

# Journal of the Senate

SIXTY-FOURTH DAY

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SENATE CHAMBER, TOPEKA, KANSAS  
Tuesday, May 9, 2017, 10:00 a.m.

The Senate was called to order by Vice President Jeff Longbine.

The roll was called with 39 senators present.

Senator Estes was excused.

Invocation by Reverend Cecil T. Washington:

Dear God, Creator of Heaven and earth, how should we pray to You? What should we say? What should be our attitude? Impressed with Jesus' ability to appeal to You, in Matthew:6 and Luke:11, the disciples asked Him, teach us how to do it. We humbly come to You this morning with those same words...

“Our Father, which art in heaven, Hallowed be thy name.

Thy kingdom come. Thy will be done, on earth, as it is in heaven.

Give us this day our daily bread.

And forgive us our debts, as we forgive our debtors.

And lead us not into temptation, but deliver us from evil.

For Thine is the kingdom, and the power and the glory, forever. Amen.”

The Pledge of Allegiance was led by Vice President Longbine.

## REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was referred to Committees as indicated:

Assessment and Taxation: **SB 249**.

## MESSAGE FROM THE HOUSE

The House adopts the Conference Committee report on **H Sub SB 40**.

The House accedes to the request of the Senate for a conference on **H Sub SB 42** and has appointed Representatives Jennings, Whitmer and Highberger as conferees on the part of the House.

On motion of Senator Denning, the Senate recessed until the sound of the gavel.

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The senate met pursuant to recess with Vice President Longbine in the chair.

## CHANGE OF REFERENCE

An objection having been made to **HB 2409** appearing on the **Consent Calendar**, the

Vice President directed the bill be removed and placed on the calendar under the heading of **General Orders**.

### ORIGINAL MOTION

Senator Denning moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bill: **HB 2054**.

### CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2041** 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 6, in line 5, after "(c)" by inserting "(1) Prior to July 1, 2018,"; following line 23, by inserting:

"(2) On and after July 1, 2018, except as provided in subsection (d), when the district or municipal court notifies the division of vehicles of a failure to comply with a traffic citation pursuant to subsection (b), the court shall assess a reinstatement fee of \$100 for each charge on which the person failed to make satisfaction regardless of the disposition of the charge for which such citation was originally issued and regardless of any application for restricted driving privileges. Such reinstatement fee shall be in addition to any fine, restricted driving privilege application fee, district or municipal court costs and other penalties. The court shall remit all reinstatement fees 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 and shall credit the first \$15 of such reinstatement fee to the judicial branch nonjudicial salary adjustment fund and of the remaining amount, 29.41% of such moneys to the division of vehicles operating fund, 22.06% to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126, and amendments thereto, 7.36% to the juvenile alternatives to detention fund created by K.S.A. 79-4803, and amendments thereto, and 41.17% to the judicial branch nonjudicial salary adjustment fund created by K.S.A. 2016 Supp. 20-1a15, and amendments thereto.";

Also on page 6, in line 31, by striking all after the period; by striking all in lines 32 through 41;

On page 38, following line 38, by inserting:

"Sec. 24. K.S.A. 2016 Supp. 20-1a15 is hereby amended to read as follows: 20-1a15. (a) There is hereby established in the state treasury the judicial branch nonjudicial salary adjustment fund.

(b) All moneys credited to the judicial branch nonjudicial salary adjustment fund shall be used for compensation of nonjudicial officers and employees of the district courts, court of appeals and the supreme court and shall not be expended for compensation of judges or justices of the judicial branch. ~~Moneys in the fund shall be used only to pay for that portion of the cost of salaries and wages of nonjudicial personnel of the judicial branch, including associated employer contributions, which~~

~~shall not exceed the difference between the amount of expenditures that would be required under the judicial branch pay plan for nonjudicial personnel in effect prior to the effective date of this act and the amount of expenditures required under the judicial branch pay plan for nonjudicial personnel after the cost-of-living adjustments and the adjustments for upgrades in pay rates for nonjudicial personnel approved by the chief justice of the Kansas supreme court for fiscal year 2015. For fiscal years commencing on and after June 30, 2016, moneys in such fund shall be used only for the amount attributable to maintenance of the judicial branch pay plan for nonjudicial personnel for such adjustments and upgrades approved by the chief justice of the supreme court for fiscal year 2015.~~

