

# Journal of the House

## SIXTY-FOURTH DAY

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HALL OF THE HOUSE OF REPRESENTATIVES,  
TOPEKA, KS, Monday, April 29, 2024, 9:00 a.m.

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

The roll was called with 125 members present.

Prayer by guest chaplain, Pastor Andrew Abbott, Calvary Baptist Church, Leavenworth and guest of Rep. Buehler.

Gracious Father, we humbly bow before the one who was and is. The one whose name is above all names. We ask for your loving and gracious guidance, wisdom, and discernment as we seek to steward the responsibilities that you alone have given us.

We ask that you lead us to trust on you and that we would not lean on our understanding. In doing so, you will make our path straight.

Father, we pray for our great state and the men, women, boys, and girls that call her home. Would you, through our decisions, help us create a thriving Kansas. A place where all can live godly and quiet lives.

Unify us in this great task. Help us to be marked by the godly attributes of humility, tenderness, compassion, and joy. Lead us to do nothing out of selfish ambition or vain conceit, but in love value others more than self.

Father, we entreat your guidance and plead for your glory to shine brightly among every corner of this great state. Use us, O Lord.

In the name of Jesus, we pray. Amen.

The Pledge of Allegiance was led by Rep. Garber.

### INTRODUCTION OF GUESTS

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

Good morning. I have the great honor to recognize a young lady from Oskaloosa High School, Holly Thacher, along with her mother, Shala. Oskaloosa is the school where I taught for 37 years. Holly is with us to receive an award for her achievement in the 2024 State Wrestling Tournament.

Last summer, Holly went to the Fargo National Tournament and injured her knee, requiring surgery from which she had several complications. At the beginning of the season, she got off to a slow start. She missed the first few meets and then lost the first four (4) matches.

She didn't give up. She went on to complete the season successfully, with a win-loss record of 30 wins and 4 losses and winning the state championship in women's wrestling in weight class 115. She is ranked 29<sup>th</sup> in the nation in her weight class.

This is a great achievement that shows an example to all athletes...that commitment, dedication, hard work, and an attitude of never giving up...are the winning ways to success.

Not only did she win the state championship this year, but in 2023, in weight class 105, she won the state championship as a sophomore...which is amazing. Not only did she win in 2023, but as a freshman in weight class 101, she also won the state championship in women's wrestling in 2022. Such great achievements! Her overall win-loss record is 97 wins and only 7 losses.

Rep. Ellis presented Holly with a framed House certificate in honor of her Outstanding Achievement in Women's state wrestling...3 years in a row.

#### **MESSAGE FROM THE GOVERNOR**

April 22, 2024

*Message to the Kansas House of Representatives:*

Enclosed herewith is Executive Directive No. 24-582 for your information.

Executive Directive No. 24-582  
Authorizing Personnel Transactions

LAURA KELLY  
*Governor*

The above Executive Directive is on file and open for inspection in the office of the Chief Clerk.

#### **MESSAGE FROM THE GOVERNOR**

April 24, 2024

*Message to the Kansas House of Representatives:*

Enclosed herewith is Executive Order No. 24-02 for your information.

Executive Order No. 24-02  
Governor's Reward for Information Regarding  
the Murder of Joanne Johnson

LAURA KELLY  
*Governor*

The above Executive Order is on file and open for inspection in the office of the Chief Clerk.

**MESSAGE FROM THE GOVERNOR**

April 26, 2024

*Message to the Kansas House of Representatives:*

Enclosed herewith is Executive Order No. 24-03 for your information.

Executive Order No. 24-03  
Governor's Reward for Information Regarding  
the Murders of Leanda Pound and Jason Bakken

LAURA KELLY  
*Governor*

The above Executive Order is on file and open for inspection in the office of the Chief Clerk.

**MESSAGES FROM THE SENATE**The Senate adopts the Conference Committee report on **SB 232**.The Senate adopts the Conference Committee report on **SB 387**.The Senate adopts the Conference Committee report on **HB 2097**.

The Senate announced the appointment of Senators Erickson, Dietrich and Reddi to replace Senators Longbine, Fagg and Holscher as conferees on **HB 2663**.

The Senate announced the appointment of Senators Billinger, Claeys and Pettey to replace Senators Warren, Wilborn and Corson as conferees on **HB 2392**.

The Senate not adopts the Conference Committee report on **H Sub for SB 287**, requests a conference and appoints Senators Gossage, Erickson and Pettey as Second conferees on the part of the Senate.

**INTRODUCTION OF ORIGINAL MOTION**

On motion of Rep. Croft, the House acceded to the request of the Senate for a conference on **H Sub for SB 287**.

Speaker pro tem Carpenter thereupon appointed Reps. Landwehr, Eplee and Ruiz, S. as conferees on the part of the House.

**INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS**

On emergency motion of Rep. Robinson, **HR 6047**, by Reps. Robinson, Penn, Estes, Alcalá, Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, Droge, Ellis, Eplee, Essex, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, McDonald, McNorton, Melton, Meyer, Miller, Miller, Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Pickert, Poetter Parshall, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Roth, Ruiz, Sanders, Sawyer, Sawyer Clayton, Schlingensiepen, Schmoee, Schreiber, Seiwert, Smith, Smith, Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, Williams, Winn, Woodard and Younger, as follows, was introduced and adopted:

HOUSE RESOLUTION No. **HR 6047**—A RESOLUTION commemorating the 70th anniversary of *Brown v. Board of Education*.

A RESOLUTION commemorating 70 years since the landmark *Brown v. Board of Education* Supreme Court decision on May 17, 1954, which made segregation in public schools illegal in the United States.

WHEREAS, This year marks the 70<sup>th</sup> anniversary since the Supreme Court of the United States (SCOTUS) struck down racial segregation in public schools across the country; and

WHEREAS, In its ruling, SCOTUS determined that separate educational facilities are inherently unequal and every citizen of the United States deserves equal education; and

WHEREAS, This victory was decades in the making, and it was made possible by determined parents, students, activists and attorneys who worked tirelessly to advocate for this important cause; and

WHEREAS, Carolyn Wims-Campbell and Foster Chisholm are not only seasoned support staff at the Kansas State Capitol but are also alumni of the historic McKinley Elementary School in Topeka; and

WHEREAS, Cheryl Brown Henderson founded the Brown Foundation in 1988, which has since awarded scholarships, honored leaders, established libraries, developed educational resources, organized exhibitions and hosted diversity programs. Under Cheryl's leadership, the Brown Foundation collaborated with the United States Congress to establish the *Brown v. Board of Education* national Park in 1990 and the *Brown v. Board of Education* 50<sup>th</sup> Anniversary Presidential Commission in 2001; and

WHEREAS, The City of Topeka was the birthplace of this important story, and visitors may tour the national historic site and museum at the Monroe School building, where the *Brown v. Board of Education* National Historic Park is located; and

WHEREAS, The homecoming celebration for former students and educators of the Topeka's four former African American elementary schools will be held on May 18, 2024, where community speakers, an oral history collection and activities will highlight the significance of the students and faculty at Buchanan Elementary School, McKinley Elementary School, Monroe Elementary School and Washington Elementary School; and

WHEREAS, The City of Topeka is the host of the Civil Rights Summer 2024 event where visitors can celebrate the 70<sup>th</sup> anniversary of *Brown v. Board of Education* with live performances, art installations and a multidisciplinary project created by community-based artist Vanessa German; and

WHEREAS, Visitors of the homecoming and Civil Rights Summer 2024 event have the opportunity to hear Topekans share their lived experience during the *Brown* decision and how the past influenced their lives; and

WHEREAS, To access additional historical information on the importance of *Brown v. Board of Education*, visitors can visit the Kansas State Library: Now, therefore,

*Be it resolved by the House of Representatives of the State of Kansas:* That we commemorate 70 years since the landmark *Brown v. Board of Education* United States Supreme Court decision in 1954; and

*Be it further resolved:* That we encourage all Kansans to commemorate the landmark decision that made segregation illegal in all United States public schools by registering

and attending the Brown v. Board of Education Homecoming Celebration in Topeka on May 18, 2024; and

*Be it further resolved:* That we encourage all Kansans to attend the Civil Rights Summer 2024 event in Topeka; and

*Be it further resolved:* That the Chief Clerk of the House of Representatives shall send enrolled copies of this resolution to the Nicodemus National Historic Monument, the Brown v. Board of Education National Historical Park, the Richard Allen Cultural Center and Museum in Leavenworth, the National Trust for Historic Preservation, the National Museum of African American History and Culture, the Kansas State Historical Society, Kenya Cox, President of the Kansas State NAACP, National Heritage Area Freedoms Frontier and Representatives Robinson, Hawkins, Penn and Estes.

### INTRODUCTION OF GUESTS

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

Rep. Robinson introduced his guests Carolyn Wims-Campbell, Foster Chilsholm and Jim Williams, the Superintendent of The Brown vs Board of Education Historical Park. He recognized that in honor of the 70<sup>th</sup> anniversary of the historical decision, there will be a “celebration for former students and educators of the Capital City’s four former African American elementary schools.”

### CONSIDERATION OF VETO

On motion of Rep. Rep. Tarwater the House proceeded to reconsider **HB 2648** AN ACT concerning administrative rules and regulations; requirements for adoption of rules and regulations; providing that agency adjudications shall not be used to establish policies that are rules governing future private conduct that have the force of law; relating to economic impact statements; requiring legislative ratification for certain rules and regulations; requiring the director of the budget to review an agency’s determination of implementation and compliance costs and disapprove proposed rules and regulations with incomplete or inaccurate economic impact statements; removing a requirement that legislative post audit conduct an audit in 2026 pertaining to economic impact statements; amending K.S.A. 2023 Supp. 77-415, 77-416 and 77-420 and repealing the existing sections..

The Governor’s objection to **HB 2648** having been read (HJ Page 3349) question being shall the bill be passed notwithstanding the Governor’s veto?

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

On roll call, the vote was: Yeas 87; Nays 38; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Awerkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Helgerson, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens,

Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L., Younger.

Nays: Alcalá, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Highberger, Houglan, Hoye, Martínez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Schmoie the House proceeded to reconsider **S Sub HB 2436** AN ACT concerning abortion; relating to unlawful coercion to obtain an abortion; creating the crime of coercion to obtain an abortion; providing the penalties therefor; providing for enhanced criminal penalties for offenses committed with the intent to compel a woman to obtain an abortion; amending K.S.A. 21-6804 and repealing the existing section..

The Governor's objection to **S Sub HB 2436** having been read (HJ Page 3348) question being shall the bill be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 85; Nays 40; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Alcalá, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglan, Hoye, Martínez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Estes the House proceeded to reconsider **HB 2465** AN ACT concerning taxation; relating to adoption expenses; enacting the adoption savings account act; allowing individuals to establish adoption savings accounts with certain financial institutions; providing eligible expenses, requirements and restrictions for such accounts; requiring the secretary of revenue to adopt certain rules and regulations;

granting nonexclusive marketing authority to the state treasurer; establishing addition and subtraction modifications for contributions to such accounts under the Kansas income tax act; increasing the income tax credit amount for adoption expenses; relating to pregnancy resource centers and residential maternity facilities; establishing an income, privilege and premium tax credit for contributions to eligible charitable organizations operating pregnancy centers or residential maternity facilities; providing for a sales tax exemption for purchases by pregnancy resource centers and residential maternity facilities; amending K.S.A. 79-32,202a and K.S.A. 2023 Supp. 79-32,117 and 79-3606 and repealing the existing sections..

The Governor's objection to **HB 2465** having been read (HJ Page 3350) question being shall the bill be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 85; Nays 40; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Awerkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Alcalá, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglund, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: None.

## CONSIDERATION OF VETO

On motion of Rep. Rep. Landwehr the House proceeded to reconsider **HB 2749** AN ACT concerning abortion; relating to reports on abortions performed in this state; requiring the reporting of the reasons for each abortion performed at a medical care facility or by a healthcare provider; amending K.S.A. 2023 Supp. 65-445 and repealing the existing section..

The Governor's objection to **HB 2749** having been read (HJ Page 3349) question being shall the bill be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 84; Nays 41; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Awerkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins,

Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Alcala, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglan, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Schreiber, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: None.

#### EXPLANATIONS OF VOTE

MR. SPEAKER: Subsequent to our original vote on this measure, the carrier of this motion was quoted, "We want to make sure we're making the right decision for these women. On August 2, 2022 men and women across this state voted overwhelmingly for the proposition that women and their doctors should be making these decisions—not the government. Therefore, I vote to **sustain** the Governor's veto of **HB 2749**. – Vic MILLER

MR. SPEAKER: I vote yes to override **HB 2749**. Understanding women's reasons for having abortions can inform public debate and policy regarding abortion and unwanted pregnancy. Demographic changes over the last two decades highlight the need for a reassessment of why women decide to have abortions. – SUSAN ESTES, BRENDA LANDWEHR, LAURA WILLIAMS, PATRICK PENN, JOHN EPLEE, BARB WASINGER, KYLE MCNORTON, CHUCK SMITH, MIKE THOMPSON, RON BRYCE, DOUG BLEX, STEPHEN HOWE, CARL TURNER, WILLIAM SUTTON, SAMANTHA POETTER PARSHALL, MICHAEL MURPHY, LISA MOSER, EMIL BERQUIST, REBECCA SCHMOE, LEAH HOWELL, SANDY PICKERT, ERIC L. SMITH, FRED GARDNER, LES MASON, WEBSTER ROTH, DUANE DROGE, JOE SIEWERT, TIM JOHNSON, MARVIN S. ROBINSON II

#### CONSIDERATION OF VETO

On motion of Rep. Rep. Owens the House proceeded to reconsider **HB 2583** AN ACT concerning crimes, punishment and criminal procedure; relating to crimes against the public morals; increasing the criminal penalty for harming or killing certain dogs and horses; requiring restitution for such crime to include veterinary medical treatment, funeral and burial expenses and replacement of such animal; amending K.S.A. 21-6416 and 21-6604 and repealing the existing sections..

The Governor's objection to **HB 2583** having been read (HJ Page 3351) question being shall the bill be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 105; Nays 20; Present but not voting: 0; Absent or not voting: 0.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew,

Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carmichael, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Helgerson, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McNorton, Melton, Meyer, Minnix, Moser, Murphy, Neelly, Neighbor, Osman, Owens, Penn, Pickert, Poetter, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Woodard, Younger.

Nays: Alcalá, Carlin, Carr, Featherston, Haskins, Haswood, Highberger, Houglan, McDonald, Miller, D., Miller, S., Miller, V., Ohaebosim, Oropeza, Ousley, Ruiz, L., Ruiz, S., Vaughn, Winn, Xu.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Proctor the House proceeded to reconsider **HB 2618** AN ACT concerning elections; relating to the election crime of false representation of an election official; requiring specific intent of the offender as an element of such criminal offense; amending K.S.A. 25-2438 and repealing the existing section.

The Governor's objection to **HB 2618** having been read (HJ Page 3352) question being shall the bill be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 84; Nays 41; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Alcalá, Amyx, Ballard, Carlin, Carmichael, Carr, Collins, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglan, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: None.

**MESSAGE FROM THE SENATE**

Announcing the Senate here with transmits the veto message from the Governor, together with the enrolled copy of **H Sub SB 233**, AN ACT concerning children and minors; relating to healthcare of minors; enacting the forbidding abusive child transitions act; prohibiting healthcare providers from treating a child whose gender identity is inconsistent with the child's sex; authorizing a civil cause of action against healthcare providers for providing such treatments; restricting use of state funds to promote gender transitioning; prohibiting professional liability insurance from covering damages for healthcare providers that provide gender transition treatment to children; requiring professional discipline against a healthcare provider who performs such treatments; adding violation of the act to the definition of unprofessional conduct for physicians; amending K.S.A. 65-2837 and repealing the existing section., which was received on April 12, 2024 and read on April 29, 2024.

**MESSAGE FROM THE GOVERNOR****REGARDING VETO OF HOUSE SUBSTITUTE FOR SENATE BILL 233**

“This divisive legislation targets a small group of Kansans by placing government mandates on them and dictating to parents how to best raise and care for their children. I do not believe that is a conservative value, and it’s certainly not a Kansas value. To be clear, this legislation tramples parental rights. The last place that I would want to be as a politician is between a parent and a child who needed medical care of any kind. And, yet, that is exactly what this legislation does. If the legislature paid this much attention to the other 99.8% of students, we’d have the best schools on earth. Therefore, under Article 2, Section 14(a) of the Constitution, I hereby veto House Substitute for Senate Bill 233.” By the Governor: Laura Kelly Dated April 12, 2024

A motion was made that **H Sub SB 233** be passed notwithstanding the Governor's veto. By vote of 27 Yeas and 13 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the Senate, voting in the affirmative, the bill passed.

On motion of Rep. Croft, the House recessed until 10:35 a.m.

