provided, however*, That any such insurer and indemnity product shall be approved by the Kansas state employees health care commission prior to the establishment of such payroll deduction: *Provided,* That upon notification of an employing agency's receipt of written authorization by any state employee, the director of accounts and reports shall make periodic deductions of amounts as specified in such authorization from the salary or wages of such state employee for the purpose of purchasing such indemnity products: *Provided further,* That, subject to the approval of the secretary of administration, the director of accounts and reports may prescribe procedures, limitations and conditions for making payroll deductions pursuant to this section.

Sec. 13.

DEPARTMENT OF ADMINISTRATION

(a) During the fiscal year ending June 30, 2018, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2018 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year

2018, for the secretary of administration, as part of the system of payroll accounting formulated under K.S.A. 75-5501, and amendments thereto, to establish a payroll deduction plan, for the purpose of allowing insurers, who are authorized to do business in the state of Kansas, to offer to state employees accident, disability, specified disease and hospital indemnity products which may be purchased by such employees: *Provided, however*, That any such insurer and indemnity product shall be approved by the Kansas state employees health care commission prior to the establishment of such payroll deduction: *Provided,* That upon notification of an employing agency's receipt of written authorization by any state employee, the director of accounts and reports shall make periodic deductions of amounts as specified in such authorization from the salary or wages of such state employee for the purpose of purchasing such indemnity products: *Provided further,* That, subject to the approval of the secretary of administration, the director of accounts and reports may prescribe procedures, limitations and conditions for making payroll deductions pursuant to this section.

Sec. 14.

DEPARTMENT OF REVENUE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

MSA compliance compact ….....$450,000

(b) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, pursuant to section 34(c) of 2016 House Substitute for Senate Bill No. 161 on the division of vehicles operating fund (565-00-2089-2020) of the department of revenue is hereby increased from $47,475,191 to $48,165,032.

(c) On July 1, 2016, the amount of $11,481,784 authorized by section 89(c) of chapter 104 of the 2015 Session Laws of Kansas to be transferred by the director of accounts and reports from the state highway fund of the department of transportation to the division of vehicles operating fund of the department of revenue on July 1, 2016, October 1, 2016, January 1, 2017, and April 1, 2017, is hereby increased to $11,513,742.

Sec. 15.

KANSAS LOTTERY

(a) On the effective date of this act, the aggregate of the amounts authorized by section 90(b) of chapter 104 of the 2015 Session Laws of Kansas to be transferred from the lottery operating fund to the state gaming revenues fund during the fiscal year ending June 30, 2016, is hereby increased from $74,700,000 to $76,500,000.

Sec. 16.

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

KBA grant commitments.....$6,570,000

Provided, That, if 2016 Senate Bill No. 474, or any other legislation which allows the board of the Kansas bioscience authority to sell the authority or substantially all of the assets of the authority, is not passed by the legislature during the 2016 regular session and enacted into law, or if such legislation is enacted into law but such sale is not completed, then the $6,570,000 appropriated for the above agency for the fiscal year ending June 30, 2017, by this section from the state general fund in the KBA grant commitments account is hereby lapsed.

Sec. 17.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF HEALTH CARE FINANCE

(a) On the effective date of this act, of the $661,573,849 appropriated for the above agency for the fiscal year ending June 30, 2016, by section 104(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the other medical assistance account (264-00-1000-3026), the sum of $23,700,000 is hereby lapsed.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 43(e) of 2016 House Substitute for Senate Bill No. 161 on the medical programs fee fund (264-00-2395-0110) of the department of health and environment– division of health care finance is hereby increased from $91,292,513 to $127,692,349.

Sec. 18.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF HEALTH CARE FINANCE

(a) On July 1, 2016, of the $676,570,074 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 105(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the other medical assistance account (264-00-1000-3026), the sum of $24,178,549 is hereby lapsed.

(b) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 44(c) of 2016 House Substitute for Senate Bill No. 161 on the medical programs fee fund (264-00-2395-0110) of the department of health and environment – division of health care finance is hereby increased from $86,370,660 to $130,241,472.

Sec. 19.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2016, the following:

LTC – medicaid assistance – NF (039-00-1000-0520).....$20,054,000

Mental health and retardation services aid and assistance (039-00-1000-4001).....$3,500,000

Osawatomie state hospital-operating expenditures (494-00-1000-0100). .$9,503,982

Larned state hospital-operating expenditures (410-00-1000-0103).....$1,896,018

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 47(g) of 2016 House Substitute for Senate Bill No. 161 on the Osawatomie state hospital fee fund (494-00-2079-4200) of the Kansas department for aging and disability services is hereby decreased from $10,076,414 to $7,667,778.

(c) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 47(k) of 2016 House Substitute for Senate Bill No. 161 on the title XIX fund (039-00-2595-4130) of the Kansas department for aging and disability services is hereby decreased from $45,963,785 to $40,570,915.

Sec. 20.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

State operations (039-00-1000-0801).....$3,855,852

LTC – Medicaid assistance – NF (039-00-1000-0520).....$23,859,549

Osawatomie state hospital-operating expenditures (494-00-1000-0100). .$1,289,537

Larned state hospital-operating expenditures (410-00-1000-0103).....$450,000

(b) In addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by section 109 of chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, to take the necessary steps to reinstate a policy to require mental health screenings for recipients under the Kansas program of medical assistance, prior to inpatient placement: *Provided,* That the above agency shall consult with the Kansas department of health and environment regarding the implementation of such policy.

(c) (1) Notwithstanding the provisions of K.S.A. 76-12a02, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services to appoint the superintendent at any institution: *Provided,* That any superintendent appointed by a

person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(2) Notwithstanding the provisions of K.S.A. 76-12a03, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint physicians at an institution: *Provided,* That any physician appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(3) Notwithstanding the provisions of K.S.A. 76-12a04, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint staff and other institution or commission personnel who are not assigned to a particular institution: *Provided,* That any staff or institution or commission personnel appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however,* That this paragraph shall not affect the classification of service under the Kansas civil service act for any staff or other personnel appointed prior to July 1, 2016: *And provided further,* That any staff or institution or commission personnel appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(4) Notwithstanding the provisions of K.S.A. 76-12a05, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the superintendent of any institution to appoint employees at such institution: *Provided,* That any employee appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however,* That this paragraph shall not affect the classification of service under the Kansas civil service act for any employee appointed prior to July 1, 2016: *And provided further,* That any employee appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(5) For purposes of this subsection, "institution" means Osawatomie state hospital, Larned state hospital, Parsons state hospital and training center or Kansas neurological

institute.

