

Journal of the House

FORTY-FIRST DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Wednesday, March 15, 2017, 11:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Schwab in the chair.

The roll was called with 119 members present.

Reps. Brim, Helgerson, Kuether and Thimesch were excused on verified illness.

Rep. Seiwert was excused on legislative business.

Rep. Tarwater was excused on excused absence by the Speaker.

Prayer by guest chaplain, James Collins, pastor, First Southern Baptist Church, Ft. Scott, and guest of Rep Jacobs.

Heavenly Father, Almighty God,

It is great to be in a place where we can worship and honor You. For You are the reason that we are here. You gave us the muscular and mental ability and vision to rise up and be available to be in your presence. It is not by accident. We know, Oh Lord, that there is no place on earth we can go that will separate us from Your love, protection, provision, and peace. I ask you now, O God, to fill us with the sense of your presence and refresh us with your eternal power.

Now, as a citizen of Kansas, I come before you today on behalf of all of the citizens of this great State. Lord, Your Word tells us that we should pray for those in authority over us. So, we now pause to pray for our House of Representatives. They have, and they continue to lead with purpose, vision, and direction. We look to you as you guide them in their initiatives, their efforts, and their accomplishments. Help these leaders as they work to make Kansas a better place.

We thank You, O God, that You are with us. We ask you to continue to inspire and protect us. For Yours is the Kingdom, the power, and the glory forever and ever.

This I pray in Your Mighty Name, Jesus. Amen.

The Pledge of Allegiance was led by Rep. Powell.

INTRODUCTION OF GUESTS

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

It is my pleasure to welcome the Abilene High School Cowboys Wrestling Team to the House floor. The team recently won the Kansas State High School Activities Association Class 4A state championship. Each of the nine members of the team placed within the top six in their respective weight classes. The team was led by junior Trey Hoerner, who won the individual state championship in the 182-pound weight class. I am thrilled to recognize the team, along with Head Coach James Stout and his assistants, on their achievement.

Rep. Barker presented a framed House certificate to the wrestling team and their coaches.

INTRODUCTION OF GUESTS

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

Good morning colleagues! Today is Kansas Nonprofit Day at the Statehouse! We have volunteers and leaders representing more than twenty nonprofits in the Capitol today highlighting their organizations' mission-based work and the economic impact of nonprofits in Kansas.

One of these charitable organizations, the YMCA, has nearly fifty volunteers and staff advocates here from the ten Kansas YMCA associations located throughout the State.

The YMCA strengthens community and makes a difference in Kansas by focusing on three key areas: Youth Development, Healthy Living, and Social Responsibility. As the largest childcare provider in the State, the YMCA is investing in the future of our kids. I would like to take this moment to introduce to you some of our State's future leaders. Please help me welcome these YMCA preschoolers who attend preschool just down the street at the Early Learning Center at the Downtown Branch of the Greater Topeka YMCA, their Child Care Director, DeeDee Reedy, and the other students and volunteers in the balcony.

The YMCA would like to invite all legislators to their showcase booth on the 2nd floor of the rotunda where you can have your blood pressure checked or engage in a STEM activity, making paper airplanes out of alphabet letters, with the Topeka YMCA preschoolers.

In addition, all legislators are welcome to join the YMCA and the other Kansas nonprofits today at a networking reception from 5-7pm at the Dillon House.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was introduced and read by title:

HB 2391, AN ACT concerning driving; relating to driving under the influence and other driving offenses; authorized restrictions of driving privileges, ignition interlock device; expungement of convictions and diversions; amending K.S.A. 2016 Supp. 8-1015, 12-4516 and 21-6614 and repealing the existing sections; also repealing K.S.A. 2016 Supp. 12-4516e, 21-6614g and 21-6614h, by Committee on Federal and State Affairs.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committees as indicated:

Federal and State Affairs: **HB 2389**.

Taxation: **HB 2390**.

MESSAGES FROM THE SENATE

Announcing adoption of **HCR 5012**.

In accordance with **HCR 5012**, the Senate announces the appointments of Senator Wilborn and Senator Haley to escort the Supreme Court for the purpose of hearing a message on the State of the Judiciary.

In accordance with **HCR 5012**, providing for a joint session for the purpose of hearing a message from the Supreme Court, Speaker pro tem Schwab appointed Reps. Johnson, Waymaster and Terrell to escort the Senate; Reps. Barker, Campbell and Hodge to escort the Supreme Court.

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Dietrich, **HR 6021**, as follows, was introduced and adopted:

HOUSE RESOLUTION No. **HR 6021**—

By Reps. Aurand, Alcalá, Arnberger, Awerkamp, Baker, Ballard, Barker, Bishop, Blex, Brim, Burroughs, Campbell, Clark, Clayton, Corbet, Cox, Crum, Deere, DeGraaf, Dierks, Dietrich, Elliott, Ellis, Eplee, Finch, Francis, Gallagher, Garber, Gartner, Good, Highberger, Highland, Hineman, Hoffman, Holscher, Humphries, Jennings, Judd-Jenkins, Karleskint, Kessinger, Koesten, Kuether, Lewis, Lusk, Markley, Mastroni, Murnan, Neighbor, Orr, Osterman, Parker, Patton, Phelps, Phillips, Pittman, Proehl, Rahjes, Ralph, Resman, Rooker, Ryckman, Schreiber, Schroeder, Smith, Stogsdill, Sutton, Swanson, Tarwater, Terrell, Trimmer, Vickrey, Weigel and Wilson,

HR 6021—A RESOLUTION congratulating and commending the 2017 Kansas Master Teachers.

WHEREAS, Seven of Kansas' best teachers have been selected as Kansas Master Teachers for 2017. These seven outstanding educators will be honored on Wednesday, April 5, with a day of receptions, seminars and tours at the sponsoring institution, Emporia State University; and

WHEREAS, Local teacher associations, educational organizations and school faculties nominate candidates for the awards. A committee representing educational organizations from across Kansas selected the 2017 winners; and

WHEREAS, The 2017 Kansas Master Teachers are: Brandy Lane, a sixth grade teacher at Pauline South Intermediate School in Wakarusa; Kimberly Hett, a fifth grade teacher at Andover eCademy in Andover; Jennifer Hendrix, a physics teacher at Dodge City High School in Dodge City; Laura Schwinn, an A/V communications teacher at Emporia High School in Emporia; Joan Hayden, a physical education teacher at Fort Riley Middle School in Fort Riley; Melinda Eitel, a kindergarten teacher at Grace E. Stewart Elementary School in Salina; and John Butcher, an art teacher at Blue Valley Northwest High School in Overland Park; and

WHEREAS, Emporia State University established the Kansas Master Teacher Awards in 1953. The awards are presented annually to teachers who have served the profession long and well and who also exemplify the outstanding qualities of earnest and conscientious teachers; and

WHEREAS, Since 1980, Bank of America has pledged more than \$100,000 to permanently endow the Kansas Master Teacher Awards. In 1984, the Black family of Broken Arrow, Oklahoma, established an endowed chair for Kansas Master Teachers. The fund provides a stipend to bring two Master Teachers to Emporia State University for part of a semester where they present to classes of education students; and

WHEREAS, The members of the Kansas House of Representatives recognize the invaluable contributions of great teachers such as those being honored today. These 2017 Master Teachers serve as mentors and role models and lay the groundwork for the best educators of tomorrow. They go above and beyond what is expected and offer inspiration, as well as instruction. They teach with heart and soul, and by giving the best of themselves, they encourage students to give their best in return: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we congratulate and commend the 2017 Kansas Master Teachers for demonstrating excellence in their profession and devotion to the children of Kansas; and

Be it further resolved: That we offer heartfelt thanks to these extraordinary educators who face so many challenges in the classroom each day, yet persevere, choosing the satisfaction of doing their best and overcoming the frustrations inherent in their jobs, and we extend our best wishes for their continued success and happiness; and

Be it further resolved: That the Chief Clerk of the House of Representatives shall send seven enrolled copies of this resolution to Representative Aurand.

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

It is my honor, on behalf of the 490,000 students in our public school classrooms in this great state of Kansas and the House Education Committee, to introduce to you some truly outstanding teachers who are masters of their craft. “Master” is the operative word here.

These 7 teachers standing before you know how to create an exceptional learning experience for students to carry with them throughout their lives. They are outstanding teacher leaders in their buildings, they are admired for their unique and innovative classroom instruction, and they are fully engaged in their communities.

Emporia State University established the Kansas Master Teacher awards in 1954. The

awards are presented annually to teachers who have served the profession long and well and are simply the “best of the best”.

These are remarkable educators who love what they do and are passionate about making a positive difference in the lives of their students.

Mr. Speaker and fellow Representatives, I present to you the 2017 Kansas Master Teachers of the Year.

It is my honor to introduce the Kansas Master Teachers to you who are from all across our state.

With us today we have:

John Butcher, an art teacher at Blue Valley Northwest High School in Overland Park
Melinda Eitel, a kindergarten teacher at Grace E. Steward Elementary School in Salina

Joan Hayden, a physical education teacher at Fort Riley Middle School
Jennifer Hendrix, a physics teacher at Dodge City High School in Dodge City
Kimberly Hett, a 5th grade teacher for Andover eCademy in Andover
Brandy Lane, a 6th grade teacher at Pauline South Intermediate School in Topeka
Laura Schwinn, Audio/Video Communications teacher at Emporia High School in Emporia

Please join me in recognizing these exceptional teachers one more time.