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**LATE MORNING SESSION**

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

**INTRODUCTION OF ORIGINAL MOTIONS**

On motion of Rep. Croft, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **H Sub SB 172**, **HB 2097**.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 172** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on

conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 172, as follows:

On page 1, in line 20, by striking "8" and inserting "9"; in line 36, by striking all after "(A)";

On page 2, by striking all in lines 1 through 6; in line 7, by striking "(G)" and inserting "Any foreign adversary, as such term is defined by 15 C.F.R. § 7.4, as in effect on April 1, 2024; and

(B)";

On page 4, in line 28, by striking "150" and inserting "100"; in line 42, by striking "and"; in line 43, by striking all before "shall";

On page 5, in line 1, by striking all after "property"; by striking all in lines 2 through 6; in line 7, by striking all before the period; in line 8, by striking "(3)" and inserting "(2)"; in line 31, by striking all after "(a)"; by striking all in lines 32 through 34; in line 35, by striking all before "violation" and inserting "The attorney general shall investigate any suspected"; in line 36, by striking all after (b); in line 37, by striking all before "the" and inserting "A foreign principal who is subject to the requirements of section 3, and amendments thereto, may enter into an agreement with the attorney general to divest such foreign principal's interest in real property not more than 360 days from entering into such agreement.

(c)";

On page 6, following line 2, by inserting:

"(d) (1) Upon a determination by a court of competent jurisdiction that the defendant has violated the requirements of section 3, and amendments thereto, the defendant shall have not more than 180 days from the date of such determination to divest such defendant's interest in such real property or to otherwise come into compliance with the provisions of section 3, and amendments thereto.

(2) If such defendant is ordered by the court to divest such defendant's interest in the real property and such defendant had acquired such interest prior to July 1, 2024, such defendant may file a claim against the state pursuant to article 9 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, for any difference in the sales price of the real property caused by such court-ordered divestiture.";

Also on page 6, in line 19, by striking "and" and inserting a comma; in line 20, after "senate" by inserting ", the standing committee on federal and state affairs of the house of representatives and the standing committee on federal and state affairs of the senate. Such report shall detail the implementation of the Kansas land and military installation protection act and include the attorney general's recommended amendments to the definition of country of concern, if any"; following line 37, by inserting:

"New Sec. 8. On or before March 1 of each year, Kansas state university shall use available data and resources to prepare and submit a report to the legislature and the attorney general detailing the status and trends of all foreign land holdings of real property within the state of Kansas.";

Also on page 6, in line 38, by striking "7" and inserting "8"; in line 39, by striking "7" and inserting "8"; in line 42, by striking "7" and inserting "8";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, after "land" by inserting "and";

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

SEAN TARWATER

JESSE BORJON

*Conferees on part of House*

MIKE THOMPSON

RICK KLOOS

*Conferees on part of Senate*

On motion of Rep. Tarwater, the conference committee report on **H Sub SB 172** was adopted.

On roll call, the vote was: Yeas 86; Nays 39; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L., Younger.

Nays: Alcala, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglan, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: None.

## CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2097** submits the following report:

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

On page 1, by striking all in lines 7 through 32; following line 32, by inserting:

"New Section 1. Sections 1 through 6, and amendments thereto, shall be known and may be cited as the Kansas film and digital media production development act. The purpose of the Kansas film and digital media production development act is to incentivize film, video or digital media productions in Kansas and facilitate the development and growth of a film, video or digital media production industry and associated businesses supporting the industry in this state.

New Sec. 2. As used in this act:

(a) "Above-the-line personnel" means any individual hired or credited on screen for an eligible production for work on the production or postproduction of film as a:

(1) Principal cast member compensated for the eligible production project at a screen actors guild schedule f or above payment rate; or

(2) producer, screenwriter or director.

(b) "Act" means the Kansas film and digital media production development act.

(c) "Affiliates" means those entities that are included in the production company's affiliated group as defined in section 1504(a) of the internal revenue code, 26 U.S.C. § 1504(a), and all other entities that are 50% or more owned, directly or indirectly, by members of the affiliated group.

(d) "Based in Kansas" or "Kansas-based" means, in reference to a vendor, production company or company, that the vendor, production company or company is subject to income tax liability under the Kansas income tax act and has a physical presence in Kansas and, with respect to a production company, has maintained a physical presence in Kansas for at least six months prior to submitting an application to the secretary pursuant to section 3, and amendments thereto.

(e) "Certified production" or "certified project" means an eligible production that has agreed to one or more qualified Kansas promotions and that has been approved by the secretary of commerce as eligible for tax incentives pursuant to the provisions of section 3, and amendments thereto.

(f) "Crew" means any individual who works on production or postproduction for an eligible production. "Crew" does not include above-the-line personnel.

(g) (1) "Eligible production" or "eligible project" means a production:

(A) (i) Of a new film, video or digital project, or a portion or portions of such project, produced in this state, including a feature film, documentary, series, pilot, movie for television, televised commercial advertisement, music video, video game, content-based mobile application or a virtual reality, augmented reality, multi-media or new media project;

(ii) produced in whole or in part, in short or in long form, and may include animation, music and green screen, motion capture and similar production techniques;

(iii) fixed on a delivery system including, but not limited to, film format or reels, videotape, computer drive or disc, laser disc or any element of the digital domain, from which the program or completed project is viewed or reproduced; and

(iv) intended for multimarket commercial distribution via theaters, video on demand, direct to DVD, streaming, digital platforms or electronic delivery systems designed for the distribution or playing of interactive games, licensing for exhibition by individual television stations, groups of stations, networks, advertiser-supported sites, cable television stations, streaming companies or public broadcasting stations; and

(B) that incurs or is reasonably anticipated to incur qualified production or postproduction expenses of at least \$50,000, as determined by the secretary.

(2) "Eligible production" or "eligible project" does not include:

(A) The coverage of news or athletic events, local advertising, local interest programming, instructional videos, corporate videos, any project that is not intended for

multimarket commercial distribution or any portion of a project not shot, recorded or created in Kansas; and

(B) any production of obscene material or an obscene performance as defined in K.S.A. 2023 Supp. 21-6401, and amendments thereto.

(3) For purposes of the income tax credit as allowed under section 4(f), and amendments thereto, "eligible production" or "eligible project" means the same as defined in paragraphs (1) and (2), except that a production not intended for multimarket commercial distribution may be included and the amount of eligible expenses required shall be at least \$25,000.

(h) "Eligible television series" means a certified series television production project intended for multimarket commercial distribution, with an order for multiple episodes in a single season, not less than 25% of the series season is filmed within Kansas and the production incurs qualifying eligible expenses of more than \$50,000.

(i) "Eligible wages and salaries" means:

(1) (A) Wages or salaries paid by the production company to crew for work in Kansas designated as for production or for postproduction of an eligible production;

(B) for which the production company is required to remit withholding payments to the department of revenue under the Kansas withholding and declaration of estimated tax act; and

(C) at least 10% of the crew are residents of this state. The secretary and the Kansas arts industry director may agree upon a higher percentage requirement; and

(2) the amounts of wages, salaries or payments paid to above-the-line personnel, except that the eligible amount of such wages, salaries or payments shall not comprise more than 25% of qualified production expenditures as defined in subsection (s).

(j) "Film" means a professional single media, multimedia, video or audiovisual program or feature, that may be digital, that is not obscene material or an obscene performance as defined in K.S.A. 2023 Supp. 21-6401, and amendments thereto. "Film" includes, but is not limited to, film produced for an interactive game or a documentary, special, music video, television commercial or television program, or a portion thereof, that is filmed or taped for cable, television, streaming network, national or regional syndication or for a feature-length motion picture intended for theatrical release or for network, streaming, national or regional syndication or broadcast.

(k) "High-impact production" means a certified production for which production or postproduction expenditures are at least \$50,000,000, and at least  $\frac{1}{3}$  of such total expenditures constitute qualified expenditures approved by the secretary of commerce.

(l) "Kansas film media industry development expenditure" means documented financial, promotional or in-kind contributions or educational or workforce development efforts, at standard rates set by the secretary of commerce in consultation with the Kansas creative arts industries commission, in partnership with related Kansas industry labor organizations or educational institutions, toward the furtherance of the Kansas film or digital media industry. Promotional efforts include, but are not limited to, the promotion of the Kansas industry by directors, actors or producers affiliated with

the production company's project through social media that is managed by the state, radio or television interviews facilitated by the department of commerce, enhanced screen credit acknowledgments or related events that are facilitated, conducted or sponsored by the secretary of commerce or the Kansas creative arts industries commission.

(m) "Multi-film deal" means a certified project in which a production company films at least 75% of main crew principal photography for three or more films in this state within five years.

(n) "Nonresident crew member" means an individual who is not a Kansas resident and is hired for work on an eligible production project within this state.

(o) "Production company" means a person, producer or company that produces film for, including, but not limited to, exhibition in theaters, television, interactive games, cable, syndication or streaming networks. "Production company" includes affiliates of a production company when approved by the secretary and identified in the agreement executed pursuant to section 3, and amendments thereto.

(p) (1) "Postproduction expenditures" means expenditures made in Kansas directly for postproduction activities in Kansas for an eligible production by a production company and includes, but are not limited to, the following categories:

(A) Eligible wages or salaries of above-the-line personnel or crew designated as postproduction;

(B) sound synchronization, recording or mixing;

(C) color grading;

(D) editing and related services;

(E) visual effects or special effects;

(F) computer graphics, special effects or animation services;

(G) film processing or format transfers;

(H) music production, recording, mixing or composition;

(I) licensing of music produced in this state or created by a Kansas resident;

(J) rental of facilities or equipment;

(K) leasing of vehicles, including leasing of airplanes, for postproduction-related transportation and costs of food and lodging; and

(L) other direct postproduction costs of an eligible production in accordance with generally accepted entertainment industry practices.

(2) "Postproduction expenditures" does not include:

(A) Goods, equipment or vehicles not purchased, rented or leased in Kansas from a Kansas-based vendor and when not used in Kansas;

(B) any expenditures for activities, work or services not conducted in Kansas and not performed by a Kansas-based vendor. A vendor that acts as a conduit to enable purchases, rentals or leases to qualify as "production expenditures" that would not

otherwise qualify shall not be considered a Kansas-based vendor with respect to such purchases, rentals or leases; or

(C) costs for footage shot outside this state, marketing, story rights or distribution.

(q) (1) "Production expenditures" means expenditures made in Kansas directly related to or used for production activities in this state for an eligible production by a production company, including, but not limited to, the following categories:

(A) Eligible wages or salaries of above-the-line personnel or crew designated as production;

(B) set construction, maintenance, repair or modification, set furnishings and operations, wardrobe, make-up, materials used to construct costumes, props or scenery, accessories and related services;

(C) scripts, musical scores or storyboards and drafting and design supplies;

(D) photography, sound synchronization, lighting and related services;

(E) editing and related services;

(F) rental of buildings, facilities or equipment and leasing of vehicles, including, but not limited to, leasing of airplanes;

(G) transportation costs, including, but not limited to, leasing of vehicles or airplanes, directly related to production activities in Kansas;

(H) food and lodging;

(I) sound recording or mixing services;

(J) computer graphics, special effects and animation services;

(K) film processing or format transfers;

(L) airfare if purchased through a Kansas travel agency;

(M) insurance costs and bonding if purchased through a Kansas insurance agency; and

(N) other direct costs of producing film in accordance with generally accepted entertainment industry practices.

(2) "Production expenditures" does not include:

(A) Goods, equipment or vehicles not purchased, rented or leased in Kansas from a Kansas-based vendor;

(B) any expenditures for activities, work or services not conducted in Kansas and services not performed at the filming site unless the vendor is a Kansas-based vendor; and

(C) postproduction expenditures as defined in subsection (p) when used for postproduction activities.

(r) "Qualified postproduction expenditures" means the funds actually invested and expended by a production company that are postproduction expenditures made in this state and that are directly used in a certified production, including, but not limited to,

any Kansas film media industry development expenditures, and approved by the secretary of commerce. "Qualified postproduction expenditures" shall not exceed the usual and customary cost of the goods or services acquired. The secretary of commerce or the secretary of revenue may determine the value of the goods or services for purposes of this section when the buyer and seller are affiliates, or the sale or purchase is not an arm's length transaction. "Qualified postproduction expenditures" does not include postproduction expenditures for which another taxpayer claims the production tax credit pursuant to section 4, and amendments thereto.

(s) "Qualified production expenditures" means the funds actually invested and expended by a production company that are production expenditures made in this state and directly used in a certified production, including any Kansas film media industry development expenditures, and approved by the secretary of commerce. "Qualified production expenditures" shall not exceed the usual and customary cost of the goods or services acquired. The secretary of commerce or the secretary of revenue may determine the value of the goods or services for purposes of this act when the buyer and seller are affiliates, or the sale or purchase is not an arm's length transaction. "Qualified production expenditures" does not include production expenditures for which another taxpayer claims the production tax credit pursuant to section 4, and amendments thereto. "Qualified production expenditures" does not include wages, salaries or payment paid to above-the-line personnel that constitute more than 25% of total production expenditures.

(t) "Qualified Kansas promotion" means a promotion of this state, approved by the secretary as to content, distribution, duration and placement within a production, video or interactive game or in associated online or other promotions, that consists of a static or animated logo that promotes Kansas, an embedded Kansas promotion or a Kansas advertisement and that may include a link to a Kansas website.

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

(v) "Vendor" means a business that sells or leases goods or services that are related to standard production industry inventory or services. "Vendor" does not include a personal services business.

New Sec. 3. (a) There is hereby created the Kansas film and digital media industry development program. The purpose of the Kansas film and digital media industry development program is to:

(1) Provide tax incentives, including, but not limited to, an income tax credit and a sales tax exemption, for eligible projects produced in Kansas by production companies that meet the requirements of this act and are approved as certified projects by the secretary of commerce; and

(2) provide tax incentives, support programs or services, including, but not limited to, professional development, infrastructure investments and marketing efforts to develop film and digital media industry-related Kansas businesses.

(b) The program shall be administered by the secretary with the assistance of the Kansas creative arts industries commission. The secretary shall consult with the Kansas creative arts industries commission in administering this act to ensure the best possible use of Kansas resources for promoting and developing film and digital media

production and related industry in Kansas. In determining whether to approve a project as a certified project, the secretary shall consider the immediate impact and potential future impact of the project on the development and growth of the Kansas film, video and digital media production industry. The secretary may limit, by category, specified eligible expenditures or total amounts of eligible production or postproduction expenditures that may be approved by the secretary as qualified production or postproduction expenditures. The aggregate total amount of income tax credits under this act shall not exceed \$10,000,000 in a tax year. The secretary shall designate 10% of such total aggregate amount in each tax year for tax credits for Kansas-based production companies to fulfill the purpose of this act as described in subsection (a)(2).

(c) To be eligible for an income tax credit or a sales tax exemption under this act, a production company shall, prior to the commencement of the project or of principal photography, submit the following to the secretary of commerce in the form and manner and with such documentation and other information as required by the secretary:

(1) An application for approval of the production as an eligible production and for designation as a certified production;

(2) evidence of adequate financing for the project;

(3) evidence of a certificate of general liability insurance with a minimum coverage of \$1,000,000, or a greater amount if required by the secretary, and workers compensation coverage in compliance with Kansas law that shall include coverage of employer liability;

(4) a description of the project, timelines and anticipated completion dates, anticipated eligible expenditures and project activities to be conducted in Kansas, anticipated employment of crew or above-the-line personnel who are Kansas residents or use of Kansas-based vendors and any anticipated construction or contribution of production infrastructure or participation in Kansas film and digital media industry development activities; and

(5) an economic impact statement showing the economic impact from the activities of the project. Such economic impact statement shall indicate the impact on the region of the state in which the project production or production-related activities are conducted and any impact on the state as a whole. The secretary may consider the size of the project when determining the scope and information required.

(d) (1) If the secretary determines that the project is an eligible project and approves the application, the production company shall enter into an agreement with the secretary prior to the commencement of the project on such terms and conditions as the secretary may require. Such terms and conditions shall include, but not be limited to, qualified Kansas promotions to be provided and any limitations the secretary may impose on the amounts of eligible production or postproduction expenditures that may be approved by the secretary as qualified expenditures, whether in total or for specified eligible expenditures or specified eligible expenditure categories.

(2) The production company shall agree to the provision of documentation and information to the secretary or the secretary of revenue on a regular basis as requested by the secretary or secretary of revenue to determine qualified expenditures and compliance with the requirements of this act and rules and regulations adopted by the

secretary or the secretary of revenue pursuant to this act. The production company shall agree to the provision of information to the secretary on a regular basis as requested by the secretary regarding the progress of the project and estimated completion date.