(6) (A) Notwithstanding any other provision of law, during the fiscal year ending June 30, 2017, the above agency shall not expend any moneys appropriated for the fiscal year ending June 30, 2017, from the state general fund or in any special revenue fund or funds for such agency by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature to outsource or privatize any operations or facilities of the Larned state hospital or Osawatomie state hospital without prior specific authorization by an act of the legislature or an appropriation act of the legislature.

(B) Nothing in this paragraph shall prevent any state agency from renewing, in substantially the same form as an existing agreement, any agreement in existence prior to March 4, 2016, for services at the Larned state hospital or the Osawatomie state hospital during the fiscal year ending June 30, 2017.

(C) Nothing in this paragraph shall prevent any state agency from entering into an agreement for services at the Larned state hospital or the Osawatomie state hospital with a different provider if such agreement is substantially similar to an agreement for services in existence prior to March 4, 2016, during the fiscal year ending June 30, 2017.

Sec. 21.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) (1) Notwithstanding the provisions of K.S.A. 76-12a02, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services to appoint the superintendent at any institution: *Provided,* That any superintendent appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(2) Notwithstanding the provisions of K.S.A. 76-12a03, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint physicians at an institution: *Provided,* That any physician appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(3) Notwithstanding the provisions of K.S.A. 76-12a04, and amendments thereto,

in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint staff and other institution or commission personnel who are not assigned to a particular institution: *Provided,* That any staff or institution or commission personnel appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however,* That this paragraph shall not affect the classification of service under the Kansas civil service act for any staff or other personnel appointed prior to July 1, 2016: *And provided further,* That any staff or institution or commission personnel appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(4) Notwithstanding the provisions of K.S.A. 76-12a05, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the superintendent of any institution to appoint employees at such institution: *Provided,* That any employee appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however,* That this paragraph shall not affect the classification of service under the Kansas civil service act for any employee appointed prior to July 1, 2016: *And provided further,* That any employee appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(5) For purposes of this subsection, "institution" means Osawatomie state hospital, Larned state hospital, Parsons state hospital and training center or Kansas neurological institute.

(6) (A) Notwithstanding any other provision of law, during the fiscal year ending June 30, 2018, the above agency shall not expend any moneys appropriated for the fiscal year ending June 30, 2018, from the state general fund or in any special revenue fund or funds for such agency by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature to enter into any agreement or take any action to outsource or privatize any operations or facilities of the Larned state hospital or Osawatomie state hospital without prior specific authorization by an act of the legislature or an appropriation act of the legislature.

(B) Nothing in this paragraph shall prevent any state agency from renewing, in substantially the same form as an existing agreement, any agreement in existence prior to March 4, 2016, for services at the Larned state hospital or the Osawatomie state

hospital during the fiscal year ending June 30, 2018.

(C) Nothing in this paragraph shall prevent any state agency from entering into an agreement for services at the Larned state hospital or the Osawatomie state hospital with a different provider if such agreement is substantially similar to an agreement for services in existence prior to March 4, 2016, during the fiscal year ending June 30, 2018.

Sec. 22.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

(a) On the effective date of this act, of the $119,261,255 appropriated for the above agency for the fiscal year ending June 30, 2016, by section 110(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the youth services aid and assistance account (629-00-1000-7020), the sum of $4,620,000 is hereby lapsed.

Sec. 23.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

State operations (including official hospitality) (629-00-1000-0013).....$902,000

(b) On July 1, 2016, of the $117,440,880 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 111(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the youth services aid and assistance account (629-00-1000-7020), the sum of $1,534,000 is hereby lapsed.

(c) On July 1, 2016, during the fiscal year ending June 30, 2017, in addition to any limitations established in section 50(e) of 2016 House Substitute for Senate Bill No. 161 on the temporary assistance to needy families federal fund of the above agency, any such programs, projects, improvements or services directly or indirectly beneficial to the physical and mental health, welfare, safety and overall well-being of children in Kansas pursuant to K.S.A. 38-2102 and 38-2103, and amendments thereto, shall be for those families that meet at least one risk criteria that qualifies under the purposes of the federal guidelines for temporary assistance to needy families program: *Provided,* That on July 1, 2016, the provisions of section 50(e)(1) of 2016 House Substitute for Senate Bill No. 161 are hereby declared to be null and void and shall have no force and effect.

Sec. 24.

DEPARTMENT OF EDUCATION

(a) If, during the fiscal year ending June 30, 2016, any item of appropriation for employer contributions for the state of Kansas and employers who are eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto, has been lapsed or transferred pursuant to the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161, then, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2016 by chapter 4 or 104 of the 2015 Session Laws of

Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 regular session of the legislature, expenditures shall be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year 2016, to calculate the cost-of-living weighting pursuant to the provisions of K.S.A. 2015 Supp. 72-6475, and amendments thereto, for fiscal year 2016 as if such item of appropriation had not been lapsed or transferred.

Sec. 25.

KANSAS STATE UNIVERSITY

(a) On July 1, 2016, the Salina, college of technology account of the state general fund of Kansas state university is hereby redesignated as the Kansas state university polytechnic campus account of the state general fund of Kansas state university.

Sec. 26.

WICHITA STATE UNIVERSITY

(a) In addition to the other purposes for which expenditures may be made by Wichita state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 regular session of the legislature, expenditures shall be made by Wichita state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or for fiscal year 2017 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to construct parking garage 1: *Provided,* That such capital improvement project is hereby approved for Wichita state university for the purposes of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further,* That Wichita state university may make expenditures from the money received from the issuance of any such bonds for such capital improvement project: *Provided, however,* That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed $7,200,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal and interest on the bonds: *And provided further,* That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further,* That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from any appropriate special revenue fund or funds: *And provided further,* That Wichita state university shall make provisions for the maintenance of parking garage 1.

Sec. 27.

DEPARTMENT OF CORRECTIONS

(a) On the effective date of this act, of the $20,124,000 appropriated for the above

agency for the fiscal year ending June 30, 2016, by section 144(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the purchase of services account (521-00-1000-0300), the sum of $3,154,000 is hereby lapsed.

Sec. 28.