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. DeGraaf, **HR 6022**, as follows, was introduced and adopted:

HOUSE RESOLUTION No. **HR 6022**—

By Representatives DeGraaf, Alford, Baker, Barker, Blex, Brim, Carpenter, Delperdang, Dietrich, Dove, Elliott, Ellis, Eplee, Esau, Finch, Garber, Gartner, Highland, Hineman, Hoffman, Humphries, Jacobs, Jones, Karleskint, Kessinger, Lakin, Landwehr, Lewis, Mason, Ohaebosim, Orr, Osterman, Patton, Pittman, Powell, Proehl, Rafie, Resman, Rooker, Ryckman, Schroeder, Seiwert, A. Smith, E. Smith, Tarwater, Waymaster, Whitmer and Williams

HR 6022—A RESOLUTION commending the ministers, pastors, priests and rabbis of Kansas for their leadership and commitment to improving lives.

WHEREAS, There are hosts of ministers, pastors, priests and rabbis serving throughout Kansas; and

WHEREAS, They produce God-honoring and prosperous families that help nurture the hearts of future generations; and

WHEREAS, They preach and teach in ways that impact and enrich lives and lead many to live more fulfilling lives; and

WHEREAS, As shepherds, tasked with protecting their flocks, they correct wrongs, reflect justice and seek fairness in organizations, families and government; and

WHEREAS, They provide creative approaches to challenges, which result in better life practices; and

WHEREAS, They pioneer the creation of new programs, policies and services; and

WHEREAS, They help cultivate people's strengths and challenge them to step up and step out in their communities: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we commend our ministers, pastors, priests and rabbis for their leadership in villages, cities, counties and our state and their priceless commitment to improving lives. We thank God for each of them; and

Be it further resolved: That the Chief Clerk of the House of Representatives shall send five enrolled copies of this resolution to Representative DeGraaf.

Rep. DeGraaf recognized ministers, pastors, priests and rabbis of Kansas and welcomed them to the House.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

HB 2162, AN ACT concerning sales taxation; relating to time for payment of tax; amending K.S.A. 2016 Supp. 79-3607 and repealing the existing section, was considered on final action.

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

Yeas: Alcalá, Alford, Arnberger, Aurand, Averkamp, Baker, Ballard, Barker, Becker, Bishop, Blex, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Cox, Crum, S., Curtis, E. Davis, Deere, DeGraaf, Delperdang, Dierks, Dietrich, Dove, Elliott, Ellis, Eplee, Esau, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Gartner, Good, Hawkins, Henderson, Hibbard, Highberger, Highland, Hineman, Hodge, Hoffman, Holscher, Houser, Huebert, Humphries, Jacobs, Jennings, Johnson, K. Jones, Judd-Jenkins, Karleskint, Kelly, Kessinger, Koesten, Lakin, Landwehr, Lewis, Lusk, Lusker, Markley, Mason, Mastroni, Miller, Murnan, Neighbor, Ohaebosim, Orr, Osterman, Ousley, Parker, F. Patton, Phelps, Phillips, Pittman, R. Powell, Proehl, Rafie, Rahjes, Ralph, Resman, Rooker, Ruiz, Ryckman, Sawyer, Schreiber, Schroeder, Schwab, Sloan, Smith, A., Smith, E., Stogsdill, Sutton, S. Swanson, Terrell, Thompson, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Weigel, Wheeler, Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Brim, Helgerson, Kuether, Seiwert, Tarwater, Thimesch.

The bill passed, as amended.

HB 2168, AN ACT concerning rural economic development; enacting the ad astra rural jobs act, was considered on final action.

On roll call, the vote was: Yeas 97; Nays 22; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alford, Arnberger, Aurand, Baker, Ballard, Barker, Becker, Blex, Burroughs, Campbell, Carlin, B. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Cox, Curtis, E. Davis, Deere, Delperdang, Dierks, Dietrich, Dove, Elliott, Ellis, Eplee, Finch, Finney, Francis, Frownfelter, Gallagher, Gartner, Good, Hawkins, Hibbard, Hineman,

Hodge, Hoffman, Holscher, Houser, Huebert, Humphries, Jacobs, Jennings, Johnson, K. Jones, Judd-Jenkins, Karleskint, Kelly, Kessinger, Koesten, Lakin, Landwehr, Lewis, Lusker, Markley, Mason, Mastroni, Murnan, Neighbor, Orr, Osterman, F. Patton, Phelps, Phillips, Pittman, Proehl, Rafie, Rahjes, Ralph, Resman, Rooker, Ryckman, Sawyer, Schreiber, Schroeder, Schwab, Smith, A., Smith, E., S. Swanson, Terrell, Thompson, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Weigel, Wheeler, Whipple, Whitmer, K. Williams, Wilson, Wolfe Moore.

Nays: Alcalá, Awerkamp, Bishop, Carmichael, Crum, S., DeGraaf, Esau, Garber, Henderson, Highberger, Highland, Lusk, Miller, Ohaebosim, Ousley, Parker, R. Powell, Ruiz, Sloan, Stogsdill, Sutton, Winn.

Present but not voting: None.

Absent or not voting: Brim, Helgerson, Kuether, Seiwert, Tarwater, Thimesch.

The bill passed, as amended.

EXPLANATIONS OF VOTE

MR. SPEAKER: I reluctantly vote No on **HB 2168**. I believe that the state has a responsibility to encourage economic development in rural areas, but I believe that this bill needs further review to ensure that it accomplishes its goals. Specifically, it appears to me that the tax credits issued under this bill could be used to offset the tax liability of an affiliate of an investment company regardless of whether the company itself successfully creates rural jobs. I think it is telling that the primary proponent of the bill was a venture capitalist, while our Department of Commerce stayed silent. – DENNIS “BOOG” HIGHBERGER

MR. SPEAKER: I vote No on **HB 2168**. I applaud the effort to attract businesses to our smaller communities, but this is not the way. We should help our existing businesses grow by ensuring they have access to high speed internet, employee job training programs and health care providers. Providing tax credits to new businesses will not be successful, if four years of no income tax liabilities for many businesses has not resulted in businesses locating in rural Kansas. – TOM SLOAN

MR. SPEAKER: I vote No on **HB 2168**. I sincerely hope this bill fulfills its laudable purpose and does not result in the victimization of Kansas businesses by out-of-state venture capital companies. – JOHN CARMICHAEL

HB 2228, AN ACT concerning property taxation; relating to exemptions; allowing county appraisers to exempt certain property without order from the board of tax appeals; amending K.S.A. 2016 Supp. 79-213 and repealing the existing section, was considered on final action.

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

Yeas: Alcalá, Alford, Arnberger, Aurand, Awerkamp, Baker, Ballard, Barker, Becker, Bishop, Blex, Burroughs, Campbell, Carlin, Carmichael, B. Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Cox, Crum, S., Curtis, E. Davis, Deere, DeGraaf, Delperdang, Dierks, Dietrich, Dove, Elliott, Ellis, Eplee, Esau, Finch, Finney, Francis, Frownfelter, Gallagher, Garber, Gartner, Good, Hawkins, Henderson, Hibbard,

Highberger, Highland, Hineman, Hodge, Hoffman, Holscher, Houser, Huebert, Humphries, Jacobs, Jennings, Johnson, K. Jones, Judd-Jenkins, Karleskint, Kelly, Kessinger, Koesten, Lakin, Landwehr, Lewis, Lusk, Lusker, Markley, Mason, Mastroni, Miller, Murnan, Neighbor, Ohaebosim, Orr, Osterman, Ousley, Parker, F. Patton, Phelps, Phillips, Pittman, R. Powell, Proehl, Rafie, Rahjes, Ralph, Resman, Rooker, Ruiz, Ryckman, Sawyer, Schreiber, Schroeder, Schwab, Sloan, Smith, A., Smith, E., Stogsdill, Sutton, S. Swanson, Terrell, Thompson, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, C., Weigel, Wheeler, Whipple, Whitmer, K. Williams, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Brim, Helgerson, Kuether, Seiwert, Tarwater, Thimesch.

The bill passed, as amended.

On motion of Rep. Hineman, the House resolved into the Committee of the Whole, with Rep. Esau in the chair.

COMMITTEE OF THE WHOLE

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

Recommended that committee report recommending a substitute bill to **SB 42** be adopted; and **H Sub for SB 42** be passed.

Committee report to **SB 32** be adopted; and the bill be passed as amended.

REPORTS OF STANDING COMMITTEES

Committee on **Federal and State Affairs** recommends **HB 2273** be passed.

Committee on **Federal and State Affairs** recommends **HB 2280** be passed.

Committee on **Government, Technology and Security** recommends **HB 2331** be amended by substituting a new bill to be designated as "Substitute for HOUSE BILL NO. 2331," as follows:

"Substitute for HOUSE BILL NO. 2331

By Committee on Government, Technology and Security

"AN ACT concerning information systems and communications; creating the representative Jim Morrison cybersecurity act; relating to digital information security for Kansas executive branch agencies; establishing the Kansas information security office; establishing the cybersecurity state fund and cybersecurity state grant fund in the state treasury; creating the Kansas information technology enterprise; relating to consolidation and transfer of certain executive branch information technology staff, resources, functions and powers; amending K.S.A. 2016 Supp. 12-5364, 74-9302, 74-9304, 74-9306, 74-99f04, 74-99f06, 74-99f08, 75-3707e, 75-4701, 75-4703, 75-4704,

75-4704a, 75-4704b, 75-4705, 75-4709, 75-4718, 75-4719, 75-6512, 75-7201, 75-7202, 75-7204, 75-7205 and 75-7224 and repealing the existing sections; also repealing K.S.A. 2016 Supp. 75-4702 and 75-4702c.";

And the substitute bill be passed.

