AN ACT concerning health and healthcare; enacting the veterans first medical cannabis act; relating to medical cannabis; providing for registration of patients; licensure of medical cannabis grower-distributors and medical cannabis dispensaries; establishing the cannabis regulatory commission; taxation of cannabis; amending K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A. 2017 Supp. 65-1120, as amended by section 5 of chapter 42 of the 2018 Session Laws of Kansas, and K.S.A. 2018 Supp. 21-5703, 21-5705, 21-5706, 21-5707, 21-5709, 21-5710, 79-3606 and 79-5201 and repealing the existing sections.

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

New Section 1. The provisions of sections 1 through 13, and amendments thereto, shall be known and may be cited as the veterans first medical cannabis act.

New Sec. 2. As used in the veterans first medical cannabis act:

(a) "Adequate supply" means an amount of medical cannabis consumer product possessed by a qualified patient, or by a qualified patient's primary caregiver on behalf of the qualified patient, that is no more than reasonably necessary to ensure the uninterrupted availability of medical cannabis consumer product to the qualified patient for a period of three months, as specified in rules and regulations adopted by the state board of pharmacy.

(b) "Cannabis" means all parts of the plant cannabis sativa L., whether growing or not, and the resin extracted therefrom, solely derived from intrastate sources.

(c) "Healthcare provider" includes: Physician; certified nurse-midwife engaging in the independent practice of midwifery under the independent practice of midwifery act; advanced practice registered nurse licensed under the Kansas nurse practice act; or physician assistant licensed under the physician assistant licensure act.

(d) "Medical cannabis consumer product" means the dried leaves and flowers of the cannabis plant.

(e) "Medical cannabis dispensary" means a facility licensed under section 6, and amendments thereto, to sell medical cannabis consumer products to qualified patients.
(f) "Medical cannabis grower-distributor" means a facility licensed under section 4, and amendments thereto, to cultivate and harvest cannabis for sale to medical cannabis dispensaries.

(g) "Physician" means a person licensed by the state board of healing arts to practice medicine and surgery.

(h) "Primary caregiver" means a person who is a resident of Kansas, who is at least 18 years of age and who has been designated by a qualified patient and the patient's physician as necessary to take responsibility for managing the well-being of the patient with respect to the medical use of cannabis.

(i) "Qualified patient" means a person who is a resident of Kansas, has been diagnosed by a healthcare provider as having a qualifying medical condition and has a written certification issued by the patient's healthcare provider.

(j) "Qualifying medical condition" means any of the following conditions, as diagnosed by a healthcare provider and documented in a written certification:

(1) Amyotrophic lateral sclerosis;
(2) cancer;
(3) Crohn's disease;
(4) damage to the nervous tissue of the spinal cord, if the patient has objective neurological indication of intractable spasticity;
(5) epilepsy or any other seizure disorder specified by the board of pharmacy;
(6) glaucoma;
(7) hepatitis C virus, if the patient is receiving antiviral treatment;
(8) human immunodeficiency virus or acquired immune deficiency syndrome;
(9) Huntington's disease;
(10) inclusion body myositis;
(11) inflammatory autoimmune-mediated arthritis;
(12) intractable nausea or vomiting;
(13) multiple sclerosis;
(14) obstructive sleep apnea;
(15) painful peripheral neuropathy;
(16) Parkinson's disease;
(17) post-traumatic stress disorder;
(18) severe chronic pain;
(19) severe anorexia or cachexia;
(20) spasmodic torticollis or cervical dystonia;
(21) ulcerative colitis;
(22) admission into hospice care; or
(23) any other medical condition that results in pain, suffering or
debility and for which there is credible evidence satisfactory to the state board of pharmacy that the medical use of cannabis could benefit, as specified in rules and regulations adopted by the state board of pharmacy.

(k) "Written certification" means a statement made and signed by a patient's healthcare provider that: The healthcare provider has a valid healthcare provider-patient relationship with the patient; the healthcare provider has the lawful authority to issue the written certification in accordance with statutes, rules and regulations and professional standards of practice applicable to the healthcare provider; in the healthcare provider's professional opinion, the patient has a qualifying medical condition; and the healthcare provider believes that, for the patient, the potential health benefits of the medical use of cannabis would likely outweigh the potential health risks.

New Sec. 3. (a) (1) A healthcare provider may issue a written certification to a patient with whom the healthcare provider has a valid healthcare provider-patient relationship, effective for two years, subject to all statutes, rules and regulations and standards of practice applicable to the healthcare provider.

(2) A healthcare provider may revoke an issued written certification at any time if the healthcare provider determines that the patient's circumstances have changed rendering the written certification inappropriate in the healthcare provider's professional judgment or unlawful. The healthcare provider shall immediately notify the department of health and environment of any such revocation.

(b) (1) A person may apply to the department of health and environment for an initial or renewed patient identification card on a form, in a manner and accompanied by an application fee not to exceed $50 specified by the department of health and environment. If applicable, the person may apply for a caregiver identification card for the patient's primary caregiver on a form, in a manner and accompanied by an application fee not to exceed $50 specified by the department of health and environment. If the person is a recipient of state medicaid services, the application fee shall be $10.

(2) A valid patient identification card shall authorize the qualified patient to possess an adequate supply of medical cannabis consumer product, or to collectively possess an adequate supply of medical cannabis consumer product with the patient's primary caregiver, if any, and to acquire an adequate supply of medical cannabis consumer product from a medical cannabis dispensary.

(3) A valid caregiver identification card shall authorize the primary caregiver to possess an adequate supply of medical cannabis consumer product, or to collectively possess an adequate supply of medical cannabis consumer product with the associated qualified patient, and to acquire, on
behalf of the associated qualified patient, an adequate supply of medical
cannabis consumer product from a medical cannabis dispensary.

(c) An applicant shall provide the following information and
documentation on an application for a patient identification card:

(1) The person's name, date of birth, address and telephone number;
(2) any qualifying medical condition for which the patient has a
current diagnosis from a healthcare provider;
(3) the name, address and telephone number of the patient's
physician;
(4) the name, date of birth, address and telephone number of the
patient's primary caregiver, if any;
(5) the written certification issued by the person's healthcare provider;
and
(6) any other information required by the department of health and
environment, as specified in rules and regulations adopted by the
department of health and environment.

(d) Within 30 calendar days of receiving any application for a patient
identification card or a caregiver identification card, the department of
health and environment shall issue a decision to grant or deny the patient
identification card. The department of health and environment shall verify
the written certification directly with the healthcare provider who issued
the written certification.

(e) The department of health and environment shall deny any
application for a patient identification card or caregiver identification card
if: The applicant did not provide any of the information required by
subsection (b); if the department determines any of the information
provided is false; or if the applicant has previously had a patient
identification card or caregiver identification card revoked. Any applicant
whose application is denied because the applicant provided false
information shall not be eligible to reapply for a period of six months,
unless specifically authorized by the department of health and
environment.

(f) Within five business days of approving an application for a patient
identification card or caregiver identification card, the department of
health and environment shall issue the patient identification card and, if
applicable, the caregiver identification card. The patient identification card
and caregiver identification card shall be effective for two years. Each
patient identification card and caregiver identification card shall contain:

(1) The name, address and date of birth of the qualified patient;
(2) the name, address and date of birth of the qualified patient's
primary caregiver, if any;
(3) the date of issuance and expiration date of the patient
identification card or caregiver identification card; and
(4) other information required by the department of health and environment.

(g) The department of health and environment may refuse to issue or reissue a patient identification card or caregiver identification card or revoke or suspend a patient identification card or caregiver identification card for any of the following reasons:

(1) The applicant has failed to comply with any provision of the veterans first medical cannabis act, any rules and regulations adopted by the department of health and environment thereunder or any order of the department;

(2) the department has been notified by a healthcare provider that the healthcare provider has revoked a written certification previously issued for the applicant;

(3) the applicant has falsified or misrepresented any information submitted to the department under this section;

(4) the applicant has failed to adhere to any acknowledgement, verification or other representation made to the department;

(5) the applicant has failed to submit or disclose information requested by the department under this section; or

(6) the applicant has threatened or harmed a healthcare provider or an employee of the department in attempting to obtain a patient identification card or caregiver identification card.

(h) All actions by the department of health and environment under this section shall be in accordance with the Kansas administrative procedure act and reviewable in accordance with the Kansas judicial review act.

(i) For the first 60 days following the effective date of the veterans first medical cannabis act, the department of health and environment shall grant patient identification cards only to, or caregiver identification cards connected to, individuals who are currently serving military service with the army, navy, marine corps, air force, air or army national guard of Kansas, coast guard or any branch of the military reserves of the United States or who have been separated from such military service by honorable discharge or general discharge under honorable conditions.

New Sec. 4. (a) (1) An individual may apply to the cannabis regulatory commission for initial or renewed licensure as a medical cannabis grower-distributor on a form, in a manner and accompanied by an application fee or renewal fee not to exceed $15,000 prescribed by the cannabis regulatory commission. Licensure as a medical cannabis grower-distributor shall authorize the licensee to cultivate cannabis, to dry cannabis into dried leaves and flowers for sale or other transfer to a medical cannabis dispensary and to distribute or transport medical cannabis consumer products to a medical cannabis dispensary in
accordance with and for the purposes set forth in this section, and to
perform other acts deemed necessary and incidental thereto by the
cannabis regulatory commission, as established in rules and regulations
adopted by the cannabis regulatory commission.

(2) (A) No individual shall concurrently have an ownership interest in
a medical cannabis grower-distributor and a medical cannabis dispensary.
(B) No member of the legislature shall have an ownership interest in
a medical cannabis grower-distributor.
(C) No individual who is not in current compliance with any Kansas
tax law administered by the director of taxation of the department of
revenue, any tax, fee or payment administered by the department of labor
or any fee or charge administered by any other state agency shall have an
ownership interest in a medical cannabis grower-distributor.
(D) No individual shall concurrently have an ownership interest in
more than one medical cannabis grower-distributor.
(b) An applicant shall provide the following information and
documentation on an application for licensure as a medical cannabis
grower-distributor:
(1) The name, address and telephone number of the applicant;
(2) the physical location of any premises that will be operated as a
part of the medical cannabis grower-distributor operations;
(3) documentation that the applicant is a resident of the state of
Kansas;
(4) the name of each owner of any land, structure or building where
any operations of the medical cannabis grower-distributor will occur or
any motor vehicle that will be used to distribute or transport cannabis or
medical cannabis consumer products and each individual who will
otherwise be involved with the medical cannabis grower-distributor's
operations, whether as an employee or agent; and
(5) any other information required by the cannabis regulatory
commission.
(c) (1) Each individual working as an employee or agent of a medical
cannabis grower-distributor shall apply for an initial or renewed permit to
engage in such work on a form, in a manner and accompanied by an initial
or renewal permit fee not to exceed $100 prescribed by the cannabis
regulatory commission.
(2) The cannabis regulatory commission shall require any person
working as an employee or agent of a medical cannabis grower-distributor
to be fingerprinted and to submit to a state and national criminal history
record check. The department is authorized to submit the fingerprints to
the Kansas bureau of investigation and the federal bureau of investigation
for a state and national criminal history record check. The department shall
use the information obtained from fingerprinting and the state and national
criminal history record check for purposes of verifying the identification
of the person and for making a determination of the qualifications and
fitness of the person to work as an employee or agent of the medical
cannabis grower-distributor.
(3) The Kansas bureau of investigation may charge a reasonable fee
to the applicant for fingerprinting and conducting a criminal history record
check.
(4) As a condition of licensure as a medical cannabis grower-
distributor, the cannabis regulatory commission shall disqualify any person
from working as an employee or agent of a medical cannabis grower-
distributor if the person has been convicted of any felony violation of
article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments
thereto, or K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their
transfer, any felony violation of the uniform controlled substances act prior
to July 1, 2009, or similar provisions of any other state or the federal
government.
(d) Within 60 calendar days of receiving any application pursuant to
this section, the cannabis regulatory commission shall issue a decision to
grant or deny licensure to the applicant as a medical cannabis grower-
distributor.
(e) If the cannabis regulatory commission denies initial or renewed
licensure to a medical cannabis grower-distributor, the cannabis regulatory
commission shall refund $\frac{1}{2}$ of the applicant's application fee or renewal
fee.
(f) Licensure as a medical cannabis grower-distributor shall be
effective for a period of two years. If the cannabis regulatory commission
grants initial or renewed licensure to a medical cannabis grower-
distributor, the cannabis regulatory commission shall require the applicant
or licensee to:
(1) Pay a licensure fee not to exceed $90,000; and
(2) provide satisfactory evidence that the medical cannabis grower-
distributor has obtained a surety bond in an amount required by the
cannabis regulatory commission based on the size and actual and projected
yield of the medical cannabis grower-distributor operations, the number of
facilities operated by the medical cannabis grower-distributor and other
factors established by the cannabis regulatory commission in rules and
regulations.
(g) The cannabis regulatory commission shall remit all moneys from
any fees under this section to the state treasurer in accordance with K.S.A.
75-4215, and amendments thereto. Upon receipt of each such remittance,
the state treasurer shall deposit the entire amount of moneys into the state
treasury to the credit of the medical cannabis harvest fund created by
section 8, and amendments thereto.
(h) All actions by the cannabis regulatory commission under this section shall be in accordance with the Kansas administrative procedure act and reviewable in accordance with the Kansas judicial review act.