DEPARTMENT OF CORRECTIONS

(a) There is hereby appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2017, the following:

Purchase of services.....$319,000

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, 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:

Kansas juvenile justice improvement fund.....No limit

Juvenile alternatives to detention fund.....No limit

Provided, That notwithstanding the provisions of K.S.A. 79-4803, and amendments thereto, or any other statute, expenditures may be made by the above agency from the juvenile alternatives to detention fund for per diem payments to detention centers: *Provided, however,* That expenditures from the juvenile alternatives to detention fund for per diem payments to detention centers shall not exceed $2,258,988.

Sec. 29.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2016, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Fire management assistance grant – federal fund.....No limit

Sec. 30.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Fire management assistance grant – federal fund.....No limit

Sec. 31.

KANSAS HIGHWAY PATROL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Kansas highway patrol staffing and training fund.....No limit

Sec. 32.

EMERGENCY MEDICAL SERVICES BOARD

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 154(a) of chapter 104 of the 2015 Session Laws of Kansas for the emergency medical services operating fund of the emergency medical services board is hereby increased from $1,322,955 to $1,362,955.

Sec. 33.

EMERGENCY MEDICAL SERVICES BOARD

(a) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 155(a) of chapter 104 of the 2015 Session Laws of Kansas for the emergency medical services operating fund of the emergency medical services board is hereby increased from $1,349,331 to $1,379,331.

Sec. 34.

DEPARTMENT OF AGRICULTURE

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Kansas conservation reserve enhancement program fund.....No limit

(b) Any unencumbered balance in excess of $100 as of June 30, 2016, in the conservation reserve enhancement program account of the state water plan fund is hereby reappropriated for the above agency for fiscal year 2017: *Provided,* That during fiscal year 2017, moneys in this account shall be expended only for the purposes for which expenditures may be made from the Kansas conservation reserve enhancement program fund of the department of agriculture pursuant to the provisions of 2016 Senate Bill No. 330.

Sec. 35.

KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

(a) Notwithstanding the provisions of the provisos in section 167(a) of chapter 104 of the 2015 Session Laws of Kansas on the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the

Kansas department of wildlife, parks and tourism, during the fiscal year ending June 30, 2017, the secretary of wildlife, parks and tourism, with the approval of the director of the budget, may transfer any part of any item of appropriation for the fiscal year ending June 30, 2017, from the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the Kansas department of wildlife, parks and tourism to another item of appropriation for fiscal year 2017 in the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the Kansas department of wildlife, parks and tourism. The secretary of wildlife, parks and tourism shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the director of legislative research.

Sec. 36.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 169(b) of chapter 104 of the 2015 Session Laws of Kansas for the agency operations account of the state highway fund of the department of transportation is hereby increased from $256,601,308 to $256,690,608.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for such state agency as authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by such state agency from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for the purposes of directing the director of unmanned aircraft systems (UAS) to focus on research and development efforts through and between state educational institutions, as defined in K.S.A. 76-711, and amendments thereto: *Provided*, That the director shall work with state educational institutions on the development and growth of new and existing UAS research and development programs: *Provided further*, That the director shall work with the state educational institutions on the creation of partnerships with the UAS industry to develop and sustain public-private partnerships focused on UAS research and development in Kansas: *And provided further*, That the director shall work in conjunction with the department of commerce to develop economic development initiatives related to the UAS program and the work of the state educational institutions: *And provided further*, That the director shall work with local governments and economic development groups, in conjunction with the state educational institutions, in the communities of the state educational institutions on local economic growth initiatives centered on the UAS industry: *And provided further*, That the director shall work with Kansas local governments to promote the benefits of a robust Kansas UAS industry to the general public and work to ensure any locally developed UAS policies or ordinances are consistent with state and federal regulation: *And provided further*, That the director shall work to position the state educational

institutions as national leaders for UAS research and development and the state of Kansas as a national leader within the UAS industry: *And provided further*, That the director shall develop relationships with national leaders within the UAS industry and national intergovernmental, transportation and UAS organizations to better position the state of Kansas and the state educational institutions as national leaders with the UAS industry: *And provided further*, That the director shall work, in conjunction with the state educational institutions, to seek out and apply for grants to advance UAS research and development programs: *And provided further*, That the director shall study the use of UAS for purposes of inspection and surveillance methods in conjunction with the UAS programs of the department of transportation, the Kansas national guard, the Kansas highway patrol, the Kansas bureau of investigation and state educational institutions in the UAS triangle: *And provided further,* That the director shall report to legislature on areas where cooperation in training and usage of UAS for inspection and surveillance methods is occurring or may occur in the future: *And provided further*, That the director shall use office space made available by Kansas state university polytechnic campus for at least half of the director's office time: *And provided further,* That the director shall make recommendations regarding state laws and rules and regulations which are complimentary to federal UAS regulatory and policy efforts and balance privacy concerns with the need for robust UAS economic development in the state of Kansas: *And provided further*, That the director shall develop a five-year strategic plan regarding research and development efforts through and between the state educational institutions and provide a report to the legislature on the implementation of this plan on or before the first day of the 2017 regular legislative session.

Sec. 37. (a) If any state agency is certified to administer a program or service funded by the CIF grants account of the children's initiatives fund previously administered by a different state agency pursuant to section 50(f) of 2016 House Substitute for Senate Bill No. 161, the director of the budget shall direct the director of accounts and reports to create any new required special revenue fund or funds in the newly appointed administering authority and transfer all associated appropriations and expenditure authority.

(b) In addition to the other purposes for which expenditures may be made by the Kansas children's cabinet from the children's cabinet administration account of the Kansas endowment for youth fund for fiscal year 2017 by section 111(d) of chapter 104 of the 2015 Session Laws of Kansas, section 50 of 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the Kansas children's cabinet from the children's cabinet administration account for fiscal year 2017 to determine which state agency shall be the administrative authority for the Kansas children's cabinet: *Provided,* That if the Kansas children's cabinet determines that the administrative authority for the Kansas children's cabinet is different than the administrative authority in fiscal year 2016, the Kansas children's cabinet shall certify such change to the director of the budget and the director of legislative research: *Provided further,* That upon receipt of such certification, the director of the budget shall direct the director of accounts and reports to create: (1) Any new, required special revenue fund or funds in the newly appointed administrative authority and transfer all associated appropriations and expenditure authority; and (2) any new, required account of the Kansas endowment for youth fund in the newly appointed administrative authority and transfer all associated

appropriations and reappropriations.