(Sub **HB 2331** was thereupon introduced and read by title.)

Committee on **Health and Human Services** recommends **SB 68**, as amended by Senate Committee, be passed.

Upon unanimous consent, the House referred back to the regular business, Introduction of Bills and Concurrent Resolutions.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

HB 2392, AN ACT repealing K.S.A. 74-5055, 74-5056 and 74-5057; repealing the local government infrastructure improvement projects loan program; abolishing the Kansas partnership fund, by Committee on Appropriations.

HB 2393, AN ACT concerning hazardous material endorsements on commercial driver's licenses; abolishing the hazmat fee fund; amending K.S.A. 2016 Supp. 8-267 and 8-2,151 and repealing the existing sections, by Committee on Appropriations.

HB 2394, AN ACT concerning special revenue funds; abolishing the judiciary technology fund, access to justice fund, KAN-ED fund and ROTC service scholarship program fund; credits, transfers and liabilities; amending K.S.A. 74-3256 and 74-3260a and K.S.A. 2016 Supp. 66-2010 and repealing the existing sections; also repealing K.S.A. 20-1a12 and K.S.A. 2016 Supp. 20-166 and 75-7225, by Committee on Appropriations.

HB 2395, AN ACT concerning income taxation; relating to rates; amending K.S.A. 2016 Supp. 79-32,110 and repealing the existing section; also repealing K.S.A. 2016 Supp. 79-32,269, by Committee on Taxation.

MESSAGES FROM THE GOVERNOR

MESSAGE FROM THE GOVERNOR REGARDING COMPACT WITH TRIBAL NATION

In consultation with the Attorney General and the Department of Revenue, and pursuant to my authority under Article 1, Section 3 of the Constitution of the State of Kansas, I have entered into the following Compact:

- Compact Relating to Cigarette Sales, Taxation and Escrow Collection with the Sac and Fox Nation of Missouri in Kansas and Nebraska as of March 10, 2017.

I hereby give notice of this executive action and transmit the Compact to the Legislature for the required approval pursuant to applicable law.

Dated: March 14, 2017

SAM BROWNBACK
Governor of Kansas

**COMPACT RELATING TO CIGARETTE SALES, TAXATION
AND ESCROW COLLECTION**

Between

**The Sac And Fox Nation Of Missouri In Kansas And Nebraska
and
The State Of Kansas**

This Compact Relating to Cigarette Sales, Taxation and Escrow Collection (“Compact”) is entered into between the Sac And Fox Nation Of Missouri In Kansas And Nebraska (“Tribe”) and the State of Kansas (“State”) and its agencies. The Tribe and the State are collectively referred to as the “Parties.” The Parties agree as follows:

WHEREAS, the Tribe is a federally-recognized tribe with certain sovereign powers of self-government;

WHEREAS, the State is a state within the United States of America possessed of full powers of state government;

WHEREAS, the Tribe is situated on and occupies a federally-established Indian Reservation situated, in part, in the northeastern part of Kansas;

WHEREAS, federal law recognizes that tribal jurisdiction exists on Qualified Tribal Lands regarding the rights of an Indian Tribe to pass its own laws and be governed by them, including the right to levy taxes and regulate commerce;

WHEREAS, it is in the best interests of both the State and the Tribe to prevent disputes between the Parties regarding possession, transport, distribution, and Sale of Cigarettes and other Tobacco Products, including but not limited to taxation and escrow collection, in the State of Kansas, on Compact Lands;

WHEREAS, on November 23, 1998, the State became party to the MSA;

WHEREAS, certain Tobacco Product Manufacturers, which are party to the MSA, are obligated, in return for a release of past, present and certain future claims against them as described therein, to pay substantial sums to State (tied in part to their volume of Sales); to fund a national foundation devoted to the interests of public health; and to make substantial changes in their advertising and marketing practices and corporate culture, with the intention of reducing underage smoking;

WHEREAS, it would be contrary to the policy of State if Tobacco Product Manufacturers who determine not to enter into such a settlement could use a resulting cost advantage to derive large, short-term profits in the years before liability may arise

without ensuring that State will have an eventual source of recovery from them if they are proven to have acted culpably;

WHEREAS, the State entered into a Secondary Settlement Agreement with certain participating Tobacco Product Manufacturers in 2012 settling State's obligations under the MSA and disputes regarding certain payment adjustments under the MSA with respect to NPMs (as that term is defined below) for calendar years 2003-2012;

WHEREAS, as part of said Secondary Settlement Agreement, State has agreed to undertake certain diligent enforcement efforts of its Cigarette and other Tobacco Product laws and more specifically, its MSA laws on Qualified Tribal Lands within the borders of State;

WHEREAS, the Parties are of the opinion that cooperation between the Tribe and the State is mutually productive and beneficial;

WHEREAS, the State and the Tribe agree that it will serve the interests of both the State and the Tribe for the Tribe to be able to generate revenue for governmental purposes through the collection of certain Tribal taxes in accordance with this Compact and resolve their differences regarding the collection of escrow on certain Cigarettes Sold on Compact Lands;

WHEREAS, the Tribe has the authority pursuant to Article V of its Constitution to enter into agreements with the State and to enter into agreements for the economic benefit of the Tribe.

NOW THEREFORE, the State, as signed by the Governor and approved by the Kansas Legislature, and the Tribe, as approved by the Tribe's Tribal Council hereby enter into this Compact for the mutual benefit of the State and the Tribe, to-wit:

DEFINITIONS

“**Business Day**” shall mean any day that the governmental offices of the Tribe and State are open for business.

“**Carton**” shall mean a container of two hundred (200) Cigarettes, whether consisting of either eight or ten Packs.

“**Cigarette**” shall mean any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use and consists of or contains:

- (1) any roll of tobacco wrapped in paper or in any substance not containing tobacco;
- (2) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, Consumers as a Cigarette; or

(3) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, Consumers as a Cigarette described in clause (1) above.

The term "Cigarette" includes "roll-your-own" (i.e., any tobacco which, because of its appearance, type, packaging or labeling is suitable for use and likely to be offered to, or purchased by, Consumers as tobacco for making Cigarettes). For purposes of this definition, 0.09 ounces of "roll-your-own" tobacco shall constitute one individual "Cigarette."

"**Compact**" shall mean this agreement;

"**Compact Lands**" shall mean:

(1) Lands within the boundaries of the State of Kansas that are within the Tribe's Reservation as established in the treaty between the United States of America and the Tribe dated March 6, 1861 and ratified February 6, 1863; and

(2) The following lands once the Secretary of the Department of Interior has fully acquired such land into trust for the beneficial use of the Tribe as authorized in accordance with Section 5 of the Indian Reorganization Act, 25 USC 465 and under 25 CFR § 151.10:

(A) That part of the Southwest Quarter lying east of the present U.S. Highway No. 75 in Section 15, Township 4, Range 15, Brown County, Kansas;

(B) All of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 in Block 9 in the City of Reserve, Brown County, Kansas;

(C) A tract of land located in the West One-Half of the Southeast One-Quarter of Section 12, Township 1 South, Range 16 East of the Sixth Principal Meridian, Brown County, Kansas, being more particularly described as follows: Beginning at the Center One-Quarter Corner of said Section 12, Thence N89°16'58"E and along the North line of said Southeast One-Quarter a distance of 1328.13 feet to the Northeast Corner of the West One-Half of said Southeast One-Quarter; Thence S00°13'17"E and along the East line of said West One-Half a distance of 1486.02 feet to the Northeasterly corner of US Highway 73 Right-of-Way as described in District Court Case 12794, Parcel 13; Thence Northwesterly and along the Northerly Right-of-Way of US Highway 73 the following three courses: 1. N56°10'27"W a distance of 801.62 feet; 2. N61°53'27"W a distance of 251.30 feet; 3. N56°02'27"W a distance of 535.70 feet to a point on the West line of said Southeast One-Quarter; Thence N00°10'27"W and along the West line of said Southeast One-Quarter a distance of 605.50 feet to the Point of Beginning, containing 31.83 acres. AND A tract of land located in the West One-Half of the Southeast One-Quarter of Section 12, Township 1 South, Range 16 East of the Sixth Principal Meridian, Brown County, Kansas, being more particularly described as

follows: Beginning at the South One-Quarter Corner of said Section 12, Thence $N00^{\circ}10'27''W$ and along the West line of said Southeast One-Quarter a distance of 1840.94 feet to the Southwesterly corner of US Highway 73 Right-of-Way as described in District Court Case 12794, Parcel 13; Thence Southeasterly and along the Southerly Right-of-Way of US Highway 73 the following three courses: 1. $S56^{\circ}10'27''E$ a distance of 623.45 feet; 2. $S50^{\circ}14'51''E$ a distance of 352.14 feet; 3. $S56^{\circ}10'27''E$ a distance of 654.50 feet to a point on the East line of the West One-Half of said Southeast One-Quarter; Thence $S00^{\circ}13'17''E$ and along the East line of said West One-Half a distance of 887.43 feet to the Southeast Corner of said West One-Half of the Southeast One-Quarter; Thence $S89^{\circ}16'16''W$ and along the South line of said Southeast One-Quarter a distance of 1330.31 feet to the Point of Beginning, containing 41.63 acres. Said tracts containing a total of 73.46 acres;