(c) On or before the 10<sup>th</sup> day of each month, the director of accounts and reports shall transfer from the state general fund to the judicial branch nonjudicial salary adjustment fund interest earnings based on:

(1) The average daily balance of moneys in the judicial branch nonjudicial salary adjustment fund for the preceding month; and

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

(d) All expenditures from the judicial branch nonjudicial salary adjustment fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to payrolls approved by the chief justice of the Kansas supreme court or by a person or persons designated by the chief justice.";

Also on page 38, in line 39, after the third comma by inserting "20-1a15,";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, after the first semicolon by inserting "disposition of failure to comply with a traffic citation reinstatement fees;" in line 3, after the third comma by inserting "20-1a15,";

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

RICHARD WILBORN

JULIA LYNN

DAVID HALEY

*Conferees on part of Senate*

BLAINE FINCH

FRED PATTON

JOHN CARMICHAEL

*Conferees on part of House*

Senator Wilborn moved the Senate adopt the Conference Committee Report on **HB 2041**.

On roll call, the vote was: Yeas 23; Nays 15; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Berger, Billinger, Bowers, Denning, Doll, Fitzgerald, Givens, Goddard, Haley, Hardy, Hilderbrand, Kerschen, Longbine, Lynn, Masterson, Petersen, Pilcher-Cook, Skubal, Sykes, Taylor, Wilborn.

Nays: Bollier, Faust-Goudeau, Hawk, Hensley, Holland, Kelly, McGinn, Olson, Pettey, Pyle, Rogers, V. Schmidt, Suellentrop, Tyson, Wagle.

Present and Passing: Francisco.  
 Absent or Not Voting: Estes.  
 The Conference Committee Report was adopted.

#### EXPLANATION OF VOTE

Mr. Vice President: I reluctantly vote “AYE” on the Conference Committee’s SECOND Report on **HB 2041** and AGAIN express my disapproval of legislative bundling of MULTIPLE, often conflicting, measures under a SINGLE number. Estimated at potentially \$10,000,000, the need to now extend authorization for judicial surcharges on different docket fees is mandatory to retain the fiscal continuity of our court system. As the only lawyer left in the Senate, I have to support our courts and all of us should. But come on, Mr. Vice-President. Hiking reinstatement fees on often hapless suspended motorists from \$59 to \$100 (ESPECIALLY when only \$75 will meet actual appropriations needs) is “highway robbery”; it’s government greed at its worst. Further, lifting the ceiling to 33% and codifying collection fees as a part of the underlying reinstatement fee is further extortion of the citizenry, in my opinion. But BOTH the legitimate need and the naked greed are STILL in this CCR of HB 2041; which the Senate actually sent back to conference for reevaluation before returning here, unchanged, for this vote now. I wouldn’t be the twenty-first vote to pass it. But I do join, again reluctantly, one of a greater than such required majority. —DAVID HALEY

#### CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2054** 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 8, following line 32, by inserting:

"Sec. 2. K.S.A. 2016 Supp. 48-3602 is hereby amended to read as follows: 48-3602. (a) The chief law enforcement executive for any law enforcement agency, ~~or~~ such executive's designee, the secretary of corrections or the secretary's designee may request assistance from a law enforcement agency or a department of corrections of another jurisdiction, including a jurisdiction located outside the state of Kansas, but within the United States.

(b) If a law enforcement officer makes an arrest or apprehension outside such officer's jurisdiction, the offender shall be delivered to the first available law enforcement officer who is commissioned in the jurisdiction in which the arrest was made. The officer making the initial arrest or apprehension shall assist in the preparation of any affidavits filed with the complaint or based on other evidence that there is probable cause to believe that both a crime has been committed and the defendant has committed such crime.

(c) For the purposes of liability, all members of any political subdivision or public safety agency responding under operational control of the requesting political subdivision or public safety agency are deemed employees of such responding political subdivision or public safety agency and are subject to the liability and workers'

compensation provisions provided to them as employees of their respective political subdivision or public safety agency. Qualified immunity, sovereign immunity, official immunity and the public duty rule shall apply to the provisions of this section as interpreted by the federal and state courts of the responding agency. The Kansas tort claims act, K.S.A. 75-6101 et seq., and amendments thereto, and the Kansas workers compensation act, K.S.A. 44-501 et seq., and amendments thereto, shall be interpreted consistent with the provisions of this section.