(c) If the Kansas department for children and families authorizes an expenditure of moneys from the temporary assistance for needy families federal fund in fiscal year 2017 for programs, projects, improvements, services and other purposes administered by another agency pursuant to section 50(e) of 2016 House Substitute for Senate Bill No. 161, the director of the budget shall direct the director of accounts and reports to create a temporary assistance for needy families federal fund with no limit expenditure authority in the agency designated to receive temporary assistance for needy families funding.

Sec. 38. (a) On the effective date of this act, during fiscal year 2016, the expenditure limitations on the accounts in the children's initiatives fund, the state economic development initiatives fund and the state water plan fund shall be decreased by the amount of moneys transferred to the state general fund pursuant to the certifications of section 80(s) of chapter 104 of the 2015 Session Laws of Kansas concerning information technology projects.

(b) On July 1, 2016, during fiscal year 2017, the expenditure limitations on the accounts in the children's initiatives fund, the state economic development initiatives fund and the state water plan fund shall be decreased by the amount of moneys transferred to the state general fund pursuant to the certifications of section 81(s) of chapter 104 of the 2015 Session Laws of Kansas concerning information technology projects.

(c) On July 1, 2016, during fiscal year 2017, the term "information technology projects" referred to in sections 81(s) and 170(c) of chapter 104 of the 2015 Session Laws of Kansas and section 95(b) of 2016 House Substitute for Senate Bill No. 161, shall include information technology-related expenditures including: (1) Services, labor (full-time, part-time or contract), contract payments, purchases related to planning, designing, developing, testing, implementing, training, operating, supporting, securing and maintaining any of the data, applications and/or technologies listed in this subsection; (2) all data under the custodianship of the executive branch; (3) all computer applications under the custodianship of the executive branch; and (4) all technology, digital information involving any form of computer storage, including, but not limited to, mainframes, servers, networks and network-related items, including switches, routers, cables, fiber, telecommunications and personal computer's, laptops, tablet computers, mobile phones, digital storage in any form or format, printers and fax machines, and cloud computing.

Sec. 39. (a) During the fiscal ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the chief executive officer of the state board of regents, from moneys appropriated from the state general fund or any special revenue fund or funds for the state board of regents for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the chief executive officer of the state board of regents from the state general fund or from any special revenue fund or funds for fiscal year 2017, for and on behalf of Kansas state university to sell and convey all of the rights, title and interest in the following described tracts of real estate, improvements thereon and easements, all located in Riley county, Kansas, subject to the provisions of this section:

A tract of land in the West Half of Section 1, Township 11 South, Range 07 East of the Sixth Principal Meridian, Riley County, Kansas described as follows:

Beginning at a point that is S 01º44'12" E 2518.00 feet from the Northwest Corner of the West Half of said Section 1, said point being the Northwest Corner of the Raleigh L. Eggers and Miriam Glee Eggers tract recorded in Book 693 pages 297-300 in the Riley County Registrar of Deeds Office: hence N 01º44'12" W 10.25 along the West Line of the Northwest Quarter of said Section 1: hence S 89º55'25" E 324.06 feet to a point on the North of the said Eggers tract: hence S 88º15'48" W 323.90 feet to the point of beginning, containing 1660 square feet. Subject to easements and restrictions of record.

(b) Conveyance of such rights, title and interest in such real estate, improvements thereon and easements, shall be in accordance with the procedures prescribed therefor by the state board of regents and shall be executed in the name of the state board of regents by its chairperson and chief executive officer. All proceeds from the sale of such real estate, improvements thereon and easements shall be deposited in the state treasury to the credit of the gifts account of the restricted fees fund of Kansas state university – extension systems and agriculture research programs.

(c) No conveyance of real estate, improvements thereon and easements authorized by this section shall be made or accepted by the state board of regents until the deeds, titles and conveyances have been reviewed and approved by the attorney general.

Sec. 40. (a) On the effective date of this act, the provisions of section 179 of chapter 104 of the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 41. (a) During fiscal year 2016 and fiscal year 2017, notwithstanding any other provision of law, no state agency shall expend any moneys appropriated for fiscal year 2016 or fiscal year 2017 from the state general fund or from any special revenue fund or funds by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature to integrate, consolidate or otherwise alter the structure of the following home and community based waiver services under the Kansas program of medical assistance, or to submit to the centers for medicare and medicaid services any proposal to integrate, consolidate or alter such waiver services, if such integration, consolidation or alteration is designed or intended to be implemented before fiscal year 2019: Medical services; behavioral health services; transportation; nursing facilities; other long-term care; autism; frail elderly; technology assistance; physical disability; traumatic brain injury; intellectual/developmental disability; or serious emotional disturbance: *Provided,* That the department for health and environment and the Kansas department for aging and disability services shall prepare and submit reports to the house committee on appropriations, the senate committee on ways and means and the Robert G. (Bob) Bethell joint committee on home and community based services and KanCare oversight on or before January 1, 2017, and March 1, 2017, describing the status of any plan to integrate, consolidate or structurally alter such waiver services, including any proposed waiver applications or amendments, any service definitions and the proposed rate structure for each such service.

Sec. 42. (a) In addition to the other purposes for which expenditures may be made by any executive branch state agency during fiscal year 2017, if expenditures are made by such state agency for a parent education grant program, then expenditures shall be made by such state agency from moneys appropriated for fiscal year 2017 by chapter

104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature to require that such program expenditures shall be matched by the school district in an amount which is equal to not less than 65% of the grant.

Sec. 43. (a) In addition to the exceptions established in section 98(c) of 2016 House Substitute for Senate Bill No. 161, during fiscal year 2016, the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 and during fiscal year 2017, the provisions of section 98(a)(2) of 2016 House Substitute for Senate Bill No. 161 shall not apply to any item of appropriation which provides funding for any state agency for domestic violence prevention grants.

Sec. 44. During the fiscal year ending June 30, 2017, the provisions of section 99 of 2016 House Substitute for Senate Bill No. 161 establishing expenditure limitations for any special revenue fund for fiscal year 2017 shall not apply to the Johnson county education research triangle fund (682-00-2393-2390) of the university of Kansas.

Sec. 45. (a) In addition to the exceptions established in section 98(c) of 2016 House Substitute for Senate Bill No. 161, during fiscal year 2016, the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 and during fiscal year 2017, the provisions of section 98(a)(2) of 2016 House Substitute for Senate Bill No. 161 shall not apply to any item of appropriation which provides funding to any state agency for school districts educating students in kindergarten or any of the grades one through 12.