(3) The terms and conditions shall include provisions for repayment of income tax credits or sales tax exempted if requirements of this act or rules and regulations are not met, provisions requiring cooperation with any audit conducted pursuant to this act and provisions for submission of information as required for publication on the Kansas economic incentive database and for the secretary's reports to the legislature as provided by section 5, and amendments thereto.

(4) The terms and conditions may also include agreements by the production company for the facilitation of, coordination with or provision of support services for Kansas businesses and organizations to enable participation in the project or the development of the Kansas film and digital media industry.

(5) If the secretary approves the agreement with the production company, the secretary shall authorize the eligible project as a certified project.

(e) Upon approval by the secretary as an eligible and certified project and the execution of the agreement as provided in subsection (d), the secretary may approve an application by the production company for a sales tax exemption for production or postproduction expenditures pursuant to the provisions of K.S.A. 79-3606(ssss), and amendments thereto, and shall notify the applicant and the secretary of revenue of such approval. In considering approval of such sales tax exemption, the secretary shall prioritize expenditures in rural areas or in economically depressed urban areas to the extent feasible. The secretary may require that all or a portion of expenditures eligible for exemption from sales tax be made with businesses located in such areas, as determined by the secretary. A production company receiving a sales tax exemption shall provide the secretary or the secretary of revenue with such documentation as requested by the secretary or the secretary of revenue to demonstrate that expenditures have been made as required.

(f) Prior to receipt by a production company of any income tax credit authorized by section 4, and amendments thereto, the secretary shall examine and determine the amount of eligible production or eligible postproduction expenditures that are qualified production expenditures or qualified postproduction expenditures of the production company and that such expenditures are for a certified production. No expenditure that was exempt from sales taxation pursuant to K.S.A. 79-3606(ssss), and amendments thereto, shall also be a basis for the income tax credit pursuant to section 4, and amendments thereto, unless specifically approved by the secretary. The production company shall provide such information and documentation as requested by the secretary to make such determination. In addition, the production company shall provide evidence as required by the secretary that:

(1) The production company has filed all Kansas tax returns and tax documents required by law and withholding taxes have been submitted as required by law;

(2) all crew who are Kansas residents and Kansas-based vendors have been paid and that there are no pending liens in this state against the production company; and

(3) the certified project for which a sales tax exemption has been granted or an

income tax credit is requested has been completed, or in the discretion of the secretary, a phase of the certified project has been completed and adequate assurance, as determined by the secretary, has been provided that the project will be fully completed.

(g) As a condition of receiving any income tax credits pursuant to this act, the production company shall provide the secretary with a report by a certified public accountant licensed to practice in Kansas, prepared at the expense of the applicant, verifying that the expenditures have been made in compliance with the requirements of this act. The report shall be provided with a claim for income tax credits as required by section 4, and amendments thereto, or as required by the secretary.

(h) The secretary shall notify the production company and the secretary of revenue of determinations of qualified expenditures made by the secretary.

(i) The secretary of commerce and the secretary of revenue may adopt rules and regulations to implement the provisions of this act.

New Sec. 4. (a) For tax years 2024 through 2033, for any production company or its affiliates that make qualified production or qualified postproduction expenditures for a certified production approved by the secretary of commerce as provided by section 3, and amendments thereto, there shall be allowed an income tax credit against the tax imposed under the Kansas income tax act in the amount as determined pursuant to subsection (d) as limited by subsection (h). The tax credit shall be applied against the production company's income tax liability for the taxable year in which the qualified expenditures are made by the production company. If the amount of the tax credit allowed exceeds the production company's income tax liability for the taxable year, the production company may carry over the amount of the tax credit that exceeds such tax liability for deduction from the production company's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from the production company's tax liability, except that no such tax credit shall be carried over for deduction after the 10<sup>th</sup> taxable year succeeding the year in which the qualified expenditures were made by the production company. If the production company is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability company, the credit shall be claimed by the shareholders of such corporation, the partners of such partnership or members of such limited liability company in the same manner as such shareholders, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability company and in accordance with the agreement executed pursuant to section 3, and amendments thereto. The tax credit may be transferred as provided by subsection (k).

(b) A claim for a tax credit shall be filed with the secretary of revenue as part of a return filed by the production company pursuant to the Kansas income tax act. The order that agreements are executed with the secretary of commerce pursuant to section 3, and amendments thereto, shall determine the order that credit claims are allocated by the secretary of revenue. A claim shall be submitted with a return or amended return within one calendar year of the date of the last eligible production expenditure or the last eligible postproduction expenditure for the certified production that would be eligible for an income tax credit as provided by subsection (a). A request by a production company for an extension of time of up to six months to submit a claim shall

be granted by the secretary of revenue. All qualified production expenditures or postproduction expenditures incurred during the taxable year by a production company for a certified production shall be submitted for credit as part of the same income tax return. A tax credit claim for qualified expenditures during a taxable year shall not be divided and submitted with multiple returns or in multiple years.

(c) The claim shall include a copy of the project certification and the determination of qualified production or postproduction expenditures by the secretary of commerce. The claim shall also include a report by a certified public accountant licensed to practice in Kansas, prepared at the expense of the applicant, verifying that the expenditures have been made in compliance with the requirements of this act.

(d) The amount of the tax credit shall be equal to 30% of:

- (1) The qualified production expenditures for the certified project; or
- (2) the qualified postproduction expenses for a certified project with no qualified production expenses.

(e) The secretary of commerce may approve additional credits as follows:

(1) In addition to the amount authorized by subsection (d)(1):

(A) Up to 5% of the qualified production expenditures for a certified multi-film deal, a certified eligible television series, a certified high-impact production or contributions to film-related infrastructure or workforce development in Kansas, including, but not limited to, contributions to permanent sets, sound stages, film editing facilities, computer graphics, special effects or animation facilities, educational facilities or programs, internships or apprenticeships or equipment for production activities, in the amount such contributions are approved by the secretary of commerce; or

(B) up to 5% for qualified production expenditures for a production if 50% or more of the crew or above-the-line personnel are Kansas residents; or

(2) in addition to the amount authorized under subsection (d)(1) or (2), up to an additional 5%, as determined by the secretary, of the amount of the qualified production expenditures or qualified postproduction expenditures, as applicable, of a certified project of a production company that has previously received an income tax credit under this act with respect to such certified project.

(f) In addition to or in lieu of the credits authorized by subsection (d), as determined by the secretary, a Kansas-based production company that incurs at least \$25,000 in qualified expenditures, including, but not limited to, expenditures for a certified production not intended for multimarket distribution but that otherwise constitute qualified expenditures and meets all other qualifications for a tax credit under this act shall receive a tax credit in the amount of 25% of such qualified expenditures. The tax credit shall be applied against the Kansas-based production company's income tax liability for the taxable year in which the qualified expenditures are made by the Kansas-based production company. If the amount of the tax credit exceeds the Kansas-based production company's income tax liability, the Kansas-based production company may carry over the amount of the tax credit that exceeds such tax liability for deduction from the Kansas-based production company's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been

deducted from the Kansas-based production company's tax liability, except that no such tax credit shall be carried over for deduction after the 10<sup>th</sup> taxable year succeeding the year in which the qualified expenditures were made by the Kansas-based production company. If the Kansas-based production company is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability company, the credit shall be claimed by the shareholders of such corporation, the partners of such partnership or members of such limited liability company in the same manner as such shareholders, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability company and in accordance with the agreement executed pursuant to section 3, and amendments thereto. The tax credit may be transferred as provided by subsection (k).

(g) Notwithstanding any other provision of this act, the tax credit amount based on a production or postproduction expenditure for a single individual who meets the definition of individuals who are above-the-line, nonresident personnel shall be limited to not more than \$500,000 in each taxable year.

(h) The maximum cumulative amount of all income tax credits awarded to a production company for a certified project for a taxable year shall not exceed 40% of the total qualified production expenditures or qualified postproduction expenditures made by the production company for that certified project during that taxable year.

(i) For purposes of determining the payment of credit claims pursuant to this section, the secretary of revenue may require that credit claims of affiliates be combined into one claim if necessary to accurately reflect closely integrated activities of affiliates.

(j) If a production company hires another production company to produce a project or contribute elements of a project for pay, the hired company shall be considered a service provider for the hiring company, and the hiring company shall be entitled to the income tax credit authorized by this section.

(k) The tax credit allowed pursuant to this section may be transferred, in whole or in part, by the production company or, as provided by subsection (a), a shareholder, partner or member, to one or more transferees. The transferor shall provide notification and documentation of the transfer or transfers with its claim for a tax credit pursuant to subsection (b) filed with the secretary of revenue in such form and manner as may be required by the secretary of revenue, including all information requested by the secretary of revenue regarding the transferee. The transferor shall make the transfer within the calendar year in which the transferor's claim is made to the secretary of revenue. The credit shall only be transferred once. The transferor may transfer the credit to any individual or entity subject to income tax under the Kansas income tax act. The transferred credit shall be claimed by the transferee against the transferee's Kansas income tax liability in the taxable year the credit was transferred. The amount of the transferred credit that exceeds the transferee's tax liability for such year may be carried over for deduction from the transferee's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from the transferee's tax liability, except that no such tax credit shall be carried over for deduction after the 10<sup>th</sup> taxable year succeeding the taxable year in which the credit was transferred to the transferee. The transferor or transferee shall provide such

documentation of the transfer to the secretary of revenue as may be required by the secretary and at such time as may be required by the secretary.

(l) The aggregate total amount of credits allowed under this section shall not exceed \$10,000,000 in a tax year. Ten percent of such aggregate total in each tax year shall be designated for tax credits to Kansas-based production companies.

New Sec. 5. On or before January 31, 2025, and each January 31 thereafter through January 31, 2034, the secretary of commerce shall submit an annual report to the house of representatives standing committees on commerce, labor and economic development and taxation and the senate standing committees on commerce and assessment and taxation. The report shall include the amounts and recipients of tax incentives approved by the secretary pursuant to this act for the prior year and to the date of the report, anticipated tax incentive amounts for the current year, the production companies that have applied for and that have been certified for projects, a description of ongoing and completed projects and the impact of such projects and the program on the film, video or digital production industry in Kansas. The secretary of revenue shall provide the secretary of commerce with information as necessary for the report in accordance with the terms of the agreements required by section 3, and amendments thereto.

New Sec. 6. No sales tax exemption or income tax credit pursuant to this act shall apply or be awarded for expenditures made on or after January 1, 2034.

New Sec. 7. As used in sections 7 through 9, and amendments thereto:

(a) "Compensation" means payments in the form of contract labor for which the payor is required to provide a federal tax form 1099 to the person paid, wages subject to withholding tax paid to a part-time employee or full-time employee, or salary or other remuneration. "Compensation" does not include employer-provided retirement, medical or healthcare benefits, reimbursement for travel, meals, lodging or any other expense.

(b) "Qualified employee" means any person employed by a qualified employer who is a resident of Kansas and who is also a member in good standing of the Kansas army or air national guard at some point during the taxable year.

(c) "Qualified employer" means a sole proprietorship, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity or public entity.

New Sec. 8. (a) For taxable years beginning after December 31, 2024, and ending prior to January 1, 2030, a taxpayer who is a qualified employer shall be allowed a credit against the income, privilege or premium tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for the total compensation paid during the taxable year to a qualified employee. Except as otherwise provided, the credit shall be in an amount equal to 10% of the compensation paid.

(b) The credit shall not exceed \$1,000 annually for each qualified employee.

(c) The credit shall be applied against the taxpayer's income, privilege or premium

tax liability after all other credits allowed under the Kansas income tax act, the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto. The credit shall not be refundable and may not be carried forward.

New Sec. 9. For taxable years beginning after December 31, 2024, and ending prior to January 1, 2030, a taxpayer who is a qualified employee during the taxable year shall be allowed a credit against the tax imposed under the provisions of the Kansas income tax act. The credit shall be deducted from the taxpayer's income tax liability for the taxable year in which the taxpayer is a qualified employee. The credit shall not be refundable and may not be carried forward. The credit shall be 10% of the amount of prorated compensation earned by the qualified employee from any qualified employer during the taxable year. The compensation shall be prorated based on the number of entire months that the qualified employee is a member in good standing of the Kansas army or air national guard during the taxable year, determined on the basis of the date of separation from the Kansas army or air national guard. If the qualified employee is dishonorably discharged, discharged under other than honorable conditions or discharged for bad conduct from the Kansas army or air national guard, no credit shall be allowed. The maximum amount of the credit allowed to a qualified employee each taxable year shall be \$1,000.

New Sec. 10. The Kansas army and air national guard shall send to all members by February 1 of every year a notice as described in this section for any members that were members of the Kansas army or air national guard for the prior tax year. Such notice shall be sent by electronic mail to the member and shall state that the recipient, as a member of the Kansas army or air national guard, may be eligible for the income tax credit provided by section 9, and amendments thereto, as a result of the individual's service in the Kansas army or air national guard.

Sec. 11. K.S.A. 2023 Supp. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes and electronic cigarettes as defined by K.S.A. 79-3301, and amendments thereto, including consumable material for such electronic cigarettes, cereal malt beverages and malt products as defined by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt, malt syrup and malt extract, that is not subject to taxation under the provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and laundry services taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross receipts from regulated sports contests taxed pursuant to the Kansas professional regulated sports act, and amendments thereto;

(b) all sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased directly by the state of Kansas, a political subdivision thereof, other than a school or educational institution, or purchased by a public or private nonprofit hospital, public hospital authority, nonprofit blood, tissue or organ bank or nonprofit integrated community care organization and used

exclusively for state, political subdivision, hospital, public hospital authority, nonprofit blood, tissue or organ bank or nonprofit integrated community care organization purposes, except when: (1) Such state, hospital or public hospital authority is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business; or (2) such political subdivision is engaged or proposes to engage in the business of furnishing gas, electricity or heat to others and such items of personal property or service are used or proposed to be used in such business;

(c) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation, except that such exemption shall apply to the erection, construction, repair, enlargement or equipment of buildings used for human habitation by the cerebral palsy research foundation of Kansas located in Wichita, Kansas, and multi community diversified services, incorporated, located in McPherson, Kansas;

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, a public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state use and ownership, that would be exempt from taxation under the provisions of this act if purchased directly by such hospital or public hospital authority, school, educational institution or a state correctional institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or district described in subsection (s), the total cost of which is paid from funds of such political subdivision or district and that would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision or district. Nothing in this subsection or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state or any such district. As used in this subsection, K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities that are to be leased to the donor. When any political subdivision of the state, district described in subsection (s), public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution contracted for state

use and ownership shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or department of corrections concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, district described in subsection (s), hospital or public hospital authority, school, educational institution or the contractor contracting with the department of corrections for a correctional institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United States, its agencies or instrumentalities, that would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be

provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(f) tangible personal property purchased by a railroad or public utility for consumption or movement directly and immediately in interstate commerce;

(g) sales of aircraft including remanufactured and modified aircraft sold to persons using directly or through an authorized agent such aircraft as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government or sold to any foreign government or agency or instrumentality of such foreign government and all sales of aircraft for use outside of the United States and sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft;

(h) all rentals of nonsectarian textbooks by public or private elementary or secondary schools;

(i) the lease or rental of all films, records, tapes, or any type of sound or picture transcriptions used by motion picture exhibitors;

(j) meals served without charge or food used in the preparation of such meals to employees of any restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public if such employees' duties are related to the furnishing or sale of such meals or drinks;

(k) any motor vehicle, semitrailer or pole trailer, as such terms are defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and delivered in this state to a bona fide resident of another state, which motor vehicle, semitrailer, pole trailer or aircraft is not to be registered or based in this state and which vehicle, semitrailer, pole trailer or aircraft will not remain in this state more than 10 days;

(l) all isolated or occasional sales of tangible personal property, services, substances or things, except isolated or occasional sale of motor vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and amendments thereto;

(m) all sales of tangible personal property that become an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail within or without the state of Kansas; and any such producer, manufacturer or compounder may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for use as an ingredient or component part of the property or services produced, manufactured or compounded;

(n) all sales of tangible personal property that is consumed in the production,

manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the treating of by-products or wastes derived from any such production process, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, treating, irrigation and in providing such services;

(o) all sales of animals, fowl and aquatic plants and animals, the primary purpose of which is use in agriculture or aquaculture, as defined in K.S.A. 47-1901, and amendments thereto, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber or fur, or the production of offspring for use for any such purpose or purposes;

(p) all sales of drugs dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "drug" means a compound, substance or preparation and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements or alcoholic beverages, recognized in the official United States pharmacopeia, official homeopathic pharmacopeia of the United States or official national formulary, and supplement to any of them, intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease or intended to affect the structure or any function of the body, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of drugs used in the performance or induction of an abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(q) all sales of insulin dispensed by a person licensed by the state board of pharmacy to a person for treatment of diabetes at the direction of a person licensed to practice medicine by the state board of healing arts;

