

HOUSE BILL No. 2778

By Committee on Appropriations

5-1

1 AN ACT reconciling amendments to certain statutes; amending K.S.A.
2 2013 Supp. 8-1911, as amended by section 1 of 2014 Senate Bill No.
3 344, 22-4902, 22-4906, 28-176, as amended by section 3 of 2013
4 House Bill No. 2303, 39-709, as amended by section 2 of 2014 Senate
5 Bill No. 254, 39-923, as amended by section 1 of 2014 House Bill No.
6 2418, 41-2601, 73-1209, as amended by section 5 of 2014 Senate
7 Substitute for House Bill No. 2655, 79-32,117, as amended by section 3
8 of 2014 Senate Bill No. 265 and 79-3606, as amended by section 8 of
9 2014 Senate Bill No. 265 and repealing the existing sections; also
10 repealing K.S.A. 2013 Supp. 8-1911, as amended by section 2 of 2014
11 House Bill No. 2715, 22-4902b, 22-4906b, 28-176, as amended by
12 section 1 of 2014 House Bill No. 2566, 39-709, as amended by section
13 2 of 2014 House Bill No. 2552, 39-923, as amended by section 4 of
14 2014 Substitute for House Bill No. 2681, 41-2601a, 73-1209, as
15 amended by section 9 of 2014 Substitute for House Bill No. 2681, 79-
16 32,117, as amended by section 6 of 2014 House Bill No. 2057 and 79-
17 3606, as amended by section 1 of 2014 Senate Substitute for House Bill
18 No. 2378.

19

20 *Be it enacted by the Legislature of the State of Kansas:*

21 Section 1. K.S.A. 2013 Supp. 8-1911, as amended by section 1 of
22 2014 Senate Bill No. 344, is hereby amended to read as follows: 8-1911.

23 (a) The secretary of transportation with respect to highways under the
24 secretary's jurisdiction and local authorities with respect to highways under
25 their jurisdiction, in their discretion, upon application, may issue a special
26 permit, which term shall include an authorization number, to the owner or
27 operator of an oversize or overweight vehicle. The special permit shall
28 authorize the special permit holder to operate or move a vehicle or
29 combination of vehicles which exceed the limitations of this act, on a
30 route, or routes, designated in the special permit and in accordance with
31 the terms and conditions of the special permit.

32 (b) The application for the permit shall describe the vehicle, or
33 combination of vehicles and all loads or cargo for which the special permit
34 is requested, the route or routes on which operation is sought and whether
35 a single trip or annual operation is requested. One special permit may be
36 issued for a vehicle or combination of vehicles, that are both oversize and

1 overweight. A special permit under this section may be for a single trip or
2 for annual operation. The special permit shall designate the route or routes
3 that may be used and any other terms, conditions or restrictions deemed
4 necessary. The secretary of transportation shall charge a fee for each
5 permit or authorization number issued as provided for in subsection (f). No
6 permit shall be required to authorize the moving or operating upon any
7 highway, *by an implement dealer, as defined in section 1 of 2014 House*
8 *Bill No. 2715, and amendments thereto, or employee thereof who*
9 *possesses an annual permit and following all conditions set forth in*
10 *section 1 of 2014 House Bill No. 2715, and amendments thereto,* of farm
11 tractors, combines, fertilizer dispensing equipment or other farm
12 machinery, or machinery being transported to be used for terracing or soil
13 or water conservation work upon farms; ~~or.~~ *No permit shall be required to*
14 *authorize the moving or operating upon any highway of farm tractors,*
15 *combines, fertilizer dispensing equipment or other farm machinery, or*
16 *machinery being transported to be used for terracing or soil or water*
17 *conservation work upon farms, or vehicles owned by counties, cities and*
18 *other political subdivisions of the state, except that this sentence shall not:*
19 (1) Exempt trucks owned by counties, cities and other political
20 subdivisions specifically designed and equipped and used exclusively for
21 garbage, refuse or solid waste disposal operations from the maximum
22 gross weight limitations contained in the table in K.S.A. 8-1909, and
23 amendments thereto; or (2) authorize travel on interstate highways.

24 (c) A permit shall be valid only when the registration on the power
25 unit is equal to or exceeds the total gross weight of the vehicle. When the
26 gross weight of the vehicle exceeds the upper limit of the available
27 registration, the maximum amount of registration must be purchased. The
28 provisions of this subsection shall not apply to a wrecker or tow truck, as
29 defined in K.S.A. 66-1329, and amendments thereto, and registered in
30 accordance with the provisions of K.S.A. 8-143, and amendments thereto.

31 (d) The secretary or local authority may issue or withhold the permit
32 at the secretary's or local authority's discretion or may limit the number of
33 trips, or establish seasonal or other time limitations within which the
34 vehicles described may be operated on the highways, or may otherwise
35 limit or prescribe conditions of operations of such vehicle or combination
36 of vehicles, when necessary to assure against undue damage to the road.
37 The secretary or local authority may require such undertaking or other
38 security as may be deemed necessary to compensate for any injury to any
39 roadway or road structure.

40 (e) Every permit shall be carried in the vehicle or combination of
41 vehicles to which it refers and shall be open to inspection by any police
42 officer or authorized agent of any authority granting the permit. It shall be
43 unlawful for any person to violate any of the terms or conditions of the

1 special permit.

2 (f) The secretary of transportation shall charge and collect fees as
3 follows:

4 (1) Twenty dollars for each single-trip permit;

5 (2) thirty dollars for each single-trip permit for a large structure, as
6 defined by rules and regulations;

7 (3) fifty dollars for each single-trip permit for a superload, as defined
8 by rules and regulations;

9 (4) twenty-five dollars for a five-year permit for vehicles authorized
10 to move bales of hay under subsection (j) on noninterstate highways;

11 (5) one hundred and fifty dollars for each annual permit; or

12 (6) two thousand dollars per year for each qualified carrier company
13 for special vehicle combination permits authorized under K.S.A. 8-1915,
14 and amendments thereto, plus \$50 per year for each power unit operating
15 under such annual permit.

16 No fees shall be charged for permits issued for vehicles owned by
17 counties, cities and other political subdivisions of the state. All permit fees
18 received under this section shall be remitted to the state treasurer in
19 accordance with the provisions of K.S.A. 75-4215, and amendments
20 thereto. Upon receipt of each such remittance, the state treasurer shall
21 deposit the entire amount in the state treasury to the credit of the state
22 highway fund. The secretary may adopt rules and regulations for payment
23 and collection of all fees. The secretary may adopt rules and regulations
24 implementing the provisions of this section to prescribe standards for any
25 permit program to enhance highway safety.

26 (g) If any local authority does not desire to exercise the powers
27 conferred on it by this section to issue or deny permits then such a permit
28 from the local authority shall not be required to operate any such vehicle
29 or combination of vehicles on highways under the jurisdiction of such
30 local authority, but in no event shall the jurisdiction of the local authority
31 be construed as extending to any portion of any state highway, any city
32 street designated by the secretary as a connecting link in the state highway
33 system or any highway within the national system of interstate and defense
34 highways, which highways and streets, for the purpose of this section,
35 shall be under the jurisdiction of the secretary.

36 (h) A house trailer, manufactured home or mobile home which
37 exceeds the width as provided in subsection (a) of K.S.A. 8-1902, and
38 amendments thereto, may be moved on the highways of this state by
39 obtaining a permit as provided in this section, if:

40 (1) The width of such house trailer, manufactured home or mobile
41 home does not exceed 16¹/₂ feet;

42 (2) the driver of the vehicle pulling the house trailer, manufactured
43 home or mobile home has a valid driver's license; and

1 (3) the driver carries evidence that the house trailer, manufactured
2 home or mobile home, and the vehicle pulling it, are covered by motor
3 vehicle liability insurance with limits of not less than \$100,000 for injury
4 to any one person, and \$300,000 for injury to persons in any one accident,
5 and \$25,000 for injury to property.

6 For the purposes of this subsection, the terms "manufactured home"
7 and "mobile home" shall have the meanings ascribed to them by K.S.A.
8 58-4202, and amendments thereto.

9 (i) Upon proper application stating the description and registration of
10 each power unit, the secretary of transportation shall issue permits for a
11 period, from May 1 to November 15, for custom combine operators to tow
12 custom-combine equipment on a trailer within legal dimensions or a trailer
13 especially designed for the transportation of combines or combine
14 equipment at the rate of \$10 per power unit. Each application shall be
15 accompanied by information as required by the secretary. The permit shall
16 allow custom combine operators to haul two combine headers on
17 designated interstate highways provided:

18 (1) The vehicle plus the load do not exceed 14 feet in width;

19 (2) the move is completed during the period beginning 30 minutes
20 before sunrise and ending 30 minutes after sunset; and

21 (3) the vehicle plus the load are not overweight.

22 (j) Except as provided in paragraph (2) of subsection (d) of K.S.A. 8-
23 1902, and amendments thereto, a vehicle loaded with bales of hay which
24 exceeds the width as provided in subsection (a) of K.S.A. 8-1902, and
25 amendments thereto, may be moved on any highway designated as a part
26 of the national network of highways by obtaining a permit as provided by
27 this section, if:

28 (1) The vehicle plus the bales of hay do not exceed 12 feet in width;

29 (2) the vehicle plus the bales of hay do not exceed the height
30 authorized under K.S.A. 8-1904, and amendments thereto;

31 (3) the move is completed during the period beginning 30 minutes
32 before sunrise and ending 30 minutes after sunset;

33 (4) the vehicle plus the load are not overweight; and

34 (5) the vehicle plus the load comply with the signing and marking
35 requirements of paragraph (3) of subsection (d) of K.S.A. 8-1902, and
36 amendments thereto.

37 (k) If it is determined by the secretary of transportation that a person
38 has been granted a permit and has not complied with the applicable
39 provisions of this section and the rules and regulations of the secretary of
40 transportation relating thereto, the secretary may cancel the permit and
41 may refuse to grant future permits to the individual.

42 (l) (1) Vehicles operating under the provisions of a permit issued
43 under subsection (a), which exceed the width limitations prescribed by

1 K.S.A. 8-1902, and amendments thereto, or the length provisions in
2 K.S.A. 8-1904, and amendments thereto, shall have a sign attached which
3 states "OVERSIZE LOAD" and the dimensions of the sign shall be a
4 minimum of seven feet long and 18 inches high. Letters shall be a
5 minimum of 10 inches high with a brush stroke of not less than $1\frac{2}{5}$ inches.
6 The sign shall be readily visible from a distance of 500 feet and shall be
7 removed when the vehicle or load no longer exceeds the legal width
8 dimensions prescribed by K.S.A. 8-1902, and amendments thereto, or the
9 length provisions in K.S.A. 8-1904, and amendments thereto. Each such
10 vehicle shall be equipped with red flags on all four corners of the oversize
11 load.

12 (2) Vehicles operating under the provision of a permit issued under
13 subsection (a), which exceed the weight limitations of K.S.A. 8-1908 or 8-
14 1909, and amendments thereto, but do not exceed the width limitations
15 prescribed by K.S.A. 8-1902, and amendments thereto, or the length
16 provisions in K.S.A. 8-1904, and amendments thereto, shall not have a
17 sign attached which states "OVERSIZE LOAD."

18 (m) (1) Vehicles operating under the provisions of a permit issued
19 under subsection (a), which exceed the width limitations prescribed by
20 K.S.A. 8-1902, and amendments thereto, or the length provisions in
21 K.S.A. 8-1904, and amendments thereto, shall not operate: (i) During the
22 time period between 30 minutes after sunset to 30 minutes before sunrise,
23 unless specifically authorized under another statute or regulation; (ii)
24 under conditions where visibility is less than $\frac{1}{2}$ mile; or (iii) when
25 highway surfaces have ice or snow pack or drifting snow.

26 (2) Vehicles operating under the provisions of a permit issued under
27 subsection (a), which exceed the weight limitations of K.S.A. 8-1908 or 8-
28 1909, and amendments thereto, but do not exceed the width limitations
29 prescribed by K.S.A. 8-1902, and amendments thereto, or the length
30 provisions in K.S.A. 8-1904, and amendments thereto, may operate 24-
31 hour days, except that such vehicles shall not operate when highway
32 surfaces have ice or snow pack or drifting snow.

33 Sec. 2. K.S.A. 2013 Supp. 22-4902 is hereby amended to read as
34 follows: 22-4902. used in the Kansas offender registration act, unless the
35 context otherwise requires:

36 (a) "Offender" means:

37 (1) A sex offender;

38 (2) a violent offender;

39 (3) a drug offender;

40 (4) any person who has been required to register under out of state
41 law or is otherwise required to be registered; and

42 (5) any person required by court order to register for an offense not
43 otherwise required as provided in the Kansas offender registration act.

1 (b) "Sex offender" includes any person who:

2 (1) On or after April 14, 1994, is convicted of any sexually violent
3 crime;

4 (2) on or after July 1, 2002, is adjudicated as a juvenile offender for
5 an act which if committed by an adult would constitute the commission of
6 a sexually violent crime, unless the court, on the record, finds that the act
7 involved non-forcible sexual conduct, the victim was at least 14 years of
8 age and the offender was not more than four years older than the victim;

9 (3) has been determined to be a sexually violent predator;

10 (4) on or after July 1, 1997, is convicted of any of the following
11 crimes when one of the parties involved is less than 18 years of age:

12 (A) Adultery, as defined in K.S.A. 21-3507, prior to its repeal, or
13 K.S.A. 2013 Supp. 21-5511, and amendments thereto;

14 (B) criminal sodomy, as defined in subsection (a)(1) of K.S.A. 21-
15 3505, prior to its repeal, or subsection (a)(1) or (a)(2) of K.S.A. 2013
16 Supp. 21-5504, and amendments thereto;

17 (C) promoting prostitution, as defined in K.S.A. 21-3513, prior to its
18 repeal, or K.S.A. 2013 Supp. 21-6420, ~~and amendments thereto prior to its~~
19 ~~amendment by section 17 of chapter 120 of the 2013 Session Laws of~~
20 ~~Kansas on July 1, 2013;~~

21 (D) patronizing a prostitute, as defined in K.S.A. 21-3515, prior to its
22 repeal, or K.S.A. 2013 Supp. 21-6421, ~~and amendments thereto prior to its~~
23 ~~amendment by section 18 of chapter 120 of the 2013 Session Laws of~~
24 ~~Kansas on July 1, 2013;~~ or

25 (E) lewd and lascivious behavior, as defined in K.S.A. 21-3508, prior
26 to its repeal, or K.S.A. 2013 Supp. 21-5513, and amendments thereto;

27 (5) is convicted of sexual battery, as defined in K.S.A. 21-3517, prior
28 to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5505, and
29 amendments thereto;

30 (6) is convicted of an attempt, conspiracy or criminal solicitation, as
31 defined in K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or
32 K.S.A. 2013 Supp. 21-5301, 21-5302, 21-5303, and amendments thereto,
33 of an offense defined in this subsection; or

34 (7) has been convicted of an offense that is comparable to any crime
35 defined in this subsection, or any out of state conviction for an offense that
36 under the laws of this state would be an offense defined in this subsection.

37 (c) "Sexually violent crime" means:

38 (1) Rape, as defined in K.S.A. 21-3502, prior to its repeal, or K.S.A.
39 2013 Supp. 21-5503, and amendments thereto;

40 (2) indecent liberties with a child, as defined in K.S.A. 21-3503, prior
41 to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5506, and
42 amendments thereto;

43 (3) aggravated indecent liberties with a child, as defined in K.S.A.

- 1 21-3504, prior to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-
2 5506, and amendments thereto;
- 3 (4) criminal sodomy, as defined in subsection (a)(2) or (a)(3) of
4 K.S.A. 21-3505, prior to its repeal, or subsection (a)(3) or (a)(4) of K.S.A.
5 2013 Supp. 21-5504, and amendments thereto;
- 6 (5) aggravated criminal sodomy, as defined in K.S.A. 21-3506, prior
7 to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5504, and
8 amendments thereto;
- 9 (6) indecent solicitation of a child, as defined in K.S.A. 21-3510,
10 prior to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5508, and
11 amendments thereto;
- 12 (7) aggravated indecent solicitation of a child, as defined in K.S.A.
13 21-3511, prior to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-
14 5508, and amendments thereto;
- 15 (8) sexual exploitation of a child, as defined in K.S.A. 21-3516, prior
16 to its repeal, or K.S.A. 2013 Supp. 21-5510, and amendments thereto;
- 17 (9) aggravated sexual battery, as defined in K.S.A. 21-3518, prior to
18 its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5505, and
19 amendments thereto;
- 20 (10) aggravated incest, as defined in K.S.A. 21-3603, prior to its
21 repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5604, and amendments
22 thereto;
- 23 (11) electronic solicitation, as defined in K.S.A. 21-3523, prior to its
24 repeal, and K.S.A. 2013 Supp. 21-5509, and amendments thereto;
- 25 (12) unlawful sexual relations, as defined in K.S.A. 21-3520, prior to
26 its repeal, or K.S.A. 2013 Supp. 21-5512, and amendments thereto;
- 27 (13) *aggravated human trafficking, as defined in K.S.A. 21-3447,*
28 *prior to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5426, and*
29 *amendments thereto, if committed in whole or in part for the purpose of*
30 *the sexual gratification of the defendant or another;*
- 31 (14) *commercial sexual exploitation of a child, as defined in K.S.A.*
32 *2013 Supp. 21-6422, and amendments thereto;*
- 33 (15) any conviction or adjudication for an offense that is comparable
34 to a sexually violent crime as defined in this subsection, or any out of state
35 conviction or adjudication for an offense that under the laws of this state
36 would be a sexually violent crime as defined in this subsection;
- 37 ~~(14)~~(16) an attempt, conspiracy or criminal solicitation, as defined in
38 K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or K.S.A. 2013
39 Supp. 21-5301, 21-5302, 21-5303, and amendments thereto, of a sexually
40 violent crime, as defined in this subsection; or
- 41 ~~(15)~~(17) any act which has been determined beyond a reasonable
42 doubt to have been sexually motivated, unless the court, on the record,
43 finds that the act involved non-forcible sexual conduct, the victim was at

1 least 14 years of age and the offender was not more than four years older
2 than the victim. As used in this paragraph, "sexually motivated" means that
3 one of the purposes for which the defendant committed the crime was for
4 the purpose of the defendant's sexual gratification.

5 (d) "Sexually violent predator" means any person who, on or after
6 July 1, 2001, is found to be a sexually violent predator pursuant to K.S.A.
7 59-29a01 et seq., and amendments thereto.

8 (e) "Violent offender" includes any person who:

9 (1) On or after July 1, 1997, is convicted of any of the following
10 crimes:

11 (A) Capital murder, as defined in K.S.A. 21-3439, prior to its repeal,
12 or K.S.A. 2013 Supp. 21-5401, and amendments thereto;

13 (B) murder in the first degree, as defined in K.S.A. 21-3401, prior to
14 its repeal, or K.S.A. 2013 Supp. 21-5402, and amendments thereto;

15 (C) murder in the second degree, as defined in K.S.A. 21-3402, prior
16 to its repeal, or K.S.A. 2013 Supp. 21-5403, and amendments thereto;

17 (D) voluntary manslaughter, as defined in K.S.A. 21-3403, prior to its
18 repeal, or K.S.A. 2013 Supp. 21-5404, and amendments thereto;

19 (E) involuntary manslaughter, as defined in K.S.A. 21-3404, prior to
20 its repeal, or subsections (a)(1), (a)(2) or (a)(4) of K.S.A. 2013 Supp. 21-
21 5405, and amendments thereto. The provisions of this paragraph shall not
22 apply to violations of subsection (a)(3) of K.S.A. 2013 Supp. 21-5405, and
23 amendments thereto, which occurred on or after July 1, 2011, through July
24 1, 2013;

25 (F) kidnapping, as defined in K.S.A. 21-3420, prior to its repeal, or
26 subsection (a) of K.S.A. 2013 Supp. 21-5408, and amendments thereto;

27 (G) aggravated kidnapping, as defined in K.S.A. 21-3421, prior to its
28 repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5408, and amendments
29 thereto;

30 (H) criminal restraint, as defined in K.S.A. 21-3424, prior to its
31 repeal, or K.S.A. 2013 Supp. 21-5411, and amendments thereto, except by
32 a parent, and only when the victim is less than 18 years of age; or

33 (I) aggravated human trafficking, as defined in K.S.A. 21-3447, prior
34 to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5426, and
35 amendments thereto, *if not committed in whole or in part for the purpose*
36 *of the sexual gratification of the defendant or another;*

37 (2) on or after July 1, 2006, is convicted of any person felony and the
38 court makes a finding on the record that a deadly weapon was used in the
39 commission of such person felony;

40 (3) has been convicted of an offense that is comparable to any crime
41 defined in this subsection, any out of state conviction for an offense that
42 under the laws of this state would be an offense defined in this subsection;
43 or

1 (4) is convicted of an attempt, conspiracy or criminal solicitation, as
2 defined in K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or
3 K.S.A. 2013 Supp. 21-5301, 21-5302 and 21-5303, and amendments
4 thereto, of an offense defined in this subsection.