(d) Nothing in this section shall be construed to limit the actions of law enforcement officers or agencies conducted pursuant to K.S.A. 19-828, and amendments thereto.

(e) The provisions of article 24 of chapter 22 of the Kansas Statutes Annotated, and amendments thereto, and K.S.A. 21-5220 et seq., and amendments thereto, are applicable to any law enforcement officers from jurisdictions located outside the state of Kansas, but within the United States who are acting pursuant to a request made under this section.

(f) For purposes of this section, the term "law enforcement officer" shall have the same meaning as that term is defined by K.S.A. 74-5602, and amendments thereto, or a law enforcement officer who has obtained a similar designation to one described in K.S.A. 74-5602, and amendments thereto, in a jurisdiction outside the state of Kansas, but within the United States.

Sec. 3. K.S.A. 2016 Supp. 74-5605 is hereby amended to read as follows: 74-5605.

(a) Every applicant for certification shall be an employee of a state, county or city law enforcement agency, a municipal university police officer, a railroad policeman appointed pursuant to K.S.A. 66-524, and amendments thereto; an employee of the tribal law enforcement agency of an Indian nation that has entered into a tribal-state gaming compact with this state; a manager or employee of the horsethief reservoir benefit district pursuant to K.S.A. 2016 Supp. 82a-2212, and amendments thereto; or a school security officer designated as a school law enforcement officer pursuant to K.S.A. 72-8222, and amendments thereto.

(b) Prior to admission to a course conducted at the training center or at a certified state or local law enforcement agency, the applicant's appointing authority or agency head shall furnish to the director of police training and to the commission a statement certifying that the applicant has been found to meet the minimum requirements of certification established by this subsection. The commission may rely upon the statement of the appointing authority or agency head as evidence that the applicant meets the minimum requirements for certification to issue a provisional certification. Each applicant for certification shall meet the following minimum requirements:

- (1) Be a United States citizen;
- (2) have been fingerprinted and a search of local, state and national fingerprint files made to determine whether the applicant has a criminal record;
- (3) not have been convicted of a crime that would constitute a felony under the laws of this state, a misdemeanor crime of domestic violence or a misdemeanor offense that the commission determines reflects on the honesty, trustworthiness, integrity or competence of the applicant as defined by rules and regulations of the commission;
- (4) have graduated from a high school accredited by the Kansas state board of education or the appropriate accrediting agency of another state jurisdiction or have obtained the equivalent of a high school education as defined by rules and regulations

of the commission;

(5) be of good moral character sufficient to warrant the public trust in the applicant as a police officer or law enforcement officer;

(6) have completed an assessment, including psychological testing approved by the commission, to determine that the applicant does not have a mental or personality disorder that would adversely affect the ability to perform the essential functions of a police officer or law enforcement officer with reasonable skill, safety and judgment;

(7) be free of any physical or mental condition which adversely affects the ability to perform the essential functions of a police officer or law enforcement officer with reasonable skill, safety and judgment; and

(8) be at least 21 years of age.

(c) The commission may deny a provisional or other certification upon a finding that the applicant has engaged in conduct for which a certificate may be revoked, suspended or otherwise disciplined as provided in K.S.A. 74-5616, and amendments thereto. When it appears that grounds for denial of a certification exist under this subsection, after a conditional offer of employment has been made to an applicant seeking appointment as a police officer or law enforcement officer, the applicant's appointing authority or agency head may request an order from the commission to determine whether a provisional certification will be issued to that applicant.