(r) all sales of oxygen delivery equipment, kidney dialysis equipment, enteral feeding systems, prosthetic devices and mobility enhancing equipment prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry, and in addition to such sales, all sales of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto, and repair and replacement parts therefor, including batteries, by a person licensed in the practice of dispensing and fitting hearing aids pursuant to the provisions of K.S.A. 74-5808, and amendments thereto. For the purposes of this subsection: (1) "Mobility enhancing equipment" means equipment including repair and replacement parts to same, but does not include durable medical equipment, which is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; is not generally used by persons with normal mobility; and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer; and (2) "prosthetic device" means a replacement, corrective or supportive device including repair and replacement parts for same worn on or in the body to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction or support a weak or deformed portion of the body;

(s) except as provided in K.S.A. 82a-2101, and amendments thereto, all sales of tangible personal property or services purchased directly or indirectly by a groundwater

management district organized or operating under the authority of K.S.A. 82a-1020 et seq., and amendments thereto, by a rural water district organized or operating under the authority of K.S.A. 82a-612, and amendments thereto, or by a water supply district organized or operating under the authority of K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which property or services are used in the construction activities, operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include a work-site utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, and is equipped with a bed or cargo box for hauling materials, and shall also include machinery and equipment used in the operation of Christmas tree farming but shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm machinery and equipment" includes precision farming equipment that is portable or is installed or purchased to be installed on farm machinery and equipment. "Precision farming equipment" includes the following items used only in computer-assisted farming, ranching or aquaculture production operations: Soil testing sensors, yield monitors, computers, monitors, software, global positioning and mapping systems, guiding systems, modems, data communications equipment and any necessary mounting hardware, wiring and antennas. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farming or ranching shall include the operation of a feedlot and farm and ranch work for hire and the operation of a nursery;

(u) all leases or rentals of tangible personal property used as a dwelling if such tangible personal property is leased or rented for a period of more than 28 consecutive days;

(v) all sales of tangible personal property to any contractor for use in preparing meals for delivery to homebound elderly persons over 60 years of age and to homebound disabled persons or to be served at a group-sitting at a location outside of the home to otherwise homebound elderly persons over 60 years of age and to otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization, and all sales of tangible personal property for use in preparing meals for consumption by indigent or homeless individuals whether or not such meals are consumed at a place designated for such purpose, and all sales of food products by or on behalf of any such contractor or organization for any such purpose;

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes: (1) To residential premises for noncommercial use by the occupant of such premises; (2) for agricultural use and also, for such use, all sales of propane gas; (3) for use in the severing of oil; and (4) to any property which is exempt from property

taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this paragraph, "severing" means the same as defined in K.S.A. 79-4216(k), and amendments thereto. For all sales of natural gas, electricity and heat delivered through mains, lines or pipes pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions of this subsection shall expire on December 31, 2005;

(x) all sales of propane gas, LP-gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises occurring prior to January 1, 2006;

(y) all sales of materials and services used in the repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States;

(z) all sales of tangible personal property and services purchased directly by a port authority or by a contractor therefor as provided by the provisions of K.S.A. 12-3418, and amendments thereto;

(aa) all sales of materials and services applied to equipment that is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and that is subsequently transported outside the state for use in the transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

(bb) all sales of used mobile homes or manufactured homes. As used in this subsection: (1) "Mobile homes" and "manufactured homes" mean the same as defined in K.S.A. 58-4202, and amendments thereto; and (2) "sales of used mobile homes or manufactured homes" means sales other than the original retail sale thereof;

(cc) all sales of tangible personal property or services purchased prior to January 1, 2012, except as otherwise provided, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business that meets the requirements established in K.S.A. 74-50,115, and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business, and all sales of tangible personal property or services purchased on or after January 1, 2012, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business that meets the requirements established in K.S.A. 74-50,115(e), and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a

certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "business" and "retail business" mean the same as defined in K.S.A. 74-50,114, and amendments thereto. Project exemption certificates that have been previously issued under this subsection by the department of revenue pursuant to K.S.A. 74-50,115, and amendments thereto, but not including K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012, and have not expired will be effective for the term of the project or two years from the effective date of the certificate, whichever occurs earlier. Project exemption certificates that are submitted to the department of revenue prior to January 1, 2012, and are found to qualify will be issued a project exemption certificate that will be effective for a two-year period or for the term of the project, whichever occurs earlier;

(dd) all sales of tangible personal property purchased with food stamps issued by the United States department of agriculture;

(ee) all sales of lottery tickets and shares made as part of a lottery operated by the state of Kansas;

(ff) on and after July 1, 1988, all sales of new mobile homes or manufactured homes to the extent of 40% of the gross receipts, determined without regard to any trade-in allowance, received from such sale. As used in this subsection, "mobile homes" and "manufactured homes" mean the same as defined in K.S.A. 58-4202, and amendments thereto;

(gg) all sales of tangible personal property purchased in accordance with vouchers issued pursuant to the federal special supplemental food program for women, infants and children;

(hh) all sales of medical supplies and equipment, including durable medical equipment, purchased directly by a nonprofit skilled nursing home or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923, and amendments thereto, for the purpose of providing medical services to residents thereof. This exemption shall not apply to tangible personal property customarily used for human habitation purposes. As used in this subsection, "durable medical equipment" means equipment including repair and replacement parts for such equipment, that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury and is not worn in or on the body, but does not include mobility enhancing equipment as defined in subsection (r), oxygen delivery equipment, kidney dialysis equipment or enteral feeding systems;

(ii) all sales of tangible personal property purchased directly by a nonprofit organization for nonsectarian comprehensive multidiscipline youth development programs and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based facility for people with intellectual disability or mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto, and licensed in

accordance with the provisions of K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible personal property or services purchased by contractors during the time period from July, 2003, through June, 2006, for the purpose of constructing, equipping, maintaining or furnishing a new facility for a community-based facility for people with intellectual disability or mental health center located in Riverton, Cherokee County, Kansas, that would have been eligible for sales tax exemption pursuant to this subsection if purchased directly by such facility or center. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

(kk) (1) (A) all sales of machinery and equipment that are used in this state as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility;

(B) all sales of installation, repair and maintenance services performed on such machinery and equipment; and

(C) all sales of repair and replacement parts and accessories purchased for such machinery and equipment.

(2) For purposes of this subsection:

(A) "Integrated production operation" means an integrated series of operations engaged in at a manufacturing or processing plant or facility to process, transform or convert tangible personal property by physical, chemical or other means into a different form, composition or character from that in which it originally existed. Integrated production operations shall include: (i) Production line operations, including packaging operations; (ii) preproduction operations to handle, store and treat raw materials; (iii) post production handling, storage, warehousing and distribution operations; and (iv) waste, pollution and environmental control operations, if any;

(B) "production line" means the assemblage of machinery and equipment at a manufacturing or processing plant or facility where the actual transformation or processing of tangible personal property occurs;

(C) "manufacturing or processing plant or facility" means a single, fixed location owned or controlled by a manufacturing or processing business that consists of one or more structures or buildings in a contiguous area where integrated production operations are conducted to manufacture or process tangible personal property to be ultimately sold at retail. Such term shall not include any facility primarily operated for the purpose of conveying or assisting in the conveyance of natural gas, electricity, oil or water. A business may operate one or more manufacturing or processing plants or facilities at different locations to manufacture or process a single product of tangible personal property to be ultimately sold at retail;

(D) "manufacturing or processing business" means a business that utilizes an integrated production operation to manufacture, process, fabricate, finish or assemble items for wholesale and retail distribution as part of what is commonly regarded by the general public as an industrial manufacturing or processing operation or an agricultural commodity processing operation. (i) Industrial manufacturing or processing operations include, by way of illustration but not of limitation, the fabrication of automobiles, airplanes, machinery or transportation equipment, the fabrication of metal, plastic, wood or paper products, electricity power generation, water treatment, petroleum refining, chemical production, wholesale bottling, newspaper printing, ready mixed concrete production, and the remanufacturing of used parts for wholesale or retail sale. Such processing operations shall include operations at an oil well, gas well, mine or

other excavation site where the oil, gas, minerals, coal, clay, stone, sand or gravel that has been extracted from the earth is cleaned, separated, crushed, ground, milled, screened, washed or otherwise treated or prepared before its transmission to a refinery or before any other wholesale or retail distribution. (ii) Agricultural commodity processing operations include, by way of illustration but not of limitation, meat packing, poultry slaughtering and dressing, processing and packaging farm and dairy products in sealed containers for wholesale and retail distribution, feed grinding, grain milling, frozen food processing, and grain handling, cleaning, blending, fumigation, drying and aeration operations engaged in by grain elevators or other grain storage facilities. (iii) Manufacturing or processing businesses do not include, by way of illustration but not of limitation, nonindustrial businesses whose operations are primarily retail and that produce or process tangible personal property as an incidental part of conducting the retail business, such as retailers who bake, cook or prepare food products in the regular course of their retail trade, grocery stores, meat lockers and meat markets that butcher or dress livestock or poultry in the regular course of their retail trade, contractors who alter, service, repair or improve real property, and retail businesses that clean, service or refurbish and repair tangible personal property for its owner;

(E) "repair and replacement parts and accessories" means all parts and accessories for exempt machinery and equipment, including, but not limited to, dies, jigs, molds, patterns and safety devices that are attached to exempt machinery or that are otherwise used in production, and parts and accessories that require periodic replacement such as belts, drill bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick and other refractory items for exempt kiln equipment used in production operations;

(F) "primary" or "primarily" mean more than 50% of the time.

(3) For purposes of this subsection, machinery and equipment shall be deemed to be used as an integral or essential part of an integrated production operation when used to:

(A) Receive, transport, convey, handle, treat or store raw materials in preparation of its placement on the production line;

(B) transport, convey, handle or store the property undergoing manufacturing or processing at any point from the beginning of the production line through any warehousing or distribution operation of the final product that occurs at the plant or facility;

(C) act upon, effect, promote or otherwise facilitate a physical change to the property undergoing manufacturing or processing;

(D) guide, control or direct the movement of property undergoing manufacturing or processing;

(E) test or measure raw materials, the property undergoing manufacturing or processing or the finished product, as a necessary part of the manufacturer's integrated production operations;

(F) plan, manage, control or record the receipt and flow of inventories of raw materials, consumables and component parts, the flow of the property undergoing manufacturing or processing and the management of inventories of the finished product;

(G) produce energy for, lubricate, control the operating of or otherwise enable the functioning of other production machinery and equipment and the continuation of production operations;

(H) package the property being manufactured or processed in a container or

wrapping in which such property is normally sold or transported;

(I) transmit or transport electricity, coke, gas, water, steam or similar substances used in production operations from the point of generation, if produced by the manufacturer or processor at the plant site, to that manufacturer's production operation; or, if purchased or delivered from off-site, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;

(J) cool, heat, filter, refine or otherwise treat water, steam, acid, oil, solvents or other substances that are used in production operations;

(K) provide and control an environment required to maintain certain levels of air quality, humidity or temperature in special and limited areas of the plant or facility, where such regulation of temperature or humidity is part of and essential to the production process;

(L) treat, transport or store waste or other byproducts of production operations at the plant or facility; or

(M) control pollution at the plant or facility where the pollution is produced by the manufacturing or processing operation.

(4) The following machinery, equipment and materials shall be deemed to be exempt even though it may not otherwise qualify as machinery and equipment used as an integral or essential part of an integrated production operation: (A) Computers and related peripheral equipment that are utilized by a manufacturing or processing business for engineering of the finished product or for research and development or product design; (B) machinery and equipment that is utilized by a manufacturing or processing business to manufacture or rebuild tangible personal property that is used in manufacturing or processing operations, including tools, dies, molds, forms and other parts of qualifying machinery and equipment; (C) portable plants for aggregate concrete, bulk cement and asphalt including cement mixing drums to be attached to a motor vehicle; (D) industrial fixtures, devices, support facilities and special foundations necessary for manufacturing and production operations, and materials and other tangible personal property sold for the purpose of fabricating such fixtures, devices, facilities and foundations. An exemption certificate for such purchases shall be signed by the manufacturer or processor. If the fabricator purchases such material, the fabricator shall also sign the exemption certificate; (E) a manufacturing or processing business' laboratory equipment that is not located at the plant or facility, but that would otherwise qualify for exemption under subsection (3)(E); (F) all machinery and equipment used in surface mining activities as described in K.S.A. 49-601 et seq., and amendments thereto, beginning from the time a reclamation plan is filed to the acceptance of the completed final site reclamation.

(5) "Machinery and equipment used as an integral or essential part of an integrated production operation" shall not include:

(A) Machinery and equipment used for nonproduction purposes, including, but not limited to, machinery and equipment used for plant security, fire prevention, first aid, accounting, administration, record keeping, advertising, marketing, sales or other related activities, plant cleaning, plant communications and employee work scheduling;

(B) machinery, equipment and tools used primarily in maintaining and repairing any type of machinery and equipment or the building and plant;

(C) transportation, transmission and distribution equipment not primarily used in a production, warehousing or material handling operation at the plant or facility,

including the means of conveyance of natural gas, electricity, oil or water, and equipment related thereto, located outside the plant or facility;

(D) office machines and equipment including computers and related peripheral equipment not used directly and primarily to control or measure the manufacturing process;

(E) furniture and other furnishings;

(F) buildings, other than exempt machinery and equipment that is permanently affixed to or becomes a physical part of the building, and any other part of real estate that is not otherwise exempt;

(G) building fixtures that are not integral to the manufacturing operation, such as utility systems for heating, ventilation, air conditioning, communications, plumbing or electrical;

(H) machinery and equipment used for general plant heating, cooling and lighting;

(I) motor vehicles that are registered for operation on public highways; or

(J) employee apparel, except safety and protective apparel that is purchased by an employer and furnished gratuitously to employees who are involved in production or research activities.

(6) Paragraphs (3) and (5) shall not be construed as exclusive listings of the machinery and equipment that qualify or do not qualify as an integral or essential part of an integrated production operation. When machinery or equipment is used as an integral or essential part of production operations part of the time and for nonproduction purposes at other times, the primary use of the machinery or equipment shall determine whether or not such machinery or equipment qualifies for exemption.

(7) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this subsection;

(ll) all sales of educational materials purchased for distribution to the public at no charge by a nonprofit corporation organized for the purpose of encouraging, fostering and conducting programs for the improvement of public health, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such materials purchased by a nonprofit corporation which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(mm) all sales of seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides and fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use;

(nn) except as otherwise provided in this act, all sales of services rendered by an advertising agency or licensed broadcast station or any member, agent or employee thereof;

(oo) all sales of tangible personal property purchased by a community action group or agency for the exclusive purpose of repairing or weatherizing housing occupied by low-income individuals;

(pp) all sales of drill bits and explosives actually utilized in the exploration and production of oil or gas;

(qq) all sales of tangible personal property and services purchased by a nonprofit museum or historical society or any combination thereof, including a nonprofit organization that is organized for the purpose of stimulating public interest in the exploration of space by providing educational information, exhibits and experiences, that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal

internal revenue code of 1986;

(rr) all sales of tangible personal property that will admit the purchaser thereof to any annual event sponsored by a nonprofit organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such tangible personal property purchased by a nonprofit organization which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto;

(ss) all sales of tangible personal property and services purchased by a public broadcasting station licensed by the federal communications commission as a noncommercial educational television or radio station;

(tt) all sales of tangible personal property and services purchased by or on behalf of a not-for-profit corporation that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the sole purpose of constructing a Kansas Korean War memorial;

(uu) all sales of tangible personal property and services purchased by or on behalf of any rural volunteer fire-fighting organization for use exclusively in the performance of its duties and functions;

(vv) all sales of tangible personal property purchased by any of the following organizations that are exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the following purposes, and all sales of any such property by or on behalf of any such organization for any such purpose:

(1) The American heart association, Kansas affiliate, inc. for the purposes of providing education, training, certification in emergency cardiac care, research and other related services to reduce disability and death from cardiovascular diseases and stroke;

(2) the Kansas alliance for the mentally ill, inc. for the purpose of advocacy for persons with mental illness and to education, research and support for their families;

(3) the Kansas mental illness awareness council for the purposes of advocacy for persons who are mentally ill and for education, research and support for them and their families;

(4) the American diabetes association Kansas affiliate, inc. for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training;

(5) the American lung association of Kansas, inc. for the purpose of eliminating all lung diseases through medical research, public education including information on coping with lung diseases, professional education and training related to lung disease and other related services to reduce the incidence of disability and death due to lung disease;

(6) the Kansas chapters of the Alzheimer's disease and related disorders association, inc. for the purpose of providing assistance and support to persons in Kansas with Alzheimer's disease, and their families and caregivers;

(7) the Kansas chapters of the Parkinson's disease association for the purpose of eliminating Parkinson's disease through medical research and public and professional education related to such disease;