5 (f) "Drug offender" includes any person who, on or after July 1, 2007:

6 (1) Is convicted of any of the following crimes:

7 (A) Unlawful manufacture or attempting such of any controlled
8 substance or controlled substance analog, as defined in K.S.A. 65-4159,
9 prior to its repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or
10 K.S.A. 2013 Supp. 21-5703, and amendments thereto;

11 (B) possession of ephedrine, pseudoephedrine, red phosphorus,
12 lithium metal, sodium metal, iodine, anhydrous ammonia, pressurized
13 ammonia or phenylpropanolamine, or their salts, isomers or salts of
14 isomers with intent to use the product to manufacture a controlled
15 substance, as defined in subsection (a) of K.S.A. 65-7006, prior to its
16 repeal, subsection (a) of K.S.A. 2010 Supp. 21-36a09, prior to its transfer,
17 or subsection (a) of K.S.A. 2013 Supp. 21-5709, and amendments thereto;

18 (C) K.S.A. 65-4161, prior to its repeal, subsection (a)(1) of K.S.A.
19 2010 Supp. 21-36a05, prior to its transfer, or subsection (a)(1) of K.S.A.
20 2013 Supp. 21-5705, and amendments thereto. The provisions of this
21 paragraph shall not apply to violations of subsections (a)(2) through (a)(6)
22 or (b) of K.S.A. 2010 Supp. 21-36a05 which occurred on or after July 1,
23 2009, through April 15, 2010;

24 (2) has been convicted of an offense that is comparable to any crime
25 defined in this subsection, any out of state conviction for an offense that
26 under the laws of this state would be an offense defined in this subsection;
27 or

28 (3) is or has been convicted of an attempt, conspiracy or criminal
29 solicitation, as defined in K.S.A. 21-3301, 21-3302 or 21-3303, prior to
30 their repeal, or K.S.A. 2013 Supp. 21-5301, 21-5302 and 21-5303, and
31 amendments thereto, of an offense defined in this subsection.

32 (g) Convictions or adjudications which result from or are connected
33 with the same act, or result from crimes committed at the same time, shall
34 be counted for the purpose of this section as one conviction or
35 adjudication. Any conviction or adjudication set aside pursuant to law is
36 not a conviction or adjudication for purposes of this section. A conviction
37 or adjudication from any out of state court shall constitute a conviction or
38 adjudication for purposes of this section.

39 (h) "School" means any public or private educational institution,
40 including, but not limited to, postsecondary school, college, university,
41 community college, secondary school, high school, junior high school,
42 middle school, elementary school, trade school, vocational school or
43 professional school providing training or education to an offender for three

1 or more consecutive days or parts of days, or for 10 or more
2 nonconsecutive days in a period of 30 consecutive days.

3 (i) "Employment" means any full-time, part-time, transient, day-labor
4 employment or volunteer work, with or without compensation, for three or
5 more consecutive days or parts of days, or for 10 or more nonconsecutive
6 days in a period of 30 consecutive days.

7 (j) "Reside" means to stay, sleep or maintain with regularity or
8 temporarily one's person and property in a particular place other than a
9 location where the offender is incarcerated. It shall be presumed that an
10 offender resides at any and all locations where the offender stays, sleeps or
11 maintains the offender's person for three or more consecutive days or parts
12 of days, or for ten or more nonconsecutive days in a period of 30
13 consecutive days.

14 (k) "Residence" means a particular and definable place where an
15 individual resides. Nothing in the Kansas offender registration act shall be
16 construed to state that an offender may only have one residence for the
17 purpose of such act.

18 (l) "Transient" means having no fixed or identifiable residence.

19 (m) "Law enforcement agency having initial jurisdiction" means the
20 registering law enforcement agency of the county or location of
21 jurisdiction where the offender expects to most often reside upon the
22 offender's discharge, parole or release.

23 (n) "Registering law enforcement agency" means the sheriff's office
24 or tribal police department responsible for registering an offender.

25 (o) "Registering entity" means any person, agency or other
26 governmental unit, correctional facility or registering law enforcement
27 agency responsible for obtaining the required information from, and
28 explaining the required registration procedures to, any person required to
29 register pursuant to the Kansas offender registration act. "Registering
30 entity" shall include, but not be limited to, sheriff's offices, tribal police
31 departments and correctional facilities.

32 (p) "Treatment facility" means any public or private facility or
33 institution providing inpatient mental health, drug or alcohol treatment or
34 counseling, but does not include a hospital, as defined in K.S.A. 65-425,
35 and amendments thereto.

36 (q) "Correctional facility" means any public or private correctional
37 facility, juvenile detention facility, prison or jail.

38 (r) "Out of state" means: the District of Columbia; any federal,
39 military or tribal jurisdiction, including those within this state; any foreign
40 jurisdiction; or any state or territory within the United States, other than
41 this state.

42 (s) "Duration of registration" means the length of time during which
43 an offender is required to register for a specified offense or violation.

1 Sec. 3. K.S.A. 2013 Supp. 22-4906 is hereby amended to read as
2 follows: 22-4906. (a) (1) Except as provided in subsection (c), if convicted
3 of any of the following offenses, an offender's duration of registration shall
4 be, if confined, 15 years after the date of parole, discharge or release,
5 whichever date is most recent, or, if not confined, 15 years from the date of
6 conviction:

7 (A) Sexual battery, as defined in K.S.A. 21-3517, prior to its repeal,
8 or subsection (a) of K.S.A. 2013 Supp. 21-5505, and amendments thereto;

9 (B) adultery, as defined in K.S.A. 21-3507, prior to its repeal, or
10 K.S.A. 2013 Supp. 21-5511, and amendments thereto, when one of the
11 parties involved is less than 18 years of age;

12 (C) patronizing a prostitute, as defined in K.S.A. 21-3515, prior to its
13 repeal, or K.S.A. 2013 Supp. 21-6421, ~~and amendments thereto prior to its~~
14 *amendment by section 18 of chapter 120 of the 2013 Session Laws of*
15 *Kansas on July 1, 2013*, when one of the parties involved is less than 18
16 years of age;

17 (D) lewd and lascivious behavior, as defined in K.S.A. 21-3508, prior
18 to its repeal, or K.S.A. 2013 Supp. 21-5513, and amendments thereto,
19 when one of the parties involved is less than 18 years of age;

20 (E) capital murder, as defined in K.S.A. 21-3439, prior to its repeal,
21 or K.S.A. 2013 Supp. 21-5401, and amendments thereto;

22 (F) murder in the first degree, as defined in K.S.A. 21-3401, prior to
23 its repeal, or K.S.A. 2013 Supp. 21-5402, and amendments thereto;

24 (G) murder in the second degree, as defined in K.S.A. 21-3402, prior
25 to its repeal, or K.S.A. 2013 Supp. 21-5403, and amendments thereto;

26 (H) voluntary manslaughter, as defined in K.S.A. 21-3403, prior to its
27 repeal, or K.S.A. 2013 Supp. 21-5404, and amendments thereto;

28 (I) involuntary manslaughter, as defined in K.S.A. 21-3404, prior to
29 its repeal, or subsections (a)(1), (a)(2) or (a)(4) of K.S.A. 2013 Supp. 21-
30 5405, and amendments thereto;

31 (J) criminal restraint, as defined in K.S.A. 21-3424, prior to its repeal,
32 or K.S.A. 2013 Supp. 21-5411, and amendments thereto, except by a
33 parent, and only when the victim is less than 18 years of age;

34 (K) any act which has been determined beyond a reasonable doubt to
35 have been sexually motivated, unless the court, on the record, finds that
36 the act involved non-forcible sexual conduct, the victim was at least 14
37 years of age and the offender was not more than four years older than the
38 victim;

39 (L) conviction of any person required by court order to register for an
40 offense not otherwise required as provided in the Kansas offender
41 registration act;

42 (M) conviction of any person felony and the court makes a finding on
43 the record that a deadly weapon was used in the commission of such

1 person felony;

2 (N) unlawful manufacture or attempting such of any controlled
3 substance or controlled substance analog, as defined in K.S.A. 65-4159,
4 prior to its repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or
5 K.S.A. 2013 Supp. 21-5703, and amendments thereto;

6 (O) possession of ephedrine, pseudoephedrine, red phosphorus,
7 lithium metal, sodium metal, iodine, anhydrous ammonia, pressurized
8 ammonia or phenylpropanolamine, or their salts, isomers or salts of
9 isomers with intent to use the product to manufacture a controlled
10 substance, as defined by subsection (a) of K.S.A. 65-7006, prior to its
11 repeal, subsection (a) of K.S.A. 2010 Supp. 21-36a09, prior to its transfer,
12 or subsection (a) of K.S.A. 2013 Supp. 21-5709, and amendments thereto;

13 (P) K.S.A. 65-4161, prior to its repeal, subsection (a)(1) of K.S.A.
14 2010 Supp. 21-36a05, prior to its transfer, or subsection (a)(1) of K.S.A.
15 2013 Supp. 21-5705, and amendments thereto; or

16 (Q) any attempt, conspiracy or criminal solicitation, as defined in
17 K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or K.S.A. 2013
18 Supp. 21-5301, 21-5302 and 21-5303, and amendments thereto, of an
19 offense defined in this subsection.

20 (2) Except as otherwise provided by the Kansas offender registration
21 act, the duration of registration terminates, if not confined, at the
22 expiration of 15 years from the date of conviction. Any period of time
23 during which any offender is incarcerated in any jail or correctional
24 facility or during which the offender does not comply with any and all
25 requirements of the Kansas offender registration act shall not count toward
26 the duration of registration.

27 (b) (1) Except as provided in subsection (c), if convicted of any of
28 the following offenses, an offender's duration of registration shall be, if
29 confined, 25 years after the date of parole, discharge or release, whichever
30 date is most recent, or, if not confined, 25 years from the date of
31 conviction:

32 (A) Criminal sodomy, as defined in subsection (a)(1) of K.S.A. 21-
33 3505, prior to its repeal, or subsection (a)(1) or (a)(2) of K.S.A. 2013
34 Supp. 21-5504, and amendments thereto, when one of the parties involved
35 is less than 18 years of age;

36 (B) indecent solicitation of a child, as defined in K.S.A. 21-3510,
37 prior to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5508, and
38 amendments thereto;

39 (C) electronic solicitation, as defined in K.S.A. 21-3523, prior to its
40 repeal, or K.S.A. 2013 Supp. 21-5509, and amendments thereto;

41 (D) aggravated incest, as defined in K.S.A. 21-3603, prior to its
42 repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5604, and amendments
43 thereto;

1 (E) indecent liberties with a child, as defined in K.S.A. 21-3503, prior
2 to its repeal, or subsection (a) of K.S.A. 2013 Supp. 21-5506, and
3 amendments thereto;

4 (F) unlawful sexual relations, as defined in K.S.A. 21-3520, prior to
5 its repeal, or K.S.A. 2013 Supp. 21-5512, and amendments thereto;

6 (G) sexual exploitation of a child, as defined in K.S.A. 21-3516, prior
7 to its repeal, or K.S.A. 2013 Supp. 21-5510, and amendments thereto, if
8 the victim is 14 or more years of age but less than 18 years of age;

9 (H) aggravated sexual battery, as defined in K.S.A. 21-3518, prior to
10 its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5505, and
11 amendments thereto;

12 (I) promoting prostitution, as defined in K.S.A. 21-3513, prior to its
13 repeal, or K.S.A. 2013 Supp. 21-6420, ~~and amendments thereto prior to its~~
14 *amendment by section 17 of chapter 120 of the 2013 Session Laws of*
15 *Kansas on July 1, 2013, if the prostitute person selling sexual relations is*
16 *14 or more years of age but less than 18 years of age; or*

17 (J) any attempt, conspiracy or criminal solicitation, as defined in
18 K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or K.S.A. 2013
19 Supp. 21-5301, 21-5302 and 21-5303, and amendments thereto, of an
20 offense defined in this subsection.

21 (2) Except as otherwise provided by the Kansas offender registration
22 act, the duration of registration terminates, if not confined, at the
23 expiration of 25 years from the date of conviction. Any period of time
24 during which any offender is incarcerated in any jail or correctional
25 facility or during which the offender does not comply with any and all
26 requirements of the Kansas offender registration act shall not count toward
27 the duration of registration.

28 (c) Upon a second or subsequent conviction of an offense requiring
29 registration, an offender's duration of registration shall be for such
30 offender's lifetime.

31 (d) The duration of registration for any offender who has been
32 convicted of any of the following offenses shall be for such offender's
33 lifetime:

34 (1) Rape, as defined in K.S.A. 21-3502, prior to its repeal, or K.S.A.
35 2013 Supp. 21-5503, and amendments thereto;

36 (2) aggravated indecent solicitation of a child, as defined in K.S.A.
37 21-3511, prior to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-
38 5508, and amendments thereto;

39 (3) aggravated indecent liberties with a child, as defined in K.S.A.
40 21-3504, prior to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-
41 5506, and amendments thereto;

42 (4) criminal sodomy, as defined in subsection (a)(2) or (a)(3) of
43 K.S.A. 21-3505, prior to its repeal, or subsection (a)(3) or (a)(4) of K.S.A.

1 2013 Supp. 21-5504, and amendments thereto;

2 (5) aggravated criminal sodomy, as defined in K.S.A. 21-3506, prior
3 to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5504, and
4 amendments thereto;

5 (6) aggravated human trafficking, as defined in K.S.A. 21-3447, prior
6 to its repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5426, and
7 amendments thereto;

8 (7) sexual exploitation of a child, as defined in K.S.A. 21-3516, prior
9 to its repeal, or K.S.A. 2013 Supp. 21-5510, and amendments thereto, if
10 the victim is less than 14 years of age;

11 (8) promoting prostitution, as defined in K.S.A. 21-3513, prior to its
12 repeal, or K.S.A. 2013 Supp. 21-6420, ~~and amendments thereto prior to its~~
13 *amendment by section 17 of chapter 120 of the 2013 Session Laws of*
14 *Kansas on July 1, 2013, if the prostitute person selling sexual relations is*
15 *less than 14 years of age;*

16 (9) kidnapping, as defined in K.S.A. 21-3420, prior to its repeal, or
17 subsection (a) of K.S.A. 2013 Supp. 21-5408, and amendments thereto;

18 (10) aggravated kidnapping, as defined in K.S.A. 21-3421, prior to its
19 repeal, or subsection (b) of K.S.A. 2013 Supp. 21-5408, and amendments
20 thereto; ~~or~~

21 (11) *commercial sexual exploitation of a child, as defined in K.S.A.*
22 *2013 Supp. 21-6422, and amendments thereto; or*

23 (12) any attempt, conspiracy or criminal solicitation, as defined in
24 K.S.A. 21-3301, 21-3302 or 21-3303, prior to their repeal, or K.S.A. 2013
25 Supp. 21-5301, 21-5302 and 21-5303, and amendments thereto, of an
26 offense defined in this subsection.

27 (e) Any person who has been declared a sexually violent predator
28 pursuant to K.S.A. 59-29a01 et seq., and amendments thereto, shall
29 register for such person's lifetime.

30 (f) Notwithstanding any other provisions of this section, for an
31 offender less than 14 years of age who is adjudicated as a juvenile offender
32 for an act which if committed by an adult would constitute a sexually
33 violent crime set forth in subsection (c) of K.S.A. 22-4902, and
34 amendments thereto, the court shall:

35 (1) Require registration until such offender reaches 18 years of age, at
36 the expiration of five years from the date of adjudication or, if confined,
37 from release from confinement, whichever date occurs later. Any period of
38 time during which the offender is incarcerated in any jail, juvenile facility
39 or correctional facility or during which the offender does not comply with
40 any and all requirements of the Kansas offender registration act shall not
41 count toward the duration of registration;

42 (2) not require registration if the court, on the record, finds substantial
43 and compelling reasons therefor; or

1 (3) require registration, but such registration information shall not be
2 open to inspection by the public or posted on any internet website, as
3 provided in K.S.A. 22-4909, and amendments thereto. If the court requires
4 registration but such registration is not open to the public, such offender
5 shall provide a copy of such court order to the registering law enforcement
6 agency at the time of registration. The registering law enforcement agency
7 shall forward a copy of such court order to the Kansas bureau of
8 investigation.

9 If such offender violates a condition of release during the term of the
10 conditional release, the court may require such offender to register
11 pursuant to paragraph (1).

12 (g) Notwithstanding any other provisions of this section, for an
13 offender 14 years of age or more who is adjudicated as a juvenile offender
14 for an act which if committed by an adult would constitute a sexually
15 violent crime set forth in subsection (c) of K.S.A. 22-4902, and
16 amendments thereto, and such crime is not an off-grid felony or a felony
17 ranked in severity level 1 of the nondrug grid as provided in K.S.A. 21-
18 4704, prior to its repeal, or K.S.A. 2013 Supp. 21-6804, and amendments
19 thereto, the court shall:

20 (1) Require registration until such offender reaches 18 years of age, at
21 the expiration of five years from the date of adjudication or, if confined,
22 from release from confinement, whichever date occurs later. Any period of
23 time during which the offender is incarcerated in any jail, juvenile facility
24 or correctional facility or during which the offender does not comply with
25 any and all requirements of the Kansas offender registration act shall not
26 count toward the duration of registration;

27 (2) not require registration if the court, on the record, finds substantial
28 and compelling reasons therefor; or

29 (3) require registration, but such registration information shall not be
30 open to inspection by the public or posted on any internet website, as
31 provided in K.S.A. 22-4909, and amendments thereto. If the court requires
32 registration but such registration is not open to the public, such offender
33 shall provide a copy of such court order to the registering law enforcement
34 agency at the time of registration. The registering law enforcement agency
35 shall forward a copy of such court order to the Kansas bureau of
36 investigation.

37 If such offender violates a condition of release during the term of the
38 conditional release, the court may require such offender to register
39 pursuant to paragraph (1).

40 (h) Notwithstanding any other provisions of this section, an offender
41 14 years of age or more who is adjudicated as a juvenile offender for an
42 act which if committed by an adult would constitute a sexually violent
43 crime set forth in subsection (c) of K.S.A. 22-4902, and amendments

1 thereto, and such crime is an off-grid felony or a felony ranked in severity
2 level 1 of the nondrug grid as provided in K.S.A. 21-4704, prior to its
3 repeal, or K.S.A. 2013 Supp. 21-6804, and amendments thereto, shall be
4 required to register for such offender's lifetime.

5 (i) Notwithstanding any other provision of law, if a diversionary
6 agreement or probation order, either adult or juvenile, or a juvenile
7 offender sentencing order, requires registration under the Kansas offender
8 registration act for an offense that would not otherwise require registration
9 as provided in subsection (a)(5) of K.S.A. 22-4902, and amendments
10 thereto, then all provisions of the Kansas offender registration act shall
11 apply, except that the duration of registration shall be controlled by such
12 diversionary agreement, probation order or juvenile offender sentencing
13 order.

14 (j) The duration of registration does not terminate if the convicted or
15 adjudicated offender again becomes liable to register as provided by the
16 Kansas offender registration act during the required period of registration.

17 (k) For any person moving to Kansas who has been convicted or
18 adjudicated in an out of state court, or who was required to register under
19 an out of state law, the duration of registration shall be the length of time
20 required by the out of state jurisdiction or by the Kansas offender
21 registration act, whichever length of time is longer. The provisions of this
22 subsection shall apply to convictions or adjudications prior to June 1,
23 2006, and to persons who moved to Kansas prior to June 1, 2006, and to
24 convictions or adjudications on or after June 1, 2006, and to persons who
25 moved to Kansas on or after June 1, 2006.

26 (l) For any person residing, maintaining employment or attending
27 school in this state who has been convicted or adjudicated by an out of
28 state court of an offense that is comparable to any crime requiring
29 registration pursuant to the Kansas offender registration act, but who was
30 not required to register in the jurisdiction of conviction or adjudication, the
31 duration of registration shall be the duration required for the comparable
32 offense pursuant to the Kansas offender registration act.