Sec. 46. During fiscal year 2016 and fiscal year 2017, if any state agency submits a request for proposal for an entity to provide services and management at Larned state hospital or Osawatomie state hospital, such request for proposal shall include a requirement for an electronic medical record solution for records at Larned state hospital or Osawatomie state hospital: *Provided,* That any such electronic medical record solution shall: (a) Implement ongoing support of electronic health records developed on a fully integrated architecture that includes pharmacy and the revenue cycle; (b) provide a clinical, operational and financial system that meets federal regulatory standards, including standards for reimbursement; and (c) enable the exchange of health information with outside electronic medical record systems, public health organizations, clinicians, administrative staff and provider organizations and enable physicians to view health data within the physician's workflow from other providers across care delivery venues: *Provided further,* That any such electronic medical record solution may be hosted at a location remote from Larned state hospital or Osawatomie state hospital but shall not host patient data offshore: *Provided, however,* That the selection of any entity to provide such services and management at Larned state hospital or Osawatomie state hospital shall be approved in an act of the legislature or an appropriation act of the legislature pursuant to the provisions of section 100 of 2016 House Substitute for Senate Bill No. 161.

Sec. 47. On the effective date of this act, notwithstanding the provisions of any statute, no state agency shall expend any moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 as authorized by chapters 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, to demolish the Docking state office building or to reconstruct, relocate, or renovate the power plant or energy center without prior specific

authorization by an act of the legislature or an appropriation act of the legislature: *Provided,* That no expenditures may be made from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 as authorized by chapters 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature by any state agency to sell, lease, transfer or otherwise convey the land on which building no. 3 (Docking state office building) is situated without prior specific authorization in an act of the legislature or an appropriation act of the legislature.

Sec. 48. During the fiscal year ending June 30, 2017, notwithstanding the provisions of Section 98(a) of 2016 House Substitute for Senate Bill No. 161, if the director of the budget uses the allotment authority granted under Section 98(a) of 2016 House Substitute for Senate Bill No. 161, which applies to any state educational institution, as defined in K.S.A. 76-711, and amendments thereto, such allotment shall be calculated as a uniform percentage amount from the total of all operating budget accounts of the state general fund and any special revenue fund or funds of each state educational institution.

Sec. 49. (a) In addition to the other purposes for which expenditures may be made by state agencies from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year as authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by state agencies from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for the purpose of identifying all surplus real estate of state agencies and seeking to market such surplus real estate in order to receive the best price for the state, as soon as practicable. All surplus real estate to be sold pursuant to this section shall be identified and approved for sale by the secretary of administration by November 1, 2016.

(b) Any sale of surplus real estate pursuant to this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto. The secretary of administration or the secretary's designee shall approve any sale price of any surplus real estate before such property is offered for sale.

(c) (1) Notwithstanding the provisions of K.S.A. 75-6609(f), and amendments thereto, any proceeds from the sale of such surplus real estate, after deduction of the expenses of such sale, shall be deposited in the state treasury as prescribed by this subsection. All proceeds from each such sale deposited in the state treasury shall be credited to the surplus real estate fund or another appropriate special revenue fund of the state agency which owned the surplus real estate, as is prescribed by law or as may be determined by the state agency, unless otherwise required by restrictions of the state's title to the real estate being sold.

(2) The amount of expenses and the costs for each sale of surplus real estate pursuant to this section shall be transferred and credited to the property contingency fund created under K.S.A. 75-3652, and amendments thereto, and may be expended for any operations of the department of administration.

(3) Any state agency owning real estate may apply to the director of accounts and reports to establish a surplus real estate special revenue fund in the state treasury. Subject to the provisions of appropriation acts, moneys in a surplus real estate special

revenue fund may be expended for the operating expenditures of the state agency.

(d) The provisions of this section shall expire on June 30, 2017.

Sec. 50. (a) During the fiscal year ending June 30, 2016, if the director of the budget lapses or transfers any amount pursuant to section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 from the state general fund or from the expanded lottery act revenues fund that would be attributable to employer contributions for any state agency, pursuant to K.S.A. 2015 Supp. 74-4920, as amended by 2016 House Substitute for Senate Bill No. 161, the director of the budget shall certify such amount or amounts. Such amount or amounts shall be repaid with an interest rate of 8% per annum to the Kansas public employees retirement fund from the state general fund, in the manner prescribed in this section.

(b) On June 30, 2017, the director of the budget and the director of legislative research shall certify the amount which the actual tax receipt revenues to the state general fund exceed the April, 2017, joint estimate of revenue pursuant to K.S.A. 75-6701, and amendments thereto. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(c) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2017, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of the budget and the director of legislative research shall certify the amount moneys received by the state pursuant to the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco industry companies and related entities which are in excess of all expenditures or transfers that have been made from the Kansas endowment for youth fund, as provided by law in the fiscal year ending June 30, 2017. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(d) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, the director of the budget and the director of legislative research shall certify the amount which the actual tax receipt revenues to the state general fund exceed the April, 2018, joint estimate of revenue pursuant to K.S.A. 75-6701, and amendments thereto. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(e) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of the budget and the director of legislative research shall certify the amount moneys received by the state pursuant to the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco

industry companies and related entities which are in excess of all expenditures or transfers that have been made from the Kansas endowment for youth fund, as provided by law in the fiscal year ending June 30, 2018. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the Kansas endowment for youth fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(f) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, after the transfers pursuant to subsections (b) through (e) have been made from the state general fund to the Kansas public employees retirement fund, the director of the budget and the director of legislative research shall certify the remaining amount to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund.

Sec. 51. K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-4914d. (1) Any additional cost resulting from the normal retirement date and retirement before such normal retirement date for security officers as provided in K.S.A. 74-4914c, and amendments thereto, and disability benefits as provided in K.S.A. 74-4914e, and amendments thereto, shall be added to the employer rate of contribution for the department of corrections as otherwise determined under K.S.A. 74-4920, and amendments thereto, except that the employer rate of contribution for the department of corrections including any such additional cost added to such employer rate of contribution pursuant to this section shall in no event exceed the employer rate of contribution for the department of corrections for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which security officers contribute during the period: (a) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (b) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (c) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (d) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%~~, except as provided by K.S.A. 74-4920(17), and amendments thereto~~; (e) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%~~, except as provided by K.S.A. 74-4920(18), and amendments thereto~~; and (f) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year, to be calculated~~ as if no certification is made reducing or increasing the rate of employer contribution as provided in K.S.A. 74-4920(17) or (18), and amendments thereto~~ without regard to transfers made pursuant to section 50 of this act. As used in this section, "capitalized interest" means interest payments on the bonds that are prefunded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

Sec. 52. K.S.A. 2015 Supp. 74-4920, as amended by section 107 of House

Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based on any other purpose outside of the needs of the system.