(d) As used in this section, "conviction" includes rendering of judgment by a military court martial pursuant to the uniform code of military justice, by a court of the United States or by a court of competent jurisdiction in any state, whether or not expunged; and any diversion or deferred judgment agreement entered into for a misdemeanor crime of domestic violence or a misdemeanor offense that the commission determines reflects on the honesty, trustworthiness, integrity or competence of the applicant as defined by rules and regulations by the commission and any diversion agreement or deferred judgment entered into on or after July 1, 1995, for a felony.";

On page 11, following line 40, by inserting:

"Sec. 5. K.S.A. 75-3036 is hereby amended to read as follows: 75-3036. (a) The state general fund is exclusively defined as the fund into which shall be placed all public moneys and revenue coming into the state treasury not specifically authorized by the constitution or by statute to be placed in a separate fund, and not given or paid over to the state treasurer in trust for a particular purpose, which unallocated public moneys and revenue shall constitute the general fund of the state; ~~but~~. Moneys received or to be used under constitutional or statutory provisions or under the terms of a gift or payment for a particular and specific purpose are to be kept as separate funds and shall not be placed in the general fund or ever become a part of it; ~~except by proper statutory enactment, and~~.

(b) The following funds shall be used for the purposes set forth in the statutes concerning such funds and for no other governmental purposes. It is the intent of the legislature that the following funds and the moneys deposited in such funds shall remain intact and inviolate for the purposes set forth in the statutes concerning such funds: Board of accountancy fee fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special litigation reserve fund of the board of accountancy; bank commissioner fee fund, K.S.A. 9-1703, 16a-2-302, 17-5610, 17-5701 and 75-1308, and amendments thereto, bank investigation fund, K.S.A. 9-1111b, and amendments thereto, consumer

education settlement fund and litigation expense fund of the state bank commissioner; securities act fee fund and investor education and protection fund, K.S.A. 17-12a601, and amendments thereto, of the office of the securities commissioner of Kansas; credit union fee fund, K.S.A. 17-2236, and amendments thereto, of the state department of credit unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto, and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and amendments thereto, of the state fire marshal; food service inspection reimbursement fund, K.S.A. 36-512, and amendments thereto, of the Kansas department of agriculture; wage claims assignment fee fund, K.S.A. 44-324, and amendments thereto, and workmen's compensation fee fund, K.S.A. 74-715, and amendments thereto, of the department of labor; veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of the state board of veterinary examiners; mined-land reclamation fund, K.S.A. 49-420, and amendments thereto, of the department of health and environment; conservation fee fund and well plugging assurance fund, K.S.A. 55-155, 55-176, 55-609, 55-711 and 55-901, and amendments thereto, gas pipeline inspection fee fund, K.S.A. 66-1,155, and amendments thereto, and public service regulation fund, K.S.A. 66-1503, and amendments thereto, of the state corporation commission; land survey fee fund, K.S.A. 58-2011, and amendments thereto, of the state historical society; real estate recovery revolving fund, K.S.A. 58-3074, and amendments thereto, of the Kansas real estate commission; appraiser fee fund, K.S.A. 58-4107, and amendments thereto, and appraisal management companies fee fund of the real estate appraisal board; amygdalin (laetrile) enforcement fee fund, K.S.A. 65-6b10, and amendments thereto; mortuary arts fee fund, K.S.A. 65-1718, and amendments thereto, of the state board of mortuary arts; board of barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of the Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and 74-2704, and amendments thereto, of the Kansas state board of cosmetology; healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-5413, 65-5513, 65-6910, 65-7210 and 65-7309, and amendments thereto, and medical records maintenance trust fund, of the state board of healing arts; other state fees fund, K.S.A. 2016 Supp. 65-4024b, and amendments thereto, of the Kansas department for aging and disability services; board of nursing fee fund, K.S.A. 74-1108, and amendments thereto, of the board of nursing; dental board fee fund, K.S.A. 74-1405, and amendments thereto, and special litigation reserve fund, of the Kansas dental board; optometry fee fund, K.S.A. 74-1503, and amendments thereto, and optometry litigation fund, of the board of examiners in optometry; state board of pharmacy fee fund, K.S.A. 74-1609, and amendments thereto, and state board of pharmacy litigation fund, of the state board of pharmacy; abstracters' fee fund, K.S.A. 74-3903, and amendments thereto, of the abstracters' board of examiners; athletic fee fund, K.S.A. 2016 Supp. 74-50,188, and amendments thereto, of the department of commerce; hearing instrument board fee fund, K.S.A. 74-5805, and amendments thereto, and hearing instrument litigation fund of the Kansas board of examiners in fitting and dispensing of hearing instruments; commission on disability concerns fee fund, K.S.A. 74-6708, and amendments thereto, of the governor's department; technical professions fee fund, K.S.A. 74-7009, and amendments thereto, and special litigation reserve fund of the state board of technical professions; behavioral sciences regulatory board fee fund, K.S.A. 74-7506, and amendments thereto, of the behavioral sciences regulatory