New Sec. 5. (a) The cannabis regulatory commission shall adopt rules and regulations:

(1) Requiring that cannabis and dried cannabis leaves and flowers be tested by an independent laboratory prior to sale or other transfer to a medical cannabis dispensary;

(2) establishing standards and procedures for testing cannabis and dried cannabis leaves;

(3) establishing standards for approving an independent laboratory to conduct testing required by this subsection; and

(4) identifying appropriate tests for cannabis and dried cannabis leaves and flowers that are necessary to protect the public health and safety, including, but not limited to, tests for: Microbiological contaminants; pesticides; other contaminants; solvents or residual solvents; and concentration of tetrahydrocannabinol and cannabidiol.

(b) (1) Each medical cannabis grower-distributor shall make a monthly report to the cannabis regulatory commission under oath, on a form and in a manner prescribed by the cannabis regulatory commission detailing the amount of cannabis cultivated, the amount of medical cannabis consumer product sold or otherwise transferred to a medical cannabis dispensary, the amount of any cannabis or medical cannabis consumer product destroyed during the immediately preceding month and any other information required by the cannabis regulatory commission.

(2) On or before July 1, 2020, the cannabis regulatory commission shall adopt rules and regulations establishing requirements to submit a report required by this subsection and procedures for the cannabis regulatory commission to verify the reported information.

(c) The cannabis regulatory commission shall adopt rules and regulations as necessary to implement and administer the provisions of this section, including, but not limited to:

(1) Standards and requirements for appropriate inventory reporting and management and security measures for all operations of any medical cannabis grower-distributor;

(2) minimum and maximum concentrations of tetrahydrocannabinol and cannabidiol in cannabis and medical cannabis consumer products for use in accordance with the veterans first medical cannabis act; and

(3) requirements that proof of licensure, testing results or related certifications are possessed by an individual working as an employee or agent of a medical cannabis grower-distributor at all times when engaged in any acts authorized by the veterans first medical cannabis act.

New Sec. 6. (a) (1) An individual may apply to the state board of
pharmacy for initial or renewed licensure as a medical cannabis dispensary
on a form, in a manner and accompanied by an application fee or renewal
application fee or renewal fee not to exceed $5,000 prescribed by the state
board of pharmacy.
(2) (A) No individual shall concurrently have an ownership interest in
a medical cannabis harvester facility and a medical cannabis dispensary.
(B) No member of the legislature shall have an ownership interest in
a medical cannabis dispensary.
(C) No individual who is not in current compliance with any Kansas
tax law administered by the director of taxation of the department of
revenue, any tax, fee or payment administered by the department of labor
or any fee or charge administered by any other state agency shall have an
ownership interest in a medical cannabis grower-distributor.
(D) No individual shall concurrently have an ownership interest in
more than two medical cannabis dispensaries.
(b) An applicant shall provide the following information and
documentation on an application for licensure as a medical cannabis
dispensary:
(1) The name, address and telephone number of the applicant;
(2) the physical location of any premises that will be operated as a
facility for the medical cannabis dispensary's operations;
(3) documentation that the applicant is a resident of the state of
Kansas;
(4) the name of each owner of any land, structure or building where
any operations of the medical cannabis dispensary will occur and each
individual who will otherwise be involved with the medical cannabis
dispensary's operations, whether as an employee or agent; and
(5) any other information required by the state board of pharmacy.
(c) (1) Each individual working as an employee or agent of a medical
cannabis dispensary shall apply for an initial or renewed permit to engage
in such work on a form, in a manner and accompanied by an initial or
renewal permit fee not to exceed $100 prescribed by the state board of
pharmacy.
(2) The state board of pharmacy shall require any person working as
an employee or agent of a medical cannabis dispensary to be fingerprinted
and to submit to a state and national criminal history record check. The
state board of pharmacy is authorized to submit the fingerprints to the
Kansas bureau of investigation and the federal bureau of investigation for
a state and national criminal history record check. The board shall use the
information obtained from fingerprinting and the state and national
criminal history record check for purposes of verifying the identification
of the person and for making a determination of the qualifications and
fitness of the person to work in the medical cannabis dispensary.
(3) The Kansas bureau of investigation may charge a reasonable fee to the applicant for fingerprinting and conducting a criminal history record check.

(4) As a condition of licensure as a medical cannabis dispensary, the state board of pharmacy shall disqualify any person from working in such medical cannabis dispensary if the person has been convicted of any felony violation of article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their transfer, any felony violation of the uniform controlled substances act prior to July 1, 2009, or similar provisions of any other state or the federal government.

(d) Within 60 calendar days of receiving any application pursuant to this section, the state board of pharmacy shall issue a decision to grant or deny licensure to the medical cannabis dispensary.

(e) If the state board of pharmacy denies initial or renewed licensure to a medical cannabis dispensary, the state board of pharmacy shall refund \( \frac{1}{2} \) of the applicant's or licensee's application fee.

(f) Licensure as a medical cannabis dispensary shall be effective for a period of two years. If the state board of pharmacy grants initial or renewed licensure to a medical cannabis dispensary, the state board of pharmacy shall require the applicant or licensee to:

1. Pay a licensure fee not to exceed $30,000; and
2. Provide satisfactory evidence that the medical cannabis dispensary has obtained a surety bond in an amount determined by the Kansas department of agriculture based on the size and actual and projected amounts of inventory held and sold by the medical cannabis dispensary and the number of facilities operated by the medical cannabis dispensary.

(g) The state board of pharmacy shall remit all moneys from any fees under this section to the state treasurer in accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount of moneys into the state treasury to the credit of the medical cannabis dispensary fund created by section 9, and amendments thereto.

(h) All actions by the state board of pharmacy under this section shall be in accordance with the Kansas administrative procedure act and reviewable in accordance with the Kansas judicial review act.

New Sec. 7. (a) (1) Each medical cannabis dispensary shall make a monthly report to the state board of pharmacy under oath and on a form and in a manner prescribed by the state board of pharmacy detailing the amount of cannabis bought or otherwise transferred from a medical cannabis grower-distributor, the amount of medical cannabis consumer product sold to any qualified patient, the amount of any medical cannabis consumer product destroyed during the immediately preceding month and
any other information required by the cannabis regulatory commission.

(2) The state board of pharmacy shall adopt rules and regulations establishing requirements to submit a report required by this subsection and procedures for the state board of pharmacy to verify the reported information.

(b) The state board of pharmacy shall adopt rules and regulations as necessary to implement and administer the provisions of the veterans first medical cannabis act, including, but not limited to:

(1) Standards and requirements for appropriate inventory reporting and management and security measures for all operations of any medical cannabis distributor; and

(2) requirements that proof of licensure, testing results or related certifications are possessed by an individual working as an employee or agent of a medical cannabis dispensary at all times when engaged in any acts authorized by the veterans first medical cannabis act.

New Sec. 8. (a) A tax is hereby imposed upon the privilege of growing and harvesting medical cannabis in the state of Kansas at a rate of $115 per pound or each portion of a pound. For purposes of calculating the tax, the weight shall be measured by the weight of all medical cannabis plant material harvested after drying and processing.

(b) The secretary of agriculture shall adopt rules and regulations to uniformly and efficiently administer the weighing of harvested cannabis for purposes of this section.

(c) On or before the 20th day of each calendar month every medical cannabis grower-distributor shall file a return with the director of taxation showing the quantity of medical cannabis harvested by the medical cannabis grower-distributor in this state during the preceding calendar month. Each return shall be accompanied by a remittance for the full tax liability shown.

(d) The secretary of revenue shall adopt rules and regulations to implement the provisions of this section.

(e) The tax imposed by this section shall be in addition to the tax imposed upon the privilege of selling or dispensing in medical cannabis consumer products pursuant to section 9, and amendments thereto.

(f) There is hereby established in the state treasury the medical cannabis harvest fund. The medical cannabis harvest fund shall be administered by the department of revenue. All expenditures from the medical cannabis harvest fund shall be used for costs related to medical cannabis regulation, taxation and enforcement by the department of revenue. All expenditures from the medical cannabis harvest fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of taxation or the designee of the director. All moneys received by
the director or the designee of the director from taxes imposed by this section shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the medical cannabis harvest fund.

New Sec. 9. (a) A tax is hereby imposed upon the privilege of selling or dispensing in medical cannabis consumer products in this state by any duly licensed medical cannabis dispensary, at the rate of $3.00 per ounce of such products and a proportionate tax at the like rate on all fractional parts thereof. Such tax shall be imposed at the earliest time the dispensary:
1. Makes, manufactures or processes medical cannabis consumer products in this state; (2) packages medical cannabis consumer products in this state; or (3) sells medical cannabis consumer products to consumers within this state.

(b) On or before the 20th day of each calendar month every medical cannabis dispensary shall file a return with the director of taxation showing the quantity of medical cannabis consumer product: (1) Made, manufactured or processed in this state for sale in this state; (2) packaged in this state for sale in this state; or (3) sold to consumers within this state during the preceding calendar month. Each return shall be accompanied by a remittance for the full tax liability shown.

(c) The secretary of revenue shall adopt rules and regulations as necessary to implement and administer the provisions of this section.

(d) There is hereby established in the state treasury the medical cannabis dispensary fund. The medical cannabis dispensary fund shall be administered by the state board of pharmacy. All expenditures from the medical cannabis dispensary fund shall be used for costs related to medical cannabis regulation and enforcement by the board of pharmacy. All expenditures from the medical cannabis harvesting fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the president of the state board of pharmacy or the president's designee. All moneys received by the director or the designee of the director from taxes imposed by this section shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the medical cannabis dispensary fund.

New Sec. 10. The director of taxation shall have the power to require any medical cannabis grower-distributor or medical cannabis dispensary to furnish additional information deemed necessary for the purpose of computing the amount of the taxes due pursuant to this act, and for such purpose to examine all books, records and files of such persons or entities, and for such purpose, the director shall have the power to issue subpoenas and examine witnesses under oath, and if any witness shall fail or refuse to appear at the request of the director, or refuse access to books, records and
files, the district court of the proper county, or the judge thereof, on
application of the director, shall compel obedience by proceedings for
contempt, as in the case of disobedience of the requirements of a subpoena
issued from such court or a refusal to testify therein.

New Sec. 11. The provisions of K.S.A. 75-5133, 79-3610, 79-3611,
79-3612, 79-3613, 79-3615 and 79-3617, and amendments thereto,
relating to the assessment, collection, appeal and administration of the
retailers' sales tax, insofar as practical, shall have full force and effect with
respect to taxes, penalties and fines imposed by sections 8 and 9, and
amendments thereto.

New Sec. 12. (a) There is hereby established the cannabis regulatory
commission within the Kansas department of revenue. The cannabis
regulatory commission shall be administered under the direction of a
director of the cannabis regulatory commission, who shall be appointed by
and serve at the pleasure of the secretary of revenue. The director shall be
in the unclassified service under the Kansas civil service act and shall
receive an annual salary fixed by the secretary of revenue and approved by
the governor.

(b) The director of the cannabis regulatory commission shall be
responsible for all powers, duties and functions assigned to the department
of revenue under the veterans first medical cannabis act.

(c) The cannabis regulatory commission shall adopt rules and
regulations as necessary to implement and administer the provisions of the
veterans first medical cannabis act and may advise and consult with the
department of health and environment and the state board of pharmacy
regarding such rules and regulations.

(d) (1) The cannabis regulatory commission shall establish an
electronic database to store information detailing:

(A) Each license issued to any individual in accordance with the
veterans first medical cannabis act, including any modification, revocation,
suspension or other action relating to the license;

(B) each individual issued a patient identification card or caregiver
identification card in accordance with section 3, and amendments thereto;

(C) each individual working as an employee or agent of a medical
cannabis grower-distributor in accordance with section 4, and amendments
thereto, or medical cannabis dispensary in accordance with section 6, and
amendments thereto; and

(D) other information deemed necessary or appropriate by the
director of the cannabis regulatory commission.

(2) Information in the database shall be shared with law enforcement
authorities in a manner prescribed by the Kansas bureau of investigation
for the purpose of verifying the validity of any identification card or
license issued in accordance with the veterans first medical cannabis act or
the location of any operations authorized by the veterans first medical cannabis act.

New Sec. 13. (a) There is hereby established the medical cannabis implementation task force. The medical cannabis implementation task force shall submit a report to the governor and the legislature each year on or before the first day of the regular session of the legislature, including information about the implementation of the veterans first medical cannabis act and recommendations related thereto.