(8) the national kidney foundation of Kansas and western Missouri for the purpose of eliminating kidney disease through medical research and public and private education related to such disease;

(9) the heartstrings community foundation for the purpose of providing training, employment and activities for adults with developmental disabilities;

(10) the cystic fibrosis foundation, heart of America chapter, for the purposes of assuring the development of the means to cure and control cystic fibrosis and improving the quality of life for those with the disease;

(11) the spina bifida association of Kansas for the purpose of providing financial, educational and practical aid to families and individuals with spina bifida. Such aid includes, but is not limited to, funding for medical devices, counseling and medical educational opportunities;

(12) the CHWC, Inc., for the purpose of rebuilding urban core neighborhoods through the construction of new homes, acquiring and renovating existing homes and other related activities, and promoting economic development in such neighborhoods;

(13) the cross-lines cooperative council for the purpose of providing social services to low income individuals and families;

(14) the dreams work, inc., for the purpose of providing young adult day services to individuals with developmental disabilities and assisting families in avoiding institutional or nursing home care for a developmentally disabled member of their family;

(15) the KSDS, Inc., for the purpose of promoting the independence and inclusion of people with disabilities as fully participating and contributing members of their communities and society through the training and providing of guide and service dogs to people with disabilities, and providing disability education and awareness to the general public;

(16) the lyme association of greater Kansas City, Inc., for the purpose of providing support to persons with lyme disease and public education relating to the prevention, treatment and cure of lyme disease;

(17) the dream factory, inc., for the purpose of granting the dreams of children with critical and chronic illnesses;

(18) the Ottawa Suzuki strings, inc., for the purpose of providing students and families with education and resources necessary to enable each child to develop fine character and musical ability to the fullest potential;

(19) the international association of lions clubs for the purpose of creating and fostering a spirit of understanding among all people for humanitarian needs by providing voluntary services through community involvement and international cooperation;

(20) the Johnson county young matrons, inc., for the purpose of promoting a positive future for members of the community through volunteerism, financial support and education through the efforts of an all volunteer organization;

(21) the American cancer society, inc., for the purpose of eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy and service;

(22) the community services of Shawnee, inc., for the purpose of providing food and clothing to those in need;

(23) the angel babies association, for the purpose of providing assistance, support

and items of necessity to teenage mothers and their babies; ~~and~~

(24) the Kansas fairgrounds foundation for the purpose of the preservation, renovation and beautification of the Kansas state fairgrounds; ~~and~~

(25) the friends of cedar crest association for the purpose of providing preservation, restoration and enhancement of cedar crest and to encourage awareness of and contribution to the historic and cultural importance of cedar crest;

(ww) all sales of tangible personal property purchased by the habitat for humanity for the exclusive use of being incorporated within a housing project constructed by such organization;

(xx) all sales of tangible personal property and services purchased by a nonprofit zoo that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, or on behalf of such zoo by an entity itself exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986 contracted with to operate such zoo and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo that would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit zoo or the entity operating such zoo. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo. When any nonprofit zoo shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the nonprofit zoo concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the nonprofit zoo concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(yy) all sales of tangible personal property and services purchased by a parent-teacher association or organization, and all sales of tangible personal property by or on behalf of such association or organization;

(zz) all sales of machinery and equipment purchased by over-the-air, free access radio or television station that is used directly and primarily for the purpose of producing a broadcast signal or is such that the failure of the machinery or equipment to operate would cause broadcasting to cease. For purposes of this subsection, machinery and equipment shall include, but not be limited to, that required by rules and regulations of the federal communications commission, and all sales of electricity which are essential or necessary for the purpose of producing a broadcast signal or is such that the failure of the electricity would cause broadcasting to cease;

(aaa) all sales of tangible personal property and services purchased by a religious organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after July 1,

1998, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(bbb) all sales of food for human consumption by an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, pursuant to a food distribution program that offers such food at a price below cost in exchange for the performance of community service by the purchaser thereof;

(ccc) on and after July 1, 1999, all sales of tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically underserved individuals and families, and that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center that would be exempt from taxation under the provisions of this section if purchased directly by such clinic or center, except that for taxable years commencing after December 31, 2013, this subsection shall not apply to any sales of such tangible personal property and services purchased by a primary care clinic or health center which performs any abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center. When any such clinic or center shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such clinic or center concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such clinic or center concerned shall be

liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of sales tax that would have been payable except for the operation of this subsection shall be recouped in accordance with rules and regulations adopted for such purpose by the secretary of revenue;

(eee) on and after January 1, 1999, and before January 1, 2001, all sales of materials and services purchased for the original construction, reconstruction, repair or replacement of grain storage facilities, including railroad sidings providing access thereto;

(fff) all sales of material handling equipment, racking systems and other related machinery and equipment that is used for the handling, movement or storage of tangible personal property in a warehouse or distribution facility in this state; all sales of installation, repair and maintenance services performed on such machinery and equipment; and all sales of repair and replacement parts for such machinery and equipment. For purposes of this subsection, a warehouse or distribution facility means a single, fixed location that consists of buildings or structures in a contiguous area where storage or distribution operations are conducted that are separate and apart from the business' retail operations, if any, and that do not otherwise qualify for exemption as occurring at a manufacturing or processing plant or facility. Material handling and storage equipment shall include aeration, dust control, cleaning, handling and other such equipment that is used in a public grain warehouse or other commercial grain storage facility, whether used for grain handling, grain storage, grain refining or processing, or other grain treatment operation;

(ggg) all sales of tangible personal property and services purchased by or on behalf of the Kansas academy of science, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and used solely by such academy for the preparation, publication and dissemination of education materials;

(hhh) all sales of tangible personal property and services purchased by or on behalf of all domestic violence shelters that are member agencies of the Kansas coalition against sexual and domestic violence;

(iii) all sales of personal property and services purchased by an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and such personal property and services are used by any such organization in the collection, storage and distribution of food products to

nonprofit organizations that distribute such food products to persons pursuant to a food distribution program on a charitable basis without fee or charge, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities used for the collection and storage of such food products for any such organization which is exempt from federal income taxation pursuant to section 501(c) (3) of the federal internal revenue code of 1986, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after July 1, 2005, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(jjj) all sales of dietary supplements dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and

amendments thereto. As used in this subsection, "dietary supplement" means any product, other than tobacco, intended to supplement the diet that: (1) Contains one or more of the following dietary ingredients: A vitamin, a mineral, an herb or other botanical, an amino acid, a dietary substance for use by humans to supplement the diet by increasing the total dietary intake or a concentrate, metabolite, constituent, extract or combination of any such ingredient; (2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap or liquid form, or if not intended for ingestion, in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and (3) is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. § 101.36;

(lll) all sales of tangible personal property and services purchased by special olympics Kansas, inc. for the purpose of providing year-round sports training and athletic competition in a variety of olympic-type sports for individuals with intellectual disabilities by giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other special olympics athletes and the community, and activities provided or sponsored by such organization, and all sales of tangible personal property by or on behalf of any such organization;

(mmm) all sales of tangible personal property purchased by or on behalf of the Marillac center, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing psycho-social-biological and special education services to children, and all sales of any such property by or on behalf of such organization for such purpose;

(nnn) all sales of tangible personal property and services purchased by the west Sedgwick county-sunrise rotary club and sunrise charitable fund for the purpose of constructing a boundless playground which is an integrated, barrier free and developmentally advantageous play environment for children of all abilities and disabilities;

(ooo) all sales of tangible personal property by or on behalf of a public library serving the general public and supported in whole or in part with tax money or a not-for-profit organization whose purpose is to raise funds for or provide services or other benefits to any such public library;

(ppp) all sales of tangible personal property and services purchased by or on behalf of a homeless shelter that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal income tax code of 1986, and used by any such homeless shelter to provide emergency and transitional housing for individuals and families experiencing homelessness, and all sales of any such property by or on behalf of any such homeless shelter for any such purpose;

(qqq) all sales of tangible personal property and services purchased by TLC for children and families, inc., hereinafter referred to as TLC, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of TLC for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining,

repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by TLC. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC. When TLC contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(rrr) all sales of tangible personal property and services purchased by any county law library maintained pursuant to law and sales of tangible personal property and services purchased by an organization that would have been exempt from taxation under the provisions of this subsection if purchased directly by the county law library for the purpose of providing legal resources to attorneys, judges, students and the general public, and all sales of any such property by or on behalf of any such county law library;

(sss) all sales of tangible personal property and services purchased by catholic charities or youthville, hereinafter referred to as charitable family providers, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of charitable family providers for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for charitable family providers for

any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by charitable family providers. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for charitable family providers. When charitable family providers contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to charitable family providers a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, charitable family providers shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(ttt) all sales of tangible personal property or services purchased by a contractor for a project for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility owned by a nonprofit museum that has been granted an exemption pursuant to subsection (qq), which such home or facility is located in a city that has been designated as a qualified hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and amendments thereto, and which such project is related to the purposes of K.S.A. 75-5071 et seq., and amendments thereto, and that would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit museum. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility for any such nonprofit museum. When any such nonprofit museum shall contract for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of

such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such nonprofit museum a sworn statement on a form to be provided by the director of taxation that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in a home or facility or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such nonprofit museum shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(uuu) all sales of tangible personal property and services purchased by Kansas children's service league, hereinafter referred to as KCSL, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing for the prevention and treatment of child abuse and maltreatment as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of KCSL for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for KCSL for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by KCSL. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for KCSL. When KCSL contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to KCSL a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or

compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, KCSL shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(vvv) all sales of tangible personal property or services, including the renting and leasing of tangible personal property or services, purchased by jazz in the woods, inc., a Kansas corporation that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing jazz in the woods, an event benefiting children-in-need and other nonprofit charities assisting such children, and all sales of any such property by or on behalf of such organization for such purpose;

(www) all sales of tangible personal property purchased by or on behalf of the Frontenac education foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing education support for students, and all sales of any such property by or on behalf of such organization for such purpose;

(xxx) all sales of personal property and services purchased by the booth theatre foundation, inc., an organization, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such personal property and services are used by any such organization in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling of the booth theatre, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling the booth theatre for such organization, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this

subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after January 1, 2007, but prior to the effective date of this act upon the gross receipts received from any sale which would have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(yyy) all sales of tangible personal property and services purchased by TLC charities foundation, inc., hereinafter referred to as TLC charities, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of encouraging private philanthropy to further the vision, values, and goals of TLC for children and families, inc.; and all sales of such property and services by or on behalf of TLC charities for any such purpose and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC charities for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by TLC charities. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC charities. When TLC charities contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC charities a sworn

statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be incorporated into the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC charities shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(zzz) all sales of tangible personal property purchased by the rotary club of shawnee foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, as amended, used for the purpose of providing contributions to community service organizations and scholarships;

(aaaa) all sales of personal property and services purchased by or on behalf of victory in the valley, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing a cancer support group and services for persons with cancer, and all sales of any such property by or on behalf of any such organization for any such purpose;

(bbbb) all sales of entry or participation fees, charges or tickets by Guadalupe health foundation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for such organization's annual fundraising event which purpose is to provide health care services for uninsured workers;

(cccc) all sales of tangible personal property or services purchased by or on behalf of wayside waifs, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing such organization's annual fundraiser, an event whose purpose is to support the care of homeless and abandoned animals, animal adoption efforts, education programs for children and efforts to reduce animal over-population and animal welfare services, and all sales of any such property, including entry or participation fees or charges, by or on behalf of such organization for such purpose;

(dddd) all sales of tangible personal property or services purchased by or on behalf of goodwill industries or Easter seals of Kansas, inc., both of which are exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing education, training and employment opportunities for people with disabilities and other barriers to employment;

(eeee) all sales of tangible personal property or services purchased by or on behalf

of all American beef battalion, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of educating, promoting and participating as a contact group through the beef cattle industry in order to carry out such projects that provide support and morale to members of the United States armed forces and military services;

(ffff) all sales of tangible personal property and services purchased by sheltered living, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing residential and day services for people with developmental disabilities or intellectual disability, or both, and all sales of any such property by or on behalf of sheltered living, inc., for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of rehabilitating, constructing, maintaining, repairing, enlarging, furnishing or remodeling homes and facilities for sheltered living, inc., for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by sheltered living, inc. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such homes and facilities for sheltered living, inc. When sheltered living, inc., contracts for the purpose of rehabilitating, constructing, maintaining, repairing, enlarging, furnishing or remodeling such homes and facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to sheltered living, inc., a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, sheltered living, inc., shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(gggg) all sales of game birds for which the primary purpose is use in hunting;

(hhhh) all sales of tangible personal property or services purchased on or after July 1, 2014, for the purpose of and in conjunction with constructing, reconstructing,

enlarging or remodeling a business identified under the North American industry classification system (NAICS) subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and installation of machinery and equipment purchased for installation at any such business. The exemption provided in this subsection shall not apply to projects that have actual total costs less than \$50,000. When a person contracts for the construction, reconstruction, enlargement or remodeling of any such business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to the owner of the business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor of the contractor, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(iiii) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for Wichita children's home for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by Wichita children's home. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for Wichita children's home. When Wichita children's home contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to Wichita children's home a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, Wichita children's home shall be liable for the tax on all materials purchased for the project, and upon payment, it may recover

the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(jjjj) all sales of tangible personal property or services purchased by or on behalf of the beacon, inc., that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing those desiring help with food, shelter, clothing and other necessities of life during times of special need;

(kkkk) all sales of tangible personal property and services purchased by or on behalf of reaching out from within, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of sponsoring self-help programs for incarcerated persons that will enable such incarcerated persons to become role models for non-violence while in correctional facilities and productive family members and citizens upon return to the community;

(llll) all sales of tangible personal property and services purchased by Gove county healthcare endowment foundation, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of constructing and equipping an airport in Quinter, Kansas, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing and equipping an airport in Quinter, Kansas, for such organization, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing or equipping of facilities for such organization. When such organization shall contract for the purpose of constructing or equipping an airport in Quinter, Kansas, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation no later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who purchased

under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. The provisions of this subsection shall expire and have no effect on and after July 1, 2019;

(mmmm) all sales of gold or silver coins; and palladium, platinum, gold or silver bullion. For the purposes of this subsection, "bullion" means bars, ingots or commemorative medallions of gold, silver, platinum, palladium, or a combination thereof, for which the value of the metal depends on its content and not the form;

(nnnn) all sales of tangible personal property or services purchased by friends of hospice of Jefferson county, an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the purpose of providing support to the Jefferson county hospice agency in end-of-life care of Jefferson county families, friends and neighbors, and all sales of entry or participation fees, charges or tickets by friends of hospice of Jefferson county for such organization's fundraising event for such purpose;

(oooo) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a qualified business facility by a qualified firm or qualified supplier that meets the requirements established in K.S.A. 2023 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has been approved for a project exemption certificate by the secretary of commerce, and the sale and installation of machinery and equipment purchased by such qualified firm or qualified supplier for installation at any such qualified business facility. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such qualified business facility, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to the owner of the qualified firm or qualified supplier a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "qualified business facility," "qualified firm" and "qualified supplier" mean the same as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

(pppp) (1) all sales of tangible personal property or services purchased by a not-for-profit corporation that is designated as an area agency on aging by the secretary for aging and disabilities services and is exempt from federal income taxation pursuant to

section 501(c)(3) of the federal internal revenue code for the purpose of coordinating and providing seniors and those living with disabilities with services that promote person-centered care, including home-delivered meals, congregate meal settings, long-term case management, transportation, information, assistance and other preventative and intervention services to help service recipients remain in their homes and communities or for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for such area agency on aging; and

(2) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for an area agency on aging that would be exempt from taxation under the provisions of this section if purchased directly by such area agency on aging. Nothing in this paragraph shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for an area agency on aging. When an area agency on aging contracts for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and such contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such area agency on aging a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the area agency on aging concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof, the area agency on aging may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto; ~~and~~

(qqqq) all sales of tangible personal property or services purchased by Kansas suicide prevention HQ, inc., an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for the purpose of bringing suicide prevention training and awareness to communities across the state;

(rrrr) all sales of tangible personal property purchased by the following not-for-profit corporations that are exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986 and operate a theater in the state of Kansas:

- (1) theater Atchison, inc.;
- (2) theater Lawrence, inc.;
- (3) Topeka civic theater and academy inc.;
- (4) great plains theater, inc.;
- (5) Salina community theater association; and
- (6) music theater Wichita, inc.; and

(ssss) all sales of tangible personal property or services constituting production or postproduction expenditures purchased for the purpose of a certified project by a production company that meets the requirements established in section 3, and amendments thereto, and that has been approved for a project exemption certificate by the secretary of commerce and the sale and installation of machinery and equipment constituting production or postproduction expenditures purchased by such production company for use in this state for a certified project. Such sales tax exemptions may be limited by the secretary of commerce as provided by section 3, and amendments thereto. When a production company contracts for construction, reconstruction, enlargement or remodeling of any facility for purposes of a certified project that constitutes a production or postproduction expenditure, the production company shall obtain from the state and furnish to the contractor an exemption certificate for the certified project, and the contractor may purchase materials, machinery and equipment for incorporation in such work. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering such purchases bearing the number of such certificate. Upon completion of the work, the contractor shall furnish to the owner of the production company a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection and section 3, and amendments thereto. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof who uses or otherwise disposes of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "certified project," "postproduction expenditure," "production company" and "production expenditure" mean the same as defined in section 2, and amendments thereto.";

Also on page 1, in line 33, by striking "40-247" and inserting "2023 Supp. 79-3606"; in line 35, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

relating to income, privilege and premium tax credits; establishing a tax credit for employers that employ members of the Kansas army and air national guard and establishing an income tax credit for employees who are members thereof; requiring notices to be sent to inform such members of possible eligibility for the tax credit; relating to sales tax; providing a sales tax exemption for purchases by certain not-for-profit community theaters and purchases and sales made by the friends of cedar crest association"; in line 4, by striking "40-247" and inserting "2023 Supp. 79-3606";

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

VIRGIL PECK

J R CLAEYS

TOM HOLLAND

*Conferees on part of Senate*

ADAM SMITH

BRIAN BERGKAMP

TOM SAWYER

*Conferees on part of House*

On motion of Rep. Sanders, the conference committee report on **HB 2097** was adopted.