board; governmental ethics commission fee fund, K.S.A. 25-4119e, and amendments thereto, of the governmental ethics commission; emergency medical services board operating fund, K.S.A. 75-1514, and amendments thereto, of the emergency medical services board; fire service training program fund, K.S.A. 75-1514, and amendments thereto, of the university of Kansas; uniform commercial code fee fund, K.S.A. 2016 Supp. 75-448, and amendments thereto, of the secretary of state; prairie spirit rails-to-trails fee fund of the Kansas department of wildlife, parks and tourism; water marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the Kansas water office; insurance department service regulation fund, K.S.A. 40-112, and amendments thereto, of the insurance department; state fair special cash fund, K.S.A. 2-220, and amendments thereto, of the state fair board; scrap metal theft reduction fee fund, K.S.A. 2016 Supp. 50-6, 109a, and amendments thereto; and any other fund in which fees are deposited for licensing, regulating or certifying a person, profession, commodity or product.

(c) If moneys received pursuant to statutory provisions for a specific purpose by a fee agency are proposed to be transferred to the state general fund or a special revenue fund to be expended for general government services and purposes in the governor's budget report submitted pursuant to K.S.A. 75-3721, and amendments thereto, or any introduced house or senate bill, the person or business entity who paid such moneys within the preceding 24-month period shall be notified by the fee agency within 30 days of such submission or introduction;

(1) By electronic means, if the fee agency has an electronic address on record for such person or business entity. If no such electronic address is available, the fee agency shall send written notice by first class mail; or

(2) any agency that receives fees from a tax, fee, charge or levy paid to the commissioner of insurance shall post the notification required by this subsection on such agency's website.

(d) Any such moneys which are wrongfully or by mistake placed in the general fund shall constitute a proper charge against such general fund; ~~Provided, That,~~ All legislative appropriations which do not designate a specific fund from which they are to be paid shall be considered to be proper charges against the general fund of the state; ~~Provided further, That,~~ All revenues received by the state of Kansas or any department, board, commission, or institution of the state of Kansas, and required to be paid into the state treasury shall be placed in and become a part of the state general fund, except as otherwise provided in this act by law.

(e) The provisions of this section shall not apply to the 10% credited to the state general fund to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, as provided in K.S.A. 75-3170a, and amendments thereto.

(f) Beginning on January 8, 2018, the director of the budget shall prepare a report listing the unencumbered balance of each fund in subsection (b) on June 30 of the previous fiscal year and January 1 of the current fiscal year. Such report shall be delivered to the secretary of the senate and the chief clerk of the house of representatives on or before the first day of the regular legislative session each year.

(g) As used in this section, "fee agency" shall include the state agencies specified in K.S.A. 75-3717(f), and amendments thereto, and any other state agency that collects fees for licensing, regulating or certifying a person, profession, commodity or product.";

Also on page 11, in line 41, before "K.S.A." by inserting "K.S.A. 75-3036 and"; also

in line 41, before "and" by inserting ", 48-3602 , 74-5605";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the semicolon by inserting "requests for law enforcement assistance from jurisdictions located outside the state of Kansas; the Kansas law enforcement training act; qualifications of applicants for certification;"; in line 4, after the semicolon by inserting "transfer of fees; notification of such transfer;"; also in line 4, after "amending" by inserting "K.S.A. 75-3036 and"; in line 5, after "44-714" by inserting ", 48-3602, 74-5605";

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

RICHARD WILBORN

JULIA LYNN

DAVID HALEY

*Conferees on part of Senate*

BLAINE FINCH

FRED PATTON

JOHN CARMICHAEL

*Conferees on part of House*

Senator Wilborn moved the Senate adopt the Conference Committee Report on **HB 2054**.