(b) The medical cannabis implementation task force shall consist of the following members:

1. One member appointed by the speaker of the house of representatives;
2. One member appointed by the minority leader of the house of representatives;
3. One member appointed by the president of the senate;
4. One member appointed by the minority leader of the senate;
5. One member appointed by the secretary of health and environment;
6. One member appointed by the secretary of agriculture;
7. One member appointed by the state board of pharmacy;
8. One member appointed by the secretary of revenue; and
9. One member appointed by the attorney general.

New Sec. 14. (a) (1) Any individual who is issued a valid, unrevoked and unexpired license or identification card who is acting in compliance with the veterans first medical cannabis act shall be immune from criminal prosecution of any state law, city ordinance or county resolution involving cannabis or medical cannabis consumer products. Any individual may be prosecuted for acts not authorized by the veterans first medical cannabis act.

(2) Where circumstances involve cultivation, manufacture or distribution of cannabis or medical cannabis consumer products by the individual, the department of revenue must have issued a license authorizing such cultivation, manufacture or distribution of cannabis or medical cannabis consumer products in accordance with section 4, and amendments thereto, for the individual to be immune from criminal prosecution under this section.

(3) Where circumstances involve possession of medical cannabis consumer products, the department of health and environment must have issued a patient identification card or caregiver identification card, the department of revenue must have issued a license for a medical cannabis grower-distributor or the state board of pharmacy must have issued a license for a medical cannabis dispensary authorizing such possession in accordance with the veterans first medical cannabis act for the individual
to be immune from criminal prosecution under this section.

(4) As used in this subsection, "criminal prosecution" includes arrest, detention in custody or charging or prosecution of the individual.

(b) (1) The mere possession of cannabis or medical cannabis consumer products or a positive test result from a test indicating only the presence of tetrahydrocannabinol by an individual authorized and issued a patient identification card, caregiver identification card, medical cannabis grower-distributor license or medical cannabis dispensary license in accordance with the veterans first medical cannabis act shall not, in the absence of other facts or circumstances, constitute probable cause for arrest for possession of a controlled substance prohibited by state law, city ordinance or county resolution, if the individual has a valid, unrevoked and unexpired patient identification card, caregiver identification card, medical cannabis grower-distributor license or medical cannabis dispensary license in the individual's possession.

(2) As used in this subsection, "other facts or circumstances" include, but are not limited to, quantity, method of packaging or labeling, statements by the individual in possession or other information leading a reasonable law enforcement officer to believe the acts involving cannabis or medical cannabis consumer products are not in accordance with the veterans first medical cannabis act.

(3) Absent an arrest, a law enforcement officer, with reasonable suspicion that the substance is not possessed or used in accordance with the veterans first medical cannabis act, may seize a portion of the substance adequate for further testing.

(c) This section shall be part of and supplemental to article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 15. K.S.A. 2018 Supp. 21-5703 is hereby amended to read as follows: 21-5703. (a) It shall be unlawful for any person to manufacture any controlled substance or controlled substance analog.

(b) Violation or attempted violation of subsection (a) is a:

(1) Drug severity level 2 felony, except as provided in subsections (b) and (b)(3);

(2) drug severity level 1 felony if:

(A) The controlled substance is not methamphetamine, as defined by subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof; and

(B) the offender has a prior conviction for unlawful manufacturing of a controlled substance under this section, K.S.A. 65-4159, prior to its repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or a substantially similar offense from another jurisdiction and the substance was not methamphetamine, as defined by subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof, in any
such prior conviction; and

(3) drug severity level 1 felony if the controlled substance is methamphetamine, as defined by subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof.

(c) The provisions of subsection (d) of K.S.A. 2018 Supp. 21-5301(d), and amendments thereto, shall not apply to a violation of attempting to unlawfully manufacture any controlled substance or controlled substance analog pursuant to this section.

(d) For persons arrested and charged under this section, bail shall be at least $50,000 cash or surety, and such person shall not be released upon the person's own recognizance pursuant to K.S.A. 22-2802, and amendments thereto, unless the court determines, on the record, that the defendant is not likely to re-offend, the court imposes pretrial supervision, or the defendant agrees to participate in a licensed or certified drug treatment program.

(e) The sentence of a person who violates this section shall not be subject to statutory provisions for suspended sentence, community service work or probation.

(f) The sentence of a person who violates this section, K.S.A. 65-4159, prior to its repeal or K.S.A. 2010 Supp. 21-36a03, prior to its transfer, shall not be reduced because these sections prohibit conduct identical to that prohibited by K.S.A. 65-4161 or 65-4163, prior to their repeal, K.S.A. 2010 Supp. 21-36a05, prior to its transfer, or K.S.A. 2018 Supp. 21-5705, and amendments thereto.

(g) The provisions of this section shall not apply to any medical cannabis grower-distributor licensed by the department of revenue under section 4, and amendments thereto, that is preparing medical cannabis consumer products, as defined in section 2, and amendments thereto, when used for acts authorized by the veterans first medical cannabis act.

Sec. 16. K.S.A. 2018 Supp. 21-5705 is hereby amended to read as follows: 21-5705. (a) It shall be unlawful for any person to distribute or possess with the intent to distribute any of the following controlled substances or controlled substance analogs thereof:

(1) Opiates, opium or narcotic drugs, or any stimulant designated in subsection (d)(1), (d)(3) or (f)(1) of K.S.A. 65-4107(d)(1), (d)(3) or (f)(1), and amendments thereto;

(2) any depressant designated in subsection (e) of K.S.A. 65-4105(e), subsection (e) of K.S.A. 65-4107(e), subsection (b) or (e) of K.S.A. 65-4109(b) or (c) or subsection (b) of K.S.A. 65-4111(b), and amendments thereto;

(3) any stimulant designated in subsection (f) of K.S.A. 65-4105(f), subsection (d)(2), (d)(4), (d)(5) or (f)(2) of K.S.A. 65-4107(d)(2), (d)(4), (d)(5) or (f)(2) or subsection (e) of K.S.A. 65-4109(e), and amendments
thereto;

(4) any hallucinogenic drug designated in subsection (d) of K.S.A. 65-4105(d), subsection (g) of K.S.A. 65-4107(g) or subsection (g) of K.S.A. 65-4109(g), and amendments thereto;

(5) any substance designated in subsection (g) of K.S.A. 65-4105(g) and subsection (c), (d), (e), (f) or (g) of K.S.A. 65-4111(c) through (g), and amendments thereto;

(6) any anabolic steroids as defined in subsection (f) of K.S.A. 65-4109(f), and amendments thereto; or

(7) any substance designated in subsection (h) of K.S.A. 65-4105(h), and amendments thereto.

(b) It shall be unlawful for any person to distribute or possess with the intent to distribute a controlled substance or a controlled substance analog designated in K.S.A. 65-4113, and amendments thereto.

(c) It shall be unlawful for any person to cultivate any controlled substance or controlled substance analog listed in subsection (a).

(d) (1) Except as provided further, violation of subsection (a) is a:

(A) Drug severity level 4 felony if the quantity of the material was less than 3.5 grams;

(B) drug severity level 3 felony if the quantity of the material was at least 3.5 grams but less than 100 grams;

(C) drug severity level 2 felony if the quantity of the material was at least 100 grams but less than 1 kilogram; and

(D) drug severity level 1 felony if the quantity of the material was 1 kilogram or more.

(2) Violation of subsection (a) with respect to material containing any quantity of marijuana, or an analog thereof, is a:

(A) Drug severity level 4 felony if the quantity of the material was less than 25 grams;

(B) drug severity level 3 felony if the quantity of the material was at least 25 grams but less than 450 grams;

(C) drug severity level 2 felony if the quantity of the material was at least 450 grams but less than 30 kilograms; and

(D) drug severity level 1 felony if the quantity of the material was 30 kilograms or more.

(3) Violation of subsection (a) with respect to material containing any quantity of heroin, as defined by subsection (c)(1) of K.S.A. 65-4105(c)(1), and amendments thereto, or methamphetamine, as defined by subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof, is a:

(A) Drug severity level 4 felony if the quantity of the material was less than 1 gram;

(B) drug severity level 3 felony if the quantity of the material was at
least 1 gram but less than 3.5 grams;
(C) drug severity level 2 felony if the quantity of the material was at least 3.5 grams but less than 100 grams; and
(D) drug severity level 1 felony if the quantity of the material was 100 grams or more.

(4) Violation of subsection (a) with respect to material containing any quantity of a controlled substance designated in K.S.A. 65-4105, 65-4107, 65-4109 or 65-4111, and amendments thereto, or an analog thereof, distributed by dosage unit, is a:
(A) Drug severity level 4 felony if the number of dosage units was fewer than 10;
(B) drug severity level 3 felony if the number of dosage units was at least 10 but less than 100;
(C) drug severity level 2 felony if the number of dosage units was at least 100 but less than 1,000; and
(D) drug severity level 1 felony if the number of dosage units was 1,000 or more.

(5) For any violation of subsection (a), the severity level of the offense shall be increased one level if the controlled substance or controlled substance analog was distributed or possessed with the intent to distribute on or within 1,000 feet of any school property.

(6) Violation of subsection (b) is a:
(A) Class A person misdemeanor, except as provided in subsection (d)(6) subparagraph (B); and
(B) nondrug severity level 7, person felony if the substance was distributed to or possessed with the intent to distribute to a minor.

(7) Violation of subsection (c) is a:
(A) Drug severity level 3 felony if the number of plants cultivated was more than 4 but fewer than 50;
(B) drug severity level 2 felony if the number of plants cultivated was at least 50 but fewer than 100; and
(C) drug severity level 1 felony if the number of plants cultivated was 100 or more.

(e) In any prosecution under this section, there shall be a rebuttable presumption of an intent to distribute if any person possesses the following quantities of controlled substances or analogs thereof:
(1) 450 grams or more of marijuana;
(2) 3.5 grams or more of heroin or methamphetamine;
(3) 100 dosage units or more containing a controlled substance; or
(4) 100 grams or more of any other controlled substance.

(f) It shall not be a defense to charges arising under this section that the defendant:
(1) Was acting in an agency relationship on behalf of any other party
in a transaction involving a controlled substance or controlled substance analog;  
(2) did not know the quantity of the controlled substance or controlled substance analog; or  
(3) did not know the specific controlled substance or controlled substance analog contained in the material that was distributed or possessed with the intent to distribute.  

(g) The provisions of subsections (a)(4) and (5) shall not apply to:  
(1) Any medical cannabis grower-distributor licensed by the department of revenue under section 4, and amendments thereto, or any employee or agent thereof, that is growing cannabis for the purpose of sale to a medical cannabis dispensary as authorized by section 4, and amendments thereto; or  
(2) any medical cannabis dispensary licensed by the state board of pharmacy under section 6, and amendments thereto, or any employee or agent thereof, that is engaging in the transfer of medical cannabis consumer products in a manner authorized by sections 6, and amendments thereto.  

(h) As used in this section:  
(1) "Material" means the total amount of any substance, including a compound or a mixture, which contains any quantity of a controlled substance or controlled substance analog.  
(2) "Dosage unit" means a controlled substance or controlled substance analog distributed or possessed with the intent to distribute as a discrete unit, including but not limited to, one pill, one capsule or one microdot, and not distributed by weight.  
(A) For steroids, or controlled substances in liquid solution legally manufactured for prescription use, or an analog thereof, "dosage unit" means the smallest medically approved dosage unit, as determined by the label, materials provided by the manufacturer, a prescribing authority, licensed health care professional or other qualified health authority.  
(B) For illegally manufactured controlled substances in liquid solution, or controlled substances in liquid products not intended for ingestion by human beings, or an analog thereof, "dosage unit" means 10 milligrams, including the liquid carrier medium, except as provided in subsection (g)(2)(C).  
(C) For lysergic acid diethylamide (LSD) in liquid form, or an analog thereof, a dosage unit is defined as 0.4 milligrams, including the liquid medium.  

Sec. 17. K.S.A. 2018 Supp. 21-5706 is hereby amended to read as follows: 21-5706. (a) It shall be unlawful for any person to possess any opiates, opium or narcotic drugs, or any stimulant designated in K.S.A. 65-4107(d)(1), (d)(3) or (f)(1), and amendments thereto, or a controlled
substance analog thereof.

(b) It shall be unlawful for any person to possess any of the following controlled substances or controlled substance analogs thereof:

(1) Any depressant designated in K.S.A. 65-4105(e), K.S.A. 65-4107(e), K.S.A. 65-4109(b) or (c) or K.S.A. 65-4111(b), and amendments thereto;

(2) any stimulant designated in K.S.A. 65-4105(f), K.S.A. 65-4107(d), (d)(4), (d)(5) or (f)(2) or K.S.A. 65-4109(e), and amendments thereto;

(3) any hallucinogenic drug designated in K.S.A. 65-4105(d), K.S.A. 65-4105(g) or K.S.A. 65-4109(g), and amendments thereto;

(4) any substance designated in K.S.A. 65-4105(g) and K.S.A. 65-4111(c), (d), (e), (f) or (g), and amendments thereto;

(5) any anabolic steroids as defined in K.S.A. 65-4109(f), and amendments thereto;

(6) any substance designated in K.S.A. 65-4113, and amendments thereto; or

(7) any substance designated in K.S.A. 65-4105(h), and amendments thereto.