(D) A parcel of land located in the Southwest One-Quarter of Section 7, Township 1 South, Range 17 East of the Sixth Principal Meridian, Brown County, Kansas, being more particularly described as follows: Beginning at the South One-Quarter Corner of said Section 7, Thence $N89^{\circ}38'42''W$ and along the South line of said Southwest One-Quarter a distance of 1563.87 feet to a point on the Easterly Right-of-Way of the Union Pacific Railroad; Thence Northerly and along the Easterly Right-of-Way of the Union Pacific Railroad the following three courses: 1. $N06^{\circ}27'57''W$ a distance of 1331.84 feet; 2. $S89^{\circ}39'01''E$ a distance of 50.36 feet; 3. $N06^{\circ}27'57''W$ a distance of 1331.82 feet to a point on the North line of said Southwest One-Quarter; Thence $S89^{\circ}39'20''E$ and along the North line of said Southwest One-Quarter a distance of 1798.84 feet; Thence $S00^{\circ}19'01''E$ a distance of 210.32 feet to a point on the centerline of Walnut Creek; Thence Southerly and along the centerline of Walnut Creek generally the following nine courses: 1. $S16^{\circ}39'07''W$ a distance of 74.67 feet; 2. $S08^{\circ}37'19''E$ a distance of 102.59 feet; 3. $S71^{\circ}28'24''W$ a distance of 85.07 feet; 4. $S76^{\circ}57'12''W$ a distance of 86.41 feet; 5. $S17^{\circ}24'59''W$ a distance of 85.60 feet; 6. $S34^{\circ}27'31''E$ a distance of 51.75 feet; 7. $N65^{\circ}20'21''E$ a distance of 49.67 feet; 8. $N84^{\circ}54'06''E$ a distance of 68.59 feet; 9. $S57^{\circ}01'48''E$ a distance of 66.38 feet to a point on the East line of said Southwest One-Quarter; Thence $S00^{\circ}19'01''E$ and along the East line of said Southwest One-Quarter a distance of 125.53 feet to a point on the centerline of Walnut Creek; Thence Southerly and along the centerline of Walnut Creek generally the following five courses: 1. $S24^{\circ}20'03''W$ a distance of 142.98 feet; 2. $S06^{\circ}00'48''E$ a distance of 114.90 feet; 3. $S02^{\circ}38'41''W$ a distance of 195.67 feet; 4. $S13^{\circ}43'53''E$ a distance of 133.11 feet; 5. $S55^{\circ}33'32''E$ a distance of 33.42 feet to a point on the East line of said Southwest One-Quarter; Thence $S00^{\circ}19'01''E$ a distance of 1368.10 feet to the Point of Beginning, containing 100.88 acres. AND A parcel of land located in the Southwest One-Quarter of Section 7, Township 1 South, Range 17 East of the Sixth Principal Meridian, Brown County, Kansas, being more particularly described as follows: Commencing at the Southwest Corner of said Section 7, Thence $N00^{\circ}16'06''W$ and along the West line of said Southwest One-Quarter a distance of 595.44 feet to the Point of Beginning, Thence $N00^{\circ}16'06''W$ and along the West line of said Southwest One-Quarter a distance of 726.99 feet; Thence $S89^{\circ}39'01''E$ a distance of 562.67 feet to a point on the Westerly Right-of-Way of the Union Pacific Railroad; Thence $S06^{\circ}27'57''E$ and along the Westerly Right-of-Way of the Union Pacific Railroad Right-of-Way a distance of 1289.15 feet to a point on the Northerly Right-of-Way of US

Highway 73 as described in District Court Case 12794, Parcel 9; Thence Northwesterly and along the Northerly Right-of-Way of US Highway 73 the following two courses: 1. N60°24'40"W a distance of 724.01 feet; 2. N13°59'07"W a distance of 173.61 feet; Thence N89°43'54"W a distance of 47.31 feet; Thence N00°16'06"W a distance of 75.00 feet; Thence S89°43'54"E a distance of 50.00 feet; Thence S00°16'06"E a distance of 63.99 feet; Thence N13°59'07"W and along the Northerly Right-of-Way of US Highway 73 a distance of 21.02 feet; Thence S89°45'14"W a distance of 25.02 feet to the Point of Beginning, containing 15.11 acres. Said tracts containing a total of 115.99 acres; and

(E) A tract of land located in the South One-Half of Government Lot 1, Located in the Northwest One-Quarter of Section 15, Township 4 South, Range 15 East of the Sixth Principal Meridian, Brown County, Kansas, being more particularly described as follows: Beginning at the West One-Quarter Corner of said Section 15, Thence N00°33'17"E and along the West line of said Lot 1 a distance of 1292.86 feet to a point 30.00 feet Southerly of the Northwest Corner of the South One-Half of said Lot 1; Thence S89°43'06"E parallel with and 30.00 feet Southerly of the North line of the South One-Half of said Lot 1 a distance of 320.22 feet to the Westerly Right-of-Way of US Highway 75; Thence Southerly and along the Westerly Right-of-Way of US Highway 75 the following five courses: 1. S00°40'04"W a distance of 554.21 feet; 2. S22°15'00"W a distance of 38.08 feet; 3. S00°40'04"W a distance of 30.00 feet; 4. S19°53'17"E a distance of 42.72 feet; 5. S00°40'04"W a distance of 633.40 feet to a point on the South line of said Government Lot 1; Thence N89°46'00"W and along the South line of said Lot 1 a distance of 317.80 feet to the Point of Beginning, containing 9.44 acres.

"Compact Licensed Distributor" shall mean any entity licensed under the Tribe's law for distributing Cigarettes to Compact Licensed Retailers.

"Compact Licensed Retailer" shall mean any entity licensed under the Tribe's law for the retail Sale of Cigarettes on Compact Lands.

"Consumer" shall mean the individual or entity purchasing or receiving Cigarettes or other Tobacco Products for final use.

"Escrow Statutes" shall mean Chapter 50, Article 6a of the Kansas Statutes Annotated.

"Indian Tribe" shall mean any Indian tribe, band, nation or other organized group or community that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians under the laws of the United States.

"KDOR" shall mean the Kansas Department of Revenue.

"KSAG" shall mean the Office of the Attorney General of the State of Kansas.

"MSA" shall mean the settlement agreement (and related documents) entered into on

November 23, 1998 by the State and leading United States Tobacco Product Manufacturers; provided, however, that such term does not include the Secondary Settlement Agreement.

“**NPM**” shall have the meaning set forth for the term “Non-participating manufacturer” in K.S.A. § 50-6a07(g).

“**Pack**” shall mean one package of either twenty (20) or twenty-five (25) Cigarettes.

“**Parties**” or “**Party**” shall mean the State and the Tribe.

“**PM**” shall mean a “participating manufacturer” as that term is used in the Escrow Statutes.

“**Qualified Tribal Lands**” shall mean:

- (1) All land within the borders of the State that is within the limits of any Indian reservation under the jurisdiction of the United States, notwithstanding the issuance of any patent, including rights-of way running through such reservation;
- (2) all dependent Indian communities within the borders of the State;
- (3) all Indian allotments within the borders of the State, the Indian titles to which have not been extinguished, including rights-of-way running through such allotments; and
- (4) any lands within the borders of the State, the title to which is either held in trust by the United States for the benefit of any Indian Tribe or individual, or held by any Indian Tribe or individual subject to restriction by the United States against alienation and over which an Indian Tribe exercises governmental power.

“**Sale**” (and any correlative term, such as “**Sell**,” “**Seller**,” or “**Sold**” shall have the correlative meaning) shall mean any sale, barter, trade, exchange, or other transfer of ownership for value of Cigarettes, no matter how characterized.

“**Secondary Settlement Agreement**” shall mean the 2003 NPM adjustment settlement agreement, which shall include the 2012 term sheet agreement, related to the MSA and to which State is a party.

“**State**” shall mean the State of Kansas, KDOR or KSAG used interchangeably.

“**Tribe**” or “**Tribal**” shall mean the Sac And Fox Nation Of Missouri In Kansas And Nebraska.

“**Tobacco Product Manufacturer**” shall mean an entity that after the Effective Date directly (and not exclusively through any affiliate):

- (1) manufactures Cigarettes anywhere that such manufacturer intends to be Sold in the United States, including Cigarettes intended to be Sold in the United States through an importer;
- (2) is the first purchaser anywhere for resale in the United States of Cigarettes manufactured anywhere that the manufacturer does not intend to be Sold in the United States; or
- (3) becomes a successor of an entity described in paragraph (1) or (2).

The term “Tobacco Product Manufacturer” shall not include an affiliate of a Tobacco Product Manufacturer unless such affiliate itself falls within any of paragraphs (1) through (3) above. Solely for purposes of this definition, the term “affiliate” shall mean a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. Solely for purposes of the preceding sentence, the terms “owns,” “is owned” and “ownership” mean ownership of any equity interest, or the equivalent thereof, of 10% or more, and the term “person” means an individual, partnership, committee, association, corporation or any other organization or group of persons.

“**Units Sold**” shall mean, with respect to a particular Tobacco Product Manufacturer for a particular year, the number of individual Cigarettes Sold in the State, including, without limitation, any Cigarettes Sold on any qualified tribal land within the State, by the applicable Tobacco Product Manufacturer, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, during the year in question, for which the State has the authority under federal law to impose excise or a similar tax or to collect escrow deposits, regardless of whether such taxes were imposed or collected by the State.

INTRODUCTION

1. The purpose of this Compact is to resolve disputes between the Parties regarding possession, transport, distribution, and Sale of Cigarettes, including but not limited to taxation and escrow collection, on the Qualified Tribal Lands of the Tribe. For the purposes of this Compact, only, and for no other purpose whatsoever, the State and the Tribe agree that the Tribe’s Treaties with the United States of America do not exempt, exclude or reserve the Tribe’s land from the boundaries of Kansas. For the purposes of this Compact only, and for no other purpose whatsoever, the Tribe’s Reservation and Qualified Tribal Lands are within the State of Kansas.