On roll call, the vote was: Yeas 102; Nays 22; Present but not voting: 1; Absent or not voting: 0.

Yeas: Alcalá, Amyx, Anderson, Ballard, Bergquist, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Featherston, Francis, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Hill, Hoffman, Hoheisel, Hougland, Houser, Howell, Howerton, Hoye, Humphries, T. Johnson, Kessler, Lewis, Martinez, Mason, Maughan, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Moser, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Turk, Underhill, Vaughn, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Averkamp, Barth, Bergkamp, Blew, Delpedang, Fairchild, Garber, Gardner, Highberger, Jacobs, Landwehr, McNorton, Minnix, Murphy, Owens, Poetter, Rhiley, Seiwert, Smith, A., Titus, Turner, Waggoner.

Present but not voting: Howe.

Absent or not voting: None.

#### EXPLANATION OF VOTE

Mr. Speaker: I vote No for HB 2097. It is not in the best interest of Kansas taxpayers. This bill is way too lucrative for Hollywood and the motion picture industry. The 30% credit for qualified production expenses in this bill compares with only 20% in Missouri, 20% in Colorado, and 20% in Nebraska (strictly for movies which tell a story about Nebraska). Further, this bill allows up to \$500,000 in tax credits for the cost of one single cast member or director! We don't do this for Kansas small businesses (however exotic the product or person.) – Paul Waggoner

On motion of Rep. Croft, the House recessed until 1:30 p.m.

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EARLY AFTERNOON SESSION

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

On motion of Rep. Croft, the House recessed until 2:30 p.m.

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AFTERNOON SESSION

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

On motion of Rep. Croft, the House recessed until 3:50 p.m.

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LATE AFTERNOON SESSION

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

**MESSAGE FROM THE SENATE**

Announcing the Senate here with transmits the veto message from the Governor, together with the enrolled copy of **SB 473**, AN ACT concerning crimes, punishment and criminal procedure; relating to the Kansas code of criminal procedure; authorizing a notice to appear that meets certain requirements to serve as a lawful complaint; requiring a minimum appearance bond premium in district court; providing reasons for suspending or terminating authorization of a compensated surety; authorizing the chief judge of a judicial district to require a compensated surety to submit to a state and national criminal history record check; amending K.S.A. 22-2202, 22-2408 and 22-2809b and repealing the existing sections., which was received on April 24, 2024 and read on April 29, 2024.

**MESSAGE FROM THE GOVERNOR**

**REGARDING VETO OF SENATE BILL 473**

“While I support the goal of reforming our criminal justice system in relation to pre-trial release, Senate Bill 473 establishes a minimum amount a person must pay a bail bonding company to be released from jail, regardless of the type or severity of their crime. This requires bond companies charge an appearance bond premium of a minimum of 10% of the face amount of the appearance bond, of which half must be received before posting a bond. After thorough review, I am concerned of the impact that this will have on low income, non-violent offenders’ ability to be released and return to their families and jobs. The Kansas Judicial Branch Pretrial Justice Task Force reviewed these issues extensively and made important recommendations. One of those recommendations is contained in this bill. While I support that component, the remaining provisions of this bill need further refinement. Therefore, under Article 2, Section 14(a) of the Constitution, I hereby veto Senate Bill 473.” Signed Laura Kelly, Governor Dated April 24, 2024

A motion was made that **SB 473** be passed notwithstanding the Governor's veto. By vote of 27 Yeas and 12 Nays, the motion having received the required two-thirds

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

#### **MESSAGE FROM THE SENATE**

Announcing a line item veto message from the Governor, together with the enrolled copy of **SB 28**, AN ACT making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 75-6707, 76-775, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,171 and 82a-955 and repealing the existing sections was received on April 24, 2024 and read on April 29, 2024.

#### **MESSAGE FROM THE GOVERNOR**

##### **REGARDING VETO OF SENATE BILL 28**

I want to thank the Legislature and the budget committees for their bipartisan work to pass Senate Bill 28. This budget makes important investments in economic development, infrastructure, and essential services that will positively impact the citizens of Kansas for years to come.

Kansas is a national leader in economic development, and this budget makes investments across the state to provide our communities with the infrastructure and workforce necessary to continue that leadership. By investing in our higher education system, this budget also ensures that our universities, community colleges, and technical schools can continue to engage in cutting-edge education, research, and workforce training.

This budget infuses significant funding into programs and facilities that serve the most vulnerable Kansans and keep our communities safe. It also continues the progress we've made in improving the government services Kansans depend on by providing state employees with a pay increase and investing in state facilities.

Despite these successes, this budget falls short in several areas. Instead of using our existing surplus to cover the costs of capital projects immediately, this budget requires the state to take on debt and pass the costs of these projects on to taxpayers. It also fails to use this surplus to balance the state's checkbook by paying off existing debts.

School funding, one of the core responsibilities of the state, is also not addressed in this budget. Kansas families and teachers rely on the Legislature to ensure they have the resources they need to provide our kids a world-class education. Failing to fully fund public schools in this budget creates unnecessary uncertainty that we may backtrack on rebuilding our education system. I encourage the Legislature to maintain the full funding of schools when it returns so that we can continue the progress we've made by fully funding education over the past five years.

Additionally, this budget does not adequately address access to affordable healthcare. Expanding Medicaid is the fiscally prudent thing to do. It will infuse a billion dollars into the state and our communities annually. I will continue to urge the Legislature to do the right thing and expand Medicaid as soon as possible so that hard-working Kansans can get the healthcare they deserve and desperately need.

Therefore, pursuant to Article 2, Section 14(b) of the Constitution of the State of Kansas, I hereby return Senate Bill 28 with my signature approving the bill, except for the items enumerated below.

Legislature—Impeding Local Control of School Districts

Sec. 26(e) has been line-item vetoed in its entirety.

It is not the State’s role to condition or control how local school districts should use local funds generated from the sale of property. If the Legislature is interested in developing innovative approaches to recruiting and retaining talented teachers and paraprofessionals, it should work collaboratively with school districts and educators to improve the experience of classroom teachers rather than interfering with their authority to set policies and budgets to address the needs of their students and teachers. I am concerned that provisions like Sec. 26(e) set a dangerous precedent and erode the core constitutional principle of local control.

Governor’s Department and Adjutant General’s Department—Southwest Border Mission

Sec. 29(b) has been line-item vetoed in its entirety.

The portion of Sec. 120(a) that reads as follows has been line-item vetoed:

Southwest border mission.....\$15,716,000

Provided, That all expenditures from the southwest border mission account shall be for expenses to respond to the request for assistance from the state of Texas pursuant to the emergency management assistance compact, K.S.A. 48-9a01, and amendments thereto, or a memorandum of understanding between the governor and the governor of Texas: Provided, That the above agency shall collaborate with the governor and the response and recovery bureau director to activate, mobilize and deploy state resources and implement the appropriate mutual aid plans and procedures: Provided further, That such assistance is being provided to assist in the prevention of crime drug trafficking, human trafficking, transactional criminal organizations and other related crimes contributing to an emergency.

The portion of Sec. 121(a) that reads as follows has been line-item vetoed:

Any unencumbered balance in the southwest border mission account in excess of \$100 as of June 30, 2024, is hereby reappropriated for fiscal year 2025.

As the Kansas National Guard’s Commander-in-Chief, it is my constitutional authority to direct the National Guard while on state duty. It is not the Legislature’s role to direct

the operations or call out the National Guard. Border security is a federal issue. Lawmakers in Washington must act to solve this issue and work in a bipartisan manner to fix our nation’s broken immigration system. Despite this being a federal issue, I have repeatedly deployed members of the Kansas National Guard to support the federal government’s efforts to strengthen border protections, including an active deployment today. When a Governor deploys soldiers as part of a federal mission, it is done intentionally and in a manner that ensures we are able to protect our communities and that we do not threaten Guard readiness or limit our ability to respond to natural disasters at home.

Office of the Attorney General and Kansas Department for Aging and Disability Services—Kansas Fights Addiction Fund

Sec. 31(d), Sec. 83(bb), and Sec. 83(cc) and have been line-item vetoed in their entirety.

The portion of Sec. 32(b) that reads as follows has been line-item vetoed:

Provided further, That, notwithstanding the provisions of the Kansas fights addiction act, K.S.A. 2023 Supp. 75-775 through 75-781, and amendments thereto, or any other statute, expenditures shall be made from the Kansas fights addiction fund in an amount of \$185,000 for fiscal year 2025 for drug abuse and addiction prevention services for youth at the Kansas City full circle program, inc.: Provided, however, That prior to making such expenditures, the above agency shall present to the Kansas fights addiction grant review board the above expenditure for the board's review.

The portions of Sec. 83(b) that reads as follows have been line-item vetoed:

Valley hope substance use disorder fund.....\$2,500,000

Provided, That, notwithstanding the provisions of the Kansas fights addiction act, K.S.A. 2023 Supp. 75-775 through 75-781, and amendments thereto, expenditures shall be made from the valley hope substance use disorder fund for infrastructure to expand valley hope located in Atchison, Kansas: Provided, however, That prior to making such expenditures, the above agency shall present to the Kansas fights addiction grant review board the above expenditure for the board's review.

Indigent support fund.....\$5,000,000

Provided, That expenditures shall be made from the indigent support fund for providing support to the substance use disorder providers who provide services to individuals who have no insurance or other medical coverage: Provided further, That the above agency

shall develop guidelines for providers to apply for the funds and establish a review team for the application for funds to determine that such funds are being appropriately used to provide services to such indigent individuals: Provided, however, That prior to making such expenditures, the above agency shall present to the Kansas fights addiction grant review board the above expenditure for the board's review.

The Legislature created the Kansas Fights Addiction Board to review and approve applications for funding through the State's opioid settlement, the Kansas Fights Addiction Fund. While these initiatives may be good proposals worthy of funding, the direct allocation of these funds circumvents the established process and gives an unfair advantage to the organizations receiving these funds. It also makes it difficult for the Board to administer its established strategy and strategic plan for the settlement. If the Legislature wants to change the process through which these funds are allocated, it should pass standalone legislation to do so.

#### Office of the State Treasurer—Pregnancy Compassion Awareness Program

Sec. 35(a) has been line-item vetoed in its entirety.

I continue to believe that overseeing a state pregnancy crisis center and maternity home program is not an appropriate role for the Office of State Treasurer. This proviso continues a program to provide taxpayer funding for largely unregulated pregnancy resource centers. These entities are not medical centers and do not promote evidence-based methods to prevent unplanned pregnancies. The Legislature should listen to Kansans, who, on August 2, 2022, told politicians they should stop inserting themselves in private medical decisions between women and their doctors.

#### Office of the State Treasurer—BUILD Kansas Changes

Sec. 35(d), Sec. 35(e), Sec. 36, Sec. 37, and Sec. 38 have been line-item vetoed in their entirety.

The BUILD Kansas program provides local governments and other eligible entities with State funding to pursue grant opportunities under the federal Bipartisan Infrastructure Law (BIL). As the program stands today, both the Executive and Legislative branches have a role in reviewing and approving applications for matching funds. The changes proposed in this budget would remove the Kansas Infrastructure Hub from this process and give the Legislature the authority to approve funding for infrastructure projects without the Hub's input, effectively creating a separate legislative appropriations process for infrastructure projects.

The provisions in this budget would also require that certain Kansas communities provide local dollars to secure BUILD Kansas funds while others would be exempted from having to provide local funds, creating an uneven playing field for communities to access the BUILD Kansas program. While I commend the Legislature's efforts to increase the impact of these matching dollars by making them eligible to be used for additional federal funding opportunities, we must maintain the program's current parameters to ensure matching funding is used to support the infrastructure needs of all Kansas communities effectively and efficiently.

#### Kansas Corporation Commission—Demolition of Two Habitable Structures in Augusta,

Kansas

The portion of Sec. 53(a) that reads as follows has been line-item vetoed:

Provided, That notwithstanding the provisions of K.S.A. 55-192, and amendments thereto, or any other statute, expenditures shall be made by the above agency from such fund to address ground water well contamination from abandoned wells located in Butler County, Kansas: Provided further, That the above agency shall work with landowners at 13726 SW Thunder Road and 14937 SW Thunder Road in Augusta, Kansas, to assist in the costs of demolition of the habitable structures located on such land: Provided, however, That expenditures for such purposes shall not exceed \$250,000 on each such property.

This line-item uses a state fund established for the remediation of abandoned oil well sites to demolish two private homes in Augusta, Kansas. This action is squarely outside the statutory scope of this program and risks setting an untenable financial precedent where the state could be required to pay for the demolition of property in all areas where historic oil contamination exists, regardless of source, culprit, or disclosure to the home buyer. Policy of this nature, however well-intentioned, should be carefully considered and debated to avoid unintended and unsustainable financial or legal obligations for the state – not included as a last-minute budget proviso.

Kansas Department of Commerce—Youth Career Exploration

The portion of Sec. 68(a) that reads as follows has been line-item vetoed:

Youth career exploration.....\$500,000

I fully support efforts to raise awareness and connect students to in-demand careers in Kansas. To develop a highly skilled and prepared workforce, students should be incentivized to explore their interests and identify pathways into various career fields. I have line-item vetoed this section because these efforts can be funded through existing Kansas State Department of Education resources. The State Board of Education has previously funded these efforts using federal Elementary and Secondary School Emergency Relief (ESSER) funds and is currently considering an additional allocation of \$1 million in ESSER funds over the next two years for this purpose. This funding opportunity provides more support for youth career exploration than is included in this bill. Once these federal funds are expended, the State should then consider providing State General Funds for this purpose.

Kansas Department of Commerce—University STAR Bonds

Sec. 68(n) and Sec. 69(d) have been line-item vetoed in their entirety.

STAR Bonds are a financing tool that allows Kansas communities, both rural and urban, to strategically attract economic development to their area. The program has helped secure millions in economic development growth and brought thousands of jobs to the State through state and local partnerships.

The language proposed in this budget would fundamentally alter the STAR Bonds

program by allowing universities to create STAR Bond districts without the consent of the impacted local government and without a minimum capital investment or revenue requirement. While I support innovative proposals to bring new economic development opportunities to the state, the changes to the program proposed in this budget do not adequately protect local governments' authority or ensure the long-term solvency of the projects.

Kansas Department of Commerce—Child Care Pilot Program

The portion of Sec. 68(a) that reads as follows has been line-item vetoed:

Provided, That expenditures shall be made by the above agency from such account to implement a pilot program for the recruitment and retention of home-based child care providers to increase the number of child care slots in Kansas: Provided further, That the above agency shall issue a request for proposal to solicit potential private entities to implement such pilot program: And provided further, That any such private entity making a proposal shall agree to: (1) Partner with the above agency, families in need of child care and home-based child care providers to increase the number of child care slots in Kansas by: (A) Recruiting and coaching prospective home-based child care providers through the initial business plan and implementation process; and (B) assisting existing home-based child care providers with business planning and implementation to retain and expand child care slots; (2) develop and execute a mentorship program for such home-based child care providers; (3) plan, staff and execute in-person and virtual recruitment events for new home-based child care providers in locations in the state in need of child care slots; (4) develop informational materials that assist home-based child care providers with marketing, advertising and parental outreach; (5) provide a software platform, including customizable dashboards, to assist home-based child care providers with marketing, enrollment, family communication, billing and expense reporting; and (6) make available to home-based child care providers coaching and training, including in-person group training sessions, on-site coaching visits, community forums and events: And provided further, That the above agency shall require any private entity making a proposal to provide evidence that such entity is providing a similar service in at least three other states: And provided further, That as used in this section, "home-based child care provider" means an individual who has control or custody of one or more children under 16 years of age, unattended by a parent or guardian, for the purpose of providing food or lodging, or both.