(b) (i) For employers affiliating on and after January 1, 1999, upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908, and amendments thereto, the board shall certify, on or before July 15 of each year to each such employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such employer to pay all of the liabilities which shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be termed the employer's participating service contribution and shall be uniform for all participating employers. Such additional liability shall be amortized as determined by the board. For all participating employers described in this section, the board shall determine the actuarial cost method to be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize all liabilities for prior service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall annually certify to each such employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that employer to pay all of the liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

(2) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services the sum required to satisfy the state's obligation under this act as certified by the board and shall present the same to the legislature for allowance and appropriation.

(3) Each other participating employer shall appropriate and pay to the system a sum sufficient to satisfy the obligation under this act as certified by the board.

(4) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which such contribution is made is paid from or from any other funds available to it for such purpose. Each political subdivision, other than an instrumentality of the state, which is by law authorized to levy taxes for other purposes, may levy annually at the time of its levy of taxes, a tax which may be in addition to all other taxes authorized by law for the purpose of making its contributions under this act and, in the case of cities and counties, to pay a portion of the principal and interest on bonds issued under the authority of

K.S.A. 12-1774, and amendments thereto, by cities located in the county, which tax, together with any other fund available, shall be sufficient to enable it to make such contribution. In lieu of levying the tax authorized in this subsection, any taxing subdivision may pay such costs from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102, and amendments thereto. Each participating employer which is not by law authorized to levy taxes as described above, but which prepares a budget for its expenses for the ensuing year and presents the same to a governing body which is authorized by law to levy taxes as described above, may include in its budget an amount sufficient to make its contributions under this act which may be in addition to all other taxes authorized by law. Such governing body to which the budget is submitted for approval, may levy a tax sufficient to allow the participating employer to make its contributions under this act, which tax, together with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) (a) The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation.

(b) (i) Except as specifically provided in this section, for fiscal years commencing in calendar year 1996 and in each subsequent calendar year, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than 0.2% of the amount of compensation upon which members contribute during the period.

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto, shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%~~, except as provided by subsection (17)~~; (E) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%~~, except as provided by subsection (18)~~; and (F) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year to be calculated~~ as if no certification is made reducing or increasing the rate of employer contribution as provided in subsection (17) or (18)~~ without regard to transfers made pursuant to section 50 of this act. As used in this subsection, "capitalized interest" means interest payments on the bonds that are pre-funded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

(iii) Except as specifically provided in this section, for fiscal years commencing in calendar year 1997 and in each subsequent calendar year, the rate of contribution certified to participating employers other than the state of Kansas shall in no event

exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.15% of the amount of compensation upon which members contribute during the period.

(iv) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed the contribution rate for such employers for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2013, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2015, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2016, an amount not to exceed more than 1.1% of the amount of the immediately preceding fiscal year; and (E) for the fiscal year commencing in calendar year 2017, and in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year.

(v) As part of the annual actuarial valuation, there shall be a separate employer rate of contribution calculated for the state of Kansas, a separate employer rate of contribution calculated for participating employers under K.S.A. 74-4931, and amendments thereto, a combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, and a separate employer rate of contribution calculated for all other participating employers.

(vi) There shall be a combined employer rate of contribution certified to the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto. There shall be a separate employer rate of contribution certified to all other participating employers. (vii) If the combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, is greater than the separate employer rate of contribution for the state of Kansas, the difference in the two rates applied to the actual payroll of the state of Kansas for the applicable fiscal year shall be calculated. This amount shall be certified by the board for deposit as additional employer contributions to the retirement benefit accumulation reserve for the participating employers under K.S.A. 74-4931, and amendments thereto.

(6) The actuarial cost of any legislation enacted in the 1994 session of the Kansas legislature will be included in the June 30, 1994, actuarial valuation in determining contribution rates for participating employers.

(7) The actuarial cost of the provisions of K.S.A. 74-4950i, and amendments thereto, will be included in the June 30, 1998, actuarial valuation in determining contribution rates for participating employers. The actuarial accrued liability incurred for the provisions of K.S.A. 74- 4950i, and amendments thereto, shall be amortized over 15 years.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for

the employer contribution rate in the fiscal year immediately following such enactment. Such actuarial cost shall be determined by the qualified actuary employed or retained by the system pursuant to K.S.A. 74-4908, and amendments thereto, and reported to the system and the joint committee on pensions, investments and benefits.

(9) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be first reflected in employer contribution rates effective with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be amortized over 10 years. (10) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2015 Supp. 74-49,114b, and amendments thereto, for retirants other than local retirants as described in subsection

(11) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2007. (11) The actuarial accrued liability incurred for the provisions of K.S.A. 2015 Supp. 74-49,114b, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(12) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2015 Supp. 74-49,114c, and amendments thereto, for retirants other than local retirants as described in subsection (13) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2008.

(13) The actuarial accrued liability incurred for the provisions of K.S.A. 2015 Supp. 74-49,114c, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(14) The board with the advice of the actuary may fix the contribution rates for participating employers joining the system after one year from the first entry date or for employers who exercise the option contained in K.S.A. 74-4912, and amendments thereto, at rates different from the rate fixed for employers joining within one year of the first entry date.

(15) Employer contributions shall in no way be limited by any other act which now or in the future establishes or limits the compensation of any member.