2. For purposes of this Compact, a Tribal-owned entity includes any entity wholly owned by the Tribe or any wholly-owned subsidiary of that entity. The Tribe shall provide the KSAG a list of all Tribal-owned entities relating in any way to manufacturing, handling, delivering, receiving, or Selling of Cigarettes on Compact Lands. The citation to any Kansas statute or regulation in this Compact refers to the version in effect on the date the Compact is executed by the Parties, unless the Parties

specifically agree in writing to a modification of the Compact.

TERM

3. This Compact shall commence on July 1, 2017 (the “Effective Date”).
4. This Compact shall have a term of 10 years subject to automatic renewal absent a requested revision in writing by either Party or requested termination in writing by either Party with such notice occurring at least 60 days prior to the end of the term.
5. Either Party can revoke this Compact in writing at any time, provided the Parties have first attempted to resolve their differences. Before the revocation becomes effective, the revoking Party shall serve a written thirty (30) day notice of intent to revoke the Compact and thereafter schedule a meeting to discuss differences between the Parties with the option of continuing discussions beyond the thirty (30) days, upon joint written agreement of the Parties.

LICENSES

6. The Tribe will enact an ordinance or other statutory means for licensing Compact Licensed Distributors which will be authorized to purchase only:
 - (a) Unstamped Cigarettes from federally-licensed manufacturers or their federally-licensed direct importers, or
 - (b) Joint State-Tribal stamped Cigarettes from State stamping agents, licensed under K.S.A. § 79-3303.

Said Tribal license will authorize Compact Licensed Distributors to Sell Cigarettes only to Compact Licensed Retailers licensed under paragraph 7 below; retailers licensed by another tribe which has signed a Compact with the State; or retailers and distributors located in a State other than Kansas that are licensed by a federally-recognized Indian Tribe.

7. The Tribe will enact an ordinance or other statutory means to license retail Cigarette dealers in Compact Lands. The license will be required for the retail Sale of Cigarettes to Consumers in the Compact Lands. The license will permit Compact Licensed Retailers to only purchase, possess and Sell at retail:
 - (a) Cigarettes bearing a joint State-Tribal stamp, as set out in paragraphs 10-18 below, from the Compact Licensed Distributors, and
 - (b) Cigarettes bearing a State stamp from a State-licensed stamping agent.
8. The Tribe will inform the State in writing of the name and address of the licensees

issued licenses pursuant to paragraphs 6 and 7 above. Any changes will be updated quarterly if necessary.

TAX

9. The Tribe will enact a Cigarette excise tax, which shall be applied equally to all Cigarettes Sold on the Tribe's Compact Lands regardless of manufacturer or brand, which shall be collected by the affixation of a joint State-Tribal tax stamp to each Pack of Cigarettes Sold on the Tribe's Compact Lands.

10. State and the Tribe agree that each Pack of Cigarettes that a Compact Licensed Retailer Sells on Compact Lands shall bear a joint State-Tribal tax stamp that will be designed jointly by the Tribe and State.

(a) Said stamp shall bear the name "S&F" and "KS" and a logo in a form and color mutually agreeable to both the Tribe and State;

(b) State shall cause said stamps to be produced at its sole expense;

(c) State shall provide said joint State-Tribal stamps to the Tribe who shall be responsible for providing said State-Tribal stamps to Compact Licensed Distributors which shall be affixed on all Cigarettes to be Sold by Compact Licensed Retailers on Compact Lands;

(d) Compact Licensed Distributors shall ship all Cigarettes bearing joint State-Tribal stamps to the Tribe or to a Compact Licensed Retailer at the expense of the Tribe, the Compact Licensed Distributor, or Compact Licensed Retailer. In no circumstance shall the cost of such shipping be paid by State.

11. Only Compact Licensed Distributors can collect Tribal taxes on Cigarettes and affix the joint State-Tribal tax stamps, provided that nothing in this paragraph or Compact shall be construed to limit licensing authority of a Tribal tax commission, agency, or other Tribal tax administration authority.

12. No State Cigarette taxes shall be owed or collected on Cigarettes stamped with the joint State-Tribal tax stamp and Sold on the Tribe's Compact Lands.

13. All Cigarettes Sold by Compact Licensed Retailers on the Tribe's Compact Lands will bear the joint State-Tribal tax stamp.

14. The Tribe's Cigarette excise tax shall be at a minimum \$0.17 per Pack of Cigarettes Sold at retail on Compact Lands.

15. Packs of Cigarettes stamped with the joint State-Tribal tax stamp shall be treated by the State the same as though stamped with the State's tax stamp for purposes of transport and Consumer use in the State outside of the Tribe's Compact Lands and for purposes of possession, distribution, Sale and Consumer use within the Tribe's Compact

Lands.

16. Compact Licensed Distributors shall be responsible for affixing the joint State-Tribal tax stamp and paying the tax to the Tribe.

17. The cost of the tax shall be included in all retail Sales of Cigarettes on Compact Lands.

18. The State shall provide to the Tribe joint State-Tribal tax stamps within fifteen (15) days after the date requested and in sufficient amounts to ensure that the Tribe, Compact Licensed Distributors and Compact Licensed Retailers can meet Consumer demand for the purchase of Cigarettes.

CIGARETTE SALES

19. The Tribe, Compact Licensed Distributors, and Compact Licensed Retailers will maintain records of all Cigarette Sales made within its jurisdiction sufficient to prove the number of such Sales within Compact Lands.

20. State licensed distributors can Sell unstamped PM brands to Compact Licensed Distributors for stamping with the joint State-Tribal tax stamp and distribution within the Compact Lands.

21. Compact Licensed Distributors shall Sell to Compact Licensed Retailers only Packs of Cigarettes with the joint State-Tribal tax stamp affixed.

22. Compact Licensed Retailers shall Sell only Packs of Cigarettes with the joint State-Tribal tax stamp affixed on Compact Lands.

23. Compact Licensed Distributors shall Sell to Compact Licensed Retailers only brands of Cigarettes that are in compliance with the Escrow Statutes and the Kansas Fire Safety Standard and Firefighter Protection Act, K.S.A. § 31-601, *et seq.*, and listed as compliant brands in the Kansas directories of compliant manufacturers maintained by the KSAG pursuant to the Escrow Statutes.

24. Compact Licensed Retailers shall Sell on Compact Lands only brands of Cigarettes that are in compliance with the Escrow Statutes and the Kansas Fire Safety Standard and Firefighter Protection Act, K.S.A. § 31-601, *et seq.*, and listed as compliant brands in the Kansas directories of compliant manufacturers maintained by the KSAG pursuant to the Escrow Statutes.

25. Tobacco Product Manufacturers and first importers, as defined in the Escrow Statutes, shall be responsible for payment of escrow obligations to the State. Unless acting as a Tobacco Product Manufacturer or first importer, the Tribe is not taking on any obligation to deposit escrow nor is the Tribe required to otherwise satisfy any obligations under the Escrow Statutes unless specifically set forth herein.

PAYMENT TO TRIBE

26. The State acknowledges that the Tribe is incurring costs in its efforts to assist the State in ensuring compliance with State tobacco laws and the Secondary Settlement

Agreement.

27. The State agrees to reimburse the Tribe for these costs in the amount of Seventy Thousand Dollars (\$70,000.00) for each quarter of the year, with payment to be made on the last day of the quarter (March 31, June 30, September 30, and December 31) during the initial five (5) year term of the Compact. For the following five (5) years during the remaining term of the Compact, the quarterly payment amount shall be increased fifteen percent (15%), as a one-time only increase, over the quarterly payment amount payable during the immediately prior five (5) year period.

28. As provided in Section VII of the Memorandum of Understanding for Voluntary Compliance for Cigarette Sales and Reporting (the "MOU"), entered into between the Tribe and the State, with an effective date of January 1, 2017, for its full compliance with the terms of such MOU, the State agrees to a one-time payment to the Tribe in the amount of \$35,000 to be paid on July 1, 2017.

29. As additional consideration to reimburse the Tribe for economic cost incurred by the tribe in assisting the State in its ongoing diligent enforcement efforts under the MSA and the Secondary Settlement Agreement, the following shall be exempt from tax imposed by the Kansas Retailers' Sales Tax Act, K.S.A. 79-3601 *et. seq.* and amendments thereto: all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased by the Tribe or a Tribal-owned entity, and used exclusively for Tribal purposes.

GENERAL

30. Compact Licensed Distributors shall provide to the Tribe monthly a brand-specific list showing totals of all Cigarettes delivered to the Tribe and Compact Licensed Retailers for Sale on Compact Lands with the joint State-Tribal tax stamps affixed. The Tribe shall provide to the KDOR monthly a brand-specific list showing totals of all Cigarettes delivered to and Sold on the Tribe's Compact Lands with the joint State-Tribal tax stamp affixed, in a form and format agreed upon by the KDOR and the Tribe. This list for Sales during each calendar month shall be provided no later than 25 days after the end of the month. (For example, brands Sold during the month of January shall be listed and provided by February 25.)

31. The Parties agree that agents or employees of the Tribe and agents or employees of KSAG and/or KDOR will conduct joint inspections of Compact Licensed Retailers and Compact Licensed Distributors located on Compact Lands. In connection with any such joint inspection, the Tribe shall permit such agents or employees of the Tribe and agents or employees of KSAG and/or KDOR to review all documentation collected and maintained by the Tribe pursuant to this Compact.