(c)(1) Violation of subsection (a) is a drug severity level 5 felony.

(2) Except as provided in subsection (c)(3):

(A) Violation of subsection (b) is a class A nonperson misdemeanor, except as provided in subsection (c)(2)(B); and

(B) violation of subsection (b)(1) through (b)(5) or (b)(7) is a drug severity level 5 felony if that person has a prior conviction under such subsection, under K.S.A. 65-4162, prior to its repeal, under a substantially similar offense from another jurisdiction, or under any city ordinance or county resolution for a substantially similar offense if the substance involved was 3, 4-methylenedioxymethamphetamine (MDMA), marijuana as designated in K.S.A. 65-4105(d), and amendments thereto, or any substance designated in K.S.A. 65-4105(h), and amendments thereto, or an analog thereof.

(3) If the substance involved is marijuana, as designated in K.S.A. 65-4105(d), and amendments thereto, or tetrahydrocannabinols, as designated in K.S.A. 65-4105(h), and amendments thereto, violation of subsection (b) is a:

(A) Class B nonperson misdemeanor, except as provided in (c)(3)(B) and (c)(3)(C);

(B) class A nonperson misdemeanor if that person has a prior conviction under such subsection, under K.S.A. 65-4162, prior to its repeal, under a substantially similar offense from another jurisdiction, or under any city ordinance or county resolution for a substantially similar offense; and

(C) drug severity level 5 felony if that person has two or more prior
convictions under such subsection, under K.S.A. 65-4162, prior to its repeal, under a substantially similar offense from another jurisdiction, or under any city ordinance or county resolution for a substantially similar offense.

(d) It shall not be a defense to charges arising under this section that the defendant was acting in an agency relationship on behalf of any other party in a transaction involving a controlled substance or controlled substance analog.

(e) If the substance involved is medical cannabis consumer product, as defined in section 2, and amendments thereto, the provisions of subsections (b) and (c) shall not apply to any person who is:

(1) A medical cannabis grower-distributor licensed by the Kansas department of agriculture under section 4, and amendments thereto, or any employee or agent thereof, whose possession is authorized by the veterans first medical cannabis act;

(2) a medical cannabis dispensary licensed by the state board of pharmacy under section 6, and amendments thereto, or any employee or agent thereof, whose possession is authorized by the veterans first medical cannabis act;

(3) a patient who has been issued a patient identification card under section 3, and amendments thereto, whose possession is authorized by the veterans first medical cannabis act; or

(4) a primary caregiver who has been issued a caregiver identification card under section 3, and amendments thereto, whose possession is authorized by the veterans first medical cannabis act.

Sec. 18. K.S.A. 2018 Supp. 21-5707 is hereby amended to read as follows: 21-5707. (a) It shall be unlawful for any person to knowingly or intentionally use any communication facility:

(1) In committing, causing, or facilitating the commission of any felony under K.S.A. 2018 Supp. 21-5703, 21-5705 or 21-5706, and amendments thereto; or

(2) in any attempt to commit, any conspiracy to commit, or any criminal solicitation of any felony under K.S.A. 2018 Supp. 21-5703, 21-5705 or 21-5706, and amendments thereto. Each separate use of a communication facility may be charged as a separate offense under this subsection.

(b) Violation of subsection (a) is a nondrug severity level 8, nonperson felony.

(c) The provisions of this section shall not apply to any person using communication facilities solely within the scope of activities authorized by the veterans first medical cannabis act.

(d) As used in this section, "communication facility" means any and all public and private instrumentalities used or useful in the transmission
of writing, signs, signals, pictures or sounds of all kinds and includes telephone, wire, radio, computer, computer networks, beepers, pagers and all other means of communication.

Sec. 19. K.S.A. 2018 Supp. 21-5709 is hereby amended to read as follows: 21-5709. (a) It shall be unlawful for any person to possess ephedrine, pseudoephedrine, red phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia, pressurized ammonia or phenylpropanolamine, or their salts, isomers or salts of isomers with an intent to use the product to manufacture a controlled substance.

(b) It shall be unlawful for any person to use or possess with intent to use any drug paraphernalia to:

(1) Manufacture, cultivate, plant, propagate, harvest, test, analyze or distribute a controlled substance; or

(2) store, contain, conceal, inject, ingest, inhale or otherwise introduce a controlled substance into the human body.

(c) It shall be unlawful for any person to use or possess with intent to use anhydrous ammonia or pressurized ammonia in a container not approved for that chemical by the Kansas department of agriculture.

(d) It shall be unlawful for any person to purchase, receive or otherwise acquire at retail any compound, mixture or preparation containing more than 3.6 grams of pseudoephedrine base or ephedrine base in any single transaction or any compound, mixture or preparation containing more than nine grams of pseudoephedrine base or ephedrine base within any 30-day period.

(e) (1) Violation of subsection (a) is a drug severity level 3 felony;

(2) violation of subsection (b)(1) is a:

(A) Drug severity level 5 felony, except as provided in subsection (e)(2)(B); and

(B) class B nonperson misdemeanor if the drug paraphernalia was used to cultivate fewer than five marijuana plants;

(3) violation of subsection (b)(2) is a class B nonperson misdemeanor;

(4) violation of subsection (c) is a drug severity level 5 felony; and

(5) violation of subsection (d) is a class A nonperson misdemeanor.

(f) For persons arrested and charged under subsection (a) or (c), bail shall be at least $50,000 cash or surety, and such person shall not be released upon the person's own recognizance pursuant to K.S.A. 22-2802, and amendments thereto, unless the court determines, on the record, that the defendant is not likely to reoffend, the court imposes pretrial supervision or the defendant agrees to participate in a licensed or certified drug treatment program.

(g) The provisions of subsection (b) shall not apply to any person licensed or authorized by the veterans first medical cannabis act whose
possession of such equipment or material is used solely for the
administration of medical cannabis consumer products in a manner
authorized by the veterans first medical cannabis act.

Sec. 20. K.S.A. 2018 Supp. 21-5710 is hereby amended to read as
follows: 21-5710. (a) It shall be unlawful for any person to advertise,
market, label, distribute or possess with the intent to distribute:
(1) Any product containing ephedrine, pseudoephedrine, red
phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia,
pressurized ammonia or phenylpropanolamine or their salts, isomers or
salts of isomers if the person knows or reasonably should know that the
purchaser will use the product to manufacture a controlled substance or
controlled substance analog; or
(2) Any product containing ephedrine, pseudoephedrine or
phenylpropanolamine, or their salts, isomers or salts of isomers for
indication of stimulation, mental alertness, weight loss, appetite control,
energy or other indications not approved pursuant to the pertinent federal
over-the-counter drug final monograph or tentative final monograph or
approved new drug application.
(b) It shall be unlawful for any person to distribute, possess with the
intent to distribute or manufacture with intent to distribute any drug
paraphernalia, knowing or under circumstances where one reasonably
should know that it will be used to manufacture or distribute a controlled
substance or controlled substance analog in violation of K.S.A. 2018 Supp.
21-5701 through 21-5717, and amendments thereto.
(c) It shall be unlawful for any person to distribute, possess with
intent to distribute or manufacture with intent to distribute any drug
paraphernalia, knowing or under circumstances where one reasonably
should know, that it will be used as such in violation of K.S.A. 2018 Supp.
21-5701 through 21-5717, and amendments thereto, except subsection (b)
of K.S.A. 2018 Supp. 21-5706(b), and amendments thereto.
(d) It shall be unlawful for any person to distribute, possess with
intent to distribute or manufacture with intent to distribute any drug
paraphernalia, knowing, or under circumstances where one reasonably
should know, that it will be used as such in violation of subsection (b) of
K.S.A. 2018 Supp. 21-5706(b), and amendments thereto.
(e) (1) Violation of subsection (a) is a drug severity level 3 felony;
(2) violation of subsection (b) is a:
(A) Drug severity level 5 felony, except as provided in subsection (e)
(2)(B); and
(B) drug severity level 4 felony if the trier of fact makes a finding that
the offender distributed or caused drug paraphernalia to be distributed to a
minor or on or within 1,000 feet of any school property;
(3) violation of subsection (c) is a:
(A) Nondrug severity level 9, nonperson felony, except as provided in subsection (e)(3)(B); and
(B) drug severity level 5 felony if the trier of fact makes a finding that the offender distributed or caused drug paraphernalia to be distributed to a minor or on or within 1,000 feet of any school property; and
(4) violation of subsection (d) is a:
(A) Class A nonperson misdemeanor, except as provided in subsection (e)(4)(B); and
(B) nondrug severity level 9, nonperson felony if the trier of fact makes a finding that the offender distributed or caused drug paraphernalia to be distributed to a minor or on or within 1,000 feet of any school property.
(f) For persons arrested and charged under subsection (a), bail shall be at least $50,000 cash or surety, and such person shall not be released upon the person's own recognizance pursuant to K.S.A. 22-2802, and amendments thereto, unless the court determines, on the record, that the defendant is not likely to re-offend, the court imposes pretrial supervision or the defendant agrees to participate in a licensed or certified drug treatment program.
(g) The provisions of subsection (c) shall not apply to any person licensed or authorized by the veterans first medical cannabis act whose distribution or manufacture is used solely for medical cannabis consumer product in a manner authorized by the veterans first medical cannabis act.
(h) As used in this section, "or under circumstances where one reasonably should know" that an item will be used in violation of this section, shall include, but not be limited to, the following:
(1) Actual knowledge from prior experience or statements by customers;
(2) inappropriate or impractical design for alleged legitimate use;
(3) receipt of packaging material, advertising information or other manufacturer supplied information regarding the item's use as drug paraphernalia; or
(4) receipt of a written warning from a law enforcement or prosecutorial agency having jurisdiction that the item has been previously determined to have been designed specifically for use as drug paraphernalia.
Sec. 21. K.S.A. 2017 Supp. 65-1120, as amended by section 5 of chapter 42 of the 2018 Session Laws of Kansas, is hereby amended to read as follows: 65-1120. (a) Grounds for disciplinary actions. The board may deny, revoke, limit or suspend any license or authorization to practice nursing as a registered professional nurse, as a licensed practical nurse, as an advanced practice registered nurse or as a registered nurse anesthetist that is issued by the board or applied for under this act, or may require the
licensee to attend a specific number of hours of continuing education in
addition to any hours the licensee may already be required to attend or
may publicly or privately censure a licensee or holder of a temporary
permit or authorization, if the applicant, licensee or holder of a temporary
permit or authorization is found after hearing:
(1) To be guilty of fraud or deceit in practicing nursing or in
procuring or attempting to procure a license to practice nursing;
(2) to have been guilty of a felony or to have been guilty of a
misdemeanor involving an illegal drug offense unless the applicant or
licensee establishes sufficient rehabilitation to warrant the public trust,
except that notwithstanding K.S.A. 74-120, and amendments thereto, no
license or authorization to practice nursing as a licensed professional
nurse, as a licensed practical nurse, as an advanced practice registered
nurse or registered nurse anesthetist shall be granted to a person with a
felony conviction for a crime against persons as specified in article 34 of
chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article
54 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. 2017 Supp.
21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;
(3) has been convicted or found guilty or has entered into an agreed
disposition of a misdemeanor offense related to the practice of nursing as
determined on a case-by-case basis;
(4) to have committed an act of professional incompetency as defined
in subsection (e);
(5) to be unable to practice with skill and safety due to current abuse
of drugs or alcohol;
(6) to be a person who has been adjudged in need of a guardian or
conservator, or both, under the act for obtaining a guardian or conservator,
or both, and who has not been restored to capacity under that act;
(7) to be guilty of unprofessional conduct as defined by rules and
regulations of the board;
(8) to have willfully or repeatedly violated the provisions of the
Kansas nurse practice act or any rules and regulations adopted pursuant to
that act, including K.S.A. 65-1114 and 65-1122, and amendments thereto;
(9) to have a license to practice nursing as a registered nurse or as a
practical nurse denied, revoked, limited or suspended, or to be publicly or
privately censured, by a licensing authority of another state, agency of the
United States government, territory of the United States or country or to
have other disciplinary action taken against the applicant or licensee by a
licensing authority of another state, agency of the United States
government, territory of the United States or country. A certified copy of
the record or order of public or private censure, denial, suspension,
limitation, revocation or other disciplinary action of the licensing authority
of another state, agency of the United States government, territory of the
United States or country shall constitute prima facie evidence of such a fact for purposes of this paragraph (9); or

(10) to have assisted suicide in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2017-2018 Supp. 21-5407, and amendments thereto, as established by any of the following:

(A) A copy of the record of criminal conviction or plea of guilty for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2017-2018 Supp. 21-5407, and amendments thereto.

(B) A copy of the record of a judgment of contempt of court for violating an injunction issued under K.S.A. 2017-2018 Supp. 60-4404, and amendments thereto.