33 Sec. 4. K.S.A. 2013 Supp. 28-176, as amended by section 3 of 2013
34 House Bill No. 2303, is hereby amended to read as follows: 28-176. (a)
35 The court shall order any person convicted or diverted, or adjudicated or
36 diverted under a preadjudication program pursuant to K.S.A. 22-2906 et
37 seq., K.S.A. 2013 Supp. 38-2346 et seq., or 12-4414, and amendments
38 thereto, of a misdemeanor or felony contained in chapters 21, 41 or 65 of
39 the Kansas Statutes Annotated, and amendments thereto, or a violation of
40 K.S.A. 8-2,144 or 8-1567, and amendments thereto, or a violation of a
41 municipal ordinance or county resolution prohibiting the acts prohibited by
42 such statutes, unless the municipality or county has an agreement with the
43 laboratory providing services that sets a restitution amount to be paid by

1 the person that is directly related to the cost of laboratory services, to pay a
2 separate court cost of \$400 for every individual offense if forensic science
3 or laboratory services~~or~~, forensic computer examination services *or*
4 *forensic audio and video examination services* are provided, in connection
5 with the investigation, by:

- 6 (1) The Kansas bureau of investigation;
- 7 (2) the Sedgwick county regional forensic science center;
- 8 (3) the Johnson county sheriff's laboratory;
- 9 (4) the heart of America regional computer forensics laboratory;~~or~~
- 10 (5) the Wichita-Sedgwick county computer forensics crimes unit; *or*
- 11 (6) *the Garden City police department computer, audio and video*
12 *forensics laboratory.*

13 (b) Such fees shall be in addition to and not in substitution for any
14 and all fines and penalties otherwise provided for by law for such offense.

15 (c) The court shall not lessen or waive such fees unless the court has
16 determined such person is indigent and the basis for the court's
17 determination is reflected in the court's order.

18 (d) Such fees shall be deposited into the designated fund of the
19 laboratory or forensic science or computer center that provided such
20 services. Fees for services provided by:

21 (1) The Kansas bureau of investigation shall be deposited in the
22 Kansas bureau of investigation forensic laboratory and materials fee fund
23 which is hereby created;

24 (2) the Sedgwick county regional forensic science center shall be
25 deposited in the Sedgwick county general fund;

26 (3) the Johnson county sheriff's laboratory shall be deposited in the
27 Johnson county sheriff's laboratory analysis fee fund;

28 (4) the heart of America regional computer forensics laboratory shall
29 be deposited in the general treasury account maintained by such
30 laboratory;~~and~~

31 (5) the Wichita-Sedgwick county computer forensic crimes unit shall
32 be retained by the Sedgwick county sheriff. All funds retained by the
33 sheriff pursuant to the provisions of this section shall be credited to a
34 special fund of the sheriff's office; *and*

35 (6) *the Garden City police department computer, audio and video*
36 *forensics laboratory shall be deposited in the Garden City general fund.*

37 (e) Disbursements from the funds and accounts described in
38 subsection (d) shall be made for the following:

39 (1) Forensic science or laboratory services;

40 (2) forensic computer examination services;

41 (3) *forensic audio and video examination services;*

42 (4) purchase and maintenance of laboratory equipment and supplies;

43 ~~(4)~~(5) education, training and scientific development of personnel;

1 and

2 ~~(5)~~(6) from the Kansas bureau of investigation forensic laboratory
3 and materials fee fund, the destruction of seized property and chemicals as
4 described in K.S.A. 22-2512 and 60-4117, and amendments thereto.

5 (f) On or before the 10th day of each month, the director of accounts
6 and reports shall transfer from the state general fund to the Kansas bureau
7 of investigation forensic laboratory and materials fee fund interest earnings
8 based on:

9 (1) The average daily balance of moneys in the Kansas bureau of
10 investigation forensic laboratory and materials fee fund for the preceding
11 month; and

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

14 (g) All expenditures from the Kansas bureau of investigation forensic
15 laboratory and materials fee fund shall be made in accordance with
16 appropriations acts upon warrants of the director of accounts and reports
17 issued pursuant to vouchers approved by the attorney general or by a
18 person or persons designated by the attorney general.

19 Sec. 5. K.S.A. 2013 Supp. 39-709, as amended by section 2 of 2014
20 Senate Bill No. 254, is hereby amended to read as follows: 39-709. (a)
21 *General eligibility requirements for assistance for which federal moneys*
22 *are expended.* Subject to the additional requirements below, assistance in
23 accordance with plans under which federal moneys are expended may be
24 granted to any needy person who:

25 (1) Has insufficient income or resources to provide a reasonable
26 subsistence compatible with decency and health. Where a husband and
27 wife are living together, the combined income or resources of both shall be
28 considered in determining the eligibility of either or both for such
29 assistance unless otherwise prohibited by law. The secretary, in
30 determining need of any applicant for or recipient of assistance shall not
31 take into account the financial responsibility of any individual for any
32 applicant or recipient of assistance unless such applicant or recipient is
33 such individual's spouse or such individual's minor child or minor
34 stepchild if the stepchild is living with such individual. The secretary in
35 determining need of an individual may provide such income and resource
36 exemptions as may be permitted by federal law. For purposes of eligibility
37 for aid for families with dependent children, for food stamp assistance and
38 for any other assistance provided through the Kansas department for
39 children and families under which federal moneys are expended, the
40 secretary for children and families shall consider one motor vehicle owned
41 by the applicant for assistance, regardless of the value of such vehicle, as
42 exempt personal property and shall consider any equity in any additional
43 motor vehicle owned by the applicant for assistance to be a nonexempt

1 resource of the applicant for assistance.

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

4 (b) *Assistance to families with dependent children.* Assistance may be
5 granted under this act to any dependent child, or relative, subject to the
6 general eligibility requirements as set out in subsection (a), who resides in
7 the state of Kansas or whose parent or other relative with whom the child
8 is living resides in the state of Kansas. Such assistance shall be known as
9 aid to families with dependent children. Where husband and wife are
10 living together both shall register for work under the program
11 requirements for aid to families with dependent children in accordance
12 with criteria and guidelines prescribed by rules and regulations of the
13 secretary.

14 (c) *Aid to families with dependent children; assignment of support*
15 *rights and limited power of attorney.* By applying for or receiving aid to
16 families with dependent children such applicant or recipient shall be
17 deemed to have assigned to the secretary on behalf of the state any
18 accrued, present or future rights to support from any other person such
19 applicant may have in such person's own behalf or in behalf of any other
20 family member for whom the applicant is applying for or receiving aid. In
21 any case in which an order for child support has been established and the
22 legal custodian and obligee under the order surrenders physical custody of
23 the child to a caretaker relative without obtaining a modification of legal
24 custody and support rights on behalf of the child are assigned pursuant to
25 this section, the surrender of physical custody and the assignment shall
26 transfer, by operation of law, the child's support rights under the order to
27 the secretary on behalf of the state. Such assignment shall be of all
28 accrued, present or future rights to support of the child surrendered to the
29 caretaker relative. The assignment of support rights shall automatically
30 become effective upon the date of approval for or receipt of such aid
31 without the requirement that any document be signed by the applicant,
32 recipient or obligee. By applying for or receiving aid to families with
33 dependent children, or by surrendering physical custody of a child to a
34 caretaker relative who is an applicant or recipient of such assistance on the
35 child's behalf, the applicant, recipient or obligee is also deemed to have
36 appointed the secretary, or the secretary's designee, as an attorney in fact to
37 perform the specific act of negotiating and endorsing all drafts, checks,
38 money orders or other negotiable instruments representing support
39 payments received by the secretary in behalf of any person applying for,
40 receiving or having received such assistance. This limited power of
41 attorney shall be effective from the date the secretary approves the
42 application for aid and shall remain in effect until the assignment of
43 support rights has been terminated in full.

1 (d) *Eligibility requirements for general assistance, the cost of which*
2 *is not shared by the federal government.* (1) General assistance may be
3 granted to eligible persons who do not qualify for financial assistance in a
4 program in which the federal government participates and who satisfy the
5 additional requirements prescribed by or under this subsection (d).

6 (A) To qualify for general assistance in any form a needy person must
7 have insufficient income or resources to provide a reasonable subsistence
8 compatible with decency and health and, except as provided for
9 transitional assistance, be a member of a family in which a minor child or
10 a pregnant woman resides or be unable to engage in employment. The
11 secretary shall adopt rules and regulations prescribing criteria for
12 establishing when a minor child may be considered to be living with a
13 family and whether a person is able to engage in employment, including
14 such factors as age or physical or mental condition. Eligibility for general
15 assistance, other than transitional assistance, is limited to families in which
16 a minor child or a pregnant woman resides or to an adult or family in
17 which all legally responsible family members are unable to engage in
18 employment. Where a husband and wife are living together the combined
19 income or resources of both shall be considered in determining the
20 eligibility of either or both for such assistance unless otherwise prohibited
21 by law. The secretary in determining need of any applicant for or recipient
22 of general assistance shall not take into account the financial responsibility
23 of any individual for any applicant or recipient of general assistance unless
24 such applicant or recipient is such individual's spouse or such individual's
25 minor child or a minor stepchild if the stepchild is living with such
26 individual. In determining the need of an individual, the secretary may
27 provide for income and resource exemptions.

28 (B) To qualify for general assistance in any form a needy person must
29 be a citizen of the United States or an alien lawfully admitted to the United
30 States and must be residing in the state of Kansas.

31 (2) General assistance in the form of transitional assistance may be
32 granted to eligible persons who do not qualify for financial assistance in a
33 program in which the federal government participates and who satisfy the
34 additional requirements prescribed by or under this subsection (d), but who
35 do not meet the criteria prescribed by rules and regulations of the secretary
36 relating to inability to engage in employment or are not a member of a
37 family in which a minor or a pregnant woman resides.

38 (3) In addition to the other requirements prescribed under this
39 subsection (d), the secretary shall adopt rules and regulations which
40 establish community work experience program requirements for eligibility
41 for the receipt of general assistance in any form and which establish
42 penalties to be imposed when a work assignment under a community work
43 experience program requirement is not completed without good cause. The

1 secretary may adopt rules and regulations establishing exemptions from
2 any such community work experience program requirements. A first time
3 failure to complete such a work assignment requirement shall result in
4 ineligibility to receive general assistance for a period fixed by such rules
5 and regulations of not more than three calendar months. A subsequent
6 failure to complete such a work assignment requirement shall result in a
7 period fixed by such rules and regulations of ineligibility of not more than
8 six calendar months.

9 (4) If any person is found guilty of the crime of theft under the
10 provisions of K.S.A. 39-720, and amendments thereto, such person shall
11 thereby become forever ineligible to receive any form of general
12 assistance under the provisions of this subsection (d) unless the conviction
13 is the person's first conviction under the provisions of K.S.A. 39-720, and
14 amendments thereto, or the law of any other state concerning welfare
15 fraud. First time offenders convicted of a misdemeanor under the
16 provisions of such statute shall become ineligible to receive any form of
17 general assistance for a period of 12 calendar months from the date of
18 conviction. First time offenders convicted of a felony under the provisions
19 of such statute shall become ineligible to receive any form of general
20 assistance for a period of 60 calendar months from the date of conviction.
21 If any person is found guilty by a court of competent jurisdiction of any
22 state other than the state of Kansas of a crime involving welfare fraud,
23 such person shall thereby become forever ineligible to receive any form of
24 general assistance under the provisions of this subsection (d) unless the
25 conviction is the person's first conviction under the law of any other state
26 concerning welfare fraud. First time offenders convicted of a misdemeanor
27 under the law of any other state concerning welfare fraud shall become
28 ineligible to receive any form of general assistance for a period of 12
29 calendar months from the date of conviction. First time offenders
30 convicted of a felony under the law of any other state concerning welfare
31 fraud shall become ineligible to receive any form of general assistance for
32 a period of 60 calendar months from the date of conviction.

33 (e) *Requirements for medical assistance for which federal moneys or*
34 *state moneys or both are expended.* (1) When the secretary has adopted a
35 medical care plan under which federal moneys or state moneys or both are
36 expended, medical assistance in accordance with such plan shall be
37 granted to any person who is a citizen of the United States or who is an
38 alien lawfully admitted to the United States and who is residing in the state
39 of Kansas, whose resources and income do not exceed the levels
40 prescribed by the secretary. In determining the need of an individual, the
41 secretary may provide for income and resource exemptions and protected
42 income and resource levels. Resources from inheritance shall be counted.
43 A disclaimer of an inheritance pursuant to K.S.A. 59-2291, and

1 amendments thereto, shall constitute a transfer of resources. The secretary
2 shall exempt principal and interest held in irrevocable trust pursuant to
3 subsection (c) of K.S.A. 16-303, and amendments thereto, from the
4 eligibility requirements of applicants for and recipients of medical
5 assistance. Such assistance shall be known as medical assistance.

6 (2) For the purposes of medical assistance eligibility determinations
7 on or after July 1, 2004, if an applicant or recipient owns property in joint
8 tenancy with some other party and the applicant or recipient of medical
9 assistance has restricted or conditioned their interest in such property to a
10 specific and discrete property interest less than 100%, then such
11 designation will cause the full value of the property to be considered an
12 available resource to the applicant or recipient. *Medical assistance*
13 *eligibility for receipt of benefits under the title XIX of the social security*
14 *act, commonly known as medicaid, shall not be expanded, as provided for*
15 *in the patient protection and affordable care act, public law 111-148, 124*
16 *stat. 119, and the health care and education reconciliation act of 2010,*
17 *public law 111-152, 124 stat. 1029, unless the legislature expressly*
18 *consents to, and approves of, the expansion of medicaid services by an act*
19 *of the legislature.*

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

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

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

38 (4) (A) When an applicant or recipient of medical assistance is a party
39 to a contract, agreement or accord for personal services being provided by
40 a nonlicensed individual or provider and such contract, agreement or
41 accord involves health and welfare monitoring, pharmacy assistance, case
42 management, communication with medical, health or other professionals,
43 or other activities related to home health care, long term care, medical

1 assistance benefits, or other related issues, any moneys paid under such
2 contract, agreement or accord shall be considered to be an available
3 resource unless the following restrictions are met: (i) The contract,
4 agreement or accord must be in writing and executed prior to any services
5 being provided; (ii) the moneys paid are in direct relationship with the fair
6 market value of such services being provided by similarly situated and
7 trained nonlicensed individuals; (iii) if no similarly situated nonlicensed
8 individuals or situations can be found, the value of services will be based
9 on federal hourly minimum wage standards; (iv) such individual providing
10 the services will report all receipts of moneys as income to the appropriate
11 state and federal governmental revenue agencies; (v) any amounts due
12 under such contract, agreement or accord shall be paid after the services
13 are rendered; (vi) the applicant or recipient shall have the power to revoke
14 the contract, agreement or accord; and (vii) upon the death of the applicant
15 or recipient, the contract, agreement or accord ceases.

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

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

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

41 (g) *Medical assistance; assignment of rights to medical support and*
42 *limited power of attorney; recovery from estates of deceased recipients.* (1)

43 (A) Except as otherwise provided in K.S.A. 39-786 and 39-787, and

1 amendments thereto, or as otherwise authorized on and after September
2 30, 1989, under section 303 of the federal medicare catastrophic coverage
3 act of 1988, whichever is applicable, by applying for or receiving medical
4 assistance under a medical care plan in which federal funds are expended,
5 any accrued, present or future rights to support and any rights to payment
6 for medical care from a third party of an applicant or recipient and any
7 other family member for whom the applicant is applying shall be deemed
8 to have been assigned to the secretary on behalf of the state. The
9 assignment shall automatically become effective upon the date of approval
10 for such assistance without the requirement that any document be signed
11 by the applicant or recipient. By applying for or receiving medical
12 assistance the applicant or recipient is also deemed to have appointed the
13 secretary, or the secretary's designee, as an attorney in fact to perform the
14 specific act of negotiating and endorsing all drafts, checks, money orders
15 or other negotiable instruments, representing payments received by the
16 secretary in behalf of any person applying for, receiving or having
17 received such assistance. This limited power of attorney shall be effective
18 from the date the secretary approves the application for assistance and
19 shall remain in effect until the assignment has been terminated in full. The
20 assignment of any rights to payment for medical care from a third party
21 under this subsection shall not prohibit a health care provider from directly
22 billing an insurance carrier for services rendered if the provider has not
23 submitted a claim covering such services to the secretary for payment.
24 Support amounts collected on behalf of persons whose rights to support
25 are assigned to the secretary only under this subsection and no other shall
26 be distributed pursuant to subsection (d) of K.S.A. 39-756, and
27 amendments thereto, except that any amounts designated as medical
28 support shall be retained by the secretary for repayment of the
29 unreimbursed portion of assistance. Amounts collected pursuant to the
30 assignment of rights to payment for medical care from a third party shall
31 also be retained by the secretary for repayment of the unreimbursed
32 portion of assistance.

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

40 (2) The amount of any medical assistance paid after June 30, 1992,
41 under the provisions of subsection (e) is (A) a claim against the property or
42 any interest therein belonging to and a part of the estate of any deceased
43 recipient or, if there is no estate, the estate of the surviving spouse, if any,

1 shall be charged for such medical assistance paid to either or both, and (B)
2 a claim against any funds of such recipient or spouse in any account under
3 K.S.A. 9-1215, 9-1216, 17-2263, 17-2264, 17-5828 or 17-5829, and
4 amendments thereto. There shall be no recovery of medical assistance
5 correctly paid to or on behalf of an individual under subsection (e) except
6 after the death of the surviving spouse of the individual, if any, and only at
7 a time when the individual has no surviving child who is under 21 years of
8 age or is blind or permanently and totally disabled. Transfers of real or
9 personal property by recipients of medical assistance without adequate
10 consideration are voidable and may be set aside. Except where there is a
11 surviving spouse, or a surviving child who is under 21 years of age or is
12 blind or permanently and totally disabled, the amount of any medical
13 assistance paid under subsection (e) is a claim against the estate in any
14 guardianship or conservatorship proceeding. The monetary value of any
15 benefits received by the recipient of such medical assistance under long-
16 term care insurance, as defined by K.S.A. 40-2227, and amendments
17 thereto, shall be a credit against the amount of the claim provided for such
18 medical assistance under this subsection (g). The secretary of health and
19 environment is authorized to enforce each claim provided for under this
20 subsection (g). The secretary of health and environment shall not be
21 required to pursue every claim, but is granted discretion to determine
22 which claims to pursue. All moneys received by the secretary of health and
23 environment from claims under this subsection (g) shall be deposited in
24 the social welfare fund. The secretary of health and environment may
25 adopt rules and regulations for the implementation and administration of
26 the medical assistance recovery program under this subsection (g).

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

33 (A) If an individual receives any medical assistance before July 1,
34 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated,
35 and amendments thereto, which forms the basis for a claim under
36 subsection (g)(2), such claim is limited to the individual's probatable estate
37 as defined by applicable law; and

38 (B) if an individual receives any medical assistance on or after July 1,
39 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated,
40 and amendments thereto, which forms the basis for a claim under
41 subsection (g)(2), such claim shall apply to the individual's medical
42 assistance estate. The medical assistance estate is defined as including all
43 real and personal property and other assets in which the deceased

1 individual had any legal title or interest immediately before or at the time
2 of death to the extent of that interest or title. The medical assistance estate
3 includes, without limitation assets conveyed to a survivor, heir or assign of
4 the deceased recipient through joint tenancy, tenancy in common,
5 survivorship, transfer-on-death deed, payable-on-death contract, life estate,
6 trust, annuities or similar arrangement.

7 (4) The secretary of health and environment or the secretary's
8 designee is authorized to file and enforce a lien against the real property of
9 a recipient of medical assistance in certain situations, subject to all prior
10 liens of record and transfers for value to a bona fide purchaser of record.
11 The lien must be filed in the office of the register of deeds of the county
12 where the real property is located within one year from the date of death of
13 the recipient and must contain the legal description of all real property in
14 the county subject to the lien.

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

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

43 (5) The lien filed by the secretary of health and environment or the

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

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

7 (B) when there is no child of the recipient, natural or adopted, who is
8 20 years of age or less residing in the home;

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

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

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

18 (A) The lien is satisfied. The recipient, the heirs, personal
19 representative or assigns of the recipient may discharge such lien at any
20 time by paying the amount of the lien to the secretary of health and
21 environment or the secretary's designee;

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

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

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

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

41 (9) All rules and regulations adopted on and after July 1, 2013, and
42 prior to July 1, 2014, to implement this subsection shall continue to be
43 effective and shall be deemed to be duly adopted rules and regulations of

1 the secretary of health and environment until revised, amended, revoked or
2 nullified pursuant to law.