The joint inspections shall be conducted using a method as agreed upon by the Parties, *provided, however*, such joint inspections shall not involve complete audits or complete inventories but shall be limited to random sample inspections of stock, tax indicia, and

documentation on hand at the premises of a Compact Licensed Retailer or Compact Licensed Distributor, as applicable, for the purposes of verifying that all Cigarettes offered or intended for Sale by any Compact Licensed Retailer on Compact Lands (i) are solely brands of Tobacco Product Manufacturers meeting the requirements as provided in paragraphs 23 and 24, (ii) were acquired from a Compact Licensed Distributor, and (iii) bear indicia of payment of excise tax to the extent required in this Compact. In any event, such joint inspections shall not be disruptive of the business operations nor damage any inventory of any Compact Licensed Retailer or Compact Licensed Distributor.

32. The State reserves the right hereunder to initiate and participate in up to twelve (12) joint inspections described in paragraph 31 per calendar year, with a limit of up to two (2) such joint inspection per calendar month; *provided, however*, that joint inspections of any one or more separate premises on the same Business Day shall only constitute one “joint inspection” for purposes of the preceding limitations; *provided, further*, that if the State and Tribe inspection team notes any violations of this Compact by one or more Compact Licensed Retailers or Compact Licensed Distributors during any such joint inspection, the State may initiate, by giving notice in accordance with paragraph 33, one follow-up joint inspection with the Tribe of all premises involved in such violations on a subsequent Business Day following the earlier of notice of completed cure related to such violations, with such follow-up joint inspection not counting against the monthly or annual limits set forth in this sentence.

33. The Tribe shall make its personnel available for joint inspections permitted hereunder on a Business Day between the hours of 9:00 a.m. and 4:30 p.m. upon prior email notice to the Tribe transmitted by a representative of the State by 10:00 a.m. one Business Day prior to the requested inspection. State representatives and Tribal representatives shall coordinate the details of the joint inspection by 3:00 p.m. on the day of such email notice. Any email notice provided to the Tribe pursuant to this section shall be given at tribaltax@sacandfoxcasino.com or by written notice.

34. Any Packs of Cigarettes found for Sale at a Compact Licensed Retailer during a permitted joint inspection that are not brands of Tobacco Product Manufacturers meeting the requirements as provided in paragraphs 23 and 24 or that do not bear indicia of payment of excise tax as required in this Compact shall be removed by the Tribe until the matter is resolved.

35. Tribe and State shall select a third party auditor (the “Auditor”) for purposes of verifying compliance with this Compact. For purposes of verifying compliance with this Compact, the parties agree to jointly retain said Auditor and shall each bear fifty percent (50%) of the costs of the auditing services. The Auditor must possess a valid Kansas Permit to Practice issued by the Kansas Board of Accountancy. The Tribe and State shall be entitled to freely communicate with the Auditor. The Auditor will review records on an annual calendar year basis and issue an annual report and certification as provided herein.

(a) Audit Protocol. To verify compliance with this Compact, the Auditor must adhere

to the following protocol:

(b) **Period Under Review.** The Auditor must review records for the calendar year under audit and may review records for earlier years that are after the Effective Date but only as necessary for an internal reconciliation of the relevant books. Subject to the foregoing, records relating to any period before the Effective Date are not open to review. In situations where the Auditor is responsible for verifying records on less than an annual basis, the period under review shall not include years previously reviewed by the Auditor, except when a violation is alleged to have occurred during the period previously reviewed.

(c) **Records to be Examined.** The Auditor must review records and invoices of stamp purchases, records and invoices of Sales of joint State-Tribal stamped Cigarettes, joint State-Tribal stamp inventory, the joint State-Tribal stamping process, products sold, product inventory records, and such additional records as are necessary to verify (1) the Units Sold (2) the retail selling price, including application of Tribal sales and excise taxes, and (3) procedures demonstrating the Tribe's compliance with this Compact, all with respect to Sales of Cigarettes on Compact Lands by the Tribe. In all situations, the Auditor is not responsible for examining, and shall not examine, records that do not relate to the stamping, Selling, or taxing activities of the Tribe on Compact Lands.

(d) **Audit Report and Certification.** After each annual audit, the Auditor shall issue an audit report and a certification, as further described below, with respect to compliance with this Compact. The annual audit report shall set forth the total Units Sold attributable to each Tobacco Product Manufacturer by the Tribe during the relevant period. The annual audit report shall also include a certified statement of the Auditor to the KSAG that the Auditor finds the Tribe to be in compliance with this Compact or else that the Tribe is in compliance except for specifically listed items that are explained in the annual report.

(e) **Audit Schedule.** Audit reviews shall take place following each calendar year (or portion thereof) during the term of this Compact, with an audit report submitted no later than April 1 following such calendar year.

(f) **Joint Audit Implementation and Review.** The Tribe and the State shall meet jointly with the Auditor prior to the beginning of each annual audit. The purpose of such meeting will be to discuss the objectives of the upcoming audit, the expectations of the Tribe and of the State, the standards to be used in such audit, and any issues regarding conduct of the audit, records pertinent to the audit or the contents of the Auditor's report. The Tribe and State agree that the report will audit the processes, controls and the supporting documentation of the Tribe's purchases and Sales of Cigarettes and tobacco products on Compact Lands using both Generally Accepted Auditing Standards and Generally Accepted Accounting Principles. Subsequent meetings before and during the audit may be held as required. As soon as practicable after the issuance of the Auditor's report and certification, the Tribe and the State may meet jointly with the Auditor as often as required to review the audit report and discuss any issue of concern.

In the event that either the Tribe or the State disagrees with the Auditor's report or certification, or any audit finding contained therein, either Party may notify the other of the disagreement and follow the procedures for resolution of the disagreement in Article III, Paragraph 1 of this Compact.

36. All information, including but not limited to, any lists showing total Sales of Cigarettes in paragraphs 30 and 31, provided to the State shall be held in confidence and only shared with other states, agencies, or other third parties (to which the State has a legal obligation to share such information), solely for enforcement purposes or for establishing the State's compliance with the MSA, Secondary Settlement Agreement and Escrow Statutes. The State agrees to provide notice to the Tribe ten (10) days prior to the release of such information to any of the Parties listed in this paragraph. The State may not share this information with any other person without written consent from the Compact Licensed Distributor that provided the information. Such information shall further be specifically exempt from disclosure under the Kansas Open Records Act (K.S.A. 45-215 *et. seq.*).

37. During the Term of this Compact, State may enter into and be party to one or more compacts or other agreements regarding possession, transport, distribution, or Sale of Cigarettes or other Tobacco Products, including but not limited to taxation and escrow collection, with the Iowa Tribe of Kansas and Nebraska, the Kickapoo Tribe in Kansas or the Prairie Band Potawatomi Nation but State shall not enter into or be party to any such compact or agreement with any Indian Tribe other than the foregoing. The State agrees that Tribe may propose an amendment to this Compact by written notice to the State based on any provision of a compact which State may enter into with one or more of the foregoing Indian tribes which Tribe desires to include as a provision in this Compact. Any amendment proposed pursuant to this section will be subject to approval of the Kansas Legislature and the Tribe's Tribal Council.

38. The reference to and citation of State statutes and laws in this Compact shall be for reference only for the convenience of the Parties and considered nothing more than contractual terms and obligations. While the Tribe agrees to comply with all contractual obligations set forth in this Compact, no reference to or incorporation of laws, rules, or regulations in this Compact shall be construed as a waiver or cession of any sovereign authority or immunity of the Tribe or an agreement by the Tribe to be subject to such laws, rules or regulations within Indian Country except to the extent agreed to herein.

39. Notwithstanding any provision of this Compact to the contrary, the possession, gift, or use within the Tribe's Compact Lands of noncommercial privately produced tobacco for religious or ceremonial use shall be exempt from taxation by the State and may be exempt from taxation by the Tribe. Such tobacco shall be deemed not to be a common nuisance or contraband pursuant to State law or process, in each case on grounds of non-payment of any State tax. For the purposes of this section, "tobacco" shall mean any plant, including parts or products thereof, within the genus *Nicotania* and which does not constitute a "controlled substance" within the meaning of 21 U.S.C. 802(6).

40. All notices under this Compact shall be in writing and sent by way of certified U.S. mail to the following officials or their successors in office:

To the Tribe:

Chairperson and Tribal Council
Sac and Fox Nation of Missouri in Kansas and Nebraska
305 North Main Street
Reserve, KS 66434

To the State:

To the Governor:
Office of the Governor
300 SW 10th Ave., Ste. 241S
Topeka, KS 66612-1590

To the Attorney General:
Office of the Kansas Attorney General
120 SW 10th Ave., 2nd Floor
Topeka, KS 66612-1597

To the Kansas Department of Revenue
Secretary of Revenue
915 SW Harrison Street, Second Floor
Topeka, KS. 66612-1588

The Parties agree to provide written notice within thirty (30) days of any change to the above addresses.

IN WITNESS WHEREOF, the parties hereto have executed this Compact as of the date first above written.