(16) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under K.S.A. 16-204(a), and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

~~(17) On and after the effective date of this act, during the fiscal year ending June 30, 2016, if the director of the budget lapses or transfers any amount from the state general fund or from any special revenue fund or funds that would be attributable to employer contributions for any state agency pursuant to section 98(a)(1) of this act, the~~

~~director of the budget shall certify such amount or amounts and transmit such certification to the board. Upon receipt of such certification, the board shall certify the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the fiscal year ending June 30, 2016, at 10.91% minus a percentage of compensation that corresponds to the dollar amount certified by the director of the budget pursuant to this subsection.~~

~~(18) On July 1, 2016, if the director of the budget lapsed or transferred any amount from the state general fund or from any special revenue fund or funds that would be attributable to employer contributions for any state agency during the fiscal year ending June 30, 2016, pursuant to section 98(a)(1) of this act, the board shall certify the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the first quarter of the fiscal year ending June 30, 2017, at 10.81% plus a percentage of compensation that corresponds to four times the dollar amount, plus 8%, certified by the director of the budget pursuant to subsection (17). For the final three quarters of the fiscal year ending June 30, 2017, the board shall certify the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, at 10.81%.~~

~~(19) An amount of money corresponding to the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the first quarter of the fiscal year ending June 30, 2017, established in subsection (18) shall be paid by the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, to the Kansas public employees retirement fund on or before September 30, 2016.~~

Sec. 53. K.S.A. 2015 Supp. 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-99b34. (a) The bioscience development and investment fund is hereby created. The bioscience development and investment fund shall not be a part of the state treasury and the funds in the bioscience development and investment fund shall belong exclusively to the authority.

(b) Distributions from the bioscience development and investment fund shall be for the exclusive benefit of the authority, under the control of the board and used to fulfill the purpose, powers and duties of the authority pursuant to the provisions of K.S.A. 2015 Supp. 74-99b01 et seq., and amendments thereto.

(c) The secretary of revenue and the authority shall establish the base year taxation for all bioscience companies and state universities. The secretary of revenue, the authority and the board of regents shall establish the number of bioscience employees associated with state universities and report annually and determine the increase from the taxation base annually. The secretary of revenue and the authority may consider any verifiable evidence, including, but not limited to, the NAICS code assigned or recorded by the department of labor for companies with employees in Kansas, when determining which companies should be classified as bioscience companies.

(d) (1) Except as provided in subsection (d)(2), (d)(3), (h), (i) or (j), for a period of 15 years from the effective date of this act, the state treasurer shall pay annually 95% of withholding above the base, as certified by the secretary of revenue, upon Kansas wages paid by bioscience employees to the bioscience development and investment fund. Such payments shall be reconciled annually. On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the

bioscience development and investment fund interest earnings based on:

(A) The average daily balance of moneys in the bioscience development and investment fund for the preceding month; and

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

(2) (A) For fiscal year 2016, fiscal year 2017 and fiscal year 2018, the first $1,000,000 that the secretary of revenue certifies to the state treasurer of the annual 95% of withholding above the base, upon Kansas wages paid by bioscience employees, shall be transferred by the director of accounts and reports from the state general fund to the following: The center of innovation for biomaterials in orthopaedic research – Wichita state university fund.

(B) There is hereby established in the state treasury the center of innovation for biomaterials in orthopaedic research – Wichita state university fund which shall be administered by Wichita state university. All moneys credited to the fund shall be used for research and development. All expenditures from the center of innovation for biomaterials in orthopaedic research – Wichita state university fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to expenditures approved by the president of Wichita state university or by the person or persons designated by the president of Wichita state university.

(3) (A) For fiscal year 2016, fiscal year 2017 and fiscal year 2018, the next $5,000,000 that the secretary of revenue certifies to the state treasurer of the annual 95% of withholding above the base, upon Kansas wages paid by bioscience employees above the first $1,000,000 certified pursuant to subsection (d)(2)(A), shall be transferred by the director of accounts and reports from the state general fund to the following: The national bio agro-defense facility fund at Kansas state university.

(B) There is hereby established in the state treasury the national bio agro-defense facility fund which shall be administered by Kansas state university in accordance with the strategic plan adopted by the governor's national bio agro-defense facility steering committee. All moneys credited to the fund shall be used in accordance with the governor's national bio agro-defense facility steering committee's plan with the approval of the president of Kansas state university. All expenditures from the national bio agro-defense facility fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to expenditures approved by the steering committee and the president of Kansas state university or by the person or persons designated by the president of Kansas state university.

(e) The cumulative amounts of funds paid by the state treasurer to the bioscience development and investment fund shall not exceed $581,800,000.

(f) The division of post audit is hereby authorized to conduct a post audit in accordance with the provisions of the legislative post audit act, K.S.A. 46-1106 et seq., and amendments thereto.

(g) At the direction of the authority, the fund may be held in the custody of and invested by the state treasurer, provided that the bioscience development and investment fund shall at all times be accounted for in a separate report from all other funds of the authority and the state.

(h) During the fiscal year ending June 30, 2016, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and

investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed ~~$8,000,000~~ $6,997,663 for such fiscal year.

(i) During the fiscal year ending June 30, 2017, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed $6,000,000 for such fiscal year.

(j) During the fiscal year ending June 30, 2018, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed $6,000,000 for such fiscal year.

Sec. 54. K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, 74-4920, as amended by section 107 of 2016 House Substitute for Senate Bill No. 161, and 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, are hereby repealed.

Sec. 55. *Severability.* If any provision or clause of this act or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 56. *Appeals to exceed expenditure limitations.* (a) Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

(b) This section shall not apply to the expanded lottery act revenues fund, the state economic development initiatives fund, the children's initiative fund, the state water plan fund or the Kansas endowment for youth fund, or to any account of any such funds.

Sec. 57. *Savings*. (a) Any unencumbered balance as of June 30, 2016, in any special revenue fund, or account thereof, of any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act which is not otherwise specifically appropriated or limited for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or any other appropriation act of the 2016 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2017, for the same use and purpose as the same was heretofore appropriated.

(b) This section shall not apply to the expanded lottery act revenues fund, the state economic development initiatives fund, the children's initiatives fund, the state water plan fund, the Kansas endowment for youth fund, the Kansas educational building fund, the state institutions building fund, or the correctional institutions building fund, or to any account of any of such funds.

Sec. 58. (a) During the fiscal year ending June 30, 2017, all moneys which are lawfully credited to and available in any bond special revenue fund, which are not otherwise specifically appropriated or limited by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, are hereby appropriated for the fiscal year ending June 30, 2017, for the state agency for which the bond special revenue fund was established for the purposes authorized by law for expenditures from such bond special revenue fund.

(b) As used in this section, "bond special revenue fund" means any special revenue fund or account thereof established in the state treasury prior to or on or after the effective date of this act for the deposit of the proceeds of bonds issued by the Kansas development finance authority, for the payment of debt service for bonds issued by the Kansas development finance authority, or for any related purpose in accordance with applicable bond covenants.