On roll call, the vote was: Yeas 36; Nays 2; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Denning, Doll, Fitzgerald, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Holland, Kelly, Kerschen, Longbine, Lynn, Masterson, McGinn, Olson, Petersen, Pettey, Pilcher-Cook, Pyle, Rogers, V. Schmidt, Skubal, Suellentrop, Sykes, Taylor, Wagle, Wilborn.

Nays: Hilderbrand, Tyson.

Present and Passing: Faust-Goudeau.

Absent or Not Voting: Estes.

The Conference Committee Report was adopted.

On motion of Senator Denning, the Senate recessed until 2:00 p.m.

The senate met pursuant to recess with Vice President Longbine in the chair.

#### **POINT OF PERSONAL PRIVILEGE**

Senator Fitzgerald rose on a Point of Personal Privilege to recognize Megan Ernzen, Madison Bowers, Grace Woods and Riley Faulk, Leavenworth County High School students whom have been instrumental in working with literacy causes for young children.

Also recognized was Melissa LaGree, Leavenworth County Civic Leader of the Year.

The senate honored the guests with a standing ovation.

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

The Committee on **Assessment and Taxation** recommends **SB 97** be amended by substituting a new bill as recommended by the Senate Committee on Assessment and Taxation as reported in the Journal of the Senate on February 8, 2017, and the substitute

bill be further amended on page 1, by striking all in lines 9 through 34;

On page 2, in line 23, by striking "years" and inserting "year"; also in line 23, by striking " 2016 and 2017" and inserting "and all tax years thereafter";

On page 3, in line 9, by striking "years" and inserting "year"; also in line 9, by striking " 2016 and 2017" and inserting "and all tax years thereafter"; by striking all in lines 19 through 21;

On page 4, in line 5, by striking "years" and inserting "year"; also in line 5, by striking "and 2017" and inserting " ", and all tax years thereafter"; in line 36, by striking "2016" and inserting "2017";

On page 5, in line 16, by striking all after "thereto"; by striking all in line 17; in line 18, by striking all before the period;

On page 6, in line 40, by striking "2017" and inserting "2018";

On page 7, in line 15, by striking "2017" and inserting "2018"; in line 23, by striking "2017" and inserting "2018"; in line 29, by striking "2017" and inserting "2018"; in line 34, by striking "2017" and inserting "2018";

On page 9, in line 43, by striking "2017" and inserting "2018";

On page 11, in line 6, by striking "2017" and inserting "2018"; in line 41, by striking "all"; also in line 41, after the second comma by inserting "and ending before January 1, 2018,";

On page 12, in line 14, by striking "all"; also in line 14, after the second comma by inserting "and ending before January 1, 2018,"; by striking all in lines 26 through 43;

By striking all on pages 13 through 34;

On page 35, by striking all in lines 1 through 6; following line 6, by inserting:

"Sec. 3. K.S.A. 2016 Supp. 79-32,138 is hereby amended to read as follows: 79-32,138. (a) Kansas taxable income of a corporation taxable under this act shall be the corporation's federal taxable income for the taxable year with the modifications specified in this section.

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

(ii) the amount of all depreciation deductions claimed for any property upon which the deduction allowed by K.S.A. 2016 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto, is claimed;

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

(iv) for taxable years commencing December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 2016 Supp. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 2016 Supp. 40-2,190, and amendments thereto;

(v) the amount of any charitable contribution deduction claimed for any contribution or gift made to a scholarship granting organization to the extent the same is

claimed as the basis for the credit allowed pursuant to K.S.A. 2016 Supp. 72-99a07, and amendments thereto; and

(vi) the federal net operating loss deduction.

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

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

(iii) an amount for the amortization deduction allowed pursuant to K.S.A. 2016 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto;

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

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

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

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

Also on page 35, in line 7, by striking all after "79-32,117"; in line 8, by striking all before "are" and inserting "and 79-32,138";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, by striking all after the semicolon; in line 3, by

striking all before "amending"; in line 4, by striking all after "79-32,117"; in line 5, by striking all before the second "and" and inserting "and 79-32,138"; and the bill be passed as amended.

**REPORT ON ENROLLED BILLS**

**SB 14, SB 16** reported correctly enrolled, properly signed and presented to the Governor on May 09, 2017.

On motion of Senator Denning, the Senate adjourned until 10:00 a.m., Wednesday, May 10, 2017.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

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