**Sac and Fox Nation of Missouri in Kansas
and Nebraska**

State of Kansas

By:
EDMORE GREEN
Chairman of the Tribal Council

By:
SAM BROWNBACK
Governor

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

The following resolution was introduced and read by title:

HOUSE RESOLUTION No. **HR 6023**—

By Representatives Ryckman, Alcalá, Alford, Arnberger, Aurand, Awerkamp, Baker, Ballard, Barker, Becker, Bishop, Blex, Brim, Burroughs, Campbell, Carlin, Carmichael, Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Cox, Crum, Curtis, Davis, Deere, DeGraaf, Delpendang, Dierks, Dietrich, Dove, Elliott, Ellis, Eplee, Esau, Finch,

Finney, Francis, Frownfelter, Gallagher, Garber, Gartner, Good, Hawkins, Helgerson, Henderson, Hibbard, Highberger, Highland, Hineman, Hodge, Hoffman, Holscher, Houser, Huebert, Humphries, Jacobs, Jennings, Johnson, Jones, Judd-Jenkins, Karleskint, Kelly, Kessinger, Koesten, Kuether, Lakin, Landwehr, Lewis, Lusk, Lusker, Markley, Mason, Mastroni, Miller, Murnan, Neighbor, Ohaebosim, Orr, Osterman, Ousley, Parker, Patton, Phelps, Phillips, Pittman, Powell, Proehl, Rafie, Rahjes, Ralph, Resman, Rooker, Ruiz, Sawyer, Schreiber, Schroeder, Schwab, Seiwert, Sloan, Smith, Smith, Stogsdill, Sutton, Swanson, Tarwater, Terrell, Thimesch, Thompson, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Wheeler, Whipple, Whitmer, Williams, Wilson, Winn and Wolfe Moore

HR 6023—A RESOLUTION honoring the life of Srinivas Kuchibhotla and recognizing a united community and state.

WHEREAS, The State of Kansas is extraordinary because of the perseverance of and sacrifices made by immigrants and citizens working together toward one common goal: Achieving the American Dream; and

WHEREAS, The Indian-American community serves as an integral component of our fellowship, and Srinivas Kuchibhotla lived life passionately, contributing toward creating a stronger City of Olathe and State of Kansas; and

WHEREAS, Srinivas, an engineer at Garmin, was tragically taken from us on February 22, 2017; and

WHEREAS, Thousands from various faith communities came together to condemn acts of hatred and prejudice, to mourn at a community march and prayer vigil on Sunday, February 26, 2017, and to offer an outpouring of support, prayer and love for Srinivas, his wife and family and our grieving brothers and sisters in the community; and

WHEREAS, The City of Olathe and the greater Kansas City metropolitan area stand together and give their utmost support for our diverse society, the Indian-American Community and those who are mourning; and

WHEREAS, The City of Olathe stands united against acts of hatred and intolerance, and actively fosters a home of inclusivity, reverence and love; and

WHEREAS, The State of Kansas condemns evil acts and prays for the swift recoveries of Alok Madasani and Ian Grillot: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we honor the life and memory of Srinivas Kuchibhotla and extend our deepest sympathies to his family, friends, community and everyone impacted by this tragedy; and

Be it further resolved: That the Chief Clerk of the House of Representatives shall send 10 enrolled copies of this resolution to Speaker Ryckman.

COMMITTEE ASSIGNMENT CHANGES

Speaker pro tem Schwab announced the appointment of Rep. Ward to replace Rep. Helgerson on Committee on K-12 Education Budget on March 15, 2017.

Also, the appointment of Rep. Frownfelter to replace Rep. Kuether on Committee on Corrections and Juvenile Justice on March 15, 2017.

REPORT ON ENGROSSED BILLS

HB 2162, HB 2168, HB 2228, HB 2387 reported correctly engrossed March 14,

2017.

REPORT ON ENROLLED RESOLUTIONS

HR 6017 reported correctly enrolled and properly signed on March 15, 2017.

On motion of Rep. Hineman, the House recessed until 4:30 p.m.

LATE AFTERNOON SESSION

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

It being the hour in accordance with **HCR 5012**, to meet in joint session with the Senate to hear the message of the Chief Justice, Reps. Johnson, Waymaster and Terrell escorted President Wagle and members of the Senate to seats in the House.

Reps. Barker, Campbell and Hodge and Senators Wilborn and Haley escorted the Chief Justice to the rostrum and other members of the Supreme Court to seats in the House.

ADDRESS OF CHIEF JUSTICE LAWTON R. NUSS TO THE JOINT SESSION OF THE 2017 LEGISLATURE

THE STATE OF THE KANSAS JUDICIARY IN 2017

Speaker Ryckman, President Wagle, distinguished members of the House and Senate, honored guests, and my fellow Kansans.

In 2011 and 2012 I stood in this same spot and told you about my great-grandparents. They once lived in a dugout carved in a creek bank outside Dodge City where they were homesteading their claim. I also said that as a descendant from these humble beginnings, I considered it a special honor to stand before all of you in this magnificent chamber of the people – and to report on the judicial branch of my native state. I still consider it a very special honor.

I thank Speaker Ryckman for generously offering me this third opportunity. And I thank President Wagle for graciously agreeing to the scheduling of this event.

Mr. Speaker, I also thank you for inviting my judicial colleagues who are with me today: the justices on the Supreme Court and the judges on the Court of Appeals. For many years the Supreme Court justices worked in the Capitol building, holding their proceedings in the courtroom here. So members of our three branches of government got to see one another on a regular basis, and perhaps they got to know each other as individuals. Once the courts moved to the Kansas Judicial Center in 1978, however, those opportunities for forging personal relationships between jurists and legislators decreased. So it's nice to have an occasion like this to get to know each other a little better because, after all, we all work for the people of Kansas. Or as cowboy singer and bronc rider Chris LeDoux would say, we're all "riding for the [Kansas] brand."

And toward that end, we have been allowed to schedule a reception outside the old Supreme Court chamber after my remarks. To help you navigate that reception, please permit me to now briefly introduce the jurists by court and by seniority. Starting with the:

Supreme Court justices:

- I am native of Salina: central part of state
- Marla Luckert: native of Goodland (western border)
- Carol Beier: native of KCK (eastern border)
- Eric Rosen: native of Topeka
- Lee Johnson: native of Caldwell (southern border)
- Dan Biles: native of El Dorado
- Caleb Stegall: native of Lawrence

Court of Appeals judges:

--Chief Judge Karen Arnold-Burger: of Overland Park (And recent recipient of an Award for Teaching Excellence as a faculty member of the National Judicial College in Reno, Nevada)

- G. Joseph Pierron, Jr.: Lawrence
- Henry W. Green, Jr.: Leavenworth
- Stephen D. Hill: Paola
- Michael B. Buser: Overland Park
- Melissa Taylor Standridge: Leawood
- G. Gordon Atcheson: Overland Park
- David Bruns: Kansas City, Kansas
- Tony Powell: Wichita
- Kim Schroeder: Hugoton
- Kathryn Gardner: Topeka

These are your appellate jurists.

A few minutes ago I mentioned cowboy singer Chris LeDoux and "ridin' for the brand." That lyric comes from his song, "You Just Can't See Him, From The Road." Now LeDoux is talking about cowboys – working out in the pastures far away from public view and any public acclaim but still in the saddle and still working. The same can often be said about many of the 250 judges and 1,600 employees in the judicial branch. Kansans don't see us until they need us. So allow me to tell you a little bit about what "you just can't see, from the road" – but only from within the courthouses in our 105 counties.

This task creates a bit of a challenge. Because many of you are new to the legislature and may be unaware of judicial branch events the last few years. Others of you may not be new but for one reason or another were unable to attend my State of the Judiciary speeches after 2012. Still others may have been keeping close track of our events. So I have tried to strike a balance among these groups. My apologies to those who already know a lot of this.

In 2010, the Supreme Court had to close all Kansas courts for 4 days for lack of money. While virtually unavoidable due to the poor condition of the economy, it motivated the Court to see if we could improve our administration of justice, be more

efficient, and make best use of the hard-earned money of Kansas taxpayers. So we started Project Pegasus. It consisted of two parts: (1) a weighted caseload study to measure the actual workloads of all district courts in our 105 counties and (2) a 24-person Blue Ribbon Commission.

The commission's purpose was to review the judicial branch operations and make recommendations to the Supreme Court for possible changes. In doing so, it performed the most extensive review of Judicial Branch operations statewide since the 1970's. One of its members, John Wheeler, is now a member of this House. Another member, Sam Williams, is now the Secretary of the Department of Revenue.

One of the Blue Ribbon Commission's main recommendations in Project Pegasus was to improve Judicial Branch efficiencies by making fuller use of advances in technology. So let me start by updating you on our electronic courts project which I first talked about in my speech here in 2011.

I will begin with electronic filing (or e-filing). You probably know this enables legal documents to be filed with the courts electronically. At this time I'm very proud to report some exciting news. After years of work, implementation of an e-filing system was completed in 2016 for all state courts – in 105 counties and in both the appellate courts.

The first years were funded through federal grants. But the completion was made possible because the legislature earmarked some docket fee revenues for the project the last several years. I join many Kansans in thanking you for those important appropriations. It means hundreds of thousands of court documents are being filed without people having to travel to the courthouses or put them in the mail.

I mentioned in past years that the plan has been for e-filing to eventually be integrated with an electronic case management and document management system different from the ones presently used by most court personnel in processing cases. This will allow us to shift from a paper-based system to one that will provide judges, court staff and attorneys with immediate, statewide access to case information, details, and records provided by the Kansas courts. And our employees in any county courthouse should be able to work from their computers on court business for other counties. This alone is a big benefit because it allows the Supreme Court to more effectively and efficiently manage the state's court system. Eventually, the Kansas e-court system will also provide the public with statewide 24-hour access to some of the most frequently requested court services from any computer with an internet connection.