3 (h) *Placement under the revised Kansas code for care of children or*
4 *revised Kansas juvenile justice code; assignment of support rights and*
5 *limited power of attorney.* In any case in which the secretary for children
6 and families pays for the expenses of care and custody of a child pursuant
7 to K.S.A. 2013 Supp. 38-2201 et seq. or 38-2301 et seq., and amendments
8 thereto, including the expenses of any foster care placement, an
9 assignment of all past, present and future support rights of the child in
10 custody possessed by either parent or other person entitled to receive
11 support payments for the child is, by operation of law, conveyed to the
12 secretary. Such assignment shall become effective upon placement of a
13 child in the custody of the secretary or upon payment of the expenses of
14 care and custody of a child by the secretary without the requirement that
15 any document be signed by the parent or other person entitled to receive
16 support payments for the child. When the secretary pays for the expenses
17 of care and custody of a child or a child is placed in the custody of the
18 secretary, the parent or other person entitled to receive support payments
19 for the child is also deemed to have appointed the secretary, or the
20 secretary's designee, as attorney in fact to perform the specific act of
21 negotiating and endorsing all drafts, checks, money orders or other
22 negotiable instruments representing support payments received by the
23 secretary on behalf of the child. This limited power of attorney shall be
24 effective from the date the assignment to support rights becomes effective
25 and shall remain in effect until the assignment of support rights has been
26 terminated in full.

27 (i) No person who voluntarily quits employment or who is fired from
28 employment due to gross misconduct as defined by rules and regulations
29 of the secretary or who is a fugitive from justice by reason of a felony
30 conviction or charge shall be eligible to receive public assistance benefits
31 in this state. Any recipient of public assistance who fails to timely comply
32 with monthly reporting requirements under criteria and guidelines
33 prescribed by rules and regulations of the secretary shall be subject to a
34 penalty established by the secretary by rules and regulations.

35 (j) If the applicant or recipient of aid to families with dependent
36 children is a mother of the dependent child, as a condition of the mother's
37 eligibility for aid to families with dependent children the mother shall
38 identify by name and, if known, by current address the father of the
39 dependent child except that the secretary may adopt by rules and
40 regulations exceptions to this requirement in cases of undue hardship. Any
41 recipient of aid to families with dependent children who fails to cooperate
42 with requirements relating to child support enforcement under criteria and
43 guidelines prescribed by rules and regulations of the secretary shall be

1 subject to a penalty established by the secretary by rules and regulations
2 which penalty shall progress to ineligibility for the family after three
3 months of noncooperation.

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

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

1 substance or controlled substance analog.

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

11 (3) Any applicant for or recipient of cash assistance who tests
12 positive for unlawful use of a controlled substance or controlled substance
13 analog shall be required to complete a substance abuse treatment program
14 approved by the secretary for children and families, secretary of labor or
15 secretary of commerce, and a job skills program approved by the secretary
16 for children and families, secretary of labor or secretary of commerce.
17 Subject to applicable federal laws, any applicant for or recipient of cash
18 assistance who fails to complete or refuses to participate in the substance
19 abuse treatment program or job skills program as required under this
20 subsection shall be ineligible to receive cash assistance until completion of
21 such substance abuse treatment and job skills programs. Upon completion
22 of both substance abuse treatment and job skills programs, such applicant
23 for or recipient of cash assistance may be subject to periodic drug
24 screening, as determined by the secretary for children and families. Upon a
25 second positive test for unlawful use of a controlled substance or
26 controlled substance analog, a recipient of cash assistance shall be ordered
27 to complete again a substance abuse treatment program and job skills
28 program, and shall be terminated from cash assistance for a period of 12
29 months, or until such recipient of cash assistance completes both substance
30 abuse treatment and job skills programs, whichever is later. Upon a third
31 positive test for unlawful use of a controlled substance or controlled
32 substance analog, a recipient of cash assistance shall be terminated from
33 cash assistance, subject to applicable federal law.

34 (4) If an applicant for or recipient of cash assistance is ineligible for
35 or terminated from cash assistance as a result of a positive test for
36 unlawful use of a controlled substance or controlled substance analog, and
37 such applicant for or recipient of cash assistance is the parent or legal
38 guardian of a minor child, an appropriate protective payee shall be
39 designated to receive cash assistance on behalf of such child. Such parent
40 or legal guardian of the minor child may choose to designate an individual
41 to receive cash assistance for such parent's or legal guardian's minor child,
42 as approved by the secretary for children and families. Prior to the
43 designated individual receiving any cash assistance, the secretary for

1 children and families shall review whether reasonable suspicion exists that
2 such designated individual is unlawfully using a controlled substance or
3 controlled substance analog.

4 (A) In addition, any individual designated to receive cash assistance
5 on behalf of an eligible minor child shall be subject to drug screening at
6 any time when reasonable suspicion exists that such designated individual
7 is unlawfully using a controlled substance or controlled substance analog.
8 The secretary for children and families may use any information obtained
9 by the secretary for children and families to determine whether such
10 reasonable suspicion exists, including, but not limited to, the designated
11 individual's demeanor, missed appointments and arrest or other police
12 records, previous employment or application for employment in an
13 occupation or industry that regularly conducts drug screening, termination
14 from previous employment due to unlawful use of a controlled substance
15 or controlled substance analog or prior drug screening records of the
16 designated individual indicating unlawful use of a controlled substance or
17 controlled substance analog.

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

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

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

1 substance analog, and the date of conviction is on or after July 1, 2013,
2 such person shall become ineligible to receive cash assistance for five
3 years from the date of conviction.

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

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

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

13 (9) As used in this subsection:

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

18 (B) "Controlled substance" means the same as in K.S.A. 2013 Supp.
19 21-5701, and amendments thereto, and 21 U.S.C. § 802.

20 (C) "Controlled substance analog" means the same as in K.S.A. 2013
21 Supp. 21-5701, and amendments thereto.

22 Sec. 6. K.S.A. 2013 Supp. 39-923, as amended by section 1 of 2014
23 House Bill No. 2418, is hereby amended to read as follows: 39-923. (a) As
24 used in this act:

25 (1) "Adult care home" means any nursing facility, nursing facility for
26 mental health, intermediate care facility for people with intellectual
27 disability, assisted living facility, residential health care facility, home plus,
28 boarding care home and adult day care facility; all of which are
29 classifications of adult care homes and are required to be licensed by the
30 secretary for aging and disability services.

31 (2) "Nursing facility" means any place or facility operating 24 hours a
32 day, seven days a week, caring for six or more individuals not related
33 within the third degree of relationship to the administrator or owner by
34 blood or marriage and who, due to functional impairments, need skilled
35 nursing care to compensate for activities of daily living limitations.

36 (3) "Nursing facility for mental health" means any place or facility
37 operating 24 hours a day, seven days a week, caring for six or more
38 individuals not related within the third degree of relationship to the
39 administrator or owner by blood or marriage and who, due to functional
40 impairments, need skilled nursing care and special mental health services
41 to compensate for activities of daily living limitations.

42 (4) "Intermediate care facility for people with intellectual disability"
43 means any place or facility operating 24 hours a day, seven days a week,

1 caring for four or more individuals not related within the third degree of
2 relationship to the administrator or owner by blood or marriage and who,
3 due to functional impairments caused by intellectual disability or related
4 conditions, need services to compensate for activities of daily living
5 limitations.

6 (5) "Assisted living facility" means any place or facility caring for six
7 or more individuals not related within the third degree of relationship to
8 the administrator, operator or owner by blood or marriage and who, by
9 choice or due to functional impairments, may need personal care and may
10 need supervised nursing care to compensate for activities of daily living
11 limitations and in which the place or facility includes apartments for
12 residents and provides or coordinates a range of services including
13 personal care or supervised nursing care available 24 hours a day, seven
14 days a week, for the support of resident independence. The provision of
15 skilled nursing procedures to a resident in an assisted living facility is not
16 prohibited by this act. Generally, the skilled services provided in an
17 assisted living facility shall be provided on an intermittent or limited term
18 basis, or if limited in scope, a regular basis.

19 (6) "Residential health care facility" means any place or facility, or a
20 contiguous portion of a place or facility, caring for six or more individuals
21 not related within the third degree of relationship to the administrator,
22 operator or owner by blood or marriage and who, by choice or due to
23 functional impairments, may need personal care and may need supervised
24 nursing care to compensate for activities of daily living limitations and in
25 which the place or facility includes individual living units and provides or
26 coordinates personal care or supervised nursing care available on a 24-
27 hour, seven-days-a-week basis for the support of resident independence.
28 The provision of skilled nursing procedures to a resident in a residential
29 health care facility is not prohibited by this act. Generally, the skilled
30 services provided in a residential health care facility shall be provided on
31 an intermittent or limited term basis, or if limited in scope, a regular basis.

32 (7) "Home plus" means any residence or facility caring for not more
33 than 12 individuals not related within the third degree of relationship to the
34 operator or owner by blood or marriage unless the resident in need of care
35 is approved for placement by the secretary for children and families, and
36 who, due to functional impairment, needs personal care and may need
37 supervised nursing care to compensate for activities of daily living
38 limitations. The level of care provided to residents shall be determined by
39 preparation of the staff and rules and regulations developed by the Kansas
40 department for aging and disability services. An adult care home may
41 convert a portion of one wing of the facility to a not less than five-bed and
42 not more than 12-bed home plus facility provided that the home plus
43 facility remains separate from the adult care home, and each facility must

1 remain contiguous. Any home plus that provides care for more than eight
2 individuals after the effective date of this act shall adjust staffing personnel
3 and resources as necessary to meet residents' needs in order to maintain the
4 current level of nursing care standards. Personnel of any home plus who
5 provide services for residents with dementia shall be required to take
6 annual dementia care training.

7 (8) "Boarding care home" means any place or facility operating 24
8 hours a day, seven days a week, caring for not more than 10 individuals
9 not related within the third degree of relationship to the operator or owner
10 by blood or marriage and who, due to functional impairment, need
11 supervision of activities of daily living but who are ambulatory and
12 essentially capable of managing their own care and affairs.

13 (9) "Adult day care" means any place or facility operating less than
14 24 hours a day caring for individuals not related within the third degree of
15 relationship to the operator or owner by blood or marriage and who, due to
16 functional impairment, need supervision of or assistance with activities of
17 daily living.

18 (10) "Place or facility" means a building or any one or more complete
19 floors of a building, or any one or more complete wings of a building, or
20 any one or more complete wings and one or more complete floors of a
21 building, and the term "place or facility" may include multiple buildings.

22 (11) "Skilled nursing care" means services performed by or under the
23 immediate supervision of a registered professional nurse and additional
24 licensed nursing personnel. Skilled nursing includes administration of
25 medications and treatments as prescribed by a licensed physician or
26 dentist; and other nursing functions which require substantial nursing
27 judgment and skill based on the knowledge and application of scientific
28 principles.

29 (12) "Supervised nursing care" means services provided by or under
30 the guidance of a licensed nurse with initial direction for nursing
31 procedures and periodic inspection of the actual act of accomplishing the
32 procedures; administration of medications and treatments as prescribed by
33 a licensed physician or dentist and assistance of residents with the
34 performance of activities of daily living.

35 (13) "Resident" means all individuals kept, cared for, treated, boarded
36 or otherwise accommodated in any adult care home.

37 (14) "Person" means any individual, firm, partnership, corporation,
38 company, association or joint-stock association, and the legal successor
39 thereof.

40 (15) "Operate an adult care home" means to own, lease, establish,
41 maintain, conduct the affairs of or manage an adult care home, except that
42 for the purposes of this definition the word "own" and the word "lease"
43 shall not include hospital districts, cities and counties which hold title to an

- 1 adult care home purchased or constructed through the sale of bonds.
- 2 (16) "Licensing agency" means the secretary for aging and disability
3 services.
- 4 (17) "Skilled nursing home" means a nursing facility.
- 5 (18) "Intermediate nursing care home" means a nursing facility.
- 6 (19) "Apartment" means a private unit which includes, but is not
7 limited to, a toilet room with bathing facilities, a kitchen, sleeping, living
8 and storage area and a lockable door.
- 9 (20) "Individual living unit" means a private unit which includes, but
10 is not limited to, a toilet room with bathing facilities, sleeping, living and
11 storage area and a lockable door.
- 12 (21) "Operator" means an individual registered pursuant to the
13 operator registration act, section 2 of 2014 House Bill No. 2418 et seq., and
14 amendments thereto, who may be appointed by a licensee to have the
15 authority and responsibility to oversee an assisted living facility or
16 residential health care facility with fewer than 61 residents, a home plus or
17 adult day care facility.
- 18 (22) "Activities of daily living" means those personal, functional
19 activities required by an individual for continued well-being, including but
20 not limited to eating, nutrition, dressing, personal hygiene, mobility and
21 toileting.
- 22 (23) "Personal care" means care provided by staff to assist an
23 individual with, or to perform activities of daily living.
- 24 (24) "Functional impairment" means an individual has experienced a
25 decline in physical, mental and psychosocial well-being and as a result, is
26 unable to compensate for the effects of the decline.
- 27 (25) "Kitchen" means a food preparation area that includes a sink,
28 refrigerator and a microwave oven or stove.
- 29 (26) The term "intermediate personal care home" for purposes of
30 those individuals applying for or receiving veterans' benefits means
31 residential health care facility.
- 32 (27) "Paid nutrition assistant" means an individual who is paid to feed
33 residents of an adult care home, or who is used under an arrangement with
34 another agency or organization, who is trained by a person meeting nurse
35 aide instructor qualifications as prescribed by 42 C.F.R. § 483.152, 42
36 C.F.R. § 483.160 and paragraph (h) of 42 C.F.R. § 483.35, and who
37 provides such assistance under the supervision of a registered professional
38 or licensed practical nurse.
- 39 (28) "Medicaid program" means the Kansas program of medical
40 assistance for which federal or state moneys, or any combination thereof,
41 are expended, or any successor federal or state, or both, health insurance
42 program or waiver granted thereunder.
- 43 (29) "Licensee" means any person or persons acting jointly or

1 severally who are licensed by the secretary for aging and disability
2 services pursuant to the adult care home licensure act, K.S.A. 39-923 et
3 seq., and amendments thereto.

4 (b) The term "adult care home" shall not include institutions operated
5 by federal or state governments, except institutions operated by the
6 *director of the* Kansas commission on veterans affairs *office*, hospitals or
7 institutions for the treatment and care of psychiatric patients, child care
8 facilities, maternity centers, hotels, offices of physicians or hospices which
9 are certified to participate in the medicare program under 42 code of
10 federal regulations, chapter IV, section 418.1 et seq., and amendments
11 thereto, and which provide services only to hospice patients.

12 (c) Nursing facilities in existence on the effective date of this act
13 changing licensure categories to become residential health care facilities
14 shall be required to provide private bathing facilities in a minimum of 20%
15 of the individual living units.

16 (d) Facilities licensed under the adult care home licensure act on the
17 day immediately preceding the effective date of this act shall continue to
18 be licensed facilities until the annual renewal date of such license and may
19 renew such license in the appropriate licensure category under the adult
20 care home licensure act subject to the payment of fees and other conditions
21 and limitations of such act.

22 (e) Nursing facilities with less than 60 beds converting a portion of
23 the facility to residential health care shall have the option of licensing for
24 residential health care for less than six individuals but not less than 10% of
25 the total bed count within a contiguous portion of the facility.

26 (f) The licensing agency may by rule and regulation change the name
27 of the different classes of homes when necessary to avoid confusion in
28 terminology and the agency may further amend, substitute, change and in a
29 manner consistent with the definitions established in this section, further
30 define and identify the specific acts and services which shall fall within the
31 respective categories of facilities so long as the above categories for adult
32 care homes are used as guidelines to define and identify the specific acts.

33 Sec. 7. K.S.A. 2013 Supp. 41-2601 is hereby amended to read as
34 follows: 41-2601. As used in the club and drinking establishment act:

35 (a) The following terms shall have the meanings provided by K.S.A.
36 41-102, and amendments thereto: (1) "Alcoholic liquor"; (2) "director"; (3)
37 "original package"; (4) "person"; (5) "sale"; and (6) "to sell."

38 (b) "Beneficial interest" shall not include any interest a person may
39 have as owner, operator, lessee or franchise holder of a licensed hotel or
40 motel on the premises of which a club or drinking establishment is located.

41 (c) "Caterer" means an individual, partnership or corporation which
42 sells alcoholic liquor by the individual drink, and provides services related
43 to the serving thereof, on unlicensed premises which may be open to the

1 public, but does not include a holder of a temporary permit, selling
2 alcoholic liquor in accordance with the terms of such permit.

3 (d) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
4 2701, and amendments thereto.

5 (e) "Class A club" means a premises which is owned or leased by a
6 corporation, partnership, business trust or association and which is
7 operated thereby as a bona fide nonprofit social, fraternal or war veterans'
8 club, as determined by the director, for the exclusive use of the corporate
9 stockholders, partners, trust beneficiaries or associates (hereinafter referred
10 to as members) and their families and guests accompanying them.

11 (f) "Class B club" means a premises operated for profit by a
12 corporation, partnership or individual, to which members of such club may
13 resort for the consumption of food or alcoholic beverages and for
14 entertainment.

15 (g) "Club" means a class A or class B club.

16 (h) "Drinking establishment" means premises which may be open to
17 the general public, where alcoholic liquor by the individual drink is sold.
18 Drinking establishment includes a railway car.

19 (i) "Food" means any raw, cooked or processed edible substance or
20 ingredient, other than alcoholic liquor or cereal malt beverage, used or
21 intended for use or for sale, in whole or in part, for human consumption.

22 (j) "Food service establishment" has the meaning provided by K.S.A.
23 36-501, and amendments thereto.

24 (k) "Hotel" has the meaning provided by K.S.A. 36-501, and
25 amendments thereto.

26 (l) "Individual drink" means a beverage containing alcoholic liquor or
27 cereal malt beverage served to an individual for consumption by such
28 individual or another individual, but which is not intended to be consumed
29 by two or more individuals. The term "individual drink" includes
30 beverages containing not more than: (1) Eight ounces of wine; (2) thirty-
31 two ounces of beer or cereal malt beverage; or (3) four ounces of a single
32 spirit or a combination of spirits.

33 (m) "Minibar" means a closed cabinet, whether nonrefrigerated or
34 wholly or partially refrigerated, access to the interior of which is restricted
35 by means of a locking device which requires the use of a key, magnetic
36 card or similar device.

37 (n) "Minor" means a person under 21 years of age.

38 (o) "Morals charge" means a charge involving ~~prostitution~~ *the sale of*
39 *sexual relations*; procuring any person; soliciting of a child under 18 years
40 of age for any immoral act involving sex; possession or sale of narcotics,
41 marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal
42 cohabitation; adultery; bigamy; or a crime against nature.

43 (p) "Municipal corporation" means the governing body of any county

1 or city.

2 (q) "Public venue" means an arena, stadium, hall or theater, used
3 primarily for athletic or sporting events, live concerts, live theatrical
4 productions or similar seasonal entertainment events, not operated on a
5 daily basis, and containing:

6 (1) Not less than 4,000 permanent seats; and

7 (2) not less than two private suites, which are enclosed or semi-
8 enclosed seating areas, having controlled access and separated from the
9 general admission areas by a permanent barrier.

10 (r) "Railway car" means a locomotive drawn conveyance used for the
11 transportation and accommodation of human passengers that is confined to
12 a fixed rail route and which derives from sales of food for consumption on
13 the railway car not less than 30% of its gross receipts from all sales of food
14 and beverages in a 12-month period.

15 (s) "Restaurant" means:

16 (1) In the case of a club, a licensed food service establishment which,
17 as determined by the director, derives from sales of food for consumption
18 on the licensed club premises not less than 50% of its gross receipts from
19 all sales of food and beverages on such premises in a 12-month period;

20 (2) in the case of a drinking establishment subject to a food sales
21 requirement under K.S.A. 41-2642, and amendments thereto, a licensed
22 food service establishment which, as determined by the director, derives
23 from sales of food for consumption on the licensed drinking establishment
24 premises not less than 30% of its gross receipts from all sales of food and
25 beverages on such premises in a 12-month period; and

26 (3) in the case of a drinking establishment subject to no food sales
27 requirement under K.S.A. 41-2642, and amendments thereto, a licensed
28 food service establishment.