Increasing access to child care is one of my biggest priorities as Governor. To truly address this issue, we need everyone's expertise at the table. This proviso limits the pool of organizations that could apply to operate this pilot program. An open, competitive bidding process should be used to ensure that these funds are effective in supporting aspiring child care providers.

Kansas Department of Commerce—Air Development Fund

The portion of Sec. 68(c) that reads as follows has been line-item vetoed:

Kansas air service development incentive program fund.....No limit

Provided, That all expenditures from the Kansas air service development incentive program fund shall be to support commercial service airports in Kansas: Provided further, That the department of commerce shall establish requirements for the program, taking into consideration: (1) Recent or imminent regional economic development opportunities, including, but not limited to, new business entering the market area or business growth in the market area; (2) viable air service opportunities, including, but not limited to, airline support service or market data support service; (3) air service routes serving a market area that meets the needs of such economic development opportunities, including, but not limited to, routes establishing a pipeline to areas with workforce talent or serving a customer base or main business function; and (4) local match requirements, including, but not limited to, opportunities to use state or local moneys to leverage federal air service development grant funds: And provided further, That local entities representing commercial service airports may apply for grants from such fund: And provided further, That the department of commerce shall form a selection committee to evaluate such applications: And provided further, That not more than \$1,000,000 shall be awarded for a single commercial service airport: And provided further, That all grant moneys awarded to a local entity shall be deposited in an interest-bearing escrow account: And provided further, That, when awarded a grant, such local entity shall execute a minimum revenue guarantee (MRG) agreement with an airline: And provided further, That such MRG agreement shall describe the thresholds that trigger drawdowns of grant moneys: And provided further, That the department of commerce shall verify all expenses before authorizing any drawdown of grant moneys from such escrow account.

Sec. 68(m) has been line-item vetoed in its entirety.

This program was not requested by the Department of Commerce or vetted by the agency. Given the ongoing debate in the Legislature regarding tax relief and the potential long-term fiscal impact of proposed tax policy, it is difficult to justify another expenditure from the State Highway Fund. We've closed the Bank of KDOT, and I do not want to risk backtracking on that progress.

#### Kansas Department of Aging and Disability Services—Mental Health Intervention Team Pilot

The portion of Sec. 83(a) that reads as follows has been line-item vetoed:

Provided, That expenditures shall be made by the above agency from such account during fiscal year 2025 to establish the mental health intervention team program: Provided further, That such program shall be a continuation of the mental health intervention team pilot program first established pursuant to section 1 of chapter 57 of the 2018 Session Laws of Kansas and K.S.A. 72-9943, and amendments thereto, and continued and expanded through subsequent appropriation acts of the legislature: And provided further, That the purposes of the mental health intervention team program are to: Provide greater access to behavioral health services for students enrolled in kindergarten or any of the grades one through 12 and establish a coherent structure between school districts and mental health intervention team providers to optimize scarce behavioral health resources and workforce; identify students, communicate with

families and link students and their families to the statewide behavioral health systems and resources within the network of mental health intervention team providers; alleviate the shortage of staff with specialized degrees or training such as school counselors, psychologists and social workers and reduce the competition for such staff between school districts and other private and governmental service providers to provide broader-based and collaborative services to students, especially in rural districts that do not have enough students to justify a full-time staff position; provide and coordinate mental health services to students throughout the calendar year, not only during school hours over nine months of the school year; and reduce barriers that families experience to access mental health services and maintain consistency for a child to attend recurring sessions and coordination between the child's classroom schedule and the provision of such services: And provided further, That the program shall focus on the following students: Any student who has been adjudicated as a child in need of care and is in the custody of the secretary for children and families or has been referred for a families first program or family preservation program; and any other student who is in need of mental health support services: And provided further, That the secretary for aging and disability services shall appoint a mental health intervention team program manager and, within the limits of appropriations therefor, such additional staff as necessary to support such manager: And provided further, That the above agency shall oversee and implement the mental health intervention team program in accordance with the requirements of this proviso and the policies and procedures established by the above agency pursuant to this proviso: And provided further, That during fiscal year 2025, the board of education of a school district may apply to the above agency to establish or maintain a mental health intervention team program within such school district: And provided further, That the application shall be in such form and manner as the above agency requires and submitted at a time determined and specified by such agency: And provided further, That each application submitted by a school district shall specify the mental health intervention team provider that the school intends to coordinate with to provide school-based services to students who need assistance during the applicable school year: And provided further, That the school district shall provide notice to the mental health intervention team provider as soon as they are able of their intent to partner for the following school year: And provided further, That the above agency shall establish an application review committee that shall include representatives from mental health intervention team providers and the department of education: And provided further, That if a school district and mental health intervention team provider are approved to establish or maintain a mental health intervention team program, the school district shall enter into a memorandum of understanding with a partnering mental health intervention team provider: And provided further, That if the school district chooses to partner with more than one mental health intervention team provider, the school district shall enter into a separate memorandum of understanding with each such mental health intervention team provider: And provided further, That the above agency may establish requirements for a memorandum of understanding, including contractual provisions that are required to be included in each memorandum of understanding and that are optional and subject to agreement between the school district and the mental health intervention team provider: And provided further, That each memorandum of understanding shall be submitted to the above agency for final approval: And provided further, That the above agency may authorize another category of provider other than a mental health

intervention team provider to serve as a partnering provider under the mental health intervention team program pursuant to this proviso: And provided further, That such category of provider shall provide the required services and otherwise meet the requirements of a partnering mental health intervention team provider under this proviso: And provided further, That if the above agency authorizes another category of provider other than a mental health intervention team provider, such agency shall provide notification of this decision to the mental health intervention team provider that provides services in that county: And provided further, That, subject to appropriations therefor, a school district and mental health intervention team provider that have been approved by the above agency to establish or maintain a mental health intervention team program shall be eligible to receive a mental health intervention team program grant and a mental health intervention team provider pass-through grant: Provided, however, That the amount of a school district's mental health intervention team program grant shall be determined in each school year by calculating the total amount of the salary and fringe benefits paid by the school district to each school liaison: And provided further, That the amount of a school district's mental health intervention team provider pass-through grant shall be an amount equal to 50% of the amount of the school district's mental health intervention team grant: And provided further, That moneys provided to a school district for the mental health intervention team provider pass-through grant shall be paid to any mental health intervention team provider that partners with the school district: And provided further, That if the amount of appropriations are insufficient to pay in full the amount of all grants school districts are entitled to receive for the school year, the above agency shall prorate the amount appropriated among all districts: And provided further, That the above agency shall be responsible for the allocation and distribution of grants in accordance with appropriation acts: And provided further, That the above agency may make grant payments in installments and may provide for payments in advance or by way of reimbursement and may make any necessary adjustments for any overpayment to a school district: And provided further, That the above agency shall not award any grant to a school district unless such district has entered into a memorandum of understanding with a partnering mental health intervention team provider in accordance with this proviso: And provided further, That any remaining appropriations that were not allocated to the mental health intervention team program shall provide funding in the form of grants from the above agency to the association of mental health intervention team providers of Kansas to fund training for school districts participating in the mental health intervention team program pursuant to this proviso: And provided further, That the above agency shall seek advice from mental health intervention team providers prior to awarding any grant under this subsection: And provided further, That the above agency may waive the requirement that a school district employ a school liaison and may instead authorize a mental health intervention team provider that partners with the school district to employ a school liaison: And provided further, That such waiver shall only be granted by the above agency in limited circumstances: And provided further, That a school district that is granted a waiver pursuant to this proviso shall continue to be eligible to receive the mental health intervention team program grant and the mental health intervention team provider pass-through grant authorized pursuant to this proviso: And provided further, That the amount of the mental health intervention team program grant shall be determined in the same manner as provided under this proviso as

though the school liaison was employed by such school district: And provided further, That upon receipt of any moneys awarded pursuant to the mental health intervention team program grant to any such school district, the school district shall direct payment of such amount to the mental health intervention team provider that employs the school liaison: And provided further, That on or before January 13, 2025, the above agency shall prepare and submit a report on the mental health intervention team program for the preceding school year to the house of representatives standing committees on appropriations, social services budget and health and human services, or their successor committees, and the senate standing committees on ways and means, ways and means subcommittee on human services and public health and welfare, or their successor committees: And provided further, That such report shall provide a summary of the program, including, but not limited to, the school districts that applied to participate or continued participating under the program, the mental health intervention team providers, the grant amount each such school district received and the payments made by school districts from the mental health intervention team program fund of each school district: And provided further, That the staff required for the establishment and maintenance of a mental health intervention team program shall include a combination of one or more behavioral health liaisons employed by the school district and one or more case managers and therapists licensed by the behavioral sciences regulatory board who are employed by the partnering mental health intervention team provider: And provided further, That all staff working together under a school district's program shall be known as the mental health intervention team of the school district: And provided further, That the school district and the mental health intervention team provider shall cooperate and work together to identify needs specific to the students in the school district, and the families of such students and shall develop an action plan to implement a school-based program that is tailored to such needs: And provided further, That a school district that participates in the program shall employ one or more school liaisons who will help students in need and coordinate services between the school district, the student, the student's family and the mental health intervention team provider: And provided further, That a school liaison shall have a bachelor's degree in any field of study: And provided further, That a school liaison's roles and responsibilities include, but are not limited to: Identifying appropriate student referrals for the team to engage with; act as a liaison between the school district and the mental health intervention team provider and be the primary point of contact for communications between the school district and the mental health intervention team provider; assist with mental health intervention team provider staff understanding of the school district's system and procedures including the school calendar, professional development, drills and crisis plan protocols; triage prospective student referrals and help decide how to prioritize interventions; help the mental health intervention team provider and other school personnel understand the roles and responsibilities of the mental health intervention team; facilitate communications and connections between families of identified students and the mental health intervention team provider's staff; coordinate a student's treatment schedule with building administrators and classroom teachers, to optimize clinical therapist's productivity; troubleshoot problems that arise and work with the mental health intervention team provider to resolve such problems; track and compile outcomes to monitor the effectiveness of the program; maintain and update the department of education mental health intervention team database as directed by the above agency and

required by this section; follow up with child welfare contacts if a student has moved schools to get the child's educational history; be an active part of the school intervention team and relay information back to mental health intervention team provider staff, including student observations, intervention feedback from teachers, communications with family and other relevant information; work with school administration to identify and provide confidential space for a mental health intervention team provider therapist; assist in planning continuity of care through summer services; and submit an annual report to the above agency on how the liaison complied with the required roles and responsibilities: And provided further, That within the scope of employment by a school district, an individual employed as a school liaison shall primarily perform roles and responsibilities that are related to the school liaison position as described in this section: And provided further, That once the initial referral has been completed for a student, all relevant information shall be entered into the database within 14 calendar days: And provided further, That a mental health intervention team provider that partners with a school district shall employ one or more therapists licensed by the behavioral sciences regulatory board who will collaborate with the school district to assist students in need and provide services to such students under the program: And provided further, That a therapist's roles and responsibilities under the program include, but are not limited to: Assist the school liaison with the identification of appropriate student referrals to the program; triage student referrals with the school liaison to prioritize treatment interventions for identified students; work with the school liaison to connect with families or child welfare contacts to obtain consent to commence treatment; conduct a clinical assessment of the identified student and make appropriate treatment recommendations; engage with the student, family or child welfare contacts in clinical interventions as identified on the treatment plan and provide individual and family therapy; administer scales or tests to detect areas of concern with depression, anxiety, self-harm or other areas as identified; make referrals to other treatment modalities as appropriate; communicate educationally appropriate information to the school liaison, such as interventions and strategies for use by classroom and school staff; gather outcome data to monitor the effectiveness of the program; coordinate with the case manager to identify ways to support the student and family; provide therapy services as determined by the students' treatment plan; and maintain the treatment plan and necessary treatment protocols required by the mental health intervention team provider: And provided further, That a mental health intervention team provider that partners with a school district shall employ one or more case managers who will collaborate with the school district to assist students in need and to coordinate services under the program: And provided further, That a case manager's roles and responsibilities under the program include, but are not limited to: Work with the school liaison and clinical therapist to identify students and triage priorities for treatment; provide outreach to students, families and child welfare contacts to help engage in treatment; participate in the treatment planning process; communicate with the school liaison and other school district personnel about student needs, interventions and progress; help maintain communication between all entities, including the family, student, school, clinical therapist, child welfare contacts and the community; maintain the treatment plan and necessary treatment protocols required by the mental health intervention team provider; make referrals to appropriate community resources; help reconnect students and families when they are not following through with the treatment process; help families

negotiate barriers to treatment; and engage with the student in the classroom, the home or the community to help build skills wherever needed: And provided further, That each school district that receives moneys for the mental health intervention team program grant or the mental health intervention team provider pass-through grant awarded pursuant to this proviso shall credit the moneys to a mental health intervention team program fund created by such school district: And provided further, That moneys in such fund shall be used by a school district to: Pay for the expenditures that are attributable to the salary and fringe benefits of any school liaison employed by the school district pursuant to the mental health intervention team program; and provide payment to each partnering mental health intervention team provider in an amount equal to the mental health intervention team provider pass-through grant received by the school district: And provided further, That the school district shall keep separate accounting records for the school liaison expenditures and the pass-through grants to mental health intervention team providers: And provided further, That the above agency shall publish on its website an aggregated report of outcomes achieved, numbers served and associated information by the mental health intervention team program: And provided further, That the above agency shall establish a hotline that individuals receiving services from the mental health intervention team program may access outside of the hours that such individuals are receiving services: And provided further, That such hotline shall be established for the purposes of providing information sharing and communications regarding crisis coordination and emergency response services: And provided further, That as used in this proviso: (1) "Mental health intervention team provider" means a center organized pursuant to article 40 of chapter 19 of the Kansas Statutes Annotated, and amendments thereto, a mental health clinic organized pursuant to article 2 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto, or a federally qualified health center as defined by section 1905(l)(2)(B) of the federal social security act: And provided further, That "mental health intervention team provider" includes other provider categories as authorized by the above agency to serve as a partnering provider under the mental health intervention team program pursuant to this proviso: And provided further, That a provider under this proviso shall provide services, including: Support for students available 24 hours a day, seven days a week; person-centered treatment planning; and outpatient mental health services; and (2) "school district" means a school district as defined in K.S.A. 72-5132, and amendments thereto, or "qualified school" as defined in K.S.A. 72-4352, and amendments thereto.

The Mental Health Intervention Team Pilot Program must be codified into statute. By continuing to administer this program through budget proviso, we limit the impact it can have on the health and well-being of Kansas students. While I appreciate the Legislature's work to allow various mental health providers to participate in the program, other changes to this program threaten the availability of services to students who currently have access to them in our public schools. This proviso would change the contours of the program by requiring school districts to cover 50% of the costs. Under the current program, districts must provide a 25% match to the grant they receive from the state. School districts utilizing the pilot program have stated that the changes contained in this proviso will require them to scale back or end their participation, creating the possibility that students who are currently receiving services will lose access to this program. Additionally, this proviso opens the program to additional

school districts and private schools without providing any additional funds to accommodate their entrance into the program. This will create an untenable situation where the Kansas Department of Aging and Disability Services will be forced to choose which districts can participate, given the limited funding. If we want to end this pilot program and open it up to all districts, we cannot do so without providing adequate funding to allow for universal participation. The Legislature should work next session to codify this program into statute and provide enough funding for all interested public school districts to participate.

#### Kansas Department for Aging and Disability Services—Limiting Provider Input for Behavioral Health Services

Sec. 83(w) has been line-item vetoed in its entirety.

The convening of workgroups may sometimes be imperative for decision-makers to fully understand the risks and benefits of any new program. However, opening Medicaid rehabilitation codes for other provider types does not require this step, as it will only lead to more provider options for Kansans in need—which is a positive. This proviso appears harmless, but it is another attempt at limiting the types of entities that can provide behavioral health services in Kansas.

#### Kansas Department for Aging and Disability Services—Changes to Targeted Case Management

Sec. 83(aa) has been line-item vetoed in its entirety.

The funding restriction in this proviso would hinder the Kansas Department for Aging and Disability Services from creating any improvements to targeted case management services for the Intellectual and Developmental Disabilities (I/DD) waiver. Further, it would invite unintended consequences such as impeding the approval of the Community Supports waiver by the federal government, which is a critical step in addressing the waitlist for services on the I/DD waiver.

#### Kansas Department for Aging and Disability Services—Physical Disability and I/DD Waiver

Sec. 83 (dd) and Sec. 83(ee) have been line-item vetoed in their entirety.