Over a year ago the planning committee for our multi-million dollar e-courts project began to discuss exactly how to link the computer systems from courts in 105 counties to become one centralized computer network. Because a variety of systems have developed in the different district courts over time, you can appreciate this is a massive undertaking. One subcommittee surveyed the state to identify the existing technical capacities and capabilities of all the different courthouses. The full committee then received vendor bids in response to our request for proposal based upon that survey. In about 3 weeks the committee will observe vendor demonstrations as a step toward final selection. During this time, another subcommittee has been looking to standardize the various practices currently performed throughout all the state courts.

We anticipate that the statewide e-courts project will be completed within 3 years.

That will be an important day because it will bring more uniformity and efficiency to the entire court system to benefit Kansans – one of the greatest achievements since court unification in the 1970's.

Another one of the 77 Blue Ribbon Commission recommendations I wish to touch upon today is the weighted caseload study. This statewide study allowed us to accurately determine, by actual workloads, how many judges and court clerks were needed and where they were needed in the state. But it excluded any employee not working directly in the offices of the clerks of the court, such as administrative assistants, court reporters, and probation officers.

So last year we conducted a "position inventory" to include these additional 700 employees. This process reviewed not only the hard data from the continually-updated weighted caseload study from Pegasus, but it also considered the experience and actual observations of our 31 chief judges and their longtime employees. This assessment, together with the updated weighted caseload information, helps us determine needed personnel levels on an ongoing basis. It also allows us to consider the impact of recent advancements in technology on those staffing needs.

These studies and our increased use of technology such as e-filing have indeed been valuable tools in modernizing court operations. That in turn benefits the Kansans we serve.

But as we are gaining efficiency through them, we are also losing efficiency through increased turnover of highly experienced judges and employees. Besides retirement, these losses are primarily because of low compensation. For the same reason, we often have had real trouble finding suitable replacements in many courthouses.

According to the polls, the team from my alma mater, the University of Kansas, was recently ranked #1 in the nation for playing basketball. A lot of Kansans are rightfully proud of that – even some diehard K-State fans like Justice Luckert and Wichita State graduates like my son Graham. By contrast, according to the National Center for State Courts, Kansas district judges (the trial judges in your communities), rank next to last in the nation for what they get paid. And only 45th when adjusted for cost of living.

The National Center for State Courts does not maintain information from all other states that we can compare with the compensation earned by our (1) court employees and (2) district magistrate judges. So using a grant, last year we hired the experts from that organization to study these two groups.

For magistrate pay, among the things the National Center's compensation study revealed:

A little over 22% is needed to raise district magistrate judge salaries to market level.

More than one-fourth of our magistrate judges who responded to the survey indicated they are seeking employment outside the judicial branch. The number one reason given? Compensation.

For employee pay, among the things we learned:

More than one-fourth of our employee positions have starting salaries below the federal poverty level for a family of four.

Every single judicial branch job classification is below market pay rate, some by as much as 22%.

Approximately 700 of our 1,600 employees are paid about 18% below market.

Nearly one-third of our employees also need to work jobs outside the Judicial Branch to make ends meet. This is 24 % higher than the Kansas average.

One hour before my State of the Judiciary speech in 2014, legislators voted to give our employees a 2% cost of living adjustment. In my remarks, I led the audience in applauding and publicly thanking the legislature. Outside of that adjustment, no compensation increase has been provided to Judicial Branch employees or judges since July 2008 – nearly 9 years ago.

Conclusion: It is human nature for people to devote their time and money to those things that are most valuable to them. So all Kansans may want to ask themselves: what value do we place on the administration of justice in our state?

Getting down to brass tacks, or hard facts, what do all these people in the Judicial Branch do for the money you currently invest in them? Well, last fiscal year, they processed almost 400,000 new cases filed in the district courts. This caseload included more than 20,000 felony cases and more than 14,000 misdemeanor cases. They supervised nearly 17,000 convicted criminals on probation, including 3,000 convicted sex offenders. They protected almost 7,000 children who were in need of care by ruling on requests related to their safety and wellbeing. And they protected nearly 14,000 people by issuing restraining orders, to say nothing of the civil cases, probate, juvenile, domestic, traffic, and others.

Last year our court clerks also collected more than \$180 million. This included restitution for crime victims and monies for private judgments, for some state agencies, and for the general funds of counties and the State. Of that \$180 million, we collected \$53 million to fund state government.

Returning to a few other Blue Ribbon Commission recommendations, one generally was to increase Judicial Branch use of technology in addition to e-courts. One specific example I will share is the expanded use of:

Videoconferencing: Our Court of Appeals continues with its pilot project to use videoconferencing for certain activities instead of requiring attorneys to sustain the expense of coming to Topeka. Last year it heard its first cases argued by videoconference. In the latest case, the judges sat in their courtroom in the Judicial Center and the attorneys spoke from their offices in Hill City more than 250 miles away. Everyone involved pronounced it a success; so look for more cost-saving videoconference arguments in the future.

Specialty Courts: The Commission also recommended we continue examining the effectiveness of our specialty or problem-solving courts across the state. They differ from the usual courts because they coordinate services provided to criminal offenders with direct, sometimes intense, supervision by a judge. Most of these are drug courts which attempt to address an offender's underlying substance abuse problems – problems that often lead to a frustrating cycle of criminal offenses, incarceration, and then more offenses. National research has shown that drug courts can be effective in reducing offender recidivism. That in turn saves considerable judicial and correctional resources.

Two new types of specialty courts have recently been established with this same goal in mind. Johnson County District Court started our state's first veterans' court in

2016 for those who have committed misdemeanors or lower-level felonies and who are eligible for treatment by the Veterans Administration. Like drug courts, veterans' courts offer alternatives to incarceration. They do not treat criminal defendant veterans differently just because they happen to be veterans. Rather, they help veterans who may be suffering as a result of serving our country. The veterans' court programs allow eligible veterans to voluntarily participate in a 12-18 month program of frequent court appearances, drug and alcohol testing at least twice a week, treatment, recovery support meetings, and mentoring by another veteran. As a veteran myself, and the grandfather of a soldier who deploys to Afghanistan next month, I am especially pleased to report that currently about 20 veterans are participating in the program with the first one graduating several weeks ago.

Similarly, Douglas County District Court established a Behavioral Health Court to target those whose mental health issues may have contributed to the criminal charges against them. Inmates with mental health issues or dual diagnosis of mental illness and substance abuse are released from the county jail to the court, which then orders and monitors treatment. The goal is to dismiss the charges after a period of successful intervention and treatment. The Behavioral Health Court expects to divert as many as 30 inmates from the jail each year. This program represents excellent collaboration among the court, the District Attorney, Court Services, a behavioral health center, local law enforcement, and other community based treatment providers.

Time Standards: Acting on another Commission recommendation, the Supreme Court created a committee to help review and revise time standards for decisions in appellate court and district court cases. The committee includes judges from the appellate courts, judges and magistrate judges of the district court, civil practice lawyers, prosecutors, and criminal defense lawyers. While its work is not complete, it has resulted in the Supreme Court adopting internal standards for timeliness of issuing its decisions. Those standards are:

25 percent of all decisions released to the public within 90 days of oral argument

50 percent released within 180 days; and

95 percent within 270 days.

Death penalty cases are the exception.

Supreme Court travel: My last topic on the State of the Kansas Judiciary is not a Commission recommendation but nevertheless of great value. That is, the appellate courts have taken their proceedings directly to the people of Kansas. The Court of Appeals has heard cases argued across the state for years.

Starting in 2011, the Supreme Court followed that lead and heard cases in Salina, Greensburg and Wichita. Since then, we have heard cases in Garden City, Hays, Hiawatha, Hutchinson, Kansas City, Overland Park, Pittsburg and Topeka. Later this month we will be in Winfield. That session will be our sixth one held in the evening; so that people who work during the day can come and see for themselves, who we are, what we do, and how we do it.

To date it appears that Hays has the record turnout: nearly 700 people attended. But remember, Winfield, records are made to be broken.

CONCLUSION:

During recent times, it has become especially clear that Americans hold different views on important subjects: Democrats and Republicans; conservative Republicans and moderate Republicans; Progressives and Libertarians, maybe even Jayhawks and Shockers. One side quotes its guru while another side quotes its own champion from history. In my past State of the Judiciary speeches I too have quoted historic figures. They ranged from Abraham Lincoln in 1859 to Winston Churchill in the 20th century. And tonight I quoted a more recent, but lesser-known, Chris LeDoux.

But for a conclusion, I searched for someone who not only is well-known but also is nonpartisan – who is as uncontroversial as possible. I found someone who served as head of the Army; as a signer of the Declaration of Independence; as the unanimously-elected chairman of the constitutional convention of 1787; as the first president of the United States – twice receiving all electoral college votes; a man who refused to serve more than two terms as president because he was concerned about abuse of power. I speak, of course, of George Washington. So what did President Washington say that is of relevance to us this afternoon?

"The administration of justice – is the firmest pillar of government."

Your Kansas judges and Judicial Branch employees have been proudly "firming up" this pillar of government for the last 156 years. With your help, we can look forward to doing so for years to come.

Now I am well aware you are facing many challenges during this legislative session. Maybe some of the biggest ones ever. But I also believe that you will continue to take fair account of the needs of the Judicial Branch – our judges and employees – as we administer justice to Kansans.

And finally, for the good work you have done for the people of our state in these difficult times, I want to express my gratitude.

I look forward to visiting with you at the reception. I bid you Godspeed.

On motion of Rep. Hineman, the House adjourned until 11:00 a.m., Thursday, March 16, 2017.

BECKIE HENDRICKS, JENNY HAUGH, JULIA WERNER, *Journal Clerks.*

SUSAN W. KANNARR, *Chief Clerk.*