(C) A copy of the record of a judgment assessing damages under K.S.A. 2017-2018 Supp. 60-4405, and amendments thereto.

(b) Proceedings. Upon filing of a sworn complaint with the board charging a person with having been guilty of any of the unlawful practices specified in subsection (a), two or more members of the board shall investigate the charges, or the board may designate and authorize an employee or employees of the board to conduct an investigation. After investigation, the board may institute charges. If an investigation, in the opinion of the board, reveals reasonable grounds for believing the applicant or licensee is guilty of the charges, the board shall fix a time and place for proceedings, which shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(c) Witnesses. No person shall be excused from testifying in any proceedings before the board under this act or in any civil proceedings under this act before a court of competent jurisdiction on the ground that such testimony may incriminate the person testifying, but such testimony shall not be used against the person for the prosecution of any crime under the laws of this state except the crime of perjury as defined in K.S.A. 2017-2018 Supp. 21-5903, and amendments thereto.

(d) Costs. If final agency action of the board in a proceeding under this section is adverse to the applicant or licensee, the costs of the board's proceedings shall be charged to the applicant or licensee as in ordinary civil actions in the district court, but if the board is the unsuccessful party, the costs shall be paid by the board. Witness fees and costs may be taxed by the board according to the statutes relating to procedure in the district court. All costs accrued by the board, when it is the successful party, and which the attorney general certifies cannot be collected from the applicant or licensee shall be paid from the board of nursing fee fund. All moneys collected following board proceedings shall be credited in full to the board of nursing fee fund.

(e) Professional incompetency defined. As used in this section, "professional incompetency" means:
(1) One or more instances involving failure to adhere to the applicable standard of care to a degree which constitutes gross negligence, as determined by the board;

(2) repeated instances involving failure to adhere to the applicable standard of care to a degree which constitutes ordinary negligence, as determined by the board; or

(3) a pattern of practice or other behavior which demonstrates a manifest incapacity or incompetence to practice nursing.

(f) Criminal justice information. The board upon request shall receive from the Kansas bureau of investigation such criminal history record information relating to arrests and criminal convictions as necessary for the purpose of determining initial and continuing qualifications of licensees of and applicants for licensure by the board.

(g) The board shall not deny, revoke, limit or suspend an advanced practice registered nurse's license or publicly or privately censure an advanced practice registered nurse upon any of the following:

(1) The advanced practice registered nurse, after diagnosing a patient with a qualifying medical condition or after knowing that a patient has been validly diagnosed with a qualifying medical condition by a healthcare provider:

(A) Advised the patient about the possible benefits and risks of using medical cannabis consumer products;

(B) advised the patient that using medical cannabis consumer products may mitigate the symptoms of the patient's qualifying medical condition; or

(C) issued to the patient a valid, written certification under section 3, and amendments thereto;

(2) the advanced practice registered nurse uses or has used medical cannabis consumer products in accordance with the veterans first medical cannabis act; or

(3) the advanced practice registered nurse acts or has acted as a person's primary caregiver in accordance with the veterans first medical cannabis act.

Sec. 22. K.S.A. 65-2836 is hereby amended to read as follows: 65-2836. (a) A licensee's license may be revoked, suspended or limited, or the licensee may be publicly censured or placed under probationary conditions, or an application for a license or for reinstatement of a license may be denied upon a finding of the existence of any of the following grounds:

(a)(1) The licensee has committed fraud or misrepresentation in applying for or securing an original, renewal or reinstated license.

(b)(2) The licensee has committed an act of unprofessional or dishonorable conduct or professional incompetence, except that the board
may take appropriate disciplinary action or enter into a non-disciplinary
resolution when a licensee has engaged in any conduct or professional
practice on a single occasion that, if continued, would reasonably be
expected to constitute an inability to practice the healing arts with
reasonable skill and safety to patients or unprofessional conduct as defined
in K.S.A. 65-2837, and amendments thereto.

(e)(3) The licensee has been convicted of a felony or class A
misdemeanor, or substantially similar offense in another jurisdiction,
whether or not related to the practice of the healing arts. The licensee has
been convicted in a special or general court-martial, whether or not related
to the practice of the healing arts. The board shall revoke a licensee's
license following conviction of a felony or substantially similar offense in
another jurisdiction, or following conviction in a general court-martial
occurring after July 1, 2000, unless a 2/3 majority of the board members
present and voting determine by clear and convincing evidence that such
licensee will not pose a threat to the public in such person's capacity as a
licensee and that such person has been sufficiently rehabilitated to warrant
the public trust. In the case of a person who has been convicted of a felony
or convicted in a general court-martial and who applies for an original
license or to reinstate a canceled license, the application for a license shall
be denied unless a 2/3 majority of the board members present and voting on
such application determine by clear and convincing evidence that such
person will not pose a threat to the public in such person's capacity as a
licensee and that such person has been sufficiently rehabilitated to warrant
the public trust.

(d)(4) The licensee has used fraudulent or false advertisements.

(e)(5) The licensee is addicted to or has distributed intoxicating
liquors or drugs for any other than lawful purposes.

(f)(6) The licensee has willfully or repeatedly violated this act, the
pharmacy act of the state of Kansas or the uniform controlled substances
act, or any rules and regulations adopted pursuant thereto, or any rules and
regulations of the secretary of health and environment which that are
relevant to the practice of the healing arts.

(g)(7) The licensee has unlawfully invaded the field of practice of any
branch of the healing arts in which the licensee is not licensed to practice.

(h)(8) The licensee has engaged in the practice of the healing arts
under a false or assumed name, or the impersonation of another
practitioner. The provisions of this subsection relating to an assumed name
shall not apply to licensees practicing under a professional corporation or
other legal entity duly authorized to provide such professional services in
the state of Kansas.

(i)(9) The licensee's ability to practice the healing arts with
reasonable skill and safety to patients is impaired by reason of physical or
mental illness, or condition or use of alcohol, drugs or controlled substances. All information, reports, findings and other records relating to impairment shall be confidential and not subject to discovery by or release to any person or entity outside of a board proceeding.

(j)(10) The licensee has had a license to practice the healing arts revoked, suspended or limited, has been censured or has had other disciplinary action taken, or an application for a license denied, by the proper licensing authority of another state, territory, District of Columbia, or other country.

(k)(11) The licensee has had a license to practice the healing arts revoked, suspended or limited, has been censured or has had other disciplinary action taken, or an application for a license denied, by the proper licensing authority of another state, territory, District of Columbia, or other country.

(l)(12) The licensee has violated any lawful rule and regulation promulgated by the board or violated any lawful order or directive of the board previously entered by the board.

(m)(13) The licensee has violated any lawful rule and regulation promulgated by the board or violated any lawful order or directive of the board previously entered by the board.

(n)(14) The licensee has violated any lawful rule and regulation promulgated by the board or violated any lawful order or directive of the board previously entered by the board.

(o)(15) The licensee has cheated on or attempted to subvert the validity of the examination for a license.

(p)(16) The licensee has cheated on or attempted to subvert the validity of the examination for a license.

(q)(17) The licensee has failed to report or reveal the knowledge required to be reported or revealed under K.S.A. 65-28,122, and amendments thereto.

(r)(18) The licensee has failed to report or reveal the knowledge required to be reported or revealed under K.S.A. 65-28,122, and amendments thereto.

(s)(19) The licensee has violated any lawful rule and regulation promulgated by the board or violated any lawful order or directive of the board previously entered by the board.

(t)(20) The licensee has failed to report to the board any adverse action taken against the licensee by another state or licensing jurisdiction, a peer review body, a health care facility, a professional association or society, a governmental agency, by a law enforcement agency or a court
for acts or conduct similar to acts or conduct which that would constitute grounds for disciplinary action under this section.

(u)(21) The licensee has surrendered a license or authorization to practice the healing arts in another state or jurisdiction, has surrendered the authority to utilize controlled substances issued by any state or federal agency, has agreed to a limitation to or restriction of privileges at any medical care facility or has surrendered the licensee's membership on any professional staff or in any professional association or society while under investigation for acts or conduct similar to acts or conduct which that would constitute grounds for disciplinary action under this section.

(v)(22) The licensee has failed to report to the board surrender of the licensee's license or authorization to practice the healing arts in another state or jurisdiction or surrender of the licensee's membership on any professional staff or in any professional association or society while under investigation for acts or conduct similar to acts or conduct which that would constitute grounds for disciplinary action under this section.

(w)(23) The licensee has an adverse judgment, award or settlement against the licensee resulting from a medical liability claim related to acts or conduct similar to acts or conduct which that would constitute grounds for disciplinary action under this section.

(x)(24) The licensee has failed to report to the board any adverse judgment, settlement or award against the licensee resulting from a medical malpractice liability claim related to acts or conduct similar to acts or conduct which that would constitute grounds for disciplinary action under this section.

(y)(25) The licensee has failed to maintain a policy of professional liability insurance as required by K.S.A. 40-3402 or 40-3403a, and amendments thereto.

(z)(26) The licensee has failed to pay the premium surcharges as required by K.S.A. 40-3404, and amendments thereto.

(aa)(27) The licensee has knowingly submitted any misleading, deceptive, untrue or fraudulent representation on a claim form, bill or statement.

(bb)(28) The licensee as the supervising physician for a physician assistant has failed to adequately direct and supervise the physician assistant in accordance with the physician assistant licensure act or rules and regulations adopted under such act.

(ee)(29) The licensee has assisted suicide in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto, as established by any of the following:

(1)(A) A copy of the record of criminal conviction or plea of guilty for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto.
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1. **(2)**(B) A copy of the record of a judgment of contempt of court for violating an injunction issued under K.S.A. 60-4404, and amendments thereto.

2. **(3)**(C) A copy of the record of a judgment assessing damages under K.S.A. 60-4405, and amendments thereto.

3. **(dd)**(30) The licensee has given a worthless check or stopped payment on a debit or credit card for fees or moneys legally due to the board.

4. **(ee)**(40) The licensee has knowingly or negligently abandoned medical records.

   (b) The board shall not revoke, suspend or limit a physician's license, publicly censure a physician or place a physician's license under probationary conditions upon any of the following:

   1. The physician, after diagnosing a patient with a qualifying medical condition or after knowing that a patient has been validly diagnosed with a qualifying medical condition by a healthcare provider:

      (A) Advised the patient about the possible benefits and risks of using medical cannabis consumer products;

      (B) Advised the patient that using medical cannabis consumer products may mitigate the symptoms of the patient's qualifying medical condition; or

      (C) Issued to the patient a valid, written certification in accordance with section 3, and amendments thereto;

   2. The physician uses or has used medical cannabis consumer products in accordance with the veterans first medical cannabis act; or

   3. The physician acts or has acted as a patient's primary caregiver in accordance with the veterans first medical cannabis act.

Sec. 23. K.S.A. 65-28a05 is hereby amended to read as follows: 65-28a05. (a) A licensee's license may be revoked, suspended or limited, or the licensee may be publicly or privately censured, or an application for a license or for reinstatement of a license may be denied upon a finding of the existence of any of the following grounds:

   (a) The licensee has committed an act of unprofessional conduct as defined by rules and regulations adopted by the board;

   (b) The licensee has obtained a license by means of fraud, misrepresentations or concealment of material facts;

   (c) The licensee has committed an act of professional incompetency as defined by rules and regulations adopted by the board;

   (d) The licensee has been convicted of a felony;

   (e) The licensee has violated any provision of this act, and amendments thereto;

   (f) The licensee has violated any lawful order or rule and regulation of the board;
(g) the licensee has been found to be mentally ill, disabled, not
guilty by reason of insanity, not guilty because the licensee suffers from a
mental disease or defect or is incompetent to stand trial by a court of
competent jurisdiction;
(h) the licensee has violated a federal law or regulation relating to
controlled substances;
(i) the licensee has failed to report to the board any adverse action
taken against the licensee by another state or licensing jurisdiction, a peer
review body, a health care facility, a professional association or society, a
governmental agency, by a law enforcement agency or a court for acts or
conduct similar to acts or conduct which would constitute grounds for
disciplinary action under this section;
(j) the licensee has surrendered a license or authorization to
practice as a physician assistant in another state or jurisdiction, has
surrendered the authority to utilize controlled substances issued by any
state or federal agency, has agreed to a limitation to or restriction of
privileges at any medical care facility or has surrendered the licensee's
membership on any professional staff or in any professional association or
society while under investigation for acts or conduct similar to acts or
conduct which would constitute grounds for disciplinary action under
this section;
(k) the licensee has failed to report to the board the surrender of
the licensee's license or authorization to practice as a physician assistant in
another state or jurisdiction or the surrender of the licensee's membership
on any professional staff or in any professional association or society
while under investigation for acts or conduct which would constitute grounds for disciplinary action under this section;
(l) the licensee has an adverse judgment, award or settlement
against the licensee resulting from a medical liability claim related to acts
or conduct similar to acts or conduct which would constitute grounds
for disciplinary action under this section;
(m) the licensee has failed to report to the board any adverse
judgment, settlement or award against the licensee resulting from a
medical malpractice liability claim related to acts or conduct similar to acts
or conduct which would constitute grounds for disciplinary action
under this section;
(n) the licensee's ability to practice with reasonable skill and
safety to patients is impaired by reason of physical or mental illness, or
condition or use of alcohol, drugs or controlled substances. All
information, reports, findings and other records relating to impairment
shall be confidential and not subject to discovery by or release to any
person or entity outside of a board proceeding;
(15) the licensee has exceeded or has acted outside the scope of authority given the physician assistant by the supervising physician or by this act; or

(16) the licensee has assisted suicide in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto, as established by any of the following:

1. A copy of the record of criminal conviction or plea of guilty for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto.