I agree that the growing waitlists for the Intellectual and Developmental Disability (I/DD) and Physical Disability (PD) waivers are alarming and require an immediate solution so that the most vulnerable Kansans may access the services they need to live life to their full potential. However, the well-intentioned proposed statutory caps in these provisos would lead to unintended consequences for the very people it was meant to serve. By instituting a cap on the number on the waitlists, the agency will be unable to maintain reserve capacity intended for specialty populations such as children coming into DCF custody, Home and Community Based Service (HCBS) institutional transitions, and crisis emergency exemptions. I do not believe the Legislature intends to eliminate these avenues of entry for the PD or I/DD waivers.

In addition, continually adding slots to these waivers haphazardly or thoughtlessly capping the waitlist number will not be sufficient or sustainable unless provider

capacity is also addressed. This is why I proposed an additional 500 slots for the I/DD and PD waivers in the budget because it is plausible, given our state’s current provider capabilities. As decision-makers, it is imperative that we craft solutions that balance the needs of the waiver participants while considering the limitations of our current workforce.

Department for Children and Families—Competitive Grant Funding

The portion of Sec. 86(a) that reads as follows has been line-item vetoed.

Provided further, That expenditures shall be made from the youth services aid and assistance account in an amount of not to exceed \$250,000 for funding for keys for networking, inc., to provide the iGRAD program for use among Kansas foster care children: And provided further, That the above agency and keys for networking, inc., shall submit a status report to the senate committee on ways and means human services subcommittee and the house of representatives social services budget committee prior to January 31, 2025, detailing the iGRAD program's use among Kansas foster care children.

While I support creating more resources available to children in foster care, the funding in this section of the proviso is allocated towards one specific entity. By doing so, the Legislature is creating an uneven playing field for those interested in providing services, supports, and capabilities for children in need of care. This funding opportunity should be available to all potential providers through a competitive bidding process.

Department for Children and Families—Impermissible Use of TANF funds

The portion of Sec. 86(b) that reads as follows has been line-item vetoed:

Provided further, That expenditures shall be made by the above agency for fiscal year 2025

from the temporary assistance to needy families – federal fund for a matching funds grant with a charitable organization exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code to provide toiletry kits for public elementary or secondary schools in an amount not to exceed \$1,800,000.

While well-intentioned, the initiative outlined in this proviso is not a permissible use of federal funds from the Temporary Assistance for Needy Families (TANF) program. I encourage the Legislature to work with the agency to identify a more appropriate avenue to fund this initiative through existing resources.

Kansas State University—Jet

The portion of Sec. 100(a) that reads as follows has been line-item vetoed:

Kansas state university college of aviation jet.....\$1,200,000

Provided further, That expenditures shall be made from this account for fiscal year 2025 for the shared lease or ownership, insurance, maintenance and operations of a jet-type aircraft for student training purposes.

This item was not requested by the Kansas Board of Regents and did not go through the normal vetting process. While the intent of this proposal is admirable, covering the student cost of a university purchase, it should've gone through the regular funding process to ensure that the purchase is appropriate and will serve the university's goals of providing its students additional educational opportunities.

Kansas State University—Central Immersive Training Hub

The portion of Sec. 100(a) that reads as follows has been line-item vetoed:

Central immersive training hub.....\$3,950,000

Provided, That all expenditures shall be made by the above agency from the central immersive training hub account for the central immersive training hub at the Kansas State University Salina campus

This item was requested by the Kansas Board of Regents at a funding level of \$2 million. It is unclear why the Legislature chose to double the funding for this initiative. I encourage the Legislature and the university to work together to determine the appropriate funding amount for this program and return with a new plan.

Emporia State University—Emporia State Model Investment Account

The portion of Sec. 106(a) that reads as follows has been line-item vetoed:

Emporia state model investment account (379-00-1000-0400).....\$9,000,000

The budget makes a historic investment in higher education and Emporia State University (ESU). In last year's budget, I approved initial funding for ESU's model investment. In this year's budget, I am approving regional stabilization funding that will increase support for all our regional universities. Funding for this line-item was not requested by Emporia State University and was not included in the budget request presented by the Kansas Board of Regents.

University of Kansas Medical Center—Residency Funding

The portion of Sec. 112(a) that reads as follows has been line-item vetoed:

KUMC Wichita residency program.....\$750,000

Provided, That expenditures shall be made by the above agency from such account to the department of family and community medicine of the university of Kansas school of medicine Wichita, for use in the Smoky Hill family medicine residency program, Wesley family medicine residency program and Ascension Via Christi family medicine residency program.

Programs like this one that create a workforce pipeline to keep physicians in Kansas are important. However, this proposal was not considered through the normal vetting process and was not requested by the Kansas Board of Regents, which are important

considerations when evaluating funding that is likely to establish an expectation of ongoing support. Further study should be done to ensure this funding is appropriate and will have sufficient statewide impact.

Kansas Board of Regents—Osteopathic Service Scholarship

The portion of Sec. 116(a) that reads as follows has been line-item vetoed:

Osteopathic service scholarship.....\$2,200,000

This funding was not requested by the Kansas Board of Regents nor considered alongside their other budget requests. Further review should be done to ensure that scholarships are also provided for students pursuing careers that encompass other professions within the medical field.

Kansas Board of Regents—Kansas Promise Scholarship and Kansas Comprehensive Grant

Sec. 116(h) has been line-item vetoed in its entirety.

Changes to the eligibility and usage of these scholarship opportunities should be enacted through the normal legislative process, not through a last-minute budget proviso that never received a formal hearing by any legislative committee. I am also concerned about the precedent that would be set by providing state funding to for-profit private institutions that are not accountable to the state or taxpayers.

Adjutant General’s Department—Shooting Team Grants

The portion of Sec.121(a) that reads as follows has been line-item vetoed:

Shooting team grants.....\$50,000

Provided, That expenditures shall be made from the shooting team grants account for the adjutant general to provide grants to shooting teams from the Kansas air national guard or the Kansas army national guard for ammunition, equipment and travel expenses for marksmanship matches: Provided further, That an eligible team shall have participated in: (1) The 2024 adjutant general's combat marksmanship match; and (2) a national guard marksmanship regional or national competition: And provided further, That upon application from eligible teams, at least one grant shall be awarded to a Kansas air national guard team and at least one grant shall be awarded to a Kansas army national guard team: Provided, however, That, if no team from one branch of the Kansas national guard meets the requirements of this proviso, the adjutant general may award all grants to teams from the other branch of Kansas national guard that meet such requirements: And provided, however, That the adjutant general shall not award a single team all moneys in the shooting team grants account.

This funding was not requested by the Adjutant General nor considered alongside the agency’s other budget requests. While this funding request may represent a need for the agency, it should be considered through the regular process along with the agency’s other requests rather than added to the budget without the Adjutant General’s input.

**Kansas Highway Patrol—Salina Campus Reconfiguration**

Sec. 124 has been line-item vetoed in its entirety.

This funding will divide the operations of the Kansas Highway Patrol (KHP) across two separate campuses in Salina. We need to invest in KHP's Salina operations to provide a better environment for law enforcement recruitment and training and to improve KHP's central dispatch facilities—vital elements of our state's public safety infrastructure. This proposal was not brought forward by the agency or considered through the normal agency budget process.

If it is the Legislature's intent to move elements of KHP's operation off its current campus, a more comprehensive study must be conducted to ensure that we are investing these funds in a responsible manner that is part of a larger strategic plan. I am concerned that moving some functions off the current KHP campus and retaining others will harm law enforcement readiness and incur a greater cost to the state down the line.

**Section 29b, 120a, and 121a** by a vote of 28 Yeas and 12 Nays, the motion having received the necessary two-thirds constitutional majority of the members of the Senate, the line items did pass.

**Section 35a** by a vote of 28 Yeas and 11 Nays, the motion having received the necessary two-thirds constitutional majority of the members of the Senate, the line item did pass.

**Section 83dd and 83ee** by a vote of 28 Yeas and 12 Nays, the motion having received the necessary two-thirds constitutional majority of the members of the Senate, the line items did pass.

**Section 112a and 116b** by a vote of 27 Yeas and 13 Nays, the motion having received the necessary two-thirds constitutional majority of the members of the Senate, the line items did pass.

A motion to override **Section 83aa** did not receive the necessary two-thirds constitutional majority and the line item was sustained.

There being no motion on the other line-items, the line item vetoes were sustained.

**CONSIDERATION OF VETO**

On motion of Rep. Rep. Owens the House proceeded to reconsider the line item vetoes on **SB 28 AN ACT** making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 75-6707, 76-775, 76-7,107, 79-2964, 79-3425i, 79-34,171 and 82a-955 and repealing

the existing sections..

The Governor's objection of the line item in **SB 28** which reads as follows: 29b, 120a, 121a the question being shall the line item be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 84; Nays 41; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Concannon, Corbet, Croft, Delperdang, Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L., Younger.

Nays: Alcala, Amyx, Ballard, Carlin, Carmichael, Carr, Collins, Curtis, Dodson, M., Featherston, Haskins, Haswood, Helgerson, Highberger, Hougland, Hoyer, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: None.

## CONSIDERATION OF VETO

On motion of Rep. Rep. Landwehr the House proceeded to reconsider the line item vetoes on **SB 28** AN ACT making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 75-6707, 76-775, 76-7,107, 79-2964, 79-3425i, 79-34,171 and 82a-955 and repealing the existing sections..

The Governor's objection of the line item in **SB 28** which reads as follows: 35a the question being shall the line item be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 86; Nays 39; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman,

Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L., Younger.

Nays: Alcalá, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Hougland, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Mason the House proceeded to reconsider the line item vetoes on **SB 28** AN ACT making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 75-6707, 76-775, 76-7,107, 79-2964, 79-3425i, 79-34,171 and 82a-955 and repealing the existing sections.

The Governor's objection of the line item in **SB 28** which reads as follows: 83dd, 83ee the question being shall the line item be passed notwithstanding the Governor's veto?

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

On roll call, the vote was: Yeas 116; Nays 9; Present but not voting: 0; Absent or not voting: 0.

Yeas: Alcalá, Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Haskins, Hawkins, Highberger, Hill, Hoffman, Hoheisel, Hougland, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Oropeza, Ousley, Owens, Penn, Pickert, Poetter, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Woodard, Xu, Younger.

Nays: Featherston, Haswood, Helgerson, Hoye, Miller, S., Ohaebosim, Osman, Poskin, Winn.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Waymaster the House proceeded to reconsider the line item vetoes on **SB 28** AN ACT making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 75-6707, 76-775, 76-7,107, 79-2964, 79-3425i, 79-34,171 and 82a-955 and repealing the existing sections..

The Governor's objection of the line item in **SB 28** which reads as follows: 112a, 116a the question being shall the line item be passed not withstanding the Governor's veto?

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

On roll call, the vote was: Yeas 97; Nays 28; Present but not voting: 0; Absent or not voting: 0.

Yeas: Amyx, Anderson, Ballard, Barth, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Miller, S., Minnix, Moser, Murphy, Neelly, Oropeza, Owens, Penn, Pickert, Poskin, Proctor, Rahjes, Resman, Robinson, Roth, Sanders, Sawyer, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Woodard, Younger.

Nays: Alcalá, Averkamp, Bergkamp, Carr, Fairchild, Featherston, Garber, Haswood, Hougland, Hoyer, Jacobs, Meyer, Miller, D., Miller, V., Neighbor, Ohaebosim, Osman, Ousley, Poetter, Probst, Rhiley, Ruiz, L., Ruiz, S., Clayton, Vaughn, Waggoner, Winn, Xu.

Present but not voting: None.

Absent or not voting: None.

### CONSIDERATION OF VETO

On motion of Rep. Rep. Humphries the House proceeded to reconsider **SB 473** AN ACT concerning crimes, punishment and criminal procedure; relating to the Kansas code of criminal procedure; authorizing a notice to appear that meets certain requirements to serve as a lawful complaint; requiring a minimum appearance bond premium in district court; providing reasons for suspending or terminating authorization of a compensated surety; authorizing the chief judge of a judicial district to require a compensated surety to submit to a state and national criminal history record check;

amending K.S.A. 22-2202, 22-2408 and 22-2809b and repealing the existing sections..

The Governor's objection to **SB 473** having been read (HJ Page 3469) question being shall the bill be passed not withstanding the Governor's veto?

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

On roll call, the vote was: Yeas 87; Nays 38; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L., Younger.

Nays: Alcala, Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Houglan, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: None.

## CONSIDERATION OF VETO

On motion of Rep. Rep. Landwehr the House proceeded to reconsider **H Sub for SB 233** AN ACT concerning children and minors; relating to healthcare of minors; enacting the forbidding abusive child transitions act; prohibiting healthcare providers from treating a child whose gender identity is inconsistent with the child's sex; authorizing a civil cause of action against healthcare providers for providing such treatments; restricting use of state funds to promote gender transitioning; prohibiting professional liability insurance from covering damages for healthcare providers that provide gender transition treatment to children; requiring professional discipline against a healthcare provider who performs such treatments; adding violation of the act to the definition of unprofessional conduct for physicians; amending K.S.A. 65-2837 and repealing the existing section..

The Governor's objection to **H Sub for SB 233** having been read (HJ Page 3422) question being shall the bill be passed not withstanding the Governor's veto?

A two-thirds majority of the members elected to the House not having voted in favor of the bill over the Governor's veto, the motion did not prevail, the bill did not pass, and the veto was sustained.

On roll call, the vote was: Yeas 82; Nays 43; Present but not voting: 0; Absent or not voting: 0.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Corbet, Croft,

Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Houser, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Alcalá, Amyx, Ballard, Borjon, Carlin, Carmichael, Carr, Concannon, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Hougland, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Schreiber, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: None.

#### EXPLANATIONS OF VOTE

MR. SPEAKER: I vote NO on overriding the Governor's veto of **House Sub. for SB 233**. While I suspect that there are some children who are being misdiagnosed as transgender, I am certain that this body does not have the expertise or wisdom to substitute its judgment for that of the children, parents, and doctors who will suffer from the effects of this bill. In August of 2022 the people of Kansas clearly told us that they don't want us interfering in their medical decisions. I intend to honor that and it saddens me that a majority of this body has not. – DENNIS “BOOG” HIGHBERGER

MR. SPEAKER: AS a PhD reproductive physiologist, I have utilized androgenic hormones in research for many years. They are without a doubt the most powerful hormones produced in the human body. The wide range of receptors in the body and the effects on tissues are not to be taken lightly. Please don't use experimental procedures with androgenic hormones that will permanently change, bone, muscle, life expectancy, fertility, and behavior. The research is quite clear that pre-pubertal decisions are not an accurate indicator of long-term satisfaction with gender dysphoria treatments that are invasive to the body and detrimental to the health. For these reasons I vote yes to override the veto on **SB 233**. – SCOTT HILL

MR. SPEAKER: I strongly support prohibiting gender reassignment surgery and limiting the use of hormone blockers for minors. **SB 233** goes too far in restricting mental and behavioral health care for children, which is so desperately needed in these cases. No other state has prohibited provider speech and consideration must be given to children currently undergoing treatment. For those reasons I cannot vote to override this veto. I remain committed to working on this issue going forward to provide a solution that protects children from gender reassignment surgery without further compromising the care they receive. – JESSE BORJON

Mr. Speaker: We hear of bullying and ask authorities to make it stop. We hear about mental health... about suicide and ask why. We're not listening to the impacted youth. Government involvement is not the answer. I voted for this bill in the past due to concerns about the surgery. With further consideration this bill is vague beyond that. These decisions belong between the team of professionals and the parents. The youth need our help, not government overreach. To all who have reached out, I hear you and vote to sustain the governor's veto on SB 233. – Susan Concannon

**INTRODUCTION OF ORIGINAL MOTION**

Having voted on the prevailing side, pursuant to House Rule 2303, Rep. Vic Miller moved that the House reconsider its previous action of sustaining the Governor's veto of **H Sub for SB 233**. The motion did not prevail and the Governor's veto was sustained.

**MESSAGE FROM THE SENATE**

The Senate adopts the Conference Committee report on **SB 291**.

The Senate adopts the Conference Committee report on **SB 414**.

The Senate adopts the Conference Committee report on **SB 419**.

The Senate adopts the Conference Committee report on **SB 420**.

**MESSAGE FROM THE SENATE**

The Senate adopts the Conference Committee report on **HB 2784**.

**CHANGE OF CONFEREES**

Speaker pro tem Carpenter announced the appointment of Reps. A. Smith, Bergkamp, and Sawyer to replace Reps. Hoheisel, Clifford, and Xu as members of the conference committee on **SB 37**.

On motion of Rep. Croft, the House adjourned until 9:00 a.m., Tuesday, April 30, 2024.

JENNY HAUGH, JULIA WERNER, *Journal Clerks*.

SUSAN W. KANNARR, *Chief Clerk*.