Sec. 59. *Federal grants.* (a) During the fiscal year ending June 30, 2017, each federal grant or other federal receipt which is received by a state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act and which is not otherwise appropriated to that state agency for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, is hereby appropriated for fiscal year 2017 for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, for fiscal year 2017, until the governor has authorized the state agency to make expenditures from such federal grant or other federal receipt for fiscal year 2017.

(b) In addition to the other purposes for which expenditures may be made by any state agency which is named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or any other appropriation act of the 2016 regular session of the legislature to apply for and receive federal grants during fiscal year 2017, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided,* That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 60. (a) Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, and having an unencumbered balance as of June 30, 2016, in excess of $100 is hereby reappropriated for the fiscal year ending June 30, 2017, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

(b) This subsection shall not apply to the unencumbered balance in any account of the correctional institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 61. (a) Any Kansas educational building fund appropriation heretofore appropriated to any institution named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature and having an unencumbered balance as of June 30, 2016, in excess of $100 is hereby reappropriated

for the fiscal year ending June 30, 2017, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This subsection shall not apply to the unencumbered balance in any account of the Kansas educational building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 62. (a) Any state institutions building fund appropriation heretofore appropriated to any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature and having an unencumbered balance as of June 30, 2016, in excess of $100 is hereby reappropriated for the fiscal year ending June 30, 2017, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This subsection shall not apply to the unencumbered balance in any account of the state institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 63. (a) Any transfers of money during the fiscal year ending June 30, 2017, from any special revenue fund of any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act to the audit services fund of the division of post audit under K.S.A. 46-1121, and amendments thereto, shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 2017.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking lines 2 through 5 and inserting "making and concerning appropriations for fiscal years ending June 30, 2016, June 30, 2017, and June 30, 2018, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, 74-4920, as amended by section 107 of 2016 House Substitute for Senate Bill No. 161, and 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, and repealing the existing sections.";

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

RONALD RYCKMAN
SHARON SCHWARTZ
Conferees on part of House

TY MASTERSON
JIM DENNING
Conferees on part of Senate

On motion of Rep. Ryckman, the conference committee report on **H Sub for SB 249** was adopted.

Call of the House was demanded.

On roll call, the vote was: Yeas 63; Nays 59; Present but not voting: 0; Absent or not voting: 3.

Yeas: Alford, Anthimides, Barker, Barton, Boldra, Bradford, Campbell, B. Carpenter, W. Carpenter, Claeys, Corbet, E. Davis, Dove, Esau, Estes, Goico, Gonzalez, Grosserode, Hawkins, Hedke, Hemsley, Highland, Hildabrand, Hoffman, Houser, Huebert, Hutchins, Jennings, D. Jones, K. Jones, Kahrs, Kelley, Kelly, Kiegerl, Kleeb, Lunn, Macheers, Mason, Mast, McPherson, Merrick, O'Brien, Osterman, Pauls, R. Powell, Proehl, Rahjes, Read, Rhoades, Ryckman, Ryckman Sr., Scapa, Schwab, Schwartz, Seiwert, C. Smith, Suellentrop, Sutton, Todd, Vickrey, Waymaster, Weber, C., Whitmer.

Nays: Alcala, Ballard, Becker, Billinger, Bollier, Bruchman, Burroughs, Carlin, Carmichael, Clark, Clayton, Concannon, Curtis, DeGraaf, Dierks, Doll, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Helgerson, Henderson, Henry, Hibbard, Highberger, Hill, Hineman, Houston, Hutton, Johnson, Kuether, Lewis, Lusk, Lusker, Moxley, Ousley, F. Patton, Peck, Phillips, Rooker, Rubin, Ruiz, Sawyer, Scott, Sloan, S. Swanson, Thimesch, Thompson, Tietze, Trimmer, Victors, Ward, Whipple, K. Williams, Wilson, Winn, Wolfe Moore.

Present but not voting: None.

Absent or not voting: Edmonds, Ewy, Schroeder.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

On motion of Rep. Vickrey, **HCR 5027,** by Representatives Merrick and Burroughs, as follows, was introduced and emergency adopted.

HCR 5027– A CONCURRENT RESOLUTION relating to the 2016 regular session of the legislature and providing for an adjournment thereof.

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the legislature shall adjourn at the close of business of the daily session convened on May 1, 2016, until the hour of 10:00 a.m. on June 1, 2016, at which time the legislature shall reconvene and shall continue in session until sine die adjournment at the close of business on June 1, 2016; and

Be it further resolved: That the chief clerk of the house of representatives and the secretary of the senate and employees specified by the director of legislative administrative services for such purpose shall attend their duties each day during periods of adjournment, Sundays excepted, for the purpose of receiving messages from the governor and conducting such other business as may be required; and

Be it further resolved: That members of the legislature shall not receive the per diem compensation and subsistence allowances provided for in K.S.A. 46-137a(a) and (b), and amendments thereto, for any day within a period in which both houses of the legislature are adjourned for more than two days, Sundays excepted; and

Be it further resolved: That members of the legislature attending a legislative meeting of whatever nature when authorized pursuant to law, or by the President of the Senate, the Speaker of the House of Representatives or the Legislative Coordinating Council during the period of adjournment for which members are not authorized per diem compensation and subsistence allowances pursuant to K.S.A. 46-137a, and amendments thereto, shall receive compensation and travel expenses or allowances as provided by K.S.A. 75-3212, and amendments thereto.

REPORT ON ENGROSSED BILLS

Sub HB 2151 reported correctly engrossed April 30, 2016.

HB 2163 reported correctly re-engrossed April 30, 2016.

Sub HB 2289, HB 2456, HB 2490, HB 2522, HB 2622 reported correctly engrossed May 1, 2016.

S Sub for HB 2018, S Sub for HB 2088, S Sub for HB 2365, HB 2460, HB 2462 reported correctly re-engrossed May 1, 2016.

REPORT ON ENROLLED BILLS

S Sub for HB 2008, HB 2164, HB 2436, HB 2480, HB 2558, HB 2563, HB 2610 reported correctly enrolled, properly signed and presented to the Governor on May 1, 2016.

On motion of Rep. Vickrey, the House adjourned until 10:00 a.m., Wednesday, June 1, 2016.

BECKIE HENDRICKS, JENNY HAUGH, *Journal Clerks.*

SUSAN W. KANNARR, *Chief Clerk.*