2. A copy of the record of a judgment of contempt of court for violating an injunction issued under K.S.A. 60-4404, and amendments thereto.

3. A copy of the record of a judgment assessing damages under K.S.A. 60-4405, and amendments thereto.

(b) The board shall not revoke, suspend or limit a physician assistant's license, publicly or privately censure a physician assistant or deny an application for a license or for reinstatement of a license upon any of the following:

1. The physician assistant, after diagnosing a patient with a qualifying medical condition or after knowing that a patient has been validly diagnosed with a qualifying medical condition by a healthcare provider:
   - Advised the patient about the possible benefits and risks of using medical cannabis consumer products;
   - Advised the patient that using medical cannabis consumer products may mitigate the symptoms of the patient's qualifying medical condition; or
   - Issued to the patient a valid, written certification in accordance with section 3, and amendments thereto;

2. The physician assistant uses or has used medical cannabis consumer products in accordance with the veterans first medical cannabis act; or

3. The physician assistant acts or has acted as a person's primary caregiver in accordance with the veterans first medical cannabis act.

Sec. 24. K.S.A. 65-28b08 is hereby amended to read as follows: 65-28b08. (a) The board may deny, revoke, limit or suspend any license or authorization issued to a certified nurse-midwife to engage in the independent practice of midwifery that is issued by the board or applied for under this act, or may publicly censure a licensee or holder of a temporary permit or authorization, if the applicant or licensee is found after a hearing:

1. To be guilty of fraud or deceit while engaging in the independent practice of midwifery or in procuring or attempting to procure a license to
engage in the independent practice of midwifery;

(2) to have been found guilty of a felony or to have been found guilty of a misdemeanor involving an illegal drug offense unless the applicant or licensee establishes sufficient rehabilitation to warrant the public trust, except that notwithstanding K.S.A. 74-120, and amendments thereto, no license or authorization to practice and engage in the independent practice of midwifery shall be granted to a person with a felony conviction for a crime against persons as specified in article 34 of chapter 21 of the Kansas Statutes Annotated, prior to its repeal, or article 54 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2018 Supp. 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

(3) to have committed an act of professional incompetence as defined in subsection (c);

(4) to be unable to practice the healing arts with reasonable skill and safety by reason of impairment due to physical or mental illness or condition or use of alcohol, drugs or controlled substances. All information, reports, findings and other records relating to impairment shall be confidential and not subject to discovery or release to any person or entity outside of a board proceeding. The provisions of this paragraph providing confidentiality of records shall expire on July 1, 2022, unless the legislature reviews and reenacts such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2022;

(5) to be a person who has been adjudged in need of a guardian or conservator, or both, under the act for obtaining a guardian or conservator, or both, and who has not been restored to capacity under that act;

(6) to be guilty of unprofessional conduct as defined by rules and regulations of the board;

(7) to have willfully or repeatedly violated the provisions of the Kansas nurse practice act or any rules and regulations adopted pursuant to that act;

(8) to have a license to practice nursing as a registered nurse or as a practical nurse denied, revoked, limited or suspended, or to have been publicly or privately censured, by a licensing authority of another state, agency of the United States government, territory of the United States or country, or to have other disciplinary action taken against the applicant or licensee by a licensing authority of another state, agency of the United States government, territory of the United States or country. A certified copy of the record or order of public or private censure, denial, suspension, limitation, revocation or other disciplinary action of the licensing authority of another state, agency of the United States government, territory of the United States or country shall constitute prima facie evidence of such a fact for purposes of this paragraph; or

(9) to have assisted suicide in violation of K.S.A. 21-3406, prior to its
repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto, as established by any of the following:

(A) A copy of the record of criminal conviction or plea of guilty to a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto;

(B) a copy of the record of a judgment of contempt of court for violating an injunction issued under K.S.A. 60-4404, and amendments thereto;

(C) a copy of the record of a judgment assessing damages under K.S.A. 60-4405, and amendments thereto.

(b) No person shall be excused from testifying in any proceedings before the board under this act or in any civil proceedings under this act before a court of competent jurisdiction on the ground that such testimony may incriminate the person testifying, but such testimony shall not be used against the person for the prosecution of any crime under the laws of this state, except the crime of perjury as defined in K.S.A. 2018 Supp. 21-5903, and amendments thereto.

(c) As used in this section, "professional incompetency" means:

(1) One or more instances involving failure to adhere to the applicable standard of care to a degree which constitutes gross negligence, as determined by the board;

(2) repeated instances involving failure to adhere to the applicable standard of care to a degree which constitutes ordinary negligence, as determined by the board; or

(3) a pattern of practice or other behavior which demonstrates a manifest incapacity or incompetence to engage in the independent practice of midwifery.

(d) The board, upon request, shall receive from the Kansas bureau of investigation such criminal history record information relating to arrests and criminal convictions, as necessary, for the purpose of determining initial and continuing qualifications of licensees and applicants for licensure by the board.

(e) The provisions of this section shall become effective on January 1, 2017. The board shall not deny, revoke, limit or suspend any license or authorization issued to a certified nurse-midwife or publicly censure a certified nurse-midwife upon any of the following:

(1) The certified nurse-midwife, after diagnosing a patient with a qualifying medical condition or after knowing that a patient has been validly diagnosed with a qualifying medical condition by a healthcare provider:

(A) Advised the patient about the possible benefits and risks of using medical cannabis consumer products;

(B) advised the patient that using medical cannabis consumer
products may mitigate the symptoms of the patient's qualifying medical condition; or

(C) issued to the patient a valid, written certification under section 3, and amendments thereto;

(2) the certified nurse-midwife uses or has used medical cannabis consumer products in accordance with the veterans first medical cannabis act; or

(3) the certified nurse-midwife acts or has acted as a person's primary caregiver in accordance with the veterans first medical cannabis act.

Sec. 25. K.S.A. 2018 Supp. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

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

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

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

(d) all sales of tangible personal property or services purchased by a
contractor for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
any public or private nonprofit hospital or public hospital authority, public
or private elementary or secondary school, a public or private nonprofit
educational institution, state correctional institution including a privately
constructed correctional institution contracted for state use and ownership,
that would be exempt from taxation under the provisions of this act if
purchased directly by such hospital or public hospital authority, school,
educational institution or a state correctional institution; and all sales of
tangible personal property or services purchased by a contractor for the
purpose of constructing, equipping, reconstructing, maintaining, repairing,
enlarging, furnishing or remodeling facilities for any political subdivision
of the state or district described in subsection (s), the total cost of which is
paid from funds of such political subdivision or district and that would be
exempt from taxation under the provisions of this act if purchased directly
by such political subdivision or district. Nothing in this subsection or in
the provisions of K.S.A. 12-3418, and amendments thereto, shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the constructing, equipping, reconstructing, maintaining,
repairing, enlarging, furnishing or remodeling facilities for any political
subdivision of the state or any such district. As used in this subsection,
K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
political subdivision" shall mean general tax revenues, the proceeds of any
bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
purpose of constructing, equipping, reconstructing, repairing, enlarging,
furnishing or remodeling facilities that are to be leased to the donor. When
any political subdivision of the state, district described in subsection (s),
public or private nonprofit hospital or public hospital authority, public or
private elementary or secondary school, public or private nonprofit
educational institution, state correctional institution including a privately
constructed correctional institution contracted for state use and ownership
shall contract for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities, it
shall obtain from the state and furnish to the contractor an exemption
certificate for the project involved, and the contractor may purchase
materials for incorporation in such project. The contractor shall furnish the
number of such certificate to all suppliers from whom such purchases are
made, and such suppliers shall execute invoices covering the same bearing
the number of such certificate. Upon completion of the project the
contractor shall furnish to the political subdivision, district described in
subsection (s), hospital or public hospital authority, school, educational
institution or department of corrections concerned a sworn statement, on a
form to be provided by the director of taxation, that all purchases so made
were entitled to exemption under this subsection. As an alternative to the
foregoing procedure, any such contracting entity may apply to the
secretary of revenue for agent status for the sole purpose of issuing and
furnishing project exemption certificates to contractors pursuant to rules
and regulations adopted by the secretary establishing conditions and
standards for the granting and maintaining of such status. All invoices
shall be held by the contractor for a period of five years and shall be
subject to audit by the director of taxation. If any materials purchased
under such a certificate are found not to have been incorporated in the
building or other project or not to have been returned for credit or the sales
or compensating tax otherwise imposed upon such materials that will not
be so incorporated in the building or other project reported and paid by
such contractor to the director of taxation not later than the 20th day of the
month following the close of the month in which it shall be determined
that such materials will not be used for the purpose for which such
certificate was issued, the political subdivision, district described in
subsection (s), hospital or public hospital authority, school, educational
institution or the contractor contracting with the department of corrections
for a correctional institution concerned shall be liable for tax on all
materials purchased for the project, and upon payment thereof it may
recover the same from the contractor together with reasonable attorney
fees. Any contractor or any agent, employee or subcontractor thereof, who
shall use or otherwise dispose of any materials purchased under such a
certificate for any purpose other than that for which such a certificate is
issued without the payment of the sales or compensating tax otherwise
imposed upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in K.S.A.
79-3615(h), and amendments thereto;
(e) all sales of tangible personal property or services purchased by a
contractor for the erection, repair or enlargement of buildings or other
projects for the government of the United States, its agencies or
instrumentalities, that would be exempt from taxation if purchased directly
by the government of the United States, its agencies or instrumentalities.
When the government of the United States, its agencies or
instrumentalities shall contract for the erection, repair, or enlargement of
any building or other project, it shall obtain from the state and furnish to
the contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificates to all suppliers
from whom such purchases are made, and such suppliers shall execute
invoices covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to the government of
the United States, its agencies or instrumentalities concerned a sworn
statement, on a form to be provided by the director of taxation, that all
purchases so made were entitled to exemption under this subsection. As an
alternative to the foregoing procedure, any such contracting entity may
apply to the secretary of revenue for agent status for the sole purpose of
issuing and furnishing project exemption certificates to contractors
pursuant to rules and regulations adopted by the secretary establishing
conditions and standards for the granting and maintaining of such status.
All invoices shall be held by the contractor for a period of five years and
shall be subject to audit by the director of taxation. Any contractor or any
agent, employee or subcontractor thereof, who shall use or otherwise
dispose of any materials purchased under such a certificate for any purpose
other than that for which such a certificate is issued without the payment
of the sales or compensating tax otherwise imposed upon such materials,
shall be guilty of a misdemeanor and, upon conviction therefor, shall be
subject to the penalties provided for in K.S.A. 79-3615(h), and
amendments thereto;
(f) tangible personal property purchased by a railroad or public utility
for consumption or movement directly and immediately in interstate
commerce;
(g) sales of aircraft including remanufactured and modified aircraft
sold to persons using directly or through an authorized agent such aircraft
as certified or licensed carriers of persons or property in interstate or
foreign commerce under authority of the laws of the United States or any
foreign government or sold to any foreign government or agency or
instrumentality of such foreign government and all sales of aircraft for use
outside of the United States and sales of aircraft repair, modification and
replacement parts and sales of services employed in the remanufacture,
modification and repair of aircraft;
(h) all rentals of nonsectarian textbooks by public or private
elementary or secondary schools;
(i) the lease or rental of all films, records, tapes, or any type of sound
or picture transcriptions used by motion picture exhibitors;
(j) meals served without charge or food used in the preparation of
such meals to employees of any restaurant, eating house, dining car, hotel,
drugstore or other place where meals or drinks are regularly sold to the
public if such employees' duties are related to the furnishing or sale of
such meals or drinks;

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

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

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

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

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

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

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

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

(s) except as provided in K.S.A. 2018 Supp. 82a-2101, and amendments thereto, all sales of tangible personal property or services purchased directly or indirectly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 et seq., and amendments thereto, by a rural water district organized or operating under the authority of K.S.A. 82a-612, and amendments thereto, or by a water supply district organized or operating under the authority of K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which property or services are used in the construction activities, operation or maintenance of the district;

