

**SENATE BILL No. 113**

By Senators Holland, Doll, Faust-Goudeau, Francisco, Haley, Hawk, Miller and  
Pettey

2-6

1 AN ACT concerning health and healthcare; enacting the veterans first  
2 medical cannabis act; relating to medical cannabis; providing for  
3 registration of patients; licensure of medical cannabis grower-  
4 distributors and medical cannabis dispensaries; establishing the  
5 cannabis regulatory commission; taxation of cannabis; amending  
6 K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A. 2017 Supp.  
7 65-1120, as amended by section 5 of chapter 42 of the 2018 Session  
8 Laws of Kansas, and K.S.A. 2018 Supp. 21-5703, 21-5705, 21-5706,  
9 21-5707, 21-5709, 21-5710, 79-3606 and 79-5201 and repealing the  
10 existing sections.  
11

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

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

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

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

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

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

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

34 (e) "Medical cannabis dispensary" means a facility licensed under  
35 section 6, and amendments thereto, to sell medical cannabis consumer

1 products to qualified patients.

2 (f) "Medical cannabis grower-distributor" means a facility licensed  
3 under section 4, and amendments thereto, to cultivate and harvest cannabis  
4 for sale to medical cannabis dispensaries.

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

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

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

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

19 (1) Amyotrophic lateral sclerosis;

20 (2) cancer;

21 (3) Crohn's disease;

22 (4) damage to the nervous tissue of the spinal cord, if the patient has  
23 objective neurological indication of intractable spasticity;

24 (5) epilepsy or any other seizure disorder specified by the board of  
25 pharmacy;

26 (6) glaucoma;

27 (7) hepatitis C virus, if the patient is receiving antiviral treatment;

28 (8) human immunodeficiency virus or acquired immune deficiency  
29 syndrome;

30 (9) Huntington's disease;

31 (10) inclusion body myositis;

32 (11) inflammatory autoimmune-mediated arthritis;

33 (12) intractable nausea or vomiting;

34 (13) multiple sclerosis;

35 (14) obstructive sleep apnea;

36 (15) painful peripheral neuropathy;

37 (16) Parkinson's disease;

38 (17) post-traumatic stress disorder;

39 (18) severe chronic pain;

40 (19) severe anorexia or cachexia;

41 (20) spasmodic torticollis or cervical dystonia;

42 (21) ulcerative colitis;

43 (22) admission into hospice care; or

1 (23) any other medical condition that results in pain, suffering or  
2 debility and for which there is credible evidence satisfactory to the state  
3 board of pharmacy that the medical use of cannabis could benefit, as  
4 specified in rules and regulations adopted by the state board of pharmacy.

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

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

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

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

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

41 (3) A valid caregiver identification card shall authorize the primary  
42 caregiver to possess an adequate supply of medical cannabis consumer  
43 product, or to collectively possess an adequate supply of medical cannabis

1 consumer product with the associated qualified patient, and to acquire, on  
2 behalf of the associated qualified patient, an adequate supply of medical  
3 cannabis consumer product from a medical cannabis dispensary.

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

6 (1) The person's name, date of birth, address and telephone number;

7 (2) any qualifying medical condition for which the patient has a  
8 current diagnosis from a healthcare provider;

9 (3) the name, address and telephone number of the patient's  
10 physician;

11 (4) the name, date of birth, address and telephone number of the  
12 patient's primary caregiver, if any;

13 (5) the written certification issued by the person's healthcare provider;  
14 and

15 (6) any other information required by the department of health and  
16 environment, as specified in rules and regulations adopted by the  
17 department of health and environment.

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

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

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

40 (1) The name, address and date of birth of the qualified patient;

41 (2) the name, address and date of birth of the qualified patient's  
42 primary caregiver, if any;

43 (3) the date of issuance and expiration date of the patient

1 identification card or caregiver identification card; and

2 (4) other information required by the department of health and  
3 environment.

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

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

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

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

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

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

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

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

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

36 New Sec. 4. (a) (1) An individual may apply to the cannabis  
37 regulatory commission for initial or renewed licensure as a medical  
38 cannabis grower-distributor on a form, in a manner and accompanied by an  
39 application fee or renewal fee not to exceed \$15,000 prescribed by the  
40 cannabis regulatory commission. Licensure as a medical cannabis grower-  
41 distributor shall authorize the licensee to cultivate cannabis, to dry  
42 cannabis into dried leaves and flowers for sale or other transfer to a  
43 medical cannabis dispensary and to distribute or transport medical

1 cannabis consumer products to a medical cannabis dispensary in  
2 accordance with and for the purposes set forth in this section, and to  
3 perform other acts deemed necessary and incidental thereto by the  
4 cannabis regulatory commission, as established in rules and regulations  
5 adopted by the cannabis regulatory commission.

6 (2) (A) No individual shall concurrently have an ownership interest in  
7 a medical cannabis grower-distributor and a medical cannabis dispensary.

8 (B) No member of the legislature shall have an ownership interest in  
9 a medical cannabis grower-distributor.

10 (C) No individual who is not in current compliance with any Kansas  
11 tax law administered by the director of taxation of the department of  
12 revenue, any tax, fee or payment administered by the department of labor  
13 or any fee or charge administered by any other state agency shall have an  
14 ownership interest in a medical cannabis grower-distributor.

15 (D) No individual shall concurrently have an ownership interest in  
16 more than one medical cannabis grower distributor.

17 (b) An applicant shall provide the following information and  
18 documentation on an application for licensure as a medical cannabis  
19 grower-distributor:

20 (1) The name, address and telephone number of the applicant;

21 (2) the physical location of any premises that will be operated as a  
22 part of the medical cannabis grower-distributor operations;

23 (3) documentation that the applicant is a resident of the state of  
24 Kansas;

25 (4) the name of each owner of any land, structure or building where  
26 any operations of the medical cannabis grower-distributor will occur or  
27 any motor vehicle that will be used to distribute or transport cannabis or  
28 medical cannabis consumer products and each individual who will  
29 otherwise be involved with the medical cannabis grower-distributor's  
30 operations, whether as an employee or agent; and

31 (5) any other information required by the cannabis regulatory  
32 commission.

33 (c) (1) Each individual working as an employee or agent of a medical  
34 cannabis grower-distributor shall apply for an initial or renewed permit to  
35 engage in such work on a form, in a manner and accompanied by an initial  
36 or renewal permit fee not to exceed \$100 prescribed by the cannabis  
37 regulatory commission.

38 (2) The cannabis regulatory commission shall require any person  
39 working as an employee or agent of a medical cannabis grower-distributor  
40 to be fingerprinted and to submit to a state and national criminal history  
41 record check. The department is authorized to submit the fingerprints to  
42 the Kansas bureau of investigation and the federal bureau of investigation  
43 for a state and national criminal history record check. The department shall

1 use the information obtained from fingerprinting and the state and national  
2 criminal history record check for purposes of verifying the identification  
3 of the person and for making a determination of the qualifications and  
4 fitness of the person to work as an employee or agent of the medical  
5 cannabis grower-distributor.

6 (3) The Kansas bureau of investigation may charge a reasonable fee  
7 to the applicant for fingerprinting and conducting a criminal history record  
8 check.

9 (4) As a condition of licensure as a medical cannabis grower-  
10 distributor, the cannabis regulatory commission shall disqualify any person  
11 from working as an employee or agent of a medical cannabis grower-  
12 distributor if the person has been convicted of any felony violation of  
13 article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments  
14 thereto, or K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their  
15 transfer, any felony violation of the uniform controlled substances act prior  
16 to July 1, 2009, or similar provisions of any other state or the federal  
17 government.

18 (d) Within 60 calendar days of receiving any application pursuant to  
19 this section, the cannabis regulatory commission shall issue a decision to  
20 grant or deny licensure to the applicant as a medical cannabis grower-  
21 distributor.

22 (e) If the cannabis regulatory commission denies initial or renewed  
23 licensure to a medical cannabis grower-distributor, the cannabis regulatory  
24 commission shall refund  $\frac{1}{2}$  of the applicant's application fee or renewal  
25 fee.

26 (f) Licensure as a medical cannabis grower-distributor shall be  
27 effective for a period of two years. If the cannabis regulatory commission  
28 grants initial or renewed licensure to a medical cannabis grower-  
29 distributor, the cannabis regulatory commission shall require the applicant  
30 or licensee to:

31 (1) Pay a licensure fee not to exceed \$90,000; and

32 (2) provide satisfactory evidence that the medical cannabis grower-  
33 distributor has obtained a surety bond in an amount required by the  
34 cannabis regulatory commission based on the size and actual and projected  
35 yield of the medical cannabis grower-distributor operations, the number of  
36 facilities operated by the medical cannabis grower-distributor and other  
37 factors established by the cannabis regulatory commission in rules and  
38 regulations.

39 (g) The cannabis regulatory commission shall remit all moneys from  
40 any fees under this section to the state treasurer in accordance with K.S.A.  
41 75-4215, and amendments thereto. Upon receipt of each such remittance,  
42 the state treasurer shall deposit the entire amount of moneys into the state  
43 treasury to the credit of the medical cannabis harvest fund created by

1 section 8, and amendments thereto.

2 (h) All actions by the cannabis regulatory commission under this  
3 section shall be in accordance with the Kansas administrative procedure  
4 act and reviewable in accordance with the Kansas judicial review act.

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

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

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

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

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

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

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

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

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

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

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



1 New Sec. 6. (a) (1) An individual may apply to the state board of  
2 pharmacy for initial or renewed licensure as a medical cannabis dispensary  
3 on a form, in a manner and accompanied by an application fee or renewal  
4 application fee or renewal fee not to exceed \$5,000 prescribed by the state  
5 board of pharmacy.

6 (2) (A) No individual shall concurrently have an ownership interest in  
7 a medical cannabis harvester facility and a medical cannabis dispensary.

8 (B) No member of the legislature shall have an ownership interest in  
9 a medical cannabis dispensary.

10 (C) No individual who is not in current compliance with any Kansas  
11 tax law administered by the director of taxation of the department of  
12 revenue, any tax, fee or payment administered by the department of labor  
13 or any fee or charge administered by any other state agency shall have an  
14 ownership interest in a medical cannabis grower-distributor.

15 (D) No individual shall concurrently have an ownership interest in  
16 more than two medical cannabis dispensaries.

17 (b) An applicant shall provide the following information and  
18 documentation on an application for licensure as a medical cannabis  
19 dispensary:

20 (1) The name, address and telephone number of the applicant;

21 (2) the physical location of any premises that will be operated as a  
22 facility for the medical cannabis dispensary's operations;

23 (3) documentation that the applicant is a resident of the state of  
24 Kansas;

25 (4) the name of each owner of any land, structure or building where  
26 any operations of the medical cannabis dispensary will occur and each  
27 individual who will otherwise be involved with the medical cannabis  
28 dispensary's operations, whether as an employee or agent; and

29 (5) any other information required by the state board of pharmacy.

30 (c) (1) Each individual working as an employee or agent of a medical  
31 cannabis dispensary shall apply for an initial or renewed permit to engage  
32 in such work on a form, in a manner and accompanied by an initial or  
33 renewal permit fee not to exceed \$100 prescribed by the state board of  
34 pharmacy.

35 (2) The state board of pharmacy shall require any person working as  
36 an employee or agent of a medical cannabis dispensary to be fingerprinted  
37 and to submit to a state and national criminal history record check. The  
38 state board of pharmacy is authorized to submit the fingerprints to the  
39 Kansas bureau of investigation and the federal bureau of investigation for  
40 a state and national criminal history record check. The board shall use the  
41 information obtained from fingerprinting and the state and national  
42 criminal history record check for purposes of verifying the identification  
43 of the person and for making a determination of the qualifications and

1 fitness of the person to work in the medical cannabis dispensary.

2 (3) The Kansas bureau of investigation may charge a reasonable fee  
3 to the applicant for fingerprinting and conducting a criminal history record  
4 check.

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

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

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

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

23 (1) Pay a licensure fee not to exceed \$30,000; and

24 (2) provide satisfactory evidence that the medical cannabis dispensary  
25 has obtained a surety bond in an amount determined by the Kansas  
26 department of agriculture based on the size and actual and projected  
27 amounts of inventory held and sold by the medical cannabis dispensary  
28 and the number of facilities operated by the medical cannabis dispensary.

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

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

38 New Sec. 7. (a) (1) Each medical cannabis dispensary shall make a  
39 monthly report to the state board of pharmacy under oath and on a form  
40 and in a manner prescribed by the state board of pharmacy detailing the  
41 amount of cannabis bought or otherwise transferred from a medical  
42 cannabis grower-distributor, the amount of medical cannabis consumer  
43 product sold to any qualified patient, the amount of any medical cannabis

1 consumer product destroyed during the immediately preceding month and  
2 any other information required by the cannabis regulatory commission.

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

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

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

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

17 New Sec. 8. (a) A tax is hereby imposed upon the privilege of  
18 growing and harvesting medical cannabis in the state of Kansas at a rate of  
19 \$115 per pound or each portion of a pound. For purposes of calculating the  
20 tax, the weight shall be measured by the weight of all medical cannabis  
21 plant material harvested after drying and processing.

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

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

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

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

36 (f) There is hereby established in the state treasury the medical  
37 cannabis harvest fund. The medical cannabis harvest fund shall be  
38 administered by the department of revenue. All expenditures from the  
39 medical cannabis harvest fund shall be used for costs related to medical  
40 cannabis regulation, taxation and enforcement by the department of  
41 revenue. All expenditures from the medical cannabis harvest fund shall be  
42 made in accordance with appropriation acts upon warrants of the director  
43 of accounts and reports issued pursuant to vouchers approved by the

1 director of taxation or the designee of the director. All moneys received by  
2 the director or the designee of the director from taxes imposed by this  
3 section shall be deposited in the state treasury in accordance with the  
4 provisions of K.S.A. 75-4215, and amendments thereto, and shall be  
5 credited to the medical cannabis harvest fund.

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

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

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

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

37 New Sec. 10. The director of taxation shall have the power to require  
38 any medical cannabis grower-distributor or medical cannabis dispensary to  
39 furnish additional information deemed necessary for the purpose of  
40 computing the amount of the taxes due pursuant to this act, and for such  
41 purpose to examine all books, records and files of such persons or entities,  
42 and for such purpose, the director shall have the power to issue subpoenas  
43 and examine witnesses under oath, and if any witness shall fail or refuse to

1 appear at the request of the director, or refuse access to books, records and  
2 files, the district court of the proper county, or the judge thereof, on  
3 application of the director, shall compel obedience by proceedings for  
4 contempt, as in the case of disobedience of the requirements of a subpoena  
5 issued from such court or a refusal to testify therein.

6 New Sec. 11. The provisions of K.S.A. 75-5133, 79-3610, 79-3611,  
7 79-3612, 79-3613, 79-3615 and 79-3617, and amendments thereto,  
8 relating to the assessment, collection, appeal and administration of the  
9 retailers' sales tax, insofar as practical, shall have full force and effect with  
10 respect to taxes, penalties and fines imposed by sections 8 and 9, and  
11 amendments thereto.

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

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

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

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

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

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

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

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

41 (2) Information in the database shall be shared with law enforcement  
42 authorities in a manner prescribed by the Kansas bureau of investigation  
43 for the purpose of verifying the validity of any identification card or

1 license issued in accordance with the veterans first medical cannabis act or  
2 the location of any operations authorized by the veterans first medical  
3 cannabis act.

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

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

12 (1) One member appointed by the speaker of the house of  
13 representatives;

14 (2) one member appointed by the minority leader of the house of  
15 representatives;

16 (3) one member appointed by the president of the senate;

17 (4) one member appointed by the minority leader of the senate;

18 (5) one member appointed by the secretary of health and  
19 environment;

20 (6) one member appointed by the secretary of agriculture;

21 (7) one member appointed by the state board of pharmacy;

22 (8) one member appointed by the secretary of revenue; and

23 (9) one member appointed by the attorney general.

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

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

38 (3) Where circumstances involve possession of medical cannabis  
39 consumer products, the department of health and environment must have  
40 issued a patient identification card or caregiver identification card, the  
41 department of revenue must have issued a license for a medical cannabis  
42 grower-distributor or the state board of pharmacy must have issued a  
43 license for a medical cannabis dispensary authorizing such possession in

1 accordance with the veterans first medical cannabis act for the individual  
2 to be immune from criminal prosecution under this section.

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

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

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

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

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

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

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

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

35 (2) drug severity level 1 felony if:

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

39 (B) the offender has a prior conviction for unlawful manufacturing of  
40 a controlled substance under this section, K.S.A. 65-4159, prior to its  
41 repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or a substantially  
42 similar offense from another jurisdiction and the substance was not  
43 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1) of K.S.A. 65-~~

1 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof, in any  
 2 such prior conviction; and

3 (3) drug severity level 1 felony if the controlled substance is  
 4 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1)~~ of K.S.A. 65-  
 5 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof.

6 (c) The provisions of ~~subsection (d)~~ of K.S.A. 2018 Supp. 21-  
 7 5301(d), and amendments thereto, shall not apply to a violation of  
 8 attempting to unlawfully manufacture any controlled substance or  
 9 controlled substance analog pursuant to this section.

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

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

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

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

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

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

38 (2) any depressant designated in ~~subsection (e)~~ of K.S.A. 65-4105(e),  
 39 ~~subsection (e)~~ of K.S.A. 65-4107(e), ~~subsection (b) or (c)~~ of K.S.A. 65-  
 40 4109(b) or (c) or ~~subsection (b)~~ of K.S.A. 65-4111(b), and amendments  
 41 thereto;

42 (3) any stimulant designated in ~~subsection (f)~~ of K.S.A. 65-4105(f),  
 43 ~~subsection (d)(2), (d)(4), (d)(5) or (f)(2)~~ of K.S.A. 65-4107(d)(2), (d)(4),



1 ~~(d)(5) or (f)(2) or subsection (e) of K.S.A. 65-4109(e), and amendments~~  
2 ~~thereto;~~

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

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

9 (6) any anabolic steroids as defined in ~~subsection (f) of K.S.A. 65-~~  
10 ~~4109(f), and amendments thereto; or~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 (B) drug severity level 3 felony if the quantity of the material was at  
2 least 1 gram but less than 3.5 grams;
- 3 (C) drug severity level 2 felony if the quantity of the material was at  
4 least 3.5 grams but less than 100 grams; and
- 5 (D) drug severity level 1 felony if the quantity of the material was  
6 100 grams or more.
- 7 (4) Violation of subsection (a) with respect to material containing any  
8 quantity of a controlled substance designated in K.S.A. 65-4105, 65-4107,  
9 65-4109 or 65-4111, and amendments thereto, or an analog thereof,  
10 distributed by dosage unit, is a:
- 11 (A) Drug severity level 4 felony if the number of dosage units was  
12 fewer than 10;
- 13 (B) drug severity level 3 felony if the number of dosage units was at  
14 least 10 but less than 100;
- 15 (C) drug severity level 2 felony if the number of dosage units was at  
16 least 100 but less than 1,000; and
- 17 (D) drug severity level 1 felony if the number of dosage units was  
18 1,000 or more.
- 19 (5) For any violation of subsection (a), the severity level of the  
20 offense shall be increased one level if the controlled substance or  
21 controlled substance analog was distributed or possessed with the intent to  
22 distribute on or within 1,000 feet of any school property.
- 23 (6) Violation of subsection (b) is a:
- 24 (A) Class A person misdemeanor, except as provided in ~~subsection~~  
25 ~~(4)(6) subparagraph~~ (B); and
- 26 (B) nondrug severity level 7, person felony if the substance was  
27 distributed to or possessed with the intent to distribute to a minor.
- 28 (7) Violation of subsection (c) is a:
- 29 (A) Drug severity level 3 felony if the number of plants cultivated  
30 was more than 4 but fewer than 50;
- 31 (B) drug severity level 2 felony if the number of plants cultivated was  
32 at least 50 but fewer than 100; and
- 33 (C) drug severity level 1 felony if the number of plants cultivated was  
34 100 or more.
- 35 (e) In any prosecution under this section, there shall be a rebuttable  
36 presumption of an intent to distribute if any person possesses the following  
37 quantities of controlled substances or analogs thereof:
- 38 (1) 450 grams or more of marijuana;
- 39 (2) 3.5 grams or more of heroin or methamphetamine;
- 40 (3) 100 dosage units or more containing a controlled substance; or
- 41 (4) 100 grams or more of any other controlled substance.
- 42 (f) It shall not be a defense to charges arising under this section that  
43 the defendant:

1 (1) Was acting in an agency relationship on behalf of any other party  
2 in a transaction involving a controlled substance or controlled substance  
3 analog;

4 (2) did not know the quantity of the controlled substance or  
5 controlled substance analog; or

6 (3) did not know the specific controlled substance or controlled  
7 substance analog contained in the material that was distributed or  
8 possessed with the intent to distribute.

9 (g) *The provisions of subsections (a)(4) and (5) shall not apply to:*

10 (1) *Any medical cannabis grower-distributor licensed by the*  
11 *department of revenue under section 4, and amendments thereto, or any*  
12 *employee or agent thereof, that is growing cannabis for the purpose of*  
13 *sale to a medical cannabis dispensary as authorized by section 4, and*  
14 *amendments thereto; or*

15 (2) *any medical cannabis dispensary licensed by the state board of*  
16 *pharmacy under section 6, and amendments thereto, or any employee or*  
17 *agent thereof, that is engaging in the transfer of medical cannabis*  
18 *consumer products in a manner authorized by sections 6, and amendments*  
19 *thereto.*

20 (h) As used in this section:

21 (1) "Material" means the total amount of any substance, including a  
22 compound or a mixture, ~~which~~ that contains any quantity of a controlled  
23 substance or controlled substance analog.

24 (2) "Dosage unit" means a controlled substance or controlled  
25 substance analog distributed or possessed with the intent to distribute as a  
26 discrete unit, including but not limited to, one pill, one capsule or one  
27 microdot, and not distributed by weight.

28 (A) For steroids, or controlled substances in liquid solution legally  
29 manufactured for prescription use, or an analog thereof, "dosage unit"  
30 means the smallest medically approved dosage unit, as determined by the  
31 label, materials provided by the manufacturer, a prescribing authority,  
32 licensed health care professional or other qualified health authority.

33 (B) For illegally manufactured controlled substances in liquid  
34 solution, or controlled substances in liquid products not intended for  
35 ingestion by human beings, or an analog thereof, "dosage unit" means 10  
36 milligrams, including the liquid carrier medium, except as provided in  
37 subsection (g)(2)(C).

38 (C) For lysergic acid diethylamide (LSD) in liquid form, or an analog  
39 thereof, a dosage unit is defined as 0.4 milligrams, including the liquid  
40 medium.

41 Sec. 17. K.S.A. 2018 Supp. 21-5706 is hereby amended to read as  
42 follows: 21-5706. (a) It shall be unlawful for any person to possess any  
43 opiates, opium or narcotic drugs, or any stimulant designated in K.S.A. 65-

1 4107(d)(1), (d)(3) or (f)(1), and amendments thereto, or a controlled  
2 substance analog thereof.

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

5 (1) Any depressant designated in K.S.A. 65-4105(e), K.S.A. 65-  
6 4107(e), K.S.A. 65-4109(b) or (c) or K.S.A. 65-4111(b), and amendments  
7 thereto;

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

10 (3) any hallucinogenic drug designated in K.S.A. 65-4105(d), K.S.A.  
11 65-4107(g) or K.S.A. 65-4109(g), and amendments thereto;

12 (4) any substance designated in K.S.A. 65-4105(g) and K.S.A. 65-  
13 4111(c), (d), (e), (f) or (g), and amendments thereto;

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

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

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

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

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

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

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

33 (3) If the substance involved is marijuana, as designated in K.S.A.  
34 65-4105(d), and amendments thereto, or tetrahydrocannabinols, as  
35 designated in K.S.A. 65-4105(h), and amendments thereto, violation of  
36 subsection (b) is a:

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

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

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

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

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

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

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

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

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

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

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

33 (2) in any attempt to commit, any conspiracy to commit, or any  
34 criminal solicitation of any felony under K.S.A. 2018 Supp. 21-5703, 21-  
35 5705 or 21-5706, and amendments thereto. Each separate use of a  
36 communication facility may be charged as a separate offense under this  
37 subsection.

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

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

43 (d) As used in this section, "communication facility" means any and

1 all public and private instrumentalities used or useful in the transmission  
2 of writing, signs, signals, pictures or sounds of all kinds and includes  
3 telephone, wire, radio, computer, computer networks, beepers, pagers and  
4 all other means of communication.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (g) *The provisions of subsection (b) shall not apply to any person*

1 *licensed or authorized by the veterans first medical cannabis act whose*  
 2 *possession of such equipment or material is used solely for the*  
 3 *administration of medical cannabis consumer products in a manner*  
 4 *authorized by the veterans first medical cannabis act.*

5 Sec. 20. K.S.A. 2018 Supp. 21-5710 is hereby amended to read as  
 6 follows: 21-5710. (a) It shall be unlawful for any person to advertise,  
 7 market, label, distribute or possess with the intent to distribute:

8 (1) Any product containing ephedrine, pseudoephedrine, red  
 9 phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia,  
 10 pressurized ammonia or phenylpropanolamine or their salts, isomers or  
 11 salts of isomers if the person knows or reasonably should know that the  
 12 purchaser will use the product to manufacture a controlled substance or  
 13 controlled substance analog; or

14 (2) any product containing ephedrine, pseudoephedrine or  
 15 phenylpropanolamine, or their salts, isomers or salts of isomers for  
 16 indication of stimulation, mental alertness, weight loss, appetite control,  
 17 energy or other indications not approved pursuant to the pertinent federal  
 18 over-the-counter drug final monograph or tentative final monograph or  
 19 approved new drug application.

20 (b) It shall be unlawful for any person to distribute, possess with the  
 21 intent to distribute or manufacture with intent to distribute any drug  
 22 paraphernalia, knowing or under circumstances where one reasonably  
 23 should know that it will be used to manufacture or distribute a controlled  
 24 substance or controlled substance analog in violation of K.S.A. 2018 Supp.  
 25 21-5701 through 21-5717, and amendments thereto.

26 (c) It shall be unlawful for any person to distribute, possess with  
 27 intent to distribute or manufacture with intent to distribute any drug  
 28 paraphernalia, knowing or under circumstances where one reasonably  
 29 should know, that it will be used as such in violation of K.S.A. 2018 Supp.  
 30 21-5701 through 21-5717, and amendments thereto, ~~except subsection (b)~~  
 31 ~~of K.S.A. 2018 Supp. 21-5706(b)~~, and amendments thereto.

32 (d) It shall be unlawful for any person to distribute, possess with  
 33 intent to distribute or manufacture with intent to distribute any drug  
 34 paraphernalia, knowing, or under circumstances where one reasonably  
 35 should know, that it will be used as such in violation of ~~subsection (b)~~ of  
 36 K.S.A. 2018 Supp. 21-5706(b), and amendments thereto.

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

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

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

41 (B) drug severity level 4 felony if the trier of fact makes a finding that  
 42 the offender distributed or caused drug paraphernalia to be distributed to a  
 43 minor or on or within 1,000 feet of any school property;

1 (3) violation of subsection (c) is a:

2 (A) Nondrug severity level 9, nonperson felony, except as provided in  
3 subsection (e)(3)(B); and

4 (B) drug severity level 5 felony if the trier of fact makes a finding that  
5 the offender distributed or caused drug paraphernalia to be distributed to a  
6 minor or on or within 1,000 feet of any school property; and

7 (4) violation of subsection (d) is a:

8 (A) Class A nonperson misdemeanor, except as provided in  
9 subsection (e)(4)(B); and

10 (B) nondrug severity level 9, nonperson felony if the trier of fact  
11 makes a finding that the offender distributed or caused drug paraphernalia  
12 to be distributed to a minor or on or within 1,000 feet of any school  
13 property.

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

21 (g) *The provisions of subsection (c) shall not apply to any person*  
22 *licensed or authorized by the veterans first medical cannabis act whose*  
23 *distribution or manufacture is used solely for medical cannabis consumer*  
24 *product in a manner authorized by the veterans first medical cannabis act.*

25 (h) As used in this section, "or under circumstances where one  
26 reasonably should know" that an item will be used in violation of this  
27 section, shall include, but not be limited to, the following:

28 (1) Actual knowledge from prior experience or statements by  
29 customers;

30 (2) inappropriate or impractical design for alleged legitimate use;

31 (3) receipt of packaging material, advertising information or other  
32 manufacturer supplied information regarding the item's use as drug  
33 paraphernalia; or

34 (4) receipt of a written warning from a law enforcement or  
35 prosecutorial agency having jurisdiction that the item has been previously  
36 determined to have been designed specifically for use as drug  
37 paraphernalia.

38 Sec. 21. K.S.A. 2017 Supp. 65-1120, as amended by section 5 of  
39 chapter 42 of the 2018 Session Laws of Kansas, is hereby amended to read  
40 as follows: 65-1120. (a) *Grounds for disciplinary actions.* The board may  
41 deny, revoke, limit or suspend any license or authorization to practice  
42 nursing as a registered professional nurse, as a licensed practical nurse, as  
43 an advanced practice registered nurse or as a registered nurse anesthetist



1 that is issued by the board or applied for under this act, or may require the  
2 licensee to attend a specific number of hours of continuing education in  
3 addition to any hours the licensee may already be required to attend or  
4 may publicly or privately censure a licensee or holder of a temporary  
5 permit or authorization, if the applicant, licensee or holder of a temporary  
6 permit or authorization is found after hearing:

7 (1) To be guilty of fraud or deceit in practicing nursing or in  
8 procuring or attempting to procure a license to practice nursing;

9 (2) to have been guilty of a felony or to have been guilty of a  
10 misdemeanor involving an illegal drug offense unless the applicant or  
11 licensee establishes sufficient rehabilitation to warrant the public trust,  
12 except that notwithstanding K.S.A. 74-120, and amendments thereto, no  
13 license or authorization to practice nursing as a licensed professional  
14 nurse, as a licensed practical nurse, as an advanced practice registered  
15 nurse or registered nurse anesthetist shall be granted to a person with a  
16 felony conviction for a crime against persons as specified in article 34 of  
17 chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article  
18 54 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. ~~2017~~ 2018  
19 Supp. 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

20 (3) has been convicted or found guilty or has entered into an agreed  
21 disposition of a misdemeanor offense related to the practice of nursing as  
22 determined on a case-by-case basis;

23 (4) to have committed an act of professional incompetency as defined  
24 in subsection (e);

25 (5) to be unable to practice with skill and safety due to current abuse  
26 of drugs or alcohol;

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

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

32 (8) to have willfully or repeatedly violated the provisions of the  
33 Kansas nurse practice act or any rules and regulations adopted pursuant to  
34 that act, including K.S.A. 65-1114 and 65-1122, and amendments thereto;

35 (9) to have a license to practice nursing as a registered nurse or as a  
36 practical nurse denied, revoked, limited or suspended, or to be publicly or  
37 privately censured, by a licensing authority of another state, agency of the  
38 United States government, territory of the United States or country or to  
39 have other disciplinary action taken against the applicant or licensee by a  
40 licensing authority of another state, agency of the United States  
41 government, territory of the United States or country. A certified copy of  
42 the record or order of public or private censure, denial, suspension,  
43 limitation, revocation or other disciplinary action of the licensing authority

1 of another state, agency of the United States government, territory of the  
 2 United States or country shall constitute prima facie evidence of such a  
 3 fact for purposes of this paragraph (9); or

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

7 (A) A copy of the record of criminal conviction or plea of guilty for a  
 8 felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. ~~2017~~  
 9 2018 Supp. 21-5407, and amendments thereto.

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

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

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

25 (c) *Witnesses.* No person shall be excused from testifying in any  
 26 proceedings before the board under this act or in any civil proceedings  
 27 under this act before a court of competent jurisdiction on the ground that  
 28 such testimony may incriminate the person testifying, but such testimony  
 29 shall not be used against the person for the prosecution of any crime under  
 30 the laws of this state except the crime of perjury as defined in K.S.A. ~~2017~~  
 31 2018 Supp. 21-5903, and amendments thereto.

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

43 (e) *Professional incompetency defined.* As used in this section,

1 "professional incompetency" means:

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

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

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

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

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

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

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

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

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

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

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

35 Sec. 22. K.S.A. 65-2836 is hereby amended to read as follows: 65-  
36 2836. (a) A licensee's license may be revoked, suspended or limited, or the  
37 licensee may be publicly censured or placed under probationary  
38 conditions, or an application for a license or for reinstatement of a license  
39 may be denied upon a finding of the existence of any of the following  
40 grounds:

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

43 ~~(b)~~(2) The licensee has committed an act of unprofessional or

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

8 ~~(e)~~(3) The licensee has been convicted of a felony or class A  
9 misdemeanor, or substantially similar offense in another jurisdiction,  
10 whether or not related to the practice of the healing arts. The licensee has  
11 been convicted in a special or general court-martial, whether or not related  
12 to the practice of the healing arts. The board shall revoke a licensee's  
13 license following conviction of a felony or substantially similar offense in  
14 another jurisdiction, or following conviction in a general court-martial  
15 occurring after July 1, 2000, unless a  $\frac{2}{3}$  majority of the board members  
16 present and voting determine by clear and convincing evidence that such  
17 licensee will not pose a threat to the public in such person's capacity as a  
18 licensee and that such person has been sufficiently rehabilitated to warrant  
19 the public trust. In the case of a person who has been convicted of a felony  
20 or convicted in a general court-martial and who applies for an original  
21 license or to reinstate a canceled license, the application for a license shall  
22 be denied unless a  $\frac{2}{3}$  majority of the board members present and voting on  
23 such application determine by clear and convincing evidence that such  
24 person will not pose a threat to the public in such person's capacity as a  
25 licensee and that such person has been sufficiently rehabilitated to warrant  
26 the public trust.

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

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

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

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

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

43 ~~(i)~~(9) The licensee's ability to practice the healing arts with

1 reasonable skill and safety to patients is impaired by reason of physical or  
2 mental illness, or condition or use of alcohol, drugs or controlled  
3 substances. All information, reports, findings and other records relating to  
4 impairment shall be confidential and not subject to discovery by or release  
5 to any person or entity outside of a board proceeding.

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

11 ~~(k)~~(11) The licensee has violated any lawful rule and regulation  
12 promulgated by the board or violated any lawful order or directive of the  
13 board previously entered by the board.

14 ~~(l)~~(12) The licensee has failed to report or reveal the knowledge  
15 required to be reported or revealed under K.S.A. 65-28,122, and  
16 amendments thereto.

17 ~~(m)~~(13) The licensee, if licensed to practice medicine and surgery,  
18 has failed to inform in writing a patient suffering from any form of  
19 abnormality of the breast tissue for which surgery is a recommended form  
20 of treatment, of alternative methods of treatment recognized by licensees  
21 of the same profession in the same or similar communities as being  
22 acceptable under like conditions and circumstances.

23 ~~(n)~~(14) The licensee has cheated on or attempted to subvert the  
24 validity of the examination for a license.

25 ~~(o)~~(15) The licensee has been found to be mentally ill, disabled, not  
26 guilty by reason of insanity, not guilty because the licensee suffers from a  
27 mental disease or defect or incompetent to stand trial by a court of  
28 competent jurisdiction.

29 ~~(p)~~(16) The licensee has prescribed, sold, administered, distributed or  
30 given a controlled substance to any person for other than medically  
31 accepted or lawful purposes.

32 ~~(q)~~(17) The licensee has violated a federal law or regulation relating  
33 to controlled substances.

34 ~~(r)~~(18) The licensee has failed to furnish the board, or its investigators  
35 or representatives, any information legally requested by the board.

36 ~~(s)~~(19) Sanctions or disciplinary actions have been taken against the  
37 licensee by a peer review committee, health care facility, a governmental  
38 agency or department or a professional association or society for acts or  
39 conduct similar to acts or conduct ~~which~~ *that* would constitute grounds for  
40 disciplinary action under this section.

41 ~~(t)~~(20) The licensee has failed to report to the board any adverse  
42 action taken against the licensee by another state or licensing jurisdiction,  
43 a peer review body, a health care facility, a professional association or

1 society, a governmental agency, by a law enforcement agency or a court  
2 for acts or conduct similar to acts or conduct ~~which that~~ would constitute  
3 grounds for disciplinary action under this section.

4 ~~(t)~~(21) The licensee has surrendered a license or authorization to  
5 practice the healing arts in another state or jurisdiction, has surrendered the  
6 authority to utilize controlled substances issued by any state or federal  
7 agency, has agreed to a limitation to or restriction of privileges at any  
8 medical care facility or has surrendered the licensee's membership on any  
9 professional staff or in any professional association or society while under  
10 investigation for acts or conduct similar to acts or conduct ~~which that~~  
11 would constitute grounds for disciplinary action under this section.

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

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

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

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

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

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

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

39 ~~(cc)~~(29) The licensee has assisted suicide in violation of K.S.A. 21-  
40 3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments  
41 thereto, as established by any of the following:

42 ~~(1)~~(A) A copy of the record of criminal conviction or plea of guilty  
43 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.

1 2018 Supp. 21-5407, and amendments thereto.

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

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

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

10 ~~(ee)~~(40) The licensee has knowingly or negligently abandoned  
11 medical records.

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

15 *(1) The physician, after diagnosing a patient with a qualifying*  
16 *medical condition or after knowing that a patient has been validly*  
17 *diagnosed with a qualifying medical condition by a healthcare provider:*

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

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

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

25 *(2) the physician uses or has used medical cannabis consumer*  
26 *products in accordance with the veterans first medical cannabis act; or*

27 *(3) the physician acts or has acted as a patient's primary caregiver in*  
28 *accordance with the veterans first medical cannabis act.*

29 Sec. 23. K.S.A. 65-28a05 is hereby amended to read as follows: 65-  
30 28a05. *(a)* A licensee's license may be revoked, suspended or limited, or  
31 the licensee may be publicly or privately censured, or an application for a  
32 license or for reinstatement of a license may be denied upon a finding of  
33 the existence of any of the following grounds:

34 ~~(a)~~(1) The licensee has committed an act of unprofessional conduct as  
35 defined by rules and regulations adopted by the board;

36 ~~(b)~~(2) the licensee has obtained a license by means of fraud,  
37 misrepresentations or concealment of material facts;

38 ~~(c)~~(3) the licensee has committed an act of professional incompetency  
39 as defined by rules and regulations adopted by the board;

40 ~~(d)~~(4) the licensee has been convicted of a felony;

41 ~~(e)~~(5) the licensee has violated any provision of this act, and  
42 amendments thereto;

43 ~~(f)~~(6) the licensee has violated any lawful order or rule and regulation

1 of the board;

2 ~~(g)~~(7) the licensee has been found to be mentally ill, disabled, not  
3 guilty by reason of insanity, not guilty because the licensee suffers from a  
4 mental disease or defect or is incompetent to stand trial by a court of  
5 competent jurisdiction;

6 ~~(h)~~(8) the licensee has violated a federal law or regulation relating to  
7 controlled substances;

8 ~~(i)~~(9) the licensee has failed to report to the board any adverse action  
9 taken against the licensee by another state or licensing jurisdiction, a peer  
10 review body, a health care facility, a professional association or society, a  
11 governmental agency, by a law enforcement agency or a court for acts or  
12 conduct similar to acts or conduct ~~which~~ *that* would constitute grounds for  
13 disciplinary action under this section;

14 ~~(j)~~(10) the licensee has surrendered a license or authorization to  
15 practice as a physician assistant in another state or jurisdiction, has  
16 surrendered the authority to utilize controlled substances issued by any  
17 state or federal agency, has agreed to a limitation to or restriction of  
18 privileges at any medical care facility or has surrendered the licensee's  
19 membership on any professional staff or in any professional association or  
20 society while under investigation for acts or conduct similar to acts or  
21 conduct ~~which~~ *that* would constitute grounds for disciplinary action under  
22 this section;

23 ~~(k)~~(11) the licensee has failed to report to the board the surrender of  
24 the licensee's license or authorization to practice as a physician assistant in  
25 another state or jurisdiction or the surrender of the licensee's membership  
26 on any professional staff or in any professional association or society  
27 while under investigation for acts or conduct similar to acts or conduct  
28 ~~which~~ *that* would constitute grounds for disciplinary action under this  
29 section;

30 ~~(l)~~(12) the licensee has an adverse judgment, award or settlement  
31 against the licensee resulting from a medical liability claim related to acts  
32 or conduct similar to acts or conduct ~~which~~ *that* would constitute grounds  
33 for disciplinary action under this section;

34 ~~(m)~~(13) the licensee has failed to report to the board any adverse  
35 judgment, settlement or award against the licensee resulting from a  
36 medical malpractice liability claim related to acts or conduct similar to acts  
37 or conduct ~~which~~ *that* would constitute grounds for disciplinary action  
38 under this section;

39 ~~(n)~~(14) the licensee's ability to practice with reasonable skill and  
40 safety to patients is impaired by reason of physical or mental illness, or  
41 condition or use of alcohol, drugs or controlled substances. All  
42 information, reports, findings and other records relating to impairment  
43 shall be confidential and not subject to discovery by or release to any



- 1 person or entity outside of a board proceeding;
- 2 ~~(15)~~ the licensee has exceeded or has acted outside the scope of  
 3 authority given the physician assistant by the supervising physician or by  
 4 this act; or
- 5 ~~(16)~~ the licensee has assisted suicide in violation of K.S.A. 21-  
 6 3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments  
 7 thereto, as established by any of the following:
- 8 ~~(A)~~ A copy of the record of criminal conviction or plea of guilty  
 9 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.  
 10 2018 Supp. 21-5407, and amendments thereto.
- 11 ~~(B)~~ A copy of the record of a judgment of contempt of court for  
 12 violating an injunction issued under K.S.A. 60-4404, and amendments  
 13 thereto.
- 14 ~~(C)~~ A copy of the record of a judgment assessing damages under  
 15 K.S.A. 60-4405, and amendments thereto.
- 16 *(b) The board shall not revoke, suspend or limit a physician  
 17 assistant's license, publicly or privately censure a physician assistant or  
 18 deny an application for a license or for reinstatement of a license upon  
 19 any of the following:*
- 20 *(1) The physician assistant, after diagnosing a patient with a  
 21 qualifying medical condition or after knowing that a patient has been  
 22 validly diagnosed with a qualifying medical condition by a healthcare  
 23 provider:*
- 24 *(A) Advised the patient about the possible benefits and risks of using  
 25 medical cannabis consumer products;*
- 26 *(B) advised the patient that using medical cannabis consumer  
 27 products may mitigate the symptoms of the patient's qualifying medical  
 28 condition; or*
- 29 *(C) issued to the patient a valid, written certification in accordance  
 30 with section 3, and amendments thereto;*
- 31 *(2) the physician assistant uses or has used medical cannabis  
 32 consumer products in accordance with the veterans first medical cannabis  
 33 act; or*
- 34 *(3) the physician assistant acts or has acted as a person's primary  
 35 caregiver in accordance with the veterans first medical cannabis act.*
- 36 Sec. 24. K.S.A. 65-28b08 is hereby amended to read as follows: 65-  
 37 28b08. (a) The board may deny, revoke, limit or suspend any license or  
 38 authorization issued to a certified nurse-midwife to engage in the  
 39 independent practice of midwifery that is issued by the board or applied  
 40 for under this act, or may publicly censure a licensee or holder of a  
 41 temporary permit or authorization, if the applicant or licensee is found  
 42 after a hearing:
- 43 (1) To be guilty of fraud or deceit while engaging in the independent

1 practice of midwifery or in procuring or attempting to procure a license to  
2 engage in the independent practice of midwifery;

3 (2) to have been found guilty of a felony or to have been found guilty  
4 of a misdemeanor involving an illegal drug offense unless the applicant or  
5 licensee establishes sufficient rehabilitation to warrant the public trust,  
6 except that notwithstanding K.S.A. 74-120, and amendments thereto, no  
7 license or authorization to practice and engage in the independent practice  
8 of midwifery shall be granted to a person with a felony conviction for a  
9 crime against persons as specified in article 34 of chapter 21 of the Kansas  
10 Statutes Annotated, prior to its repeal, or article 54 of chapter 21 of the  
11 Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2018 Supp.  
12 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

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

15 (4) to be unable to practice the healing arts with reasonable skill and  
16 safety by reason of impairment due to physical or mental illness or  
17 condition or use of alcohol, drugs or controlled substances. All  
18 information, reports, findings and other records relating to impairment  
19 shall be confidential and not subject to discovery or release to any person  
20 or entity outside of a board proceeding. The provisions of this paragraph  
21 providing confidentiality of records shall expire on July 1, 2022, unless the  
22 legislature reviews and reenacts such provisions pursuant to K.S.A. 45-  
23 229, and amendments thereto, prior to July 1, 2022;

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

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

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

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

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

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

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

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

12 (b) No person shall be excused from testifying in any proceedings  
13 before the board under this act or in any civil proceedings under this act  
14 before a court of competent jurisdiction on the ground that such testimony  
15 may incriminate the person testifying, but such testimony shall not be used  
16 against the person for the prosecution of any crime under the laws of this  
17 state, except the crime of perjury as defined in K.S.A. 2018 Supp. 21-  
18 5903, and amendments thereto.

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

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

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

26 (3) a pattern of practice or other behavior ~~which~~ *that* demonstrates a  
27 manifest incapacity or incompetence to engage in the independent practice  
28 of midwifery.

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

34 (e) ~~The provisions of this section shall become effective on January 1,~~  
35 ~~2017. The board shall not deny, revoke, limit or suspend any license or~~  
36 ~~authorization issued to a certified nurse-midwife or publicly censure a~~  
37 ~~certified nurse-midwife upon any of the following:~~

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

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

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

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

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

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

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

15       (a) All sales of motor-vehicle fuel or other articles upon which a sales  
16 or excise tax has been paid, not subject to refund, under the laws of this  
17 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
18 3301, and amendments thereto, including consumable material for such  
19 electronic cigarettes, cereal malt beverages and malt products as defined  
20 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
21 malt syrup and malt extract, that is not subject to taxation under the  
22 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
23 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
24 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
25 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
26 thereto, and gross receipts from regulated sports contests taxed pursuant to  
27 the Kansas professional regulated sports act, and amendments thereto;

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

42       (c) all sales of tangible personal property or services, including the  
43 renting and leasing of tangible personal property, purchased directly by a

1 public or private elementary or secondary school or public or private  
2 nonprofit educational institution and used primarily by such school or  
3 institution for nonsectarian programs and activities provided or sponsored  
4 by such school or institution or in the erection, repair or enlargement of  
5 buildings to be used for such purposes. The exemption herein provided  
6 shall not apply to erection, construction, repair, enlargement or equipment  
7 of buildings used primarily for human habitation;

8 (d) all sales of tangible personal property or services purchased by a  
9 contractor for the purpose of constructing, equipping, reconstructing,  
10 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
11 any public or private nonprofit hospital or public hospital authority, public  
12 or private elementary or secondary school, a public or private nonprofit  
13 educational institution, state correctional institution including a privately  
14 constructed correctional institution contracted for state use and ownership,  
15 that would be exempt from taxation under the provisions of this act if  
16 purchased directly by such hospital or public hospital authority, school,  
17 educational institution or a state correctional institution; and all sales of  
18 tangible personal property or services purchased by a contractor for the  
19 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
20 enlarging, furnishing or remodeling facilities for any political subdivision  
21 of the state or district described in subsection (s), the total cost of which is  
22 paid from funds of such political subdivision or district and that would be  
23 exempt from taxation under the provisions of this act if purchased directly  
24 by such political subdivision or district. Nothing in this subsection or in  
25 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
26 deemed to exempt the purchase of any construction machinery, equipment  
27 or tools used in the constructing, equipping, reconstructing, maintaining,  
28 repairing, enlarging, furnishing or remodeling facilities for any political  
29 subdivision of the state or any such district. As used in this subsection,  
30 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
31 political subdivision" shall mean general tax revenues, the proceeds of any  
32 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
33 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
34 furnishing or remodeling facilities that are to be leased to the donor. When  
35 any political subdivision of the state, district described in subsection (s),  
36 public or private nonprofit hospital or public hospital authority, public or  
37 private elementary or secondary school, public or private nonprofit  
38 educational institution, state correctional institution including a privately  
39 constructed correctional institution contracted for state use and ownership  
40 shall contract for the purpose of constructing, equipping, reconstructing,  
41 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
42 shall obtain from the state and furnish to the contractor an exemption  
43 certificate for the project involved, and the contractor may purchase

1 materials for incorporation in such project. The contractor shall furnish the  
2 number of such certificate to all suppliers from whom such purchases are  
3 made, and such suppliers shall execute invoices covering the same bearing  
4 the number of such certificate. Upon completion of the project the  
5 contractor shall furnish to the political subdivision, district described in  
6 subsection (s), hospital or public hospital authority, school, educational  
7 institution or department of corrections concerned a sworn statement, on a  
8 form to be provided by the director of taxation, that all purchases so made  
9 were entitled to exemption under this subsection. As an alternative to the  
10 foregoing procedure, any such contracting entity may apply to the  
11 secretary of revenue for agent status for the sole purpose of issuing and  
12 furnishing project exemption certificates to contractors pursuant to rules  
13 and regulations adopted by the secretary establishing conditions and  
14 standards for the granting and maintaining of such status. All invoices  
15 shall be held by the contractor for a period of five years and shall be  
16 subject to audit by the director of taxation. If any materials purchased  
17 under such a certificate are found not to have been incorporated in the  
18 building or other project or not to have been returned for credit or the sales  
19 or compensating tax otherwise imposed upon such materials that will not  
20 be so incorporated in the building or other project reported and paid by  
21 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
22 month following the close of the month in which it shall be determined  
23 that such materials will not be used for the purpose for which such  
24 certificate was issued, the political subdivision, district described in  
25 subsection (s), hospital or public hospital authority, school, educational  
26 institution or the contractor contracting with the department of corrections  
27 for a correctional institution concerned shall be liable for tax on all  
28 materials purchased for the project, and upon payment thereof it may  
29 recover the same from the contractor together with reasonable attorney  
30 fees. Any contractor or any agent, employee or subcontractor thereof, who  
31 shall use or otherwise dispose of any materials purchased under such a  
32 certificate for any purpose other than that for which such a certificate is  
33 issued without the payment of the sales or compensating tax otherwise  
34 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
35 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
36 79-3615(h), and amendments thereto;

37 (e) all sales of tangible personal property or services purchased by a  
38 contractor for the erection, repair or enlargement of buildings or other  
39 projects for the government of the United States, its agencies or  
40 instrumentalities, that would be exempt from taxation if purchased directly  
41 by the government of the United States, its agencies or instrumentalities.  
42 When the government of the United States, its agencies or  
43 instrumentalities shall contract for the erection, repair, or enlargement of

1 any building or other project, it shall obtain from the state and furnish to  
2 the contractor an exemption certificate for the project involved, and the  
3 contractor may purchase materials for incorporation in such project. The  
4 contractor shall furnish the number of such certificates to all suppliers  
5 from whom such purchases are made, and such suppliers shall execute  
6 invoices covering the same bearing the number of such certificate. Upon  
7 completion of the project the contractor shall furnish to the government of  
8 the United States, its agencies or instrumentalities concerned a sworn  
9 statement, on a form to be provided by the director of taxation, that all  
10 purchases so made were entitled to exemption under this subsection. As an  
11 alternative to the foregoing procedure, any such contracting entity may  
12 apply to the secretary of revenue for agent status for the sole purpose of  
13 issuing and furnishing project exemption certificates to contractors  
14 pursuant to rules and regulations adopted by the secretary establishing  
15 conditions and standards for the granting and maintaining of such status.  
16 All invoices shall be held by the contractor for a period of five years and  
17 shall be subject to audit by the director of taxation. Any contractor or any  
18 agent, employee or subcontractor thereof, who shall use or otherwise  
19 dispose of any materials purchased under such a certificate for any purpose  
20 other than that for which such a certificate is issued without the payment  
21 of the sales or compensating tax otherwise imposed upon such materials,  
22 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
23 subject to the penalties provided for in K.S.A. 79-3615(h), and  
24 amendments thereto;

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

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

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

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

41 (j) meals served without charge or food used in the preparation of  
42 such meals to employees of any restaurant, eating house, dining car, hotel,  
43 drugstore or other place where meals or drinks are regularly sold to the

1 public if such employees' duties are related to the furnishing or sale of  
2 such meals or drinks;

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

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

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

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

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

38 (p) all sales of drugs dispensed pursuant to a prescription order by a  
39 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
40 1626, and amendments thereto. As used in this subsection, "drug" means a  
41 compound, substance or preparation and any component of a compound,  
42 substance or preparation, other than food and food ingredients, dietary  
43 supplements or alcoholic beverages, recognized in the official United



1 States pharmacopeia, official homeopathic pharmacopoeia of the United  
2 States or official national formulary, and supplement to any of them,  
3 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
4 of disease or intended to affect the structure or any function of the body,  
5 except that for taxable years commencing after December 31, 2013, this  
6 subsection shall not apply to any sales of drugs used in the performance or  
7 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
8 thereto;

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

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

32 (s) except as provided in K.S.A. 2018 Supp. 82a-2101, and  
33 amendments thereto, all sales of tangible personal property or services  
34 purchased directly or indirectly by a groundwater management district  
35 organized or operating under the authority of K.S.A. 82a-1020 et seq., and  
36 amendments thereto, by a rural water district organized or operating under  
37 the authority of K.S.A. 82a-612, and amendments thereto, or by a water  
38 supply district organized or operating under the authority of K.S.A. 19-  
39 3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which  
40 property or services are used in the construction activities, operation or  
41 maintenance of the district;

42 (t) all sales of farm machinery and equipment or aquaculture  
43 machinery and equipment, repair and replacement parts therefor and

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

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

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

41 (w) all sales of natural gas, electricity, heat and water delivered  
42 through mains, lines or pipes: (1) To residential premises for  
43 noncommercial use by the occupant of such premises; (2) for agricultural

1 use and also, for such use, all sales of propane gas; (3) for use in the  
2 severing of oil; and (4) to any property which is exempt from property  
3 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this  
4 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
5 and amendments thereto. For all sales of natural gas, electricity and heat  
6 delivered through mains, lines or pipes pursuant to the provisions of  
7 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
8 on December 31, 2005;

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

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

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

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

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

30 (cc) all sales of tangible personal property or services purchased prior  
31 to January 1, 2012, except as otherwise provided, for the purpose of and in  
32 conjunction with constructing, reconstructing, enlarging or remodeling a  
33 business or retail business that meets the requirements established in  
34 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
35 machinery and equipment purchased for installation at any such business  
36 or retail business, and all sales of tangible personal property or services  
37 purchased on or after January 1, 2012, for the purpose of and in  
38 conjunction with constructing, reconstructing, enlarging or remodeling a  
39 business that meets the requirements established in K.S.A. 74-50,115(e),  
40 and amendments thereto, and the sale and installation of machinery and  
41 equipment purchased for installation at any such business. When a person  
42 shall contract for the construction, reconstruction, enlargement or  
43 remodeling of any such business or retail business, such person shall

1 obtain from the state and furnish to the contractor an exemption certificate  
2 for the project involved, and the contractor may purchase materials,  
3 machinery and equipment for incorporation in such project. The contractor  
4 shall furnish the number of such certificates to all suppliers from whom  
5 such purchases are made, and such suppliers shall execute invoices  
6 covering the same bearing the number of such certificate. Upon  
7 completion of the project the contractor shall furnish to the owner of the  
8 business or retail business a sworn statement, on a form to be provided by  
9 the director of taxation, that all purchases so made were entitled to  
10 exemption under this subsection. All invoices shall be held by the  
11 contractor for a period of five years and shall be subject to audit by the  
12 director of taxation. Any contractor or any agent, employee or  
13 subcontractor thereof, who shall use or otherwise dispose of any materials,  
14 machinery or equipment purchased under such a certificate for any  
15 purpose other than that for which such a certificate is issued without the  
16 payment of the sales or compensating tax otherwise imposed thereon, shall  
17 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
18 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
19 thereto. As used in this subsection, "business" and "retail business" mean  
20 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
21 exemption certificates that have been previously issued under this  
22 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
23 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
24 amendments thereto, prior to January 1, 2012, and have not expired will be  
25 effective for the term of the project or two years from the effective date of  
26 the certificate, whichever occurs earlier. Project exemption certificates that  
27 are submitted to the department of revenue prior to January 1, 2012, and  
28 are found to qualify will be issued a project exemption certificate that will  
29 be effective for a two-year period or for the term of the project, whichever  
30 occurs earlier;

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

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

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

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

43 (hh) all sales of medical supplies and equipment, including durable

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

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

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

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

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

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

41 (2) For purposes of this subsection:

42 (A) "Integrated production operation" means an integrated series of  
43 operations engaged in at a manufacturing or processing plant or facility to

1 process, transform or convert tangible personal property by physical,  
2 chemical or other means into a different form, composition or character  
3 from that in which it originally existed. Integrated production operations  
4 shall include: (i) Production line operations, including packaging  
5 operations; (ii) preproduction operations to handle, store and treat raw  
6 materials; (iii) post production handling, storage, warehousing and  
7 distribution operations; and (iv) waste, pollution and environmental  
8 control operations, if any;

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

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

23 (D) "manufacturing or processing business" means a business that  
24 utilizes an integrated production operation to manufacture, process,  
25 fabricate, finish or assemble items for wholesale and retail distribution as  
26 part of what is commonly regarded by the general public as an industrial  
27 manufacturing or processing operation or an agricultural commodity  
28 processing operation. (i) Industrial manufacturing or processing operations  
29 include, by way of illustration but not of limitation, the fabrication of  
30 automobiles, airplanes, machinery or transportation equipment, the  
31 fabrication of metal, plastic, wood or paper products, electricity power  
32 generation, water treatment, petroleum refining, chemical production,  
33 wholesale bottling, newspaper printing, ready mixed concrete production,  
34 and the remanufacturing of used parts for wholesale or retail sale. Such  
35 processing operations shall include operations at an oil well, gas well,  
36 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
37 sand or gravel that has been extracted from the earth is cleaned, separated,  
38 crushed, ground, milled, screened, washed or otherwise treated or prepared  
39 before its transmission to a refinery or before any other wholesale or retail  
40 distribution. (ii) Agricultural commodity processing operations include, by  
41 way of illustration but not of limitation, meat packing, poultry slaughtering  
42 and dressing, processing and packaging farm and dairy products in sealed  
43 containers for wholesale and retail distribution, feed grinding, grain

1 milling, frozen food processing, and grain handling, cleaning, blending,  
2 fumigation, drying and aeration operations engaged in by grain elevators  
3 or other grain storage facilities. (iii) Manufacturing or processing  
4 businesses do not include, by way of illustration but not of limitation,  
5 nonindustrial businesses whose operations are primarily retail and that  
6 produce or process tangible personal property as an incidental part of  
7 conducting the retail business, such as retailers who bake, cook or prepare  
8 food products in the regular course of their retail trade, grocery stores,  
9 meat lockers and meat markets that butcher or dress livestock or poultry in  
10 the regular course of their retail trade, contractors who alter, service, repair  
11 or improve real property, and retail businesses that clean, service or  
12 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

42 (G) to produce energy for, lubricate, control the operating of or  
43 otherwise enable the functioning of other production machinery and

1 equipment and the continuation of production operations;

2 (H) to package the property being manufactured or processed in a  
3 container or wrapping in which such property is normally sold or  
4 transported;

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

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

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

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

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

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



1 from the time a reclamation plan is filed to the acceptance of the  
2 completed final site reclamation.

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

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

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

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

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

21 (E) furniture and other furnishings;

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

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

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

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

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

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

43 (7) The secretary of revenue shall adopt rules and regulations

1 necessary to administer the provisions of this subsection;

2 (ll) all sales of educational materials purchased for distribution to the  
3 public at no charge by a nonprofit corporation organized for the purpose of  
4 encouraging, fostering and conducting programs for the improvement of  
5 public health, except that for taxable years commencing after December  
6 31, 2013, this subsection shall not apply to any sales of such materials  
7 purchased by a nonprofit corporation which performs any abortion, as  
8 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (10) the cystic fibrosis foundation, heart of America chapter, for the  
43 purposes of assuring the development of the means to cure and control

- 1 cystic fibrosis and improving the quality of life for those with the disease;
- 2 (11) the spina bifida association of Kansas for the purpose of  
3 providing financial, educational and practical aid to families and  
4 individuals with spina bifida. Such aid includes, but is not limited to,  
5 funding for medical devices, counseling and medical educational  
6 opportunities;
- 7 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
8 neighborhoods through the construction of new homes, acquiring and  
9 renovating existing homes and other related activities, and promoting  
10 economic development in such neighborhoods;
- 11 (13) the cross-lines cooperative council for the purpose of providing  
12 social services to low income individuals and families;
- 13 (14) the dreams work, inc., for the purpose of providing young adult  
14 day services to individuals with developmental disabilities and assisting  
15 families in avoiding institutional or nursing home care for a  
16 developmentally disabled member of their family;
- 17 (15) the KSDS, Inc., for the purpose of promoting the independence  
18 and inclusion of people with disabilities as fully participating and  
19 contributing members of their communities and society through the  
20 training and providing of guide and service dogs to people with  
21 disabilities, and providing disability education and awareness to the  
22 general public;
- 23 (16) the lyme association of greater Kansas City, Inc., for the purpose  
24 of providing support to persons with lyme disease and public education  
25 relating to the prevention, treatment and cure of lyme disease;
- 26 (17) the dream factory, inc., for the purpose of granting the dreams of  
27 children with critical and chronic illnesses;
- 28 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
29 students and families with education and resources necessary to enable  
30 each child to develop fine character and musical ability to the fullest  
31 potential;
- 32 (19) the international association of lions clubs for the purpose of  
33 creating and fostering a spirit of understanding among all people for  
34 humanitarian needs by providing voluntary services through community  
35 involvement and international cooperation;
- 36 (20) the Johnson county young matrons, inc., for the purpose of  
37 promoting a positive future for members of the community through  
38 volunteerism, financial support and education through the efforts of an all  
39 volunteer organization;
- 40 (21) the American cancer society, inc., for the purpose of eliminating  
41 cancer as a major health problem by preventing cancer, saving lives and  
42 diminishing suffering from cancer, through research, education, advocacy  
43 and service;

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

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

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

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

11 (xx) all sales of tangible personal property and services purchased by  
12 a nonprofit zoo that is exempt from federal income taxation pursuant to  
13 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
14 of such zoo by an entity itself exempt from federal income taxation  
15 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
16 contracted with to operate such zoo and all sales of tangible personal  
17 property or services purchased by a contractor for the purpose of  
18 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
19 furnishing or remodeling facilities for any nonprofit zoo that would be  
20 exempt from taxation under the provisions of this section if purchased  
21 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
22 this subsection shall be deemed to exempt the purchase of any construction  
23 machinery, equipment or tools used in the constructing, equipping,  
24 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
25 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
26 the purpose of constructing, equipping, reconstructing, maintaining,  
27 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
28 from the state and furnish to the contractor an exemption certificate for the  
29 project involved, and the contractor may purchase materials for  
30 incorporation in such project. The contractor shall furnish the number of  
31 such certificate to all suppliers from whom such purchases are made, and  
32 such suppliers shall execute invoices covering the same bearing the  
33 number of such certificate. Upon completion of the project the contractor  
34 shall furnish to the nonprofit zoo concerned a sworn statement, on a form  
35 to be provided by the director of taxation, that all purchases so made were  
36 entitled to exemption under this subsection. All invoices shall be held by  
37 the contractor for a period of five years and shall be subject to audit by the  
38 director of taxation. If any materials purchased under such a certificate are  
39 found not to have been incorporated in the building or other project or not  
40 to have been returned for credit or the sales or compensating tax otherwise  
41 imposed upon such materials that will not be so incorporated in the  
42 building or other project reported and paid by such contractor to the  
43 director of taxation not later than the 20<sup>th</sup> day of the month following the

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

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

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

25 (aaa) all sales of tangible personal property and services purchased by  
26 a religious organization that is exempt from federal income taxation  
27 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
28 exclusively for religious purposes, and all sales of tangible personal  
29 property or services purchased by a contractor for the purpose of  
30 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling facilities for any such organization that would be  
32 exempt from taxation under the provisions of this section if purchased  
33 directly by such organization. Nothing in this subsection shall be deemed  
34 to exempt the purchase of any construction machinery, equipment or tools  
35 used in the constructing, equipping, reconstructing, maintaining, repairing,  
36 enlarging, furnishing or remodeling facilities for any such organization.  
37 When any such organization shall contract for the purpose of constructing,  
38 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
39 remodeling facilities, it shall obtain from the state and furnish to the  
40 contractor an exemption certificate for the project involved, and the  
41 contractor may purchase materials for incorporation in such project. The  
42 contractor shall furnish the number of such certificate to all suppliers from  
43 whom such purchases are made, and such suppliers shall execute invoices

1 covering the same bearing the number of such certificate. Upon  
2 completion of the project the contractor shall furnish to such organization  
3 concerned a sworn statement, on a form to be provided by the director of  
4 taxation, that all purchases so made were entitled to exemption under this  
5 subsection. All invoices shall be held by the contractor for a period of five  
6 years and shall be subject to audit by the director of taxation. If any  
7 materials purchased under such a certificate are found not to have been  
8 incorporated in the building or other project or not to have been returned  
9 for credit or the sales or compensating tax otherwise imposed upon such  
10 materials that will not be so incorporated in the building or other project  
11 reported and paid by such contractor to the director of taxation not later  
12 than the 20<sup>th</sup> day of the month following the close of the month in which it  
13 shall be determined that such materials will not be used for the purpose for  
14 which such certificate was issued, such organization concerned shall be  
15 liable for tax on all materials purchased for the project, and upon payment  
16 thereof it may recover the same from the contractor together with  
17 reasonable attorney fees. Any contractor or any agent, employee or  
18 subcontractor thereof, who shall use or otherwise dispose of any materials  
19 purchased under such a certificate for any purpose other than that for  
20 which such a certificate is issued without the payment of the sales or  
21 compensating tax otherwise imposed upon such materials, shall be guilty  
22 of a misdemeanor and, upon conviction therefor, shall be subject to the  
23 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
24 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
25 this act upon the gross receipts received from any sale exempted by the  
26 amendatory provisions of this subsection shall be refunded. Each claim for  
27 a sales tax refund shall be verified and submitted to the director of taxation  
28 upon forms furnished by the director and shall be accompanied by any  
29 additional documentation required by the director. The director shall  
30 review each claim and shall refund that amount of sales tax paid as  
31 determined under the provisions of this subsection. All refunds shall be  
32 paid from the sales tax refund fund upon warrants of the director of  
33 accounts and reports pursuant to vouchers approved by the director or the  
34 director's designee;

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

40 (ccc) on and after July 1, 1999, all sales of tangible personal property  
41 and services purchased by a primary care clinic or health center the  
42 primary purpose of which is to provide services to medically underserved  
43 individuals and families, and that is exempt from federal income taxation

1 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
2 sales of tangible personal property or services purchased by a contractor  
3 for the purpose of constructing, equipping, reconstructing, maintaining,  
4 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
5 or center that would be exempt from taxation under the provisions of this  
6 section if purchased directly by such clinic or center, except that for  
7 taxable years commencing after December 31, 2013, this subsection shall  
8 not apply to any sales of such tangible personal property and services  
9 purchased by a primary care clinic or health center which performs any  
10 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
11 in this subsection shall be deemed to exempt the purchase of any  
12 construction machinery, equipment or tools used in the constructing,  
13 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
14 remodeling facilities for any such clinic or center. When any such clinic or  
15 center shall contract for the purpose of constructing, equipping,  
16 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
17 facilities, it shall obtain from the state and furnish to the contractor an  
18 exemption certificate for the project involved, and the contractor may  
19 purchase materials for incorporation in such project. The contractor shall  
20 furnish the number of such certificate to all suppliers from whom such  
21 purchases are made, and such suppliers shall execute invoices covering the  
22 same bearing the number of such certificate. Upon completion of the  
23 project the contractor shall furnish to such clinic or center concerned a  
24 sworn statement, on a form to be provided by the director of taxation, that  
25 all purchases so made were entitled to exemption under this subsection.  
26 All invoices shall be held by the contractor for a period of five years and  
27 shall be subject to audit by the director of taxation. If any materials  
28 purchased under such a certificate are found not to have been incorporated  
29 in the building or other project or not to have been returned for credit or  
30 the sales or compensating tax otherwise imposed upon such materials that  
31 will not be so incorporated in the building or other project reported and  
32 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
33 day of the month following the close of the month in which it shall be  
34 determined that such materials will not be used for the purpose for which  
35 such certificate was issued, such clinic or center concerned shall be liable  
36 for tax on all materials purchased for the project, and upon payment  
37 thereof it may recover the same from the contractor together with  
38 reasonable attorney fees. Any contractor or any agent, employee or  
39 subcontractor thereof, who shall use or otherwise dispose of any materials  
40 purchased under such a certificate for any purpose other than that for  
41 which such a certificate is issued without the payment of the sales or  
42 compensating tax otherwise imposed upon such materials, shall be guilty  
43 of a misdemeanor and, upon conviction therefor, shall be subject to the



1 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;  
2 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
3 sales of materials and services purchased by any class II or III railroad as  
4 classified by the federal surface transportation board for the construction,  
5 renovation, repair or replacement of class II or III railroad track and  
6 facilities used directly in interstate commerce. In the event any such track  
7 or facility for which materials and services were purchased sales tax  
8 exempt is not operational for five years succeeding the allowance of such  
9 exemption, the total amount of sales tax that would have been payable  
10 except for the operation of this subsection shall be recouped in accordance  
11 with rules and regulations adopted for such purpose by the secretary of  
12 revenue;

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

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

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

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

41 (iii) all sales of personal property and services purchased by an  
42 organization that is exempt from federal income taxation pursuant to  
43 section 501(c)(3) of the federal internal revenue code of 1986, and such

1 personal property and services are used by any such organization in the  
2 collection, storage and distribution of food products to nonprofit  
3 organizations that distribute such food products to persons pursuant to a  
4 food distribution program on a charitable basis without fee or charge, and  
5 all sales of tangible personal property or services purchased by a  
6 contractor for the purpose of constructing, equipping, reconstructing,  
7 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
8 for the collection and storage of such food products for any such  
9 organization which is exempt from federal income taxation pursuant to  
10 section 501(c)(3) of the federal internal revenue code of 1986, that would  
11 be exempt from taxation under the provisions of this section if purchased  
12 directly by such organization. Nothing in this subsection shall be deemed  
13 to exempt the purchase of any construction machinery, equipment or tools  
14 used in the constructing, equipping, reconstructing, maintaining, repairing,  
15 enlarging, furnishing or remodeling facilities for any such organization.  
16 When any such organization shall contract for the purpose of constructing,  
17 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
18 remodeling facilities, it shall obtain from the state and furnish to the  
19 contractor an exemption certificate for the project involved, and the  
20 contractor may purchase materials for incorporation in such project. The  
21 contractor shall furnish the number of such certificate to all suppliers from  
22 whom such purchases are made, and such suppliers shall execute invoices  
23 covering the same bearing the number of such certificate. Upon  
24 completion of the project the contractor shall furnish to such organization  
25 concerned a sworn statement, on a form to be provided by the director of  
26 taxation, that all purchases so made were entitled to exemption under this  
27 subsection. All invoices shall be held by the contractor for a period of five  
28 years and shall be subject to audit by the director of taxation. If any  
29 materials purchased under such a certificate are found not to have been  
30 incorporated in such facilities or not to have been returned for credit or the  
31 sales or compensating tax otherwise imposed upon such materials that will  
32 not be so incorporated in such facilities reported and paid by such  
33 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
34 month following the close of the month in which it shall be determined  
35 that such materials will not be used for the purpose for which such  
36 certificate was issued, such organization concerned shall be liable for tax  
37 on all materials purchased for the project, and upon payment thereof it  
38 may recover the same from the contractor together with reasonable  
39 attorney fees. Any contractor or any agent, employee or subcontractor  
40 thereof, who shall use or otherwise dispose of any materials purchased  
41 under such a certificate for any purpose other than that for which such a  
42 certificate is issued without the payment of the sales or compensating tax  
43 otherwise imposed upon such materials, shall be guilty of a misdemeanor

1 and, upon conviction therefor, shall be subject to the penalties provided for  
2 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
3 July 1, 2005, but prior to the effective date of this act upon the gross  
4 receipts received from any sale exempted by the amendatory provisions of  
5 this subsection shall be refunded. Each claim for a sales tax refund shall be  
6 verified and submitted to the director of taxation upon forms furnished by  
7 the director and shall be accompanied by any additional documentation  
8 required by the director. The director shall review each claim and shall  
9 refund that amount of sales tax paid as determined under the provisions of  
10 this subsection. All refunds shall be paid from the sales tax refund fund  
11 upon warrants of the director of accounts and reports pursuant to vouchers  
12 approved by the director or the director's designee;

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

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

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

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

1 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
2 fund for the purpose of constructing a boundless playground which is an  
3 integrated, barrier free and developmentally advantageous play  
4 environment for children of all abilities and disabilities;

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

9 (ppp) all sales of tangible personal property and services purchased  
10 by or on behalf of a homeless shelter that is exempt from federal income  
11 taxation pursuant to section 501(c)(3) of the federal income tax code of  
12 1986, and used by any such homeless shelter to provide emergency and  
13 transitional housing for individuals and families experiencing  
14 homelessness, and all sales of any such property by or on behalf of any  
15 such homeless shelter for any such purpose;

16 (qqq) all sales of tangible personal property and services purchased  
17 by TLC for children and families, inc., hereinafter referred to as TLC,  
18 which is exempt from federal income taxation pursuant to section 501(c)  
19 (3) of the federal internal revenue code of 1986, and such property and  
20 services are used for the purpose of providing emergency shelter and  
21 treatment for abused and neglected children as well as meeting additional  
22 critical needs for children, juveniles and family, and all sales of any such  
23 property by or on behalf of TLC for any such purpose; and all sales of  
24 tangible personal property or services purchased by a contractor for the  
25 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
26 remodeling facilities for the operation of services for TLC for any such  
27 purpose that would be exempt from taxation under the provisions of this  
28 section if purchased directly by TLC. Nothing in this subsection shall be  
29 deemed to exempt the purchase of any construction machinery, equipment  
30 or tools used in the constructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling such facilities for TLC. When TLC contracts for  
32 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
33 or remodeling such facilities, it shall obtain from the state and furnish to  
34 the contractor an exemption certificate for the project involved, and the  
35 contractor may purchase materials for incorporation in such project. The  
36 contractor shall furnish the number of such certificate to all suppliers from  
37 whom such purchases are made, and such suppliers shall execute invoices  
38 covering the same bearing the number of such certificate. Upon  
39 completion of the project the contractor shall furnish to TLC a sworn  
40 statement, on a form to be provided by the director of taxation, that all  
41 purchases so made were entitled to exemption under this subsection. All  
42 invoices shall be held by the contractor for a period of five years and shall  
43 be subject to audit by the director of taxation. If any materials purchased

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

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

26 (sss) all sales of tangible personal property and services purchased by  
27 catholic charities or youthville, hereinafter referred to as charitable family  
28 providers, which is exempt from federal income taxation pursuant to  
29 section 501(c)(3) of the federal internal revenue code of 1986, and which  
30 such property and services are used for the purpose of providing  
31 emergency shelter and treatment for abused and neglected children as well  
32 as meeting additional critical needs for children, juveniles and family, and  
33 all sales of any such property by or on behalf of charitable family  
34 providers for any such purpose; and all sales of tangible personal property  
35 or services purchased by a contractor for the purpose of constructing,  
36 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
37 the operation of services for charitable family providers for any such  
38 purpose which would be exempt from taxation under the provisions of this  
39 section if purchased directly by charitable family providers. Nothing in  
40 this subsection shall be deemed to exempt the purchase of any construction  
41 machinery, equipment or tools used in the constructing, maintaining,  
42 repairing, enlarging, furnishing or remodeling such facilities for charitable  
43 family providers. When charitable family providers contracts for the

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

30 (ttt) all sales of tangible personal property or services purchased by a  
31 contractor for a project for the purpose of restoring, constructing,  
32 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
33 remodeling a home or facility owned by a nonprofit museum that has been  
34 granted an exemption pursuant to subsection (qq), which such home or  
35 facility is located in a city that has been designated as a qualified  
36 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
37 amendments thereto, and which such project is related to the purposes of  
38 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
39 exempt from taxation under the provisions of this section if purchased  
40 directly by such nonprofit museum. Nothing in this subsection shall be  
41 deemed to exempt the purchase of any construction machinery, equipment  
42 or tools used in the restoring, constructing, equipping, reconstructing,  
43 maintaining, repairing, enlarging, furnishing or remodeling a home or

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

32 (uuu) all sales of tangible personal property and services purchased  
33 by Kansas children's service league, hereinafter referred to as KCSL,  
34 which is exempt from federal income taxation pursuant to section 501(c)  
35 (3) of the federal internal revenue code of 1986, and which such property  
36 and services are used for the purpose of providing for the prevention and  
37 treatment of child abuse and maltreatment as well as meeting additional  
38 critical needs for children, juveniles and family, and all sales of any such  
39 property by or on behalf of KCSL for any such purpose; and all sales of  
40 tangible personal property or services purchased by a contractor for the  
41 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
42 remodeling facilities for the operation of services for KCSL for any such  
43 purpose that would be exempt from taxation under the provisions of this

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

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

42 (www) all sales of tangible personal property purchased by or on  
43 behalf of the Frontenac education foundation, which is exempt from



1 federal income taxation pursuant to section 501(c)(3) of the federal  
2 internal revenue code, for the purpose of providing education support for  
3 students, and all sales of any such property by or on behalf of such  
4 organization for such purpose;

5 (xxx) all sales of personal property and services purchased by the  
6 booth theatre foundation, inc., an organization, which is exempt from  
7 federal income taxation pursuant to section 501(c)(3) of the federal  
8 internal revenue code of 1986, and which such personal property and  
9 services are used by any such organization in the constructing, equipping,  
10 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
11 of the booth theatre, and all sales of tangible personal property or services  
12 purchased by a contractor for the purpose of constructing, equipping,  
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
14 the booth theatre for such organization, that would be exempt from  
15 taxation under the provisions of this section if purchased directly by such  
16 organization. Nothing in this subsection shall be deemed to exempt the  
17 purchase of any construction machinery, equipment or tools used in the  
18 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
19 furnishing or remodeling facilities for any such organization. When any  
20 such organization shall contract for the purpose of constructing, equipping,  
21 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
22 facilities, it shall obtain from the state and furnish to the contractor an  
23 exemption certificate for the project involved, and the contractor may  
24 purchase materials for incorporation in such project. The contractor shall  
25 furnish the number of such certificate to all suppliers from whom such  
26 purchases are made, and such suppliers shall execute invoices covering the  
27 same bearing the number of such certificate. Upon completion of the  
28 project the contractor shall furnish to such organization concerned a sworn  
29 statement, on a form to be provided by the director of taxation, that all  
30 purchases so made were entitled to exemption under this subsection. All  
31 invoices shall be held by the contractor for a period of five years and shall  
32 be subject to audit by the director of taxation. If any materials purchased  
33 under such a certificate are found not to have been incorporated in such  
34 facilities or not to have been returned for credit or the sales or  
35 compensating tax otherwise imposed upon such materials that will not be  
36 so incorporated in such facilities reported and paid by such contractor to  
37 the director of taxation not later than the 20<sup>th</sup> day of the month following  
38 the close of the month in which it shall be determined that such materials  
39 will not be used for the purpose for which such certificate was issued, such  
40 organization concerned shall be liable for tax on all materials purchased  
41 for the project, and upon payment thereof it may recover the same from  
42 the contractor together with reasonable attorney fees. Any contractor or  
43 any agent, employee or subcontractor thereof, who shall use or otherwise

1 dispose of any materials purchased under such a certificate for any purpose  
2 other than that for which such a certificate is issued without the payment  
3 of the sales or compensating tax otherwise imposed upon such materials,  
4 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
5 subject to the penalties provided for in K.S.A. 79-3615(h), and  
6 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
7 to the effective date of this act upon the gross receipts received from any  
8 sale which would have been exempted by the provisions of this subsection  
9 had such sale occurred after the effective date of this act shall be refunded.  
10 Each claim for a sales tax refund shall be verified and submitted to the  
11 director of taxation upon forms furnished by the director and shall be  
12 accompanied by any additional documentation required by the director.  
13 The director shall review each claim and shall refund that amount of sales  
14 tax paid as determined under the provisions of this subsection. All refunds  
15 shall be paid from the sales tax refund fund upon warrants of the director  
16 of accounts and reports pursuant to vouchers approved by the director or  
17 the director's designee;

18 (yyy) all sales of tangible personal property and services purchased  
19 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
20 which is exempt from federal income taxation pursuant to section 501(c)  
21 (3) of the federal internal revenue code of 1986, and which such property  
22 and services are used for the purpose of encouraging private philanthropy  
23 to further the vision, values, and goals of TLC for children and families,  
24 inc.; and all sales of such property and services by or on behalf of TLC  
25 charities for any such purpose and all sales of tangible personal property or  
26 services purchased by a contractor for the purpose of constructing,  
27 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
28 the operation of services for TLC charities for any such purpose that would  
29 be exempt from taxation under the provisions of this section if purchased  
30 directly by TLC charities. Nothing in this subsection shall be deemed to  
31 exempt the purchase of any construction machinery, equipment or tools  
32 used in the constructing, maintaining, repairing, enlarging, furnishing or  
33 remodeling such facilities for TLC charities. When TLC charities contracts  
34 for the purpose of constructing, maintaining, repairing, enlarging,  
35 furnishing or remodeling such facilities, it shall obtain from the state and  
36 furnish to the contractor an exemption certificate for the project involved,  
37 and the contractor may purchase materials for incorporation in such  
38 project. The contractor shall furnish the number of such certificate to all  
39 suppliers from whom such purchases are made, and such suppliers shall  
40 execute invoices covering the same bearing the number of such certificate.  
41 Upon completion of the project the contractor shall furnish to TLC  
42 charities a sworn statement, on a form to be provided by the director of  
43 taxation, that all purchases so made were entitled to exemption under this

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

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

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

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

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

1 charges, by or on behalf of such organization for such purpose;

2 (dddd) all sales of tangible personal property or services purchased  
3 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
4 of which are exempt from federal income taxation pursuant to section  
5 501(c)(3) of the federal internal revenue code, for the purpose of providing  
6 education, training and employment opportunities for people with  
7 disabilities and other barriers to employment;

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

15 (ffff) all sales of tangible personal property and services purchased by  
16 sheltered living, inc., which is exempt from federal income taxation  
17 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
18 and which such property and services are used for the purpose of  
19 providing residential and day services for people with developmental  
20 disabilities or intellectual disability, or both, and all sales of any such  
21 property by or on behalf of sheltered living, inc., for any such purpose; and  
22 all sales of tangible personal property or services purchased by a  
23 contractor for the purpose of rehabilitating, constructing, maintaining,  
24 repairing, enlarging, furnishing or remodeling homes and facilities for  
25 sheltered living, inc., for any such purpose that would be exempt from  
26 taxation under the provisions of this section if purchased directly by  
27 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
28 the purchase of any construction machinery, equipment or tools used in the  
29 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
30 such homes and facilities for sheltered living, inc. When sheltered living,  
31 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
32 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
33 shall obtain from the state and furnish to the contractor an exemption  
34 certificate for the project involved, and the contractor may purchase  
35 materials for incorporation in such project. The contractor shall furnish the  
36 number of such certificate to all suppliers from whom such purchases are  
37 made, and such suppliers shall execute invoices covering the same bearing  
38 the number of such certificate. Upon completion of the project the  
39 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
40 form to be provided by the director of taxation, that all purchases so made  
41 were entitled to exemption under this subsection. All invoices shall be held  
42 by the contractor for a period of five years and shall be subject to audit by  
43 the director of taxation. If any materials purchased under such a certificate

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

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

20 (hhhh) all sales of tangible personal property or services purchased  
21 on or after July 1, 2014, for the purpose of and in conjunction with  
22 constructing, reconstructing, enlarging or remodeling a business identified  
23 under the North American industry classification system (NAICS)  
24 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
25 installation of machinery and equipment purchased for installation at any  
26 such business. The exemption provided in this subsection shall not apply  
27 to projects that have actual total costs less than \$50,000. When a person  
28 contracts for the construction, reconstruction, enlargement or remodeling  
29 of any such business, such person shall obtain from the state and furnish to  
30 the contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials, machinery and equipment for  
32 incorporation in such project. The contractor shall furnish the number of  
33 such certificates to all suppliers from whom such purchases are made, and  
34 such suppliers shall execute invoices covering the same bearing the  
35 number of such certificate. Upon completion of the project, the contractor  
36 shall furnish to the owner of the business a sworn statement, on a form to  
37 be provided by the director of taxation, that all purchases so made were  
38 entitled to exemption under this subsection. All invoices shall be held by  
39 the contractor for a period of five years and shall be subject to audit by the  
40 director of taxation. Any contractor or any agent, employee or  
41 subcontractor of the contractor, who shall use or otherwise dispose of any  
42 materials, machinery or equipment purchased under such a certificate for  
43 any purpose other than that for which such a certificate is issued without

1 the payment of the sales or compensating tax otherwise imposed thereon,  
2 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
3 subject to the penalties provided for in K.S.A. 79-3615(h), and  
4 amendments thereto;

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

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

1 or on behalf of the beacon, inc., that is exempt from federal income  
2 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
3 for the purpose of providing those desiring help with food, shelter, clothing  
4 and other necessities of life during times of special need;

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

12 (llll) all sales of tangible personal property and services purchased by  
13 Gove county healthcare endowment foundation, inc., which is exempt  
14 from federal income taxation pursuant to section 501(c)(3) of the federal  
15 internal revenue code of 1986, and which such property and services are  
16 used for the purpose of constructing and equipping an airport in Quinter,  
17 Kansas, and all sales of tangible personal property or services purchased  
18 by a contractor for the purpose of constructing and equipping an airport in  
19 Quinter, Kansas, for such organization, that would be exempt from  
20 taxation under the provisions of this section if purchased directly by such  
21 organization. Nothing in this subsection shall be deemed to exempt the  
22 purchase of any construction machinery, equipment or tools used in the  
23 constructing or equipping of facilities for such organization. When such  
24 organization shall contract for the purpose of constructing or equipping an  
25 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
26 contractor an exemption certificate for the project involved, and the  
27 contractor may purchase materials for incorporation in such project. The  
28 contractor shall furnish the number of such certificate to all suppliers from  
29 whom such purchases are made, and such suppliers shall execute invoices  
30 covering the same bearing the number of such certificate. Upon  
31 completion of the project, the contractor shall furnish to such organization  
32 concerned a sworn statement, on a form to be provided by the director of  
33 taxation, that all purchases so made were entitled to exemption under this  
34 subsection. All invoices shall be held by the contractor for a period of five  
35 years and shall be subject to audit by the director of taxation. If any  
36 materials purchased under such a certificate are found