29 (t) "RV resort" means premises where a place to park recreational
30 vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered
31 for pay, primarily to transient guests, for overnight or longer use while
32 such recreational vehicles are used as sleeping or living accommodations.

33 (u) "Sample" means a serving of alcoholic liquor which contains not
34 more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or
35 (3) two ounces of beer or cereal malt beverage. A sample of a mixed
36 alcoholic beverage shall contain not more than one-half ounce of distilled
37 spirits.

38 (v) "Secretary" means the secretary of revenue.

39 (w) "Temporary permit" means a temporary permit issued pursuant to
40 K.S.A. 41-2645, and amendments thereto.

41 Sec. 8. K.S.A. 2013 Supp. 73-1209, as amended by section 5 of 2014
42 Senate Substitute for House Bill No. 2655, is hereby amended to read as
43 follows: 73-1209. The ~~executive~~ director of the Kansas ~~veterans~~¹

1 commission *on veterans affairs office*, in accordance with general policies
2 ~~established by the commission~~ *directed by the governor*, shall:

3 (a) Collect data and information as to the facilities, benefits and
4 services now or hereafter available to veterans, and relatives and
5 dependents of *such* veterans, and furnish such information to veterans, and
6 relatives and dependents of *such* veterans, and local service officers of
7 veterans' organizations.

8 (b) Prepare plans for a comprehensive statewide veterans' service
9 program.

10 (c) Coordinate the program of state agencies which may properly be
11 utilized in the administration of various aspects of the problems of
12 veterans, and relatives and dependents of veterans, such as the Kansas
13 department for children and families, the department of labor, the state
14 board of education, the board of regents and any other state office,
15 department; ~~or board or commission~~ furnishing service to veterans or
16 relatives or dependents of *such* veterans.

17 (d) Provide a central contact between federal and state agencies
18 dealing with the problems of veterans and relatives and dependents of
19 *such* veterans.

20 (e) Maintain records of cases handled by the ~~executive~~ director
21 which shall show at least the following information: (1) The name of the
22 veteran; (2) the claim or case number of the veteran; and (3) the amount of
23 monthly benefit received by the veteran, so as to facilitate the necessary
24 interchange of case histories among state administrative agencies and
25 provide a clearinghouse of information.

26 (f) Provide such services to veterans and relatives and dependents of
27 *such* veterans as are not otherwise offered by federal agencies.

28 (g) Provide a central agency to which veterans, and relatives and
29 dependents of *such* veterans, may turn for information and assistance.

30 (h) Provide and maintain such field services as shall be necessary to
31 properly care for the needs of veterans, and relatives and dependents of
32 *such* veterans, which shall not be operated in connection with the Kansas
33 department for children and families.

34 (i) Provide certification of service of a veteran of the armed forces of
35 the United States of America in a combat zone to any sentencing judge
36 requesting such certification pursuant to section 1 of *2014 Senate*
37 *Substitute for House Bill No. 2655*, and amendments thereto.

38 (j) *Adopt, amend or revoke any rules and regulations necessary to*
39 *carry out the provisions of article 12 of chapter 73 and article 19 of*
40 *chapter 76 of the Kansas Statutes Annotated, and amendments thereto.*

41 (k) *Appoint and oversee the superintendents of the Kansas soldiers'*
42 *home and Kansas veterans' home.*

43 (l) *Designate persons who shall be in charge of the member funds at*

1 *the Kansas soldiers' home under K.S.A. 76-1935, and amendments thereto,*
2 *and the Kansas veterans' home under K.S.A. 76-1956, and amendments*
3 *thereto.*

4 *(m) Appoint and oversee the deputy director of veterans services*
5 *pursuant to K.S.A. 73-1234, and amendments thereto.*

6 *(n) (1) Annually prepare and submit a written report to the house*
7 *committee on veterans, military and homeland security and to the*
8 *governor, providing the following:*

9 *(A) Any progress made by the Kansas commission on veterans affairs*
10 *office and its director in response to any recommendations provided to*
11 *such office in the preceding fiscal year by the legislative division of post*
12 *audit;*

13 *(B) information on the current financial control practices*
14 *implemented by the Kansas commission on veterans affairs office for the*
15 *Kansas soldiers' home and the Kansas veterans' home, including, but not*
16 *limited to, the current policies and procedures at both facilities;*

17 *(C) information on the current residential care services provided for*
18 *veterans in the Kansas soldiers' home and the Kansas veterans' home;*

19 *(D) recommendations for legislation necessary to ensure that the*
20 *needs of the veterans in Kansas are met; and*

21 *(E) any other information deemed necessary.*

22 *(2) The director of the Kansas commission on veterans affairs office*
23 *shall submit the report on or before the first day of the legislative session*
24 *in 2015, and each year thereafter.*

25 Sec. 9. K.S.A. 2013 Supp. 79-32,117, as amended by section 3 of
26 2014 Senate Bill No. 265, is hereby amended to read as follows: 79-
27 32,117. (a) The Kansas adjusted gross income of an individual means such
28 individual's federal adjusted gross income for the taxable year, with the
29 modifications specified in this section.

30 (b) There shall be added to federal adjusted gross income:

31 (i) Interest income less any related expenses directly incurred in the
32 purchase of state or political subdivision obligations, to the extent that the
33 same is not included in federal adjusted gross income, on obligations of
34 any state or political subdivision thereof, but to the extent that interest
35 income on obligations of this state or a political subdivision thereof issued
36 prior to January 1, 1988, is specifically exempt from income tax under the
37 laws of this state authorizing the issuance of such obligations, it shall be
38 excluded from computation of Kansas adjusted gross income whether or
39 not included in federal adjusted gross income. Interest income on
40 obligations of this state or a political subdivision thereof issued after
41 December 31, 1987, shall be excluded from computation of Kansas
42 adjusted gross income whether or not included in federal adjusted gross
43 income.

1 (ii) Taxes on or measured by income or fees or payments in lieu of
2 income taxes imposed by this state or any other taxing jurisdiction to the
3 extent deductible in determining federal adjusted gross income and not
4 credited against federal income tax. This paragraph shall not apply to taxes
5 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
6 amendments thereto, for privilege tax year 1995, and all such years
7 thereafter.

8 (iii) The federal net operating loss deduction.

9 (iv) Federal income tax refunds received by the taxpayer if the
10 deduction of the taxes being refunded resulted in a tax benefit for Kansas
11 income tax purposes during a prior taxable year. Such refunds shall be
12 included in income in the year actually received regardless of the method
13 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
14 be deemed to have resulted if the amount of the tax had been deducted in
15 determining income subject to a Kansas income tax for a prior year
16 regardless of the rate of taxation applied in such prior year to the Kansas
17 taxable income, but only that portion of the refund shall be included as
18 bears the same proportion to the total refund received as the federal taxes
19 deducted in the year to which such refund is attributable bears to the total
20 federal income taxes paid for such year. For purposes of the foregoing
21 sentence, federal taxes shall be considered to have been deducted only to
22 the extent such deduction does not reduce Kansas taxable income below
23 zero.

24 (v) The amount of any depreciation deduction or business expense
25 deduction claimed on the taxpayer's federal income tax return for any
26 capital expenditure in making any building or facility accessible to the
27 handicapped, for which expenditure the taxpayer claimed the credit
28 allowed by K.S.A. 79-32,177, and amendments thereto.

29 (vi) Any amount of designated employee contributions picked up by
30 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
31 and amendments thereto.

32 (vii) The amount of any charitable contribution made to the extent the
33 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
34 32,196, and amendments thereto.

35 (viii) The amount of any costs incurred for improvements to a swine
36 facility, claimed for deduction in determining federal adjusted gross
37 income, to the extent the same is claimed as the basis for any credit
38 allowed pursuant to K.S.A. 2013 Supp. 79-32,204, and amendments
39 thereto.

40 (ix) The amount of any ad valorem taxes and assessments paid and
41 the amount of any costs incurred for habitat management or construction
42 and maintenance of improvements on real property, claimed for deduction
43 in determining federal adjusted gross income, to the extent the same is

1 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
2 and amendments thereto.

3 (x) Amounts received as nonqualified withdrawals, as defined by
4 K.S.A. 2013 Supp. 75-643, and amendments thereto, if, at the time of
5 contribution to a family postsecondary education savings account, such
6 amounts were subtracted from the federal adjusted gross income pursuant
7 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments
8 thereto, or if such amounts are not already included in the federal adjusted
9 gross income.

10 (xi) The amount of any contribution made to the same extent the
11 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2013
12 Supp. 74-50,154, and amendments thereto.

13 (xii) For taxable years commencing after December 31, 2004,
14 amounts received as withdrawals not in accordance with the provisions of
15 K.S.A. 2013 Supp. 74-50,204, and amendments thereto, if, at the time of
16 contribution to an individual development account, such amounts were
17 subtracted from the federal adjusted gross income pursuant to paragraph
18 (xiii) of subsection (c), or if such amounts are not already included in the
19 federal adjusted gross income.

20 (xiii) The amount of any expenditures claimed for deduction in
21 determining federal adjusted gross income, to the extent the same is
22 claimed as the basis for any credit allowed pursuant to K.S.A. 2013 Supp.
23 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

24 (xiv) The amount of any amortization deduction claimed in
25 determining federal adjusted gross income to the extent the same is
26 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,221, and
27 amendments thereto.

28 (xv) The amount of any expenditures claimed for deduction in
29 determining federal adjusted gross income, to the extent the same is
30 claimed as the basis for any credit allowed pursuant to K.S.A. 2013 Supp.
31 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
32 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
33 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

34 (xvi) The amount of any amortization deduction claimed in
35 determining federal adjusted gross income to the extent the same is
36 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,227, 79-
37 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
38 thereto.

39 (xvii) The amount of any amortization deduction claimed in
40 determining federal adjusted gross income to the extent the same is
41 claimed for deduction pursuant to K.S.A. 2013 Supp. 79-32,256, and
42 amendments thereto.

43 (xviii) For taxable years commencing after December 31, 2006, the

1 amount of any ad valorem or property taxes and assessments paid to a state
2 other than Kansas or local government located in a state other than Kansas
3 by a taxpayer who resides in a state other than Kansas, when the law of
4 such state does not allow a resident of Kansas who earns income in such
5 other state to claim a deduction for ad valorem or property taxes or
6 assessments paid to a political subdivision of the state of Kansas in
7 determining taxable income for income tax purposes in such other state, to
8 the extent that such taxes and assessments are claimed as an itemized
9 deduction for federal income tax purposes.

10 (xix) For all taxable years beginning after December 31, 2012, the
11 amount of any: (1) Loss from business as determined under the federal
12 internal revenue code and reported from schedule C and on line 12 of the
13 taxpayer's form 1040 federal individual income tax return; (2) loss from
14 rental real estate, royalties, partnerships, S corporations, except those with
15 wholly owned subsidiaries subject to the Kansas privilege tax, estates,
16 trusts, residual interest in real estate mortgage investment conduits and net
17 farm rental as determined under the federal internal revenue code and
18 reported from schedule E and on line 17 of the taxpayer's form 1040
19 federal individual income tax return; and (3) farm loss as determined under
20 the federal internal revenue code and reported from schedule F and on line
21 18 of the taxpayer's form 1040 federal income tax return; all to the extent
22 deducted or subtracted in determining the taxpayer's federal adjusted gross
23 income. For purposes of this subsection, references to the federal form
24 1040 and federal schedule C, schedule E, and schedule F, shall be to such
25 form and schedules as they existed for tax year 2011, and as revised
26 thereafter by the internal revenue service.

27 (xx) For all taxable years beginning after December 31, 2012, the
28 amount of any deduction for self-employment taxes under section 164(f)
29 of the federal internal revenue code as in effect on January 1, 2012, and
30 amendments thereto, in determining the federal adjusted gross income of
31 an individual taxpayer, to the extent the deduction is attributable to income
32 reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's
33 form 1040 federal income tax return.

34 (xxi) For all taxable years beginning after December 31, 2012, the
35 amount of any deduction for pension, profit sharing, and annuity plans of
36 self-employed individuals under section 62(a)(6) of the federal internal
37 revenue code as in effect on January 1, 2012, and amendments thereto, in
38 determining the federal adjusted gross income of an individual taxpayer.

39 (xxii) For all taxable years beginning after December 31, 2012, the
40 amount of any deduction for health insurance under section 162(l) of the
41 federal internal revenue code as in effect on January 1, 2012, and
42 amendments thereto, in determining the federal adjusted gross income of
43 an individual taxpayer.

1 (xxiii) For all taxable years beginning after December 31, 2012, the
2 amount of any deduction for domestic production activities under section
3 199 of the federal internal revenue code as in effect on January 1, 2012,
4 and amendments thereto, in determining the federal adjusted gross income
5 of an individual taxpayer.

6 (xxiv) For taxable years commencing after December 31, 2013, that
7 portion of the amount of any expenditure deduction claimed in
8 determining federal adjusted gross income for expenses paid for medical
9 care of the taxpayer or the taxpayer's spouse or dependents when such
10 expenses were paid or incurred for an abortion, or for a health benefit plan,
11 as defined in K.S.A. 2013 Supp. 65-6731, and amendments thereto, for the
12 purchase of an optional rider for coverage of abortion in accordance with
13 K.S.A. 2013 Supp. 40-2,190, and amendments thereto, to the extent that
14 such taxes and assessments are claimed as an itemized deduction for
15 federal income tax purposes.

16 (xxv) For taxable years commencing after December 31, 2013, that
17 portion of the amount of any expenditure deduction claimed in
18 determining federal adjusted gross income for expenses paid by a taxpayer
19 for health care when such expenses were paid or incurred for abortion
20 coverage, a health benefit plan, as defined in K.S.A. 2013 Supp. 65-6731,
21 and amendments thereto, when such expenses were paid or incurred for
22 abortion coverage or amounts contributed to health savings accounts for
23 such taxpayer's employees for the purchase of an optional rider for
24 coverage of abortion in accordance with K.S.A. 2013 Supp. 40-2,190, and
25 amendments thereto, to the extent that such taxes and assessments are
26 claimed as a deduction for federal income tax purposes.

27 (c) There shall be subtracted from federal adjusted gross income:

28 (i) Interest or dividend income on obligations or securities of any
29 authority, commission or instrumentality of the United States and its
30 possessions less any related expenses directly incurred in the purchase of
31 such obligations or securities, to the extent included in federal adjusted
32 gross income but exempt from state income taxes under the laws of the
33 United States.

34 (ii) Any amounts received which are included in federal adjusted
35 gross income but which are specifically exempt from Kansas income
36 taxation under the laws of the state of Kansas.

37 (iii) The portion of any gain or loss from the sale or other disposition
38 of property having a higher adjusted basis for Kansas income tax purposes
39 than for federal income tax purposes on the date such property was sold or
40 disposed of in a transaction in which gain or loss was recognized for
41 purposes of federal income tax that does not exceed such difference in
42 basis, but if a gain is considered a long-term capital gain for federal
43 income tax purposes, the modification shall be limited to that portion of

1 such gain which is included in federal adjusted gross income.

2 (iv) The amount necessary to prevent the taxation under this act of
3 any annuity or other amount of income or gain which was properly
4 included in income or gain and was taxed under the laws of this state for a
5 taxable year prior to the effective date of this act, as amended, to the
6 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
7 the right to receive the income or gain, or to a trust or estate from which
8 the taxpayer received the income or gain.

9 (v) The amount of any refund or credit for overpayment of taxes on
10 or measured by income or fees or payments in lieu of income taxes
11 imposed by this state, or any taxing jurisdiction, to the extent included in
12 gross income for federal income tax purposes.

13 (vi) Accumulation distributions received by a taxpayer as a
14 beneficiary of a trust to the extent that the same are included in federal
15 adjusted gross income.

16 (vii) Amounts received as annuities under the federal civil service
17 retirement system from the civil service retirement and disability fund and
18 other amounts received as retirement benefits in whatever form which
19 were earned for being employed by the federal government or for service
20 in the armed forces of the United States.

21 (viii) Amounts received by retired railroad employees as a
22 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
23 228c (a)(1) et seq.

24 (ix) Amounts received by retired employees of a city and by retired
25 employees of any board of such city as retirement allowances pursuant to
26 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
27 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
28 amendments thereto.

29 (x) For taxable years beginning after December 31, 1976, the amount
30 of the federal tentative jobs tax credit disallowance under the provisions of
31 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
32 amount of the targeted jobs tax credit and work incentive credit
33 disallowances under 26 U.S.C. § 280 C.

34 (xi) For taxable years beginning after December 31, 1986, dividend
35 income on stock issued by Kansas Venture Capital, Inc.

36 (xii) For taxable years beginning after December 31, 1989, amounts
37 received by retired employees of a board of public utilities as pension and
38 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
39 and amendments thereto.

40 (xiii) For taxable years beginning after December 31, 2004, amounts
41 contributed to and the amount of income earned on contributions deposited
42 to an individual development account under K.S.A. 2013 Supp. 74-50,201
43 et seq., and amendments thereto.

1 (xiv) For all taxable years commencing after December 31, 1996, that
2 portion of any income of a bank organized under the laws of this state or
3 any other state, a national banking association organized under the laws of
4 the United States, an association organized under the savings and loan
5 code of this state or any other state, or a federal savings association
6 organized under the laws of the United States, for which an election as an
7 S corporation under subchapter S of the federal internal revenue code is in
8 effect, which accrues to the taxpayer who is a stockholder of such
9 corporation and which is not distributed to the stockholders as dividends of
10 the corporation. For all taxable years beginning after December 31, 2012,
11 the amount of modification under this subsection shall exclude the portion
12 of income or loss reported on schedule E and included on line 17 of the
13 taxpayer's form 1040 federal individual income tax return.

14 (xv) For all taxable years beginning after December 31, 2006,
15 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
16 joint return, for each designated beneficiary which are contributed to a
17 family postsecondary education savings account established under the
18 Kansas postsecondary education savings program or a qualified tuition
19 program established and maintained by another state or agency or
20 instrumentality thereof pursuant to section 529 of the internal revenue
21 code of 1986, as amended, for the purpose of paying the qualified higher
22 education expenses of a designated beneficiary at an institution of
23 postsecondary education. The terms and phrases used in this paragraph
24 shall have the meaning respectively ascribed thereto by the provisions of
25 K.S.A. 2013 Supp. 75-643, and amendments thereto, and the provisions of
26 such section are hereby incorporated by reference for all purposes thereof.

27 (xvi) For all taxable years beginning after December 31, 2004,
28 amounts received by taxpayers who are or were members of the armed
29 forces of the United States, including service in the Kansas army and air
30 national guard, as a recruitment, sign up or retention bonus received by
31 such taxpayer as an incentive to join, enlist or remain in the armed services
32 of the United States, including service in the Kansas army and air national
33 guard, and amounts received for repayment of educational or student loans
34 incurred by or obligated to such taxpayer and received by such taxpayer as
35 a result of such taxpayer's service in the armed forces of the United States,
36 including service in the Kansas army and air national guard.

37 (xvii) For all taxable years beginning after December 31, 2004,
38 amounts received by taxpayers who are eligible members of the Kansas
39 army and air national guard as a reimbursement pursuant to K.S.A. 48-
40 281, and amendments thereto, and amounts received for death benefits
41 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
42 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
43 amendments thereto, to the extent that such death benefits are included in

1 federal adjusted gross income of the taxpayer.

2 (xviii) For the taxable year beginning after December 31, 2006,
3 amounts received as benefits under the federal social security act which
4 are included in federal adjusted gross income of a taxpayer with federal
5 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
6 status is single, head of household, married filing separate or married filing
7 jointly; and for all taxable years beginning after December 31, 2007,
8 amounts received as benefits under the federal social security act which
9 are included in federal adjusted gross income of a taxpayer with federal
10 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
11 status is single, head of household, married filing separate or married filing
12 jointly.

13 (xix) Amounts received by retired employees of Washburn university
14 as retirement and pension benefits under the university's retirement plan.

15 (xx) For all taxable years beginning after December 31, 2012, the
16 amount of any: (1) Net profit from business as determined under the
17 federal internal revenue code and reported from schedule C and on line 12
18 of the taxpayer's form 1040 federal individual income tax return; (2) net
19 income from rental real estate, royalties, partnerships, S corporations,
20 estates, trusts, residual interest in real estate mortgage investment conduits
21 and net farm rental as determined under the federal internal revenue code
22 and reported from schedule E and on line 17 of the taxpayer's form 1040
23 federal individual income tax return; and (3) net farm profit as determined
24 under the federal internal revenue code and reported from schedule F and
25 on line 18 of the taxpayer's form 1040 federal income tax return; all to the
26 extent included in the taxpayer's federal adjusted gross income. For
27 purposes of this subsection, references to the federal form 1040 and
28 federal schedule C, schedule E, and schedule F, shall be to such form and
29 schedules as they existed for tax year 2011 and as revised thereafter by the
30 internal revenue service.

31 (xxi) For all taxable years beginning after December 31, 2013,
32 amounts equal to the unreimbursed travel, lodging and medical
33 expenditures directly incurred by a taxpayer while living, or a dependent
34 of the taxpayer while living, for the donation of one or more human organs
35 of the taxpayer, or a dependent of the taxpayer, to another person for
36 human organ transplantation. The expenses may be claimed as a
37 subtraction modification provided for in this section to the extent the
38 expenses are not already subtracted from the taxpayer's federal adjusted
39 gross income. In no circumstances shall the subtraction modification
40 provided for in this section for any individual, or a dependent, exceed
41 \$5,000. As used in this section, "human organ" means all or part of a liver,
42 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
43 paragraph shall take effect on the day the secretary of revenue certifies to

1 the director of the budget that the cost for the department of revenue of
2 modifications to the automated tax system for the purpose of
3 implementing this paragraph will not exceed \$20,000.

4 (xxii) For all taxable years beginning after December 31, 2012, the
5 amount of net gain from the sale of: (1) Cattle and horses, regardless of
6 age, held by the taxpayer for draft, breeding, dairy or sporting purposes,
7 and held by such taxpayer for 24 months or more from the date of
8 acquisition; and (2) other livestock, regardless of age, held by the taxpayer
9 for draft, breeding, dairy or sporting purposes, and held by such taxpayer
10 for 12 months or more from the date of acquisition. The subtraction from
11 federal adjusted gross income shall be limited to the amount of the
12 additions recognized under the provisions of paragraph (xix) of subsection
13 (b) attributable to the business in which the livestock sold had been used.
14 As used in this paragraph, the term "livestock" shall not include poultry.

15 *(xxiii) For all taxable years beginning after December 31, 2012,*
16 *amounts received under either the Overland Park, Kansas police*
17 *department retirement plan or the Overland Park, Kansas fire department*
18 *retirement plan, both as established by the city of Overland Park, pursuant*
19 *to the city's home rule authority.*

20 (d) There shall be added to or subtracted from federal adjusted gross
21 income the taxpayer's share, as beneficiary of an estate or trust, of the
22 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
23 amendments thereto.

24 (e) The amount of modifications required to be made under this
25 section by a partner which relates to items of income, gain, loss, deduction
26 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
27 amendments thereto, to the extent that such items affect federal adjusted
28 gross income of the partner.

29 Sec. 10. K.S.A. 2013 Supp. 79-3606, as amended by section 8 of
30 2014 Senate Bill No. 265, is hereby amended to read as follows: 79-3606.
31 The following shall be exempt from the tax imposed by this act:

32 (a) All sales of motor-vehicle fuel or other articles upon which a sales
33 or excise tax has been paid, not subject to refund, under the laws of this
34 state except cigarettes as defined by K.S.A. 79-3301, and amendments
35 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-
36 3817, and amendments thereto, including wort, liquid malt, malt syrup and
37 malt extract, which is not subject to taxation under the provisions of
38 K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant
39 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A.
40 65-3424d, and amendments thereto, drycleaning and laundry services
41 taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross
42 receipts from regulated sports contests taxed pursuant to the Kansas
43 professional regulated sports act, and amendments thereto;

1 (b) all sales of tangible personal property or service, including the
2 renting and leasing of tangible personal property, purchased directly by the
3 state of Kansas, a political subdivision thereof, other than a school or
4 educational institution, or purchased by a public or private nonprofit
5 hospital or public hospital authority or nonprofit blood, tissue or organ
6 bank and used exclusively for state, political subdivision, hospital or
7 public hospital authority or nonprofit blood, tissue or organ bank purposes,
8 except when: (1) Such state, hospital or public hospital authority is
9 engaged or proposes to engage in any business specifically taxable under
10 the provisions of this act and such items of tangible personal property or
11 service are used or proposed to be used in such business; or (2) such
12 political subdivision is engaged or proposes to engage in the business of
13 furnishing gas, electricity or heat to others and such items of personal
14 property or service are used or proposed to be used in such business;

15 (c) all sales of tangible personal property or services, including the
16 renting and leasing of tangible personal property, purchased directly by a
17 public or private elementary or secondary school or public or private
18 nonprofit educational institution and used primarily by such school or
19 institution for nonsectarian programs and activities provided or sponsored
20 by such school or institution or in the erection, repair or enlargement of
21 buildings to be used for such purposes. The exemption herein provided
22 shall not apply to erection, construction, repair, enlargement or equipment
23 of buildings used primarily for human habitation;

24 (d) all sales of tangible personal property or services purchased by a
25 contractor for the purpose of constructing, equipping, reconstructing,
26 maintaining, repairing, enlarging, furnishing or remodeling facilities for
27 any public or private nonprofit hospital or public hospital authority, public
28 or private elementary or secondary school, a public or private nonprofit
29 educational institution, state correctional institution including a privately
30 constructed correctional institution contracted for state use and ownership,
31 which would be exempt from taxation under the provisions of this act if
32 purchased directly by such hospital or public hospital authority, school,
33 educational institution or a state correctional institution; and all sales of
34 tangible personal property or services purchased by a contractor for the
35 purpose of constructing, equipping, reconstructing, maintaining, repairing,
36 enlarging, furnishing or remodeling facilities for any political subdivision
37 of the state or district described in subsection (s), the total cost of which is
38 paid from funds of such political subdivision or district and which would
39 be exempt from taxation under the provisions of this act if purchased
40 directly by such political subdivision or district. Nothing in this subsection
41 or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be
42 deemed to exempt the purchase of any construction machinery, equipment
43 or tools used in the constructing, equipping, reconstructing, maintaining,

1 repairing, enlarging, furnishing or remodeling facilities for any political
2 subdivision of the state or any such district. As used in this subsection,
3 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
4 political subdivision" shall mean general tax revenues, the proceeds of any
5 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
6 purpose of constructing, equipping, reconstructing, repairing, enlarging,
7 furnishing or remodeling facilities which are to be leased to the donor.
8 When any political subdivision of the state, district described in subsection
9 (s), public or private nonprofit hospital or public hospital authority, public
10 or private elementary or secondary school, public or private nonprofit
11 educational institution, state correctional institution including a privately
12 constructed correctional institution contracted for state use and ownership
13 shall contract for the purpose of constructing, equipping, reconstructing,
14 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
15 shall obtain from the state and furnish to the contractor an exemption
16 certificate for the project involved, and the contractor may purchase
17 materials for incorporation in such project. The contractor shall furnish the
18 number of such certificate to all suppliers from whom such purchases are
19 made, and such suppliers shall execute invoices covering the same bearing
20 the number of such certificate. Upon completion of the project the
21 contractor shall furnish to the political subdivision, district described in
22 subsection (s), hospital or public hospital authority, school, educational
23 institution or department of corrections concerned a sworn statement, on a
24 form to be provided by the director of taxation, that all purchases so made
25 were entitled to exemption under this subsection. As an alternative to the
26 foregoing procedure, any such contracting entity may apply to the
27 secretary of revenue for agent status for the sole purpose of issuing and
28 furnishing project exemption certificates to contractors pursuant to rules
29 and regulations adopted by the secretary establishing conditions and
30 standards for the granting and maintaining of such status. All invoices
31 shall be held by the contractor for a period of five years and shall be
32 subject to audit by the director of taxation. If any materials purchased
33 under such a certificate are found not to have been incorporated in the
34 building or other project or not to have been returned for credit or the sales
35 or compensating tax otherwise imposed upon such materials which will
36 not be so incorporated in the building or other project reported and paid by
37 such contractor to the director of taxation not later than the 20th day of the
38 month following the close of the month in which it shall be determined
39 that such materials will not be used for the purpose for which such
40 certificate was issued, the political subdivision, district described in
41 subsection (s), hospital or public hospital authority, school, educational
42 institution or the contractor contracting with the department of corrections
43 for a correctional institution concerned shall be liable for tax on all

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

10 (e) all sales of tangible personal property or services purchased by a
11 contractor for the erection, repair or enlargement of buildings or other
12 projects for the government of the United States, its agencies or
13 instrumentalities, which would be exempt from taxation if purchased
14 directly by the government of the United States, its agencies or
15 instrumentalities. When the government of the United States, its agencies
16 or instrumentalities shall contract for the erection, repair, or enlargement
17 of any building or other project, it shall obtain from the state and furnish to
18 the contractor an exemption certificate for the project involved, and the
19 contractor may purchase materials for incorporation in such project. The
20 contractor shall furnish the number of such certificates to all suppliers
21 from whom such purchases are made, and such suppliers shall execute
22 invoices covering the same bearing the number of such certificate. Upon
23 completion of the project the contractor shall furnish to the government of
24 the United States, its agencies or instrumentalities concerned a sworn
25 statement, on a form to be provided by the director of taxation, that all
26 purchases so made were entitled to exemption under this subsection. As an
27 alternative to the foregoing procedure, any such contracting entity may
28 apply to the secretary of revenue for agent status for the sole purpose of
29 issuing and furnishing project exemption certificates to contractors
30 pursuant to rules and regulations adopted by the secretary establishing
31 conditions and standards for the granting and maintaining of such status.
32 All invoices shall be held by the contractor for a period of five years and
33 shall be subject to audit by the director of taxation. Any contractor or any
34 agent, employee or subcontractor thereof, who shall use or otherwise
35 dispose of any materials purchased under such a certificate for any purpose
36 other than that for which such a certificate is issued without the payment
37 of the sales or compensating tax otherwise imposed upon such materials,
38 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
39 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
40 and amendments thereto;

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

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

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

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

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

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

25 (l) all isolated or occasional sales of tangible personal property,
26 services, substances or things, except isolated or occasional sale of motor
27 vehicles specifically taxed under the provisions of subsection (o) of K.S.A.
28 79-3603, and amendments thereto;

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

37 (n) all sales of tangible personal property which is consumed in the
38 production, manufacture, processing, mining, drilling, refining or
39 compounding of tangible personal property, the treating of by-products or
40 wastes derived from any such production process, the providing of
41 services or the irrigation of crops for ultimate sale at retail within or
42 without the state of Kansas; and any purchaser of such property may
43 obtain from the director of taxation and furnish to the supplier an

1 exemption certificate number for tangible personal property for
2 consumption in such production, manufacture, processing, mining,
3 drilling, refining, compounding, treating, irrigation and in providing such
4 services;

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

11 (p) all sales of drugs dispensed pursuant to a prescription order by a
12 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
13 1626, and amendments thereto. As used in this subsection, "drug" means a
14 compound, substance or preparation and any component of a compound,
15 substance or preparation, other than food and food ingredients, dietary
16 supplements or alcoholic beverages, recognized in the official United
17 States pharmacopoeia, official homeopathic pharmacopoeia of the United
18 States or official national formulary, and supplement to any of them,
19 intended for use in the diagnosis, cure, mitigation, treatment or prevention
20 of disease or intended to affect the structure or any function of the body,
21 except that for taxable years commencing after December 31, 2013, this
22 subsection shall not apply to any sales of drugs used in the performance or
23 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
24 thereto;

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

28 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
29 enteral feeding systems, prosthetic devices and mobility enhancing
30 equipment prescribed in writing by a person licensed to practice the
31 healing arts, dentistry or optometry, and in addition to such sales, all sales
32 of hearing aids, as defined by subsection (c) of K.S.A. 74-5807, and
33 amendments thereto, and repair and replacement parts therefor, including
34 batteries, by a person licensed in the practice of dispensing and fitting
35 hearing aids pursuant to the provisions of K.S.A. 74-5808, and
36 amendments thereto. For the purposes of this subsection: (1) "Mobility
37 enhancing equipment" means equipment including repair and replacement
38 parts to same, but does not include durable medical equipment, which is
39 primarily and customarily used to provide or increase the ability to move
40 from one place to another and which is appropriate for use either in a
41 home or a motor vehicle; is not generally used by persons with normal
42 mobility; and does not include any motor vehicle or equipment on a motor
43 vehicle normally provided by a motor vehicle manufacturer; and (2)

1 "prosthetic device" means a replacement, corrective or supportive device
2 including repair and replacement parts for same worn on or in the body to
3 artificially replace a missing portion of the body, prevent or correct
4 physical deformity or malfunction or support a weak or deformed portion
5 of the body;

6 (s) except as provided in K.S.A. 2013 Supp. 82a-2101, and
7 amendments thereto, all sales of tangible personal property or services
8 purchased directly or indirectly by a groundwater management district
9 organized or operating under the authority of K.S.A. 82a-1020 et seq., and
10 amendments thereto, by a rural water district organized or operating under
11 the authority of K.S.A. 82a-612, and amendments thereto, or by a water
12 supply district organized or operating under the authority of K.S.A. 19-
13 3501 et seq., 19-3522 et seq., or 19-3545, and amendments thereto, which
14 property or services are used in the construction activities, operation or
15 maintenance of the district;

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

42 (u) all leases or rentals of tangible personal property used as a
43 dwelling if such tangible personal property is leased or rented for a period

1 of more than 28 consecutive days;

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

15 (w) all sales of natural gas, electricity, heat and water delivered
16 through mains, lines or pipes: (1) To residential premises for
17 noncommercial use by the occupant of such premises; (2) for agricultural
18 use and also, for such use, all sales of propane gas; (3) for use in the
19 severing of oil; and (4) to any property which is exempt from property
20 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this
21 paragraph, "severing" shall have the meaning ascribed thereto by
22 subsection (k) of K.S.A. 79-4216, and amendments thereto. For all sales of
23 natural gas, electricity and heat delivered through mains, lines or pipes
24 pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions
25 of this subsection shall expire on December 31, 2005;

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

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

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

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

42 (bb) all sales of used mobile homes or manufactured homes. As used
43 in this subsection: (1) "Mobile homes" and "manufactured homes" shall

1 have the meanings ascribed thereto by K.S.A. 58-4202, and amendments
2 thereto; and (2) "sales of used mobile homes or manufactured homes"
3 means sales other than the original retail sale thereof;

4 (cc) all sales of tangible personal property or services purchased prior
5 to January 1, 2012, except as otherwise provided, for the purpose of and in
6 conjunction with constructing, reconstructing, enlarging or remodeling a
7 business or retail business which meets the requirements established in
8 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
9 machinery and equipment purchased for installation at any such business
10 or retail business, and all sales of tangible personal property or services
11 purchased on or after January 1, 2012, for the purpose of and in
12 conjunction with constructing, reconstructing, enlarging or remodeling a
13 business which meets the requirements established in K.S.A. 74-50,115(e),
14 and amendments thereto, and the sale and installation of machinery and
15 equipment purchased for installation at any such business. When a person
16 shall contract for the construction, reconstruction, enlargement or
17 remodeling of any such business or retail business, such person shall
18 obtain from the state and furnish to the contractor an exemption certificate
19 for the project involved, and the contractor may purchase materials,
20 machinery and equipment for incorporation in such project. The contractor
21 shall furnish the number of such certificates to all suppliers from whom
22 such purchases are made, and such suppliers shall execute invoices
23 covering the same bearing the number of such certificate. Upon
24 completion of the project the contractor shall furnish to the owner of the
25 business or retail business a sworn statement, on a form to be provided by
26 the director of taxation, that all purchases so made were entitled to
27 exemption under this subsection. All invoices shall be held by the
28 contractor for a period of five years and shall be subject to audit by the
29 director of taxation. Any contractor or any agent, employee or
30 subcontractor thereof, who shall use or otherwise dispose of any materials,
31 machinery or equipment purchased under such a certificate for any
32 purpose other than that for which such a certificate is issued without the
33 payment of the sales or compensating tax otherwise imposed thereon, shall
34 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
35 to the penalties provided for in subsection (g) of K.S.A. 79-3615, and
36 amendments thereto. As used in this subsection, "business" and "retail
37 business" have the meanings respectively ascribed thereto by K.S.A. 74-
38 50,114, and amendments thereto. Project exemption certificates that have
39 been previously issued under this subsection by the department of revenue
40 pursuant to K.S.A. 74-50,115, and amendments thereto, but not including
41 K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012,
42 and have not expired will be effective for the term of the project or two
43 years from the effective date of the certificate, whichever occurs earlier.

1 Project exemption certificates that are submitted to the department of
2 revenue prior to January 1, 2012, and are found to qualify will be issued a
3 project exemption certificate that will be effective for a two-year period or
4 for the term of the project, whichever occurs earlier;

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

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

9 (ff) on and after July 1, 1988, all sales of new mobile homes or
10 manufactured homes to the extent of 40% of the gross receipts, determined
11 without regard to any trade-in allowance, received from such sale. As used
12 in this subsection, "mobile homes" and "manufactured homes" shall have
13 the meanings ascribed thereto by K.S.A. 58-4202, and amendments
14 thereto;

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

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

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

37 (jj) all sales of tangible personal property or services, including the
38 renting and leasing of tangible personal property, purchased directly on
39 behalf of a community-based facility for people with intellectual disability
40 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
41 amendments thereto, and licensed in accordance with the provisions of
42 K.S.A. 75-3307b, and amendments thereto, and all sales of tangible
43 personal property or services purchased by contractors during the time

1 period from July, 2003, through June, 2006, for the purpose of
2 constructing, equipping, maintaining or furnishing a new facility for a
3 community-based facility for people with intellectual disability or mental
4 health center located in Riverton, Cherokee County, Kansas, which would
5 have been eligible for sales tax exemption pursuant to this subsection if
6 purchased directly by such facility or center. This exemption shall not
7 apply to tangible personal property customarily used for human habitation
8 purposes;

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

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

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

16 (2) For purposes of this subsection:

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

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

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

41 (D) "manufacturing or processing business" means a business that
42 utilizes an integrated production operation to manufacture, process,
43 fabricate, finish, or assemble items for wholesale and retail distribution as

1 part of what is commonly regarded by the general public as an industrial
2 manufacturing or processing operation or an agricultural commodity
3 processing operation. (i) Industrial manufacturing or processing operations
4 include, by way of illustration but not of limitation, the fabrication of
5 automobiles, airplanes, machinery or transportation equipment, the
6 fabrication of metal, plastic, wood, or paper products, electricity power
7 generation, water treatment, petroleum refining, chemical production,
8 wholesale bottling, newspaper printing, ready mixed concrete production,
9 and the remanufacturing of used parts for wholesale or retail sale. Such
10 processing operations shall include operations at an oil well, gas well,
11 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
12 sand or gravel that has been extracted from the earth is cleaned, separated,
13 crushed, ground, milled, screened, washed, or otherwise treated or
14 prepared before its transmission to a refinery or before any other wholesale
15 or retail distribution. (ii) Agricultural commodity processing operations
16 include, by way of illustration but not of limitation, meat packing, poultry
17 slaughtering and dressing, processing and packaging farm and dairy
18 products in sealed containers for wholesale and retail distribution, feed
19 grinding, grain milling, frozen food processing, and grain handling,
20 cleaning, blending, fumigation, drying and aeration operations engaged in
21 by grain elevators or other grain storage facilities. (iii) Manufacturing or
22 processing businesses do not include, by way of illustration but not of
23 limitation, nonindustrial businesses whose operations are primarily retail
24 and that produce or process tangible personal property as an incidental part
25 of conducting the retail business, such as retailers who bake, cook or
26 prepare food products in the regular course of their retail trade, grocery
27 stores, meat lockers and meat markets that butcher or dress livestock or
28 poultry in the regular course of their retail trade, contractors who alter,
29 service, repair or improve real property, and retail businesses that clean,
30 service or refurbish and repair tangible personal property for its owner;

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

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

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

43 (A) To receive, transport, convey, handle, treat or store raw materials

1 in preparation of its placement on the production line;

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

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

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

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

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

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

20 (H) to package the property being manufactured or processed in a
21 container or wrapping in which such property is normally sold or
22 transported;

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

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

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

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

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

39 (4) The following machinery, equipment and materials shall be
40 deemed to be exempt even though it may not otherwise qualify as
41 machinery and equipment used as an integral or essential part of an
42 integrated production operation: (A) Computers and related peripheral
43 equipment that are utilized by a manufacturing or processing business for

1 engineering of the finished product or for research and development or
2 product design; (B) machinery and equipment that is utilized by a
3 manufacturing or processing business to manufacture or rebuild tangible
4 personal property that is used in manufacturing or processing operations,
5 including tools, dies, molds, forms and other parts of qualifying machinery
6 and equipment; (C) portable plants for aggregate concrete, bulk cement
7 and asphalt including cement mixing drums to be attached to a motor
8 vehicle; (D) industrial fixtures, devices, support facilities and special
9 foundations necessary for manufacturing and production operations, and
10 materials and other tangible personal property sold for the purpose of
11 fabricating such fixtures, devices, facilities and foundations. An exemption
12 certificate for such purchases shall be signed by the manufacturer or
13 processor. If the fabricator purchases such material, the fabricator shall
14 also sign the exemption certificate; ~~and~~ (E) a manufacturing or processing
15 business' laboratory equipment that is not located at the plant or facility,
16 but that would otherwise qualify for exemption under subsection (3)(E);
17 *and (F) all machinery and equipment used in surface mining activities as*
18 *described in K.S.A. 49-601 et seq., and amendments thereto, beginning*
19 *from the time a reclamation plan is filed to the acceptance of the*
20 *completed final site reclamation.*

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

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

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

31 (C) transportation, transmission and distribution equipment not
32 primarily used in a production, warehousing or material handling
33 operation at the plant or facility, including the means of conveyance of
34 natural gas, electricity, oil or water, and equipment related thereto, located
35 outside the plant or facility;

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

39 (E) furniture and other furnishings;

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

43 (G) building fixtures that are not integral to the manufacturing

1 operation, such as utility systems for heating, ventilation, air conditioning,
2 communications, plumbing or electrical;

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

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

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

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

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

20 (ll) all sales of educational materials purchased for distribution to the
21 public at no charge by a nonprofit corporation organized for the purpose of
22 encouraging, fostering and conducting programs for the improvement of
23 public health, except that for taxable years commencing after December
24 31, 2013, this subsection shall not apply to any sales of such materials
25 purchased by a nonprofit corporation which performs any abortion, as
26 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

39 (qq) all sales of tangible personal property and services purchased by
40 a nonprofit museum or historical society or any combination thereof,
41 including a nonprofit organization which is organized for the purpose of
42 stimulating public interest in the exploration of space by providing
43 educational information, exhibits and experiences, which is exempt from

1 federal income taxation pursuant to section 501(c)(3) of the federal
2 internal revenue code of 1986;

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

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

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

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

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

27 (1) The American Heart Association, Kansas Affiliate, Inc. for the
28 purposes of providing education, training, certification in emergency
29 cardiac care, research and other related services to reduce disability and
30 death from cardiovascular diseases and stroke;

31 (2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of
32 advocacy for persons with mental illness and to education, research and
33 support for their families;

34 (3) the Kansas Mental Illness Awareness Council for the purposes of
35 advocacy for persons who are mentally ill and for education, research and
36 support for them and their families;

37 (4) the American Diabetes Association Kansas Affiliate, Inc. for the
38 purpose of eliminating diabetes through medical research, public education
39 focusing on disease prevention and education, patient education including
40 information on coping with diabetes, and professional education and
41 training;

42 (5) the American Lung Association of Kansas, Inc. for the purpose of
43 eliminating all lung diseases through medical research, public education

1 including information on coping with lung diseases, professional education
2 and training related to lung disease and other related services to reduce the
3 incidence of disability and death due to lung disease;

4 (6) the Kansas chapters of the Alzheimer's Disease and Related
5 Disorders Association, Inc. for the purpose of providing assistance and
6 support to persons in Kansas with Alzheimer's disease, and their families
7 and caregivers;

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

11 (8) the National Kidney Foundation of Kansas and Western Missouri
12 for the purpose of eliminating kidney disease through medical research
13 and public and private education related to such disease;

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

17 (10) the Cystic Fibrosis Foundation, Heart of America Chapter, for
18 the purposes of assuring the development of the means to cure and control
19 cystic fibrosis and improving the quality of life for those with the disease;

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

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

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

31 (14) the Dreams Work, Inc., for the purpose of providing young adult
32 day services to individuals with developmental disabilities and assisting
33 families in avoiding institutional or nursing home care for a
34 developmentally disabled member of their family;

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

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

1 (17) the Dream Factory, Inc., for the purpose of granting the dreams
2 of children with critical and chronic illnesses;

3 (18) the Ottawa Suzuki Strings, Inc., for the purpose of providing
4 students and families with education and resources necessary to enable
5 each child to develop fine character and musical ability to the fullest
6 potential;

7 (19) the International Association of Lions Clubs for the purpose of
8 creating and fostering a spirit of understanding among all people for
9 humanitarian needs by providing voluntary services through community
10 involvement and international cooperation;

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

15 (21) the American Cancer Society, Inc., for the purpose of eliminating
16 cancer as a major health problem by preventing cancer, saving lives and
17 diminishing suffering from cancer, through research, education, advocacy
18 and service;

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

21 (23) the angel babies association, for the purpose of providing
22 assistance, support and items of necessity to teenage mothers and their
23 babies; and

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

26 (ww) all sales of tangible personal property purchased by the Habitat
27 for Humanity for the exclusive use of being incorporated within a housing
28 project constructed by such organization;

29 (xx) all sales of tangible personal property and services purchased by
30 a nonprofit zoo which is exempt from federal income taxation pursuant to
31 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
32 of such zoo by an entity itself exempt from federal income taxation
33 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
34 contracted with to operate such zoo and all sales of tangible personal
35 property or services purchased by a contractor for the purpose of
36 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
37 furnishing or remodeling facilities for any nonprofit zoo which would be
38 exempt from taxation under the provisions of this section if purchased
39 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
40 this subsection shall be deemed to exempt the purchase of any construction
41 machinery, equipment or tools used in the constructing, equipping,
42 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
43 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for

1 the purpose of constructing, equipping, reconstructing, maintaining,
2 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
3 from the state and furnish to the contractor an exemption certificate for the
4 project involved, and the contractor may purchase materials for
5 incorporation in such project. The contractor shall furnish the number of
6 such certificate to all suppliers from whom such purchases are made, and
7 such suppliers shall execute invoices covering the same bearing the
8 number of such certificate. Upon completion of the project the contractor
9 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
10 to be provided by the director of taxation, that all purchases so made were
11 entitled to exemption under this subsection. All invoices shall be held by
12 the contractor for a period of five years and shall be subject to audit by the
13 director of taxation. If any materials purchased under such a certificate are
14 found not to have been incorporated in the building or other project or not
15 to have been returned for credit or the sales or compensating tax otherwise
16 imposed upon such materials which will not be so incorporated in the
17 building or other project reported and paid by such contractor to the
18 director of taxation not later than the 20th day of the month following the
19 close of the month in which it shall be determined that such materials will
20 not be used for the purpose for which such certificate was issued, the
21 nonprofit zoo concerned shall be liable for tax on all materials purchased
22 for the project, and upon payment thereof it may recover the same from
23 the contractor together with reasonable attorney fees. Any contractor or
24 any agent, employee or subcontractor thereof, who shall use or otherwise
25 dispose of any materials purchased under such a certificate for any purpose
26 other than that for which such a certificate is issued without the payment
27 of the sales or compensating tax otherwise imposed upon such materials,
28 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
29 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
30 and amendments thereto;

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

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

43 (aaa) all sales of tangible personal property and services purchased by

1 a religious organization which is exempt from federal income taxation
2 pursuant to section 501(c)(3) of the federal internal revenue code, and used
3 exclusively for religious purposes, and all sales of tangible personal
4 property or services purchased by a contractor for the purpose of
5 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
6 furnishing or remodeling facilities for any such organization which would
7 be exempt from taxation under the provisions of this section if purchased
8 directly by such organization. Nothing in this subsection shall be deemed
9 to exempt the purchase of any construction machinery, equipment or tools
10 used in the constructing, equipping, reconstructing, maintaining, repairing,
11 enlarging, furnishing or remodeling facilities for any such organization.
12 When any such organization shall contract for the purpose of constructing,
13 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
14 remodeling facilities, it shall obtain from the state and furnish to the
15 contractor an exemption certificate for the project involved, and the
16 contractor may purchase materials for incorporation in such project. The
17 contractor shall furnish the number of such certificate to all suppliers from
18 whom such purchases are made, and such suppliers shall execute invoices
19 covering the same bearing the number of such certificate. Upon
20 completion of the project the contractor shall furnish to such organization
21 concerned a sworn statement, on a form to be provided by the director of
22 taxation, that all purchases so made were entitled to exemption under this
23 subsection. All invoices shall be held by the contractor for a period of five
24 years and shall be subject to audit by the director of taxation. If any
25 materials purchased under such a certificate are found not to have been
26 incorporated in the building or other project or not to have been returned
27 for credit or the sales or compensating tax otherwise imposed upon such
28 materials which will not be so incorporated in the building or other project
29 reported and paid by such contractor to the director of taxation not later
30 than the 20th day of the month following the close of the month in which it
31 shall be determined that such materials will not be used for the purpose for
32 which such certificate was issued, such organization concerned shall be
33 liable for tax on all materials purchased for the project, and upon payment
34 thereof it may recover the same from the contractor together with
35 reasonable attorney fees. Any contractor or any agent, employee or
36 subcontractor thereof, who shall use or otherwise dispose of any materials
37 purchased under such a certificate for any purpose other than that for
38 which such a certificate is issued without the payment of the sales or
39 compensating tax otherwise imposed upon such materials, shall be guilty
40 of a misdemeanor and, upon conviction therefor, shall be subject to the
41 penalties provided for in subsection (g) of K.S.A. 79-3615, and
42 amendments thereto. Sales tax paid on and after July 1, 1998, but prior to
43 the effective date of this act upon the gross receipts received from any sale

1 exempted by the amendatory provisions of this subsection shall be
2 refunded. Each claim for a sales tax refund shall be verified and submitted
3 to the director of taxation upon forms furnished by the director and shall
4 be accompanied by any additional documentation required by the director.
5 The director shall review each claim and shall refund that amount of sales
6 tax paid as determined under the provisions of this subsection. All refunds
7 shall be paid from the sales tax refund fund upon warrants of the director
8 of accounts and reports pursuant to vouchers approved by the director or
9 the director's designee;

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

16 (ccc) on and after July 1, 1999, all sales of tangible personal property
17 and services purchased by a primary care clinic or health center the
18 primary purpose of which is to provide services to medically underserved
19 individuals and families, and which is exempt from federal income
20 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
21 and all sales of tangible personal property or services purchased by a
22 contractor for the purpose of constructing, equipping, reconstructing,
23 maintaining, repairing, enlarging, furnishing or remodeling facilities for
24 any such clinic or center which would be exempt from taxation under the
25 provisions of this section if purchased directly by such clinic or center,
26 except that for taxable years commencing after December 31, 2013, this
27 subsection shall not apply to any sales of such tangible personal property
28 and services purchased by a primary care clinic or health center which
29 performs any abortion, as defined in K.S.A. 65-6701, and amendments
30 thereto. Nothing in this subsection shall be deemed to exempt the purchase
31 of any construction machinery, equipment or tools used in the
32 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
33 furnishing or remodeling facilities for any such clinic or center. When any
34 such clinic or center shall contract for the purpose of constructing,
35 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
36 remodeling facilities, it shall obtain from the state and furnish to the
37 contractor an exemption certificate for the project involved, and the
38 contractor may purchase materials for incorporation in such project. The
39 contractor shall furnish the number of such certificate to all suppliers from
40 whom such purchases are made, and such suppliers shall execute invoices
41 covering the same bearing the number of such certificate. Upon
42 completion of the project the contractor shall furnish to such clinic or
43 center concerned a sworn statement, on a form to be provided by the

1 director of taxation, that all purchases so made were entitled to exemption
2 under this subsection. All invoices shall be held by the contractor for a
3 period of five years and shall be subject to audit by the director of taxation.
4 If any materials purchased under such a certificate are found not to have
5 been incorporated in the building or other project or not to have been
6 returned for credit or the sales or compensating tax otherwise imposed
7 upon such materials which will not be so incorporated in the building or
8 other project reported and paid by such contractor to the director of
9 taxation not later than the 20th day of the month following the close of the
10 month in which it shall be determined that such materials will not be used
11 for the purpose for which such certificate was issued, such clinic or center
12 concerned shall be liable for tax on all materials purchased for the project,
13 and upon payment thereof it may recover the same from the contractor
14 together with reasonable attorney fees. Any contractor or any agent,
15 employee or subcontractor thereof, who shall use or otherwise dispose of
16 any materials purchased under such a certificate for any purpose other than
17 that for which such a certificate is issued without the payment of the sales
18 or compensating tax otherwise imposed upon such materials, shall be
19 guilty of a misdemeanor and, upon conviction therefor, shall be subject to
20 the penalties provided for in subsection (g) of K.S.A. 79-3615, and
21 amendments thereto;

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

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

37 (fff) all sales of material handling equipment, racking systems and
38 other related machinery and equipment that is used for the handling,
39 movement or storage of tangible personal property in a warehouse or
40 distribution facility in this state; all sales of installation, repair and
41 maintenance services performed on such machinery and equipment; and
42 all sales of repair and replacement parts for such machinery and
43 equipment. For purposes of this subsection, a warehouse or distribution

1 facility means a single, fixed location that consists of buildings or
2 structures in a contiguous area where storage or distribution operations are
3 conducted that are separate and apart from the business' retail operations,
4 if any, and which do not otherwise qualify for exemption as occurring at a
5 manufacturing or processing plant or facility. Material handling and
6 storage equipment shall include aeration, dust control, cleaning, handling
7 and other such equipment that is used in a public grain warehouse or other
8 commercial grain storage facility, whether used for grain handling, grain
9 storage, grain refining or processing, or other grain treatment operation;

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

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

18 (iii) all sales of personal property and services purchased by an
19 organization which is exempt from federal income taxation pursuant to
20 section 501(c)(3) of the federal internal revenue code of 1986, and which
21 such personal property and services are used by any such organization in
22 the collection, storage and distribution of food products to nonprofit
23 organizations which distribute such food products to persons pursuant to a
24 food distribution program on a charitable basis without fee or charge, and
25 all sales of tangible personal property or services purchased by a
26 contractor for the purpose of constructing, equipping, reconstructing,
27 maintaining, repairing, enlarging, furnishing or remodeling facilities used
28 for the collection and storage of such food products for any such
29 organization which is exempt from federal income taxation pursuant to
30 section 501(c)(3) of the federal internal revenue code of 1986, which
31 would be exempt from taxation under the provisions of this section if
32 purchased directly by such organization. Nothing in this subsection shall
33 be deemed to exempt the purchase of any construction machinery,
34 equipment or tools used in the constructing, equipping, reconstructing,
35 maintaining, repairing, enlarging, furnishing or remodeling facilities for
36 any such organization. When any such organization shall contract for the
37 purpose of constructing, equipping, reconstructing, maintaining, repairing,
38 enlarging, furnishing or remodeling facilities, it shall obtain from the state
39 and furnish to the contractor an exemption certificate for the project
40 involved, and the contractor may purchase materials for incorporation in
41 such project. The contractor shall furnish the number of such certificate to
42 all suppliers from whom such purchases are made, and such suppliers shall
43 execute invoices covering the same bearing the number of such certificate.

1 Upon completion of the project the contractor shall furnish to such
2 organization concerned a sworn statement, on a form to be provided by the
3 director of taxation, that all purchases so made were entitled to exemption
4 under this subsection. All invoices shall be held by the contractor for a
5 period of five years and shall be subject to audit by the director of taxation.
6 If any materials purchased under such a certificate are found not to have
7 been incorporated in such facilities or not to have been returned for credit
8 or the sales or compensating tax otherwise imposed upon such materials
9 which will not be so incorporated in such facilities reported and paid by
10 such contractor to the director of taxation not later than the 20th day of the
11 month following the close of the month in which it shall be determined
12 that such materials will not be used for the purpose for which such
13 certificate was issued, such organization concerned shall be liable for tax
14 on all materials purchased for the project, and upon payment thereof it
15 may recover the same from the contractor together with reasonable
16 attorney fees. Any contractor or any agent, employee or subcontractor
17 thereof, who shall use or otherwise dispose of any materials purchased
18 under such a certificate for any purpose other than that for which such a
19 certificate is issued without the payment of the sales or compensating tax
20 otherwise imposed upon such materials, shall be guilty of a misdemeanor
21 and, upon conviction therefor, shall be subject to the penalties provided for
22 in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax
23 paid on and after July 1, 2005, but prior to the effective date of this act
24 upon the gross receipts received from any sale exempted by the
25 amendatory provisions of this subsection shall be refunded. Each claim for
26 a sales tax refund shall be verified and submitted to the director of taxation
27 upon forms furnished by the director and shall be accompanied by any
28 additional documentation required by the director. The director shall
29 review each claim and shall refund that amount of sales tax paid as
30 determined under the provisions of this subsection. All refunds shall be
31 paid from the sales tax refund fund upon warrants of the director of
32 accounts and reports pursuant to vouchers approved by the director or the
33 director's designee;

34 (jjj) all sales of dietary supplements dispensed pursuant to a
35 prescription order by a licensed practitioner or a mid-level practitioner as
36 defined by K.S.A. 65-1626, and amendments thereto. As used in this
37 subsection, "dietary supplement" means any product, other than tobacco,
38 intended to supplement the diet that: (1) Contains one or more of the
39 following dietary ingredients: A vitamin, a mineral, an herb or other
40 botanical, an amino acid, a dietary substance for use by humans to
41 supplement the diet by increasing the total dietary intake or a concentrate,
42 metabolite, constituent, extract or combination of any such ingredient; (2)
43 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or

1 liquid form, or if not intended for ingestion, in such a form, is not
2 represented as conventional food and is not represented for use as a sole
3 item of a meal or of the diet; and (3) is required to be labeled as a dietary
4 supplement, identifiable by the supplemental facts box found on the label
5 and as required pursuant to 21 C.F.R. § 101.36;

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

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

21 (nnn) all sales of tangible personal property and services purchased
22 by the West Sedgwick County-Sunrise Rotary Club and Sunrise Charitable
23 Fund for the purpose of constructing a boundless playground which is an
24 integrated, barrier free and developmentally advantageous play
25 environment for children of all abilities and disabilities;

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

30 (ppp) all sales of tangible personal property and services purchased
31 by or on behalf of a homeless shelter which is exempt from federal income
32 taxation pursuant to section 501(c)(3) of the federal income tax code of
33 1986, and used by any such homeless shelter to provide emergency and
34 transitional housing for individuals and families experiencing
35 homelessness, and all sales of any such property by or on behalf of any
36 such homeless shelter for any such purpose;

37 (qqq) all sales of tangible personal property and services purchased
38 by TLC for children and families, inc., hereinafter referred to as TLC,
39 which is exempt from federal income taxation pursuant to section 501(c)
40 (3) of the federal internal revenue code of 1986, and which such property
41 and services are used for the purpose of providing emergency shelter and
42 treatment for abused and neglected children as well as meeting additional
43 critical needs for children, juveniles and family, and all sales of any such

1 property by or on behalf of TLC for any such purpose; and all sales of
2 tangible personal property or services purchased by a contractor for the
3 purpose of constructing, maintaining, repairing, enlarging, furnishing or
4 remodeling facilities for the operation of services for TLC for any such
5 purpose which would be exempt from taxation under the provisions of this
6 section if purchased directly by TLC. Nothing in this subsection shall be
7 deemed to exempt the purchase of any construction machinery, equipment
8 or tools used in the constructing, maintaining, repairing, enlarging,
9 furnishing or remodeling such facilities for TLC. When TLC contracts for
10 the purpose of constructing, maintaining, repairing, enlarging, furnishing
11 or remodeling such facilities, it shall obtain from the state and furnish to
12 the contractor an exemption certificate for the project involved, and the
13 contractor may purchase materials for incorporation in such project. The
14 contractor shall furnish the number of such certificate to all suppliers from
15 whom such purchases are made, and such suppliers shall execute invoices
16 covering the same bearing the number of such certificate. Upon
17 completion of the project the contractor shall furnish to TLC a sworn
18 statement, on a form to be provided by the director of taxation, that all
19 purchases so made were entitled to exemption under this subsection. All
20 invoices shall be held by the contractor for a period of five years and shall
21 be subject to audit by the director of taxation. If any materials purchased
22 under such a certificate are found not to have been incorporated in the
23 building or other project or not to have been returned for credit or the sales
24 or compensating tax otherwise imposed upon such materials which will
25 not be so incorporated in the building or other project reported and paid by
26 such contractor to the director of taxation not later than the 20th day of the
27 month following the close of the month in which it shall be determined
28 that such materials will not be used for the purpose for which such
29 certificate was issued, TLC shall be liable for tax on all materials
30 purchased for the project, and upon payment thereof it may recover the
31 same from the contractor together with reasonable attorney fees. Any
32 contractor or any agent, employee or subcontractor thereof, who shall use
33 or otherwise dispose of any materials purchased under such a certificate
34 for any purpose other than that for which such a certificate is issued
35 without the payment of the sales or compensating tax otherwise imposed
36 upon such materials, shall be guilty of a misdemeanor and, upon
37 conviction therefor, shall be subject to the penalties provided for in
38 subsection (g) of K.S.A. 79-3615, and amendments thereto;

39 (rrr) all sales of tangible personal property and services purchased by
40 any county law library maintained pursuant to law and sales of tangible
41 personal property and services purchased by an organization which would
42 have been exempt from taxation under the provisions of this subsection if
43 purchased directly by the county law library for the purpose of providing

1 legal resources to attorneys, judges, students and the general public, and
2 all sales of any such property by or on behalf of any such county law
3 library;

4 (sss) all sales of tangible personal property and services purchased by
5 catholic charities or youthville, hereinafter referred to as charitable family
6 providers, which is exempt from federal income taxation pursuant to
7 section 501(c)(3) of the federal internal revenue code of 1986, and which
8 such property and services are used for the purpose of providing
9 emergency shelter and treatment for abused and neglected children as well
10 as meeting additional critical needs for children, juveniles and family, and
11 all sales of any such property by or on behalf of charitable family
12 providers for any such purpose; and all sales of tangible personal property
13 or services purchased by a contractor for the purpose of constructing,
14 maintaining, repairing, enlarging, furnishing or remodeling facilities for
15 the operation of services for charitable family providers for any such
16 purpose which would be exempt from taxation under the provisions of this
17 section if purchased directly by charitable family providers. Nothing in
18 this subsection shall be deemed to exempt the purchase of any construction
19 machinery, equipment or tools used in the constructing, maintaining,
20 repairing, enlarging, furnishing or remodeling such facilities for charitable
21 family providers. When charitable family providers contracts for the
22 purpose of constructing, maintaining, repairing, enlarging, furnishing or
23 remodeling such facilities, it shall obtain from the state and furnish to the
24 contractor an exemption certificate for the project involved, and the
25 contractor may purchase materials for incorporation in such project. The
26 contractor shall furnish the number of such certificate to all suppliers from
27 whom such purchases are made, and such suppliers shall execute invoices
28 covering the same bearing the number of such certificate. Upon
29 completion of the project the contractor shall furnish to charitable family
30 providers a sworn statement, on a form to be provided by the director of
31 taxation, that all purchases so made were entitled to exemption under this
32 subsection. All invoices shall be held by the contractor for a period of five
33 years and shall be subject to audit by the director of taxation. If any
34 materials purchased under such a certificate are found not to have been
35 incorporated in the building or other project or not to have been returned
36 for credit or the sales or compensating tax otherwise imposed upon such
37 materials which will not be so incorporated in the building or other project
38 reported and paid by such contractor to the director of taxation not later
39 than the 20th day of the month following the close of the month in which it
40 shall be determined that such materials will not be used for the purpose for
41 which such certificate was issued, charitable family providers shall be
42 liable for tax on all materials purchased for the project, and upon payment
43 thereof it may recover the same from the contractor together with

1 reasonable attorney fees. Any contractor or any agent, employee or
2 subcontractor thereof, who shall use or otherwise dispose of any materials
3 purchased under such a certificate for any purpose other than that for
4 which such a certificate is issued without the payment of the sales or
5 compensating tax otherwise imposed upon such materials, shall be guilty
6 of a misdemeanor and, upon conviction therefor, shall be subject to the
7 penalties provided for in subsection (g) of K.S.A. 79-3615, and
8 amendments thereto;

9 (ttt) all sales of tangible personal property or services purchased by a
10 contractor for a project for the purpose of restoring, constructing,
11 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
12 remodeling a home or facility owned by a nonprofit museum which has
13 been granted an exemption pursuant to subsection (qq), which such home
14 or facility is located in a city which has been designated as a qualified
15 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
16 amendments thereto, and which such project is related to the purposes of
17 K.S.A. 75-5071 et seq., and amendments thereto, and which would be
18 exempt from taxation under the provisions of this section if purchased
19 directly by such nonprofit museum. Nothing in this subsection shall be
20 deemed to exempt the purchase of any construction machinery, equipment
21 or tools used in the restoring, constructing, equipping, reconstructing,
22 maintaining, repairing, enlarging, furnishing or remodeling a home or
23 facility for any such nonprofit museum. When any such nonprofit museum
24 shall contract for the purpose of restoring, constructing, equipping,
25 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
26 a home or facility, it shall obtain from the state and furnish to the
27 contractor an exemption certificate for the project involved, and the
28 contractor may purchase materials for incorporation in such project. The
29 contractor shall furnish the number of such certificates to all suppliers
30 from whom such purchases are made, and such suppliers shall execute
31 invoices covering the same bearing the number of such certificate. Upon
32 completion of the project, the contractor shall furnish to such nonprofit
33 museum a sworn statement on a form to be provided by the director of
34 taxation that all purchases so made were entitled to exemption under this
35 subsection. All invoices shall be held by the contractor for a period of five
36 years and shall be subject to audit by the director of taxation. If any
37 materials purchased under such a certificate are found not to have been
38 incorporated in the building or other project or not to have been returned
39 for credit or the sales or compensating tax otherwise imposed upon such
40 materials which will not be so incorporated in a home or facility or other
41 project reported and paid by such contractor to the director of taxation not
42 later than the 20th day of the month following the close of the month in
43 which it shall be determined that such materials will not be used for the

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

12 (uuu) all sales of tangible personal property and services purchased
13 by Kansas children's service league, hereinafter referred to as KCSL,
14 which is exempt from federal income taxation pursuant to section 501(c)
15 (3) of the federal internal revenue code of 1986, and which such property
16 and services are used for the purpose of providing for the prevention and
17 treatment of child abuse and maltreatment as well as meeting additional
18 critical needs for children, juveniles and family, and all sales of any such
19 property by or on behalf of KCSL for any such purpose; and all sales of
20 tangible personal property or services purchased by a contractor for the
21 purpose of constructing, maintaining, repairing, enlarging, furnishing or
22 remodeling facilities for the operation of services for KCSL for any such
23 purpose which would be exempt from taxation under the provisions of this
24 section if purchased directly by KCSL. Nothing in this subsection shall be
25 deemed to exempt the purchase of any construction machinery, equipment
26 or tools used in the constructing, maintaining, repairing, enlarging,
27 furnishing or remodeling such facilities for KCSL. When KCSL contracts
28 for the purpose of constructing, maintaining, repairing, enlarging,
29 furnishing or remodeling such facilities, it shall obtain from the state and
30 furnish to the contractor an exemption certificate for the project involved,
31 and the contractor may purchase materials for incorporation in such
32 project. The contractor shall furnish the number of such certificate to all
33 suppliers from whom such purchases are made, and such suppliers shall
34 execute invoices covering the same bearing the number of such certificate.
35 Upon completion of the project the contractor shall furnish to KCSL a
36 sworn statement, on a form to be provided by the director of taxation, that
37 all purchases so made were entitled to exemption under this subsection.
38 All invoices shall be held by the contractor for a period of five years and
39 shall be subject to audit by the director of taxation. If any materials
40 purchased under such a certificate are found not to have been incorporated
41 in the building or other project or not to have been returned for credit or
42 the sales or compensating tax otherwise imposed upon such materials
43 which will not be so incorporated in the building or other project reported

1 and paid by such contractor to the director of taxation not later than the
2 20th day of the month following the close of the month in which it shall be
3 determined that such materials will not be used for the purpose for which
4 such certificate was issued, KCSL shall be liable for tax on all materials
5 purchased for the project, and upon payment thereof it may recover the
6 same from the contractor together with reasonable attorney fees. Any
7 contractor or any agent, employee or subcontractor thereof, who shall use
8 or otherwise dispose of any materials purchased under such a certificate
9 for any purpose other than that for which such a certificate is issued
10 without the payment of the sales or compensating tax otherwise imposed
11 upon such materials, shall be guilty of a misdemeanor and, upon
12 conviction therefor, shall be subject to the penalties provided for in
13 subsection (g) of K.S.A. 79-3615, and amendments thereto;

14 (vvv) all sales of tangible personal property or services, including the
15 renting and leasing of tangible personal property or services, purchased by
16 Jazz in the Woods, Inc., a Kansas corporation which is exempt from
17 federal income taxation pursuant to section 501(c)(3) of the federal
18 internal revenue code, for the purpose of providing Jazz in the Woods, an
19 event benefiting children-in-need and other nonprofit charities assisting
20 such children, and all sales of any such property by or on behalf of such
21 organization for such purpose;

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

28 (xxx) all sales of personal property and services purchased by the
29 booth theatre foundation, inc., an organization which is exempt from
30 federal income taxation pursuant to section 501(c)(3) of the federal
31 internal revenue code of 1986, and which such personal property and
32 services are used by any such organization in the constructing, equipping,
33 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
34 of the booth theatre, and all sales of tangible personal property or services
35 purchased by a contractor for the purpose of constructing, equipping,
36 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
37 the booth theatre for such organization, which would be exempt from
38 taxation under the provisions of this section if purchased directly by such
39 organization. Nothing in this subsection shall be deemed to exempt the
40 purchase of any construction machinery, equipment or tools used in the
41 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
42 furnishing or remodeling facilities for any such organization. When any
43 such organization shall contract for the purpose of constructing, equipping,

1 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
2 facilities, it shall obtain from the state and furnish to the contractor an
3 exemption certificate for the project involved, and the contractor may
4 purchase materials for incorporation in such project. The contractor shall
5 furnish the number of such certificate to all suppliers from whom such
6 purchases are made, and such suppliers shall execute invoices covering the
7 same bearing the number of such certificate. Upon completion of the
8 project the contractor shall furnish to such organization concerned a sworn
9 statement, on a form to be provided by the director of taxation, that all
10 purchases so made were entitled to exemption under this subsection. All
11 invoices shall be held by the contractor for a period of five years and shall
12 be subject to audit by the director of taxation. If any materials purchased
13 under such a certificate are found not to have been incorporated in such
14 facilities or not to have been returned for credit or the sales or
15 compensating tax otherwise imposed upon such materials which will not
16 be so incorporated in such facilities reported and paid by such contractor
17 to the director of taxation not later than the 20th day of the month following
18 the close of the month in which it shall be determined that such materials
19 will not be used for the purpose for which such certificate was issued, such
20 organization concerned shall be liable for tax on all materials purchased
21 for the project, and upon payment thereof it may recover the same from
22 the contractor together with reasonable attorney fees. Any contractor or
23 any agent, employee or subcontractor thereof, who shall use or otherwise
24 dispose of any materials purchased under such a certificate for any purpose
25 other than that for which such a certificate is issued without the payment
26 of the sales or compensating tax otherwise imposed upon such materials,
27 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
28 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
29 and amendments thereto. Sales tax paid on and after January 1, 2007, but
30 prior to the effective date of this act upon the gross receipts received from
31 any sale which would have been exempted by the provisions of this
32 subsection had such sale occurred after the effective date of this act shall
33 be refunded. Each claim for a sales tax refund shall be verified and
34 submitted to the director of taxation upon forms furnished by the director
35 and shall be accompanied by any additional documentation required by the
36 director. The director shall review each claim and shall refund that amount
37 of sales tax paid as determined under the provisions of this subsection. All
38 refunds shall be paid from the sales tax refund fund upon warrants of the
39 director of accounts and reports pursuant to vouchers approved by the
40 director or the director's designee;

41 (yyy) all sales of tangible personal property and services purchased
42 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
43 which is exempt from federal income taxation pursuant to section 501(c)

1 (3) of the federal internal revenue code of 1986, and which such property
2 and services are used for the purpose of encouraging private philanthropy
3 to further the vision, values, and goals of TLC for children and families,
4 inc.; and all sales of such property and services by or on behalf of TLC
5 charities for any such purpose and all sales of tangible personal property or
6 services purchased by a contractor for the purpose of constructing,
7 maintaining, repairing, enlarging, furnishing or remodeling facilities for
8 the operation of services for TLC charities for any such purpose which
9 would be exempt from taxation under the provisions of this section if
10 purchased directly by TLC charities. Nothing in this subsection shall be
11 deemed to exempt the purchase of any construction machinery, equipment
12 or tools used in the constructing, maintaining, repairing, enlarging,
13 furnishing or remodeling such facilities for TLC charities. When TLC
14 charities contracts for the purpose of constructing, maintaining, repairing,
15 enlarging, furnishing or remodeling such facilities, it shall obtain from the
16 state and furnish to the contractor an exemption certificate for the project
17 involved, and the contractor may purchase materials for incorporation in
18 such project. The contractor shall furnish the number of such certificate to
19 all suppliers from whom such purchases are made, and such suppliers shall
20 execute invoices covering the same bearing the number of such certificate.
21 Upon completion of the project the contractor shall furnish to TLC
22 charities a sworn statement, on a form to be provided by the director of
23 taxation, that all purchases so made were entitled to exemption under this
24 subsection. All invoices shall be held by the contractor for a period of five
25 years and shall be subject to audit by the director of taxation. If any
26 materials purchased under such a certificate are found not to have been
27 incorporated in the building or other project or not to have been returned
28 for credit or the sales or compensating tax otherwise imposed upon such
29 materials which will not be incorporated into the building or other project
30 reported and paid by such contractor to the director of taxation not later
31 than the 20th day of the month following the close of the month in which it
32 shall be determined that such materials will not be used for the purpose for
33 which such certificate was issued, TLC charities shall be liable for tax on
34 all materials purchased for the project, and upon payment thereof it may
35 recover the same from the contractor together with reasonable attorney
36 fees. Any contractor or any agent, employee or subcontractor thereof, who
37 shall use or otherwise dispose of any materials purchased under such a
38 certificate for any purpose other than that for which such a certificate is
39 issued without the payment of the sales or compensating tax otherwise
40 imposed upon such materials, shall be guilty of a misdemeanor and, upon
41 conviction therefor, shall be subject to the penalties provided for in
42 subsection (g) of K.S.A. 79-3615, and amendments thereto;

43 (zzz) all sales of tangible personal property purchased by the rotary

1 club of shawnee foundation which is exempt from federal income taxation
2 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
3 as amended, used for the purpose of providing contributions to community
4 service organizations and scholarships;

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

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

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

25 (dddd) all sales of tangible personal property or services purchased
26 by or on behalf of Goodwill Industries or Easter Seals of Kansas, Inc.,
27 both of which are exempt from federal income taxation pursuant to section
28 501(c)(3) of the federal internal revenue code, for the purpose of providing
29 education, training and employment opportunities for people with
30 disabilities and other barriers to employment;

31 (eeee) all sales of tangible personal property or services purchased by
32 or on behalf of All American Beef Battalion, Inc., which is exempt from
33 federal income taxation pursuant to section 501(c)(3) of the federal
34 internal revenue code, for the purpose of educating, promoting and
35 participating as a contact group through the beef cattle industry in order to
36 carry out such projects that provide support and morale to members of the
37 United States armed forces and military services;

38 (ffff) all sales of tangible personal property and services purchased by
39 sheltered living, inc., which is exempt from federal income taxation
40 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
41 and which such property and services are used for the purpose of
42 providing residential and day services for people with developmental
43 disabilities or intellectual disability, or both, and all sales of any such

1 property by or on behalf of sheltered living, inc., for any such purpose; and
2 all sales of tangible personal property or services purchased by a
3 contractor for the purpose of rehabilitating, constructing, maintaining,
4 repairing, enlarging, furnishing or remodeling homes and facilities for
5 sheltered living, inc., for any such purpose which would be exempt from
6 taxation under the provisions of this section if purchased directly by
7 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
8 the purchase of any construction machinery, equipment or tools used in the
9 constructing, maintaining, repairing, enlarging, furnishing or remodeling
10 such homes and facilities for sheltered living, inc. When sheltered living,
11 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
12 repairing, enlarging, furnishing or remodeling such homes and facilities, it
13 shall obtain from the state and furnish to the contractor an exemption
14 certificate for the project involved, and the contractor may purchase
15 materials for incorporation in such project. The contractor shall furnish the
16 number of such certificate to all suppliers from whom such purchases are
17 made, and such suppliers shall execute invoices covering the same bearing
18 the number of such certificate. Upon completion of the project the
19 contractor shall furnish to sheltered living, inc., a sworn statement, on a
20 form to be provided by the director of taxation, that all purchases so made
21 were entitled to exemption under this subsection. All invoices shall be held
22 by the contractor for a period of five years and shall be subject to audit by
23 the director of taxation. If any materials purchased under such a certificate
24 are found not to have been incorporated in the building or other project or
25 not to have been returned for credit or the sales or compensating tax
26 otherwise imposed upon such materials which will not be so incorporated
27 in the building or other project reported and paid by such contractor to the
28 director of taxation not later than the 20th day of the month following the
29 close of the month in which it shall be determined that such materials will
30 not be used for the purpose for which such certificate was issued, sheltered
31 living, inc., shall be liable for tax on all materials purchased for the
32 project, and upon payment thereof it may recover the same from the
33 contractor together with reasonable attorney fees. Any contractor or any
34 agent, employee or subcontractor thereof, who shall use or otherwise
35 dispose of any materials purchased under such a certificate for any purpose
36 other than that for which such a certificate is issued without the payment
37 of the sales or compensating tax otherwise imposed upon such materials,
38 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
39 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
40 and amendments thereto;

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

43 (hhhh) all sales of tangible personal property or services purchased

1 on or after July 1, 2014, for the purpose of and in conjunction with
2 constructing, reconstructing, enlarging or remodeling a business identified
3 under the North American industry classification system (NAICS)
4 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
5 installation of machinery and equipment purchased for installation at any
6 such business. The exemption provided in this subsection shall not apply
7 to projects that have actual total costs less than \$50,000. When a person
8 contracts for the construction, reconstruction, enlargement or remodeling
9 of any such business, such person shall obtain from the state and furnish to
10 the contractor an exemption certificate for the project involved, and the
11 contractor may purchase materials, machinery and equipment for
12 incorporation in such project. The contractor shall furnish the number of
13 such certificates to all suppliers from whom such purchases are made, and
14 such suppliers shall execute invoices covering the same bearing the
15 number of such certificate. Upon completion of the project, the contractor
16 shall furnish to the owner of the business a sworn statement, on a form to
17 be provided by the director of taxation, that all purchases so made were
18 entitled to exemption under this subsection. All invoices shall be held by
19 the contractor for a period of five years and shall be subject to audit by the
20 director of taxation. Any contractor or any agent, employee or
21 subcontractor of the contractor, who shall use or otherwise dispose of any
22 materials, machinery or equipment purchased under such a certificate for
23 any purpose other than that for which such a certificate is issued without
24 the payment of the sales or compensating tax otherwise imposed thereon,
25 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
26 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
27 and amendments thereto.

28 Sec. 11. K.S.A. 2013 Supp. 8-1911, as amended by section 1 of 2014
29 Senate Bill No. 344, 8-1911, as amended by section 2 of 2014 House Bill
30 No. 2715, 22-4902, 22-4902b, 22-4906, 22-4906b, 28-176, as amended by
31 section 3 of 2013 House Bill No. 2303, 28-176, as amended by section 1
32 of 2014 House Bill No. 2566, 39-709, as amended by section 2 of 2014
33 Senate Bill No. 254, 39-709, as amended by section 2 of 2014 House Bill
34 No. 2552, 39-923, as amended by section 1 of 2014 House Bill No. 2418,
35 39-923, as amended by section 4 of 2014 Substitute for House Bill No.
36 2681, 41-2601, 41-2601a, 73-1209, as amended by section 5 of 2014
37 Senate Substitute for House Bill No. 2655, 73-1209, as amended by
38 section 9 of 2014 Substitute for House Bill No. 2681, 79-32,117, as
39 amended by section 3 of 2014 Senate Bill No. 265, 79-32,117, as amended
40 by section 6 of 2014 House Bill No. 2057, 79-3606, as amended by section
41 8 of 2014 Senate Bill No. 265 and 79-3606, as amended by section 1 of
42 2014 Senate Substitute for House Bill No. 2378 are hereby repealed.

43 Sec. 12. This act shall take effect and be in force from and after its

- 1 publication in the statute book.