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

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

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

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes: (1) To residential premises for noncommercial use by the occupant of such premises; (2) for agricultural use and also, for such use, all sales of propane gas; (3) for use in the
severing of oil; and (4) to any property which is exempt from property
taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this
paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
and amendments thereto. For all sales of natural gas, electricity and heat
delivered through mains, lines or pipes pursuant to the provisions of
subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
on December 31, 2005;
(x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
for the production of heat or lighting for noncommercial use of an
occupant of residential premises occurring prior to January 1, 2006;
(y) all sales of materials and services used in the repairing, servicing,
altering, maintaining, manufacturing, remanufacturing, or modification of
railroad rolling stock for use in interstate or foreign commerce under
authority of the laws of the United States;
(z) all sales of tangible personal property and services purchased
directly by a port authority or by a contractor therefor as provided by the
provisions of K.S.A. 12-3418, and amendments thereto;
(aa) all sales of materials and services applied to equipment that is
transported into the state from without the state for repair, service,
alteration, maintenance, remanufacture or modification and that is
subsequently transported outside the state for use in the transmission of
liquids or natural gas by means of pipeline in interstate or foreign
commerce under authority of the laws of the United States;
(bb) all sales of used mobile homes or manufactured homes. As used
in this subsection: (1) "Mobile homes" and "manufactured homes" mean
the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)
"sales of used mobile homes or manufactured homes" means sales other
than the original retail sale thereof;
(cc) all sales of tangible personal property or services purchased prior
to January 1, 2012, except as otherwise provided, for the purpose of and in
conjunction with constructing, reconstructing, enlarging or remodeling a
business or retail business that meets the requirements established in
K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
machinery and equipment purchased for installation at any such business
or retail business, and all sales of tangible personal property or services
purchased on or after January 1, 2012, for the purpose of and in
conjunction with constructing, reconstructing, enlarging or remodeling a
business that meets the requirements established in K.S.A. 74-50,115(e),
and amendments thereto, and the sale and installation of machinery and
equipment purchased for installation at any such business. When a person
shall contract for the construction, reconstruction, enlargement or
remodeling of any such business or retail business, such person shall
obtain from the state and furnish to the contractor an exemption certificate
for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As used in this subsection, "business" and "retail business" mean the same as defined in K.S.A. 74-50,114, and amendments thereto. Project exemption certificates that have been previously issued under this subsection by the department of revenue pursuant to K.S.A. 74-50,115, and amendments thereto, but not including K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012, and have not expired will be effective for the term of the project or two years from the effective date of the certificate, whichever occurs earlier. Project exemption certificates that are submitted to the department of revenue prior to January 1, 2012, and are found to qualify will be issued a project exemption certificate that will be effective for a two-year period or for the term of the project, whichever occurs earlier;

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

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

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

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

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

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

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based facility for people with intellectual disability or mental health center organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto, and licensed in accordance with the provisions of K.S.A. 2018 Supp. 39-2001 et seq., and amendments thereto, and all sales of tangible personal property or services purchased by contractors during the time period from July, 2003, through June, 2006, for the purpose of constructing, equipping, maintaining or furnishing a new facility for a community-based facility for people with intellectual disability or mental health center located in Riverton, Cherokee County, Kansas, that would have been eligible for sales tax exemption pursuant to this subsection if purchased directly by such facility or center. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

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

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

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

(2) For purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

(G) to produce energy for, lubricate, control the operating of or otherwise enable the functioning of other production machinery and equipment and the continuation of production operations;
(H) to package the property being manufactured or processed in a container or wrapping in which such property is normally sold or transported;
(I) to transmit or transport electricity, coke, gas, water, steam or similar substances used in production operations from the point of generation, if produced by the manufacturer or processor at the plant site, to that manufacturer's production operation; or, if purchased or delivered from off-site, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;
(J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil, solvents or other substances that are used in production operations;
(K) to provide and control an environment required to maintain certain levels of air quality, humidity or temperature in special and limited areas of the plant or facility, where such regulation of temperature or humidity is part of and essential to the production process;
(L) to treat, transport or store waste or other byproducts of production operations at the plant or facility; or
(M) to control pollution at the plant or facility where the pollution is produced by the manufacturing or processing operation.

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

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

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

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

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

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

(E) furniture and other furnishings;

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

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

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

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

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

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

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

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

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

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

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

(qq) all sales of tangible personal property and services purchased by a nonprofit museum or historical society or any combination thereof, including a nonprofit organization that is organized for the purpose of stimulating public interest in the exploration of space by providing educational information, exhibits and experiences, that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) the cystic fibrosis foundation, heart of America chapter, for the purposes of assuring the development of the means to cure and control cystic fibrosis and improving the quality of life for those with the disease;
(11) the spina bifida association of Kansas for the purpose of providing financial, educational and practical aid to families and individuals with spina bifida. Such aid includes, but is not limited to, funding for medical devices, counseling and medical educational opportunities;

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

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

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

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

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

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

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

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

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

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

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

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

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

(aaa) all sales of tangible personal property and services purchased by a religious organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20\textsuperscript{th} day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after July 1, 1998, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director or the director's designee;

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

(ccc) on and after July 1, 1999, all sales of tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically underserved individuals and families, and that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and all
sales of tangible personal property or services purchased by a contractor
for the purpose of constructing, equipping, reconstructing, maintaining,
repairing, enlarging, furnishing or remodeling facilities for any such clinic
or center that would be exempt from taxation under the provisions of this
section if purchased directly by such clinic or center, except that for
taxable years commencing after December 31, 2013, this subsection shall
not apply to any sales of such tangible personal property and services
purchased by a primary care clinic or health center which performs any
abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
in this subsection shall be deemed to exempt the purchase of any
construction machinery, equipment or tools used in the constructing,
equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
remodeling facilities for any such clinic or center. When any such clinic or
center shall contract for the purpose of constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or
remodeling facilities, it shall obtain from the state and furnish to the contractor an
exemption certificate for the project involved, and the contractor may
purchase materials for incorporation in such project. The contractor shall
furnish the number of such certificate to all suppliers from whom such
purchases are made, and such suppliers shall execute invoices covering the
same bearing the number of such certificate. Upon completion of the
project the contractor shall furnish to such clinic or center concerned a
sworn statement, on a form to be provided by the director of taxation, that
all purchases so made were entitled to exemption under this subsection.
All invoices shall be held by the contractor for a period of five years and
shall be subject to audit by the director of taxation. If any materials
purchased under such a certificate are found not to have been incorporated
in the building or other project or not to have been returned for credit or
the sales or compensating tax otherwise imposed upon such materials that
will not be so incorporated in the building or other project reported and
paid by such contractor to the director of taxation not later than the 20th
day of the month following the close of the month in which it shall be
determined that such materials will not be used for the purpose for which
such certificate was issued, such clinic or center concerned shall be liable
for tax on all materials purchased for the project, and upon payment
thereof it may recover the same from the contractor together with
reasonable attorney fees. Any contractor or any agent, employee or
subcontractor thereof, who shall use or otherwise dispose of any materials
purchased under such a certificate for any purpose other than that for
which such a certificate is issued without the payment of the sales or
compensating tax otherwise imposed upon such materials, shall be guilty
of a misdemeanor and, upon conviction therefor, shall be subject to the
penalties provided for in K.S.A. 79-3615(h), and amendments thereto;
(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of sales tax that would have been payable except for the operation of this subsection shall be recouped in accordance with rules and regulations adopted for such purpose by the secretary of revenue;

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

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

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

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

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

(jjj) all sales of dietary supplements dispensed pursuant to a prescription order by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto. As used in this subsection, "dietary supplement" means any product, other than tobacco, intended to supplement the diet that: (1) Contains one or more of the following dietary ingredients: A vitamin, a mineral, an herb or other botanical, an amino acid, a dietary substance for use by humans to supplement the diet by increasing the total dietary intake or a concentrate, metabolite, constituent, extract or combination of any such ingredient; (2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap or liquid form, or if not intended for ingestion, in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and (3) is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. § 101.36;

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

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

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

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

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

(qqq) all sales of tangible personal property and services purchased
by TLC for children and families, inc., hereinafter referred to as TLC,
which is exempt from federal income taxation pursuant to section 501(c)
(3) of the federal internal revenue code of 1986, and such property and
services are used for the purpose of providing emergency shelter and
treatment for abused and neglected children as well as meeting additional
critical needs for children, juveniles and family, and all sales of any such
property by or on behalf of TLC for any such purpose; and all sales of
tangible personal property or services purchased by a contractor for the
purpose of constructing, maintaining, repairing, enlarging, furnishing or
remodeling facilities for the operation of services for TLC for any such
purpose that would be exempt from taxation under the provisions of this
section if purchased directly by TLC. Nothing in this subsection shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the constructing, maintaining, repairing, enlarging,
furnishing or remodeling such facilities for TLC. When TLC contracts for
the purpose of constructing, maintaining, repairing, enlarging, furnishing
or remodeling such facilities, it shall obtain from the state and furnish to
the contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificate to all suppliers from
whom such purchases are made, and such suppliers shall execute invoices
covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to TLC a sworn
statement, on a form to be provided by the director of taxation, that all
purchases so made were entitled to exemption under this subsection. All
invoices shall be held by the contractor for a period of five years and shall
be subject to audit by the director of taxation. If any materials purchased
under such a certificate are found not to have been incorporated in the
building or other project or not to have been returned for credit or the sales
or compensating tax otherwise imposed upon such materials that will not
be so incorporated in the building or other project reported and paid by
such contractor to the director of taxation not later than the 20th day of the
month following the close of the month in which it shall be determined
that such materials will not be used for the purpose for which such
certificate was issued, TLC shall be liable for tax on all materials
purchased for the project, and upon payment thereof it may recover the
same from the contractor together with reasonable attorney fees. Any
contractor or any agent, employee or subcontractor thereof, who shall use
or otherwise dispose of any materials purchased under such a certificate
for any purpose other than that for which such a certificate is issued
without the payment of the sales or compensating tax otherwise imposed
upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in K.S.A.
79-3615(h), and amendments thereto;
    (rrr) all sales of tangible personal property and services purchased by
any county law library maintained pursuant to law and sales of tangible
personal property and services purchased by an organization that would
have been exempt from taxation under the provisions of this subsection if
purchased directly by the county law library for the purpose of providing
legal resources to attorneys, judges, students and the general public, and
all sales of any such property by or on behalf of any such county law
library;
    (sss) all sales of tangible personal property and services purchased by
catholic charities or youthville, hereinafter referred to as charitable family
providers, which is exempt from federal income taxation pursuant to
section 501(c)(3) of the federal internal revenue code of 1986, and which
such property and services are used for the purpose of providing
emergency shelter and treatment for abused and neglected children as well
as meeting additional critical needs for children, juveniles and family, and
all sales of any such property by or on behalf of charitable family
providers for any such purpose; and all sales of tangible personal property
or services purchased by a contractor for the purpose of constructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
the operation of services for charitable family providers for any such
purpose which would be exempt from taxation under the provisions of this
section if purchased directly by charitable family providers. Nothing in
this subsection shall be deemed to exempt the purchase of any construction
machinery, equipment or tools used in the constructing, maintaining,
repairing, enlarging, furnishing or remodeling such facilities for charitable
family providers. When charitable family providers contracts for the
purpose of constructing, maintaining, repairing, enlarging, furnishing or
remodeling such facilities, it shall obtain from the state and furnish to the
contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificate to all suppliers from
whom such purchases are made, and such suppliers shall execute invoices
covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to charitable family
providers a sworn statement, on a form to be provided by the director of
taxation, that all purchases so made were entitled to exemption under this
subsection. All invoices shall be held by the contractor for a period of five
years and shall be subject to audit by the director of taxation. If any
materials purchased under such a certificate are found not to have been
incorporated in the building or other project or not to have been returned
for credit or the sales or compensating tax otherwise imposed upon such
materials that will not be so incorporated in the building or other project
reported and paid by such contractor to the director of taxation not later
than the 20th day of the month following the close of the month in which it
shall be determined that such materials will not be used for the purpose for
which such certificate was issued, charitable family providers shall be
liable for tax on all materials purchased for the project, and upon payment
thereof it may recover the same from the contractor together with
reasonable attorney fees. Any contractor or any agent, employee or
subcontractor thereof, who shall use or otherwise dispose of any materials
purchased under such a certificate for any purpose other than that for
which such a certificate is issued without the payment of the sales or
compensating tax otherwise imposed upon such materials, shall be guilty
of a misdemeanor and, upon conviction therefor, shall be subject to the
penalties provided for in K.S.A. 79-3615(h), and amendments thereto;
(ttt) all sales of tangible personal property or services purchased by a
contractor for a project for the purpose of restoring, constructing,
equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
remodeling a home or facility owned by a nonprofit museum that has been
granted an exemption pursuant to subsection (qq), which such home or
facility is located in a city that has been designated as a qualified
hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
amendments thereto, and which such project is related to the purposes of
K.S.A. 75-5071 et seq., and amendments thereto, and that would be
exempt from taxation under the provisions of this section if purchased
directly by such nonprofit museum. Nothing in this subsection shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the restoring, constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling a home or
facility for any such nonprofit museum. When any such nonprofit museum
shall contract for the purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such nonprofit museum a sworn statement on a form to be provided by the director of taxation that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in a home or facility or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such nonprofit museum shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

(uuu) all sales of tangible personal property and services purchased by Kansas children's service league, hereinafter referred to as KCSL, which is exempt from federal income taxation pursuant to section 501(c) (3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing for the prevention and treatment of child abuse and maltreatment as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of KCSL for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for KCSL for any such purpose that would be exempt from taxation under the provisions of this section if purchased directly by KCSL. Nothing in this subsection shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the constructing, maintaining, repairing, enlarging,
furnishing or remodeling such facilities for KCSL. When KCSL contracts
for the purpose of constructing, maintaining, repairing, enlarging,
furnishing or remodeling such facilities, it shall obtain from the state and
furnish to the contractor an exemption certificate for the project involved,
and the contractor may purchase materials for incorporation in such
project. The contractor shall furnish the number of such certificate to all
suppliers from whom such purchases are made, and such suppliers shall
execute invoices covering the same bearing the number of such certificate.
Upon completion of the project the contractor shall furnish to KCSL a
sworn statement, on a form to be provided by the director of taxation, that
all purchases so made were entitled to exemption under this subsection.
All invoices shall be held by the contractor for a period of five years and
shall be subject to audit by the director of taxation. If any materials
purchased under such a certificate are found not to have been incorporated
in the building or other project or not to have been returned for credit or
the sales or compensating tax otherwise imposed upon such materials that
will not be so incorporated in the building or other project reported and
paid by such contractor to the director of taxation not later than the 20th
day of the month following the close of the month in which it shall be
determined that such materials will not be used for the purpose for which
such certificate was issued, KCSL shall be liable for tax on all materials
purchased for the project, and upon payment thereof it may recover the
same from the contractor together with reasonable attorney fees. Any
contractor or any agent, employee or subcontractor thereof, who shall use
or otherwise dispose of any materials purchased under such a certificate
for any purpose other than that for which such a certificate is issued
without the payment of the sales or compensating tax otherwise imposed
upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in K.S.A.79-3615(h), and amendments thereto;
(vvv) all sales of tangible personal property or services, including the
renting and leasing of tangible personal property or services, purchased by
jazz in the woods, inc., a Kansas corporation that is exempt from federal
income taxation pursuant to section 501(c)(3) of the federal internal
revenue code, for the purpose of providing jazz in the woods, an event
benefiting children-in-need and other nonprofit charities assisting such
children, and all sales of any such property by or on behalf of such
organization for such purpose;
(www) all sales of tangible personal property purchased by or on
behalf of the Frontenac education foundation, which is exempt from
federal income taxation pursuant to section 501(c)(3) of the federal
internal revenue code, for the purpose of providing education support for
students, and all sales of any such property by or on behalf of such
organization for such purpose;

(***all sales of personal property and services purchased by the
booth theatre foundation, inc., an organization, which is exempt from
federal income taxation pursuant to section 501(c)(3) of the federal
internal revenue code of 1986, and which such personal property and
services are used by any such organization in the constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
of the booth theatre, and all sales of tangible personal property or services
purchased by a contractor for the purpose of constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
the booth theatre for such organization, that would be exempt from
taxation under the provisions of this section if purchased directly by such
organization. Nothing in this subsection shall be deemed to exempt the
purchase of any construction machinery, equipment or tools used in the
constructing, equipping, reconstructing, maintaining, repairing, enlarging,

furnishing or remodeling facilities for any such organization. When any
such organization shall contract for the purpose of constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
facilities, it shall obtain from the state and furnish to the contractor an
exemption certificate for the project involved, and the contractor may
purchase materials for incorporation in such project. The contractor shall
furnish the number of such certificate to all suppliers from whom such
purchases are made, and such suppliers shall execute invoices covering the
same bearing the number of such certificate. Upon completion of the
project the contractor shall furnish to such organization concerned a sworn
statement, on a form to be provided by the director of taxation, that all
purchases so made were entitled to exemption under this subsection. All
invoices shall be held by the contractor for a period of five years and shall
be subject to audit by the director of taxation. If any materials purchased
under such a certificate are found not to have been incorporated in such
facilities or not to have been returned for credit or the sales or
compensating tax otherwise imposed upon such materials that will not be
so incorporated in such facilities reported and paid by such contractor to
the director of taxation not later than the 20th day of the month following
the close of the month in which it shall be determined that such materials
will not be used for the purpose for which such certificate was issued, such
organization concerned shall be liable for tax on all materials purchased
for the project, and upon payment thereof it may recover the same from
the contractor together with reasonable attorney fees. Any contractor or
any agent, employee or subcontractor thereof, who shall use or otherwise
dispose of any materials purchased under such a certificate for any purpose
other than that for which such a certificate is issued without the payment
of the sales or compensating tax otherwise imposed upon such materials,
shall be guilty of a misdemeanor and, upon conviction therefor, shall be
subject to the penalties provided for in K.S.A. 79-3615(h), and
amendments thereto. Sales tax paid on and after January 1, 2007, but prior
to the effective date of this act upon the gross receipts received from any
sale which would have been exempted by the provisions of this subsection
had such sale occurred after the effective date of this act shall be refunded.
Each claim for a sales tax refund shall be verified and submitted to the
director of taxation upon forms furnished by the director and shall be
accompanied by any additional documentation required by the director.
The director shall review each claim and shall refund that amount of sales
tax paid as determined under the provisions of this subsection. All refunds
shall be paid from the sales tax refund fund upon warrants of the director
of accounts and reports pursuant to vouchers approved by the director or
the director's designee;
(yyy) all sales of tangible personal property and services purchased
by TLC charities foundation, inc., hereinafter referred to as TLC charities,
which is exempt from federal income taxation pursuant to section 501(c)
(3) of the federal internal revenue code of 1986, and which such property
and services are used for the purpose of encouraging private philanthropy
to further the vision, values, and goals of TLC for children and families,
inc.; and all sales of such property and services by or on behalf of TLC
charities for any such purpose and all sales of tangible personal property or
services purchased by a contractor for the purpose of constructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
the operation of services for TLC charities for any such purpose that would
be exempt from taxation under the provisions of this section if purchased
directly by TLC charities. Nothing in this subsection shall be deemed to
exempt the purchase of any construction machinery, equipment or tools
used in the constructing, maintaining, repairing, enlarging, furnishing or
remodeling such facilities for TLC charities. When TLC charities contracts
for the purpose of constructing, maintaining, repairing, enlarging,
furnishing or remodeling such facilities, it shall obtain from the state and
furnish to the contractor an exemption certificate for the project involved,
and the contractor may purchase materials for incorporation in such
project. The contractor shall furnish the number of such certificate to all
suppliers from whom such purchases are made, and such suppliers shall
execute invoices covering the same bearing the number of such certificate.
Upon completion of the project the contractor shall furnish to TLC
charities a sworn statement, on a form to be provided by the director of
taxation, that all purchases so made were entitled to exemption under this
subsection. All invoices shall be held by the contractor for a period of five
years and shall be subject to audit by the director of taxation. If any
materials purchased under such a certificate are found not to have been
incorporated in the building or other project or not to have been returned
for credit or the sales or compensating tax otherwise imposed upon such
materials that will not be incorporated into the building or other project
reported and paid by such contractor to the director of taxation not later
than the 20th day of the month following the close of the month in which it
shall be determined that such materials will not be used for the purpose for
which such certificate was issued, TLC charities shall be liable for tax on
all materials purchased for the project, and upon payment thereof it may
recover the same from the contractor together with reasonable attorney
fees. Any contractor or any agent, employee or subcontractor thereof, who
shall use or otherwise dispose of any materials purchased under such a
certificate for any purpose other than that for which such a certificate is
issued without the payment of the sales or compensating tax otherwise
imposed upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in K.S.A.
79-3615(h), and amendments thereto;

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

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

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

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

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

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

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

(hhhh) all sales of tangible personal property or services purchased on or after July 1, 2014, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business identified under the North American industry classification system (NAICS) subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and installation of machinery and equipment purchased for installation at any such business. The exemption provided in this subsection shall not apply to projects that have actual total costs less than $50,000. When a person contracts for the construction, reconstruction, enlargement or remodeling of any such business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to the owner of the business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor of the contractor, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon,
shall be guilty of a misdemeanor and, upon conviction therefor, shall be
subject to the penalties provided for in K.S.A. 79-3615(h), and
amendments thereto;
(iii) all sales of tangible personal property or services purchased by a
contractor for the purpose of constructing, maintaining, repairing,
enlarging, furnishing or remodeling facilities for the operation of services
for Wichita children's home for any such purpose that would be exempt
from taxation under the provisions of this section if purchased directly by
Wichita children's home. Nothing in this subsection shall be deemed to
exempt the purchase of any construction machinery, equipment or tools
used in the constructing, maintaining, repairing, enlarging, furnishing or
remodeling such facilities for Wichita children's home. When Wichita
children's home contracts for the purpose of constructing, maintaining,
repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
from the state and furnish to the contractor an exemption certificate for the
project involved, and the contractor may purchase materials for
incorporation in such project. The contractor shall furnish the number of
such certificate to all suppliers from whom such purchases are made, and
such suppliers shall execute invoices covering the same bearing the
number of such certificate. Upon completion of the project, the contractor
shall furnish to Wichita children's home a sworn statement, on a form to be
provided by the director of taxation, that all purchases so made were
entitled to exemption under this subsection. All invoices shall be held by
the contractor for a period of five years and shall be subject to audit by the
director of taxation. If any materials purchased under such a certificate are
found not to have been incorporated in the building or other project or not
to have been returned for credit or the sales or compensating tax otherwise
imposed upon such materials that will not be so incorporated in the
building or other project reported and paid by such contractor to the
director of taxation not later than the 20th day of the month following the
close of the month in which it shall be determined that such materials will
not be used for the purpose for which such certificate was issued, Wichita
children's home shall be liable for the tax on all materials purchased for the
project, and upon payment, it may recover the same from the contractor
together with reasonable attorney fees. Any contractor or any agent,
employee or subcontractor, who shall use or otherwise dispose of any
materials purchased under such a certificate for any purpose other than that
for which such a certificate is issued without the payment of the sales or
compensating tax otherwise imposed upon such materials, shall be guilty
of a misdemeanor and, upon conviction, shall be subject to the penalties
provided for in K.S.A. 79-3615(h), and amendments thereto;
(jjjj) all sales of tangible personal property or services purchased by
or on behalf of the beacon, inc., that is exempt from federal income
taxation pursuant to section 501(c)(3) of the federal internal revenue code, for the purpose of providing those desiring help with food, shelter, clothing and other necessities of life during times of special need;

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

(llll) all sales of tangible personal property and services purchased by Gove county healthcare endowment foundation, inc., which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of constructing and equipping an airport in Quinter, Kansas, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing and equipping an airport in Quinter, Kansas, for such organization, that would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing or equipping of facilities for such organization. When such organization shall contract for the purpose of constructing or equipping an airport in Quinter, Kansas, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation no later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the
same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. The provisions of this subsection shall expire and have no effect on and after July 1, 2019; and

(all sales of medical cannabis consumer products lawfully dispensed in accordance with the veterans first medical cannabis act.)

Sec. 26. K.S.A. 2018 Supp. 79-5201 is hereby amended to read as follows: 79-5201. As used in this act article 52 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto:

(a) "Marijuana" means any marijuana, whether real or counterfeit, as defined by K.S.A. 2018 Supp. 21-5701, and amendments thereto, which is held, possessed, transported, transferred, sold or offered to be sold in violation of the laws of Kansas;

(b) "Controlled substance" means any drug or substance, whether real or counterfeit, as defined by K.S.A. 2018 Supp. 21-5701, and amendments thereto, which is held, possessed, transported, transferred, sold or offered to be sold in violation of the laws of Kansas. Such term shall not include marijuana;

(e)(b) "dealer" means any person who, in violation of Kansas law, manufactures, produces, ships, transports or imports into Kansas or in any manner acquires or possesses more than 28 grams of marijuana, or more than one gram of any controlled substance, or 10 or more dosage units of any controlled substance which is not sold by weight;

(d)(c) "domestic marijuana plant" means any cannabis plant at any level of growth which is harvested or tended, manicured, irrigated, fertilized or where there is other evidence that it has been treated in any other way in an effort to enhance growth;

(d) "marijuana" means any marijuana, whether real or counterfeit, as defined in K.S.A. 2018 Supp. 21-5701, and amendments thereto, that is held, possessed, transported, transferred, sold or offered to be sold in violation of the laws of Kansas; and

(e) "medical cannabis consumer products" means the same as defined in section 2, and amendments thereto.

Sec. 27. K.S.A. 79-5210 is hereby amended to read as follows: 79-5210. Nothing in this act requires persons registered under article 16 of chapter 65 of the Kansas Statutes Annotated or otherwise lawfully in possession of marijuana— or a controlled substance or medical cannabis consumer products to pay the tax required under this act.

Sec. 28. K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A.
Sec. 29. This act shall take effect and be in force from and after its publication in the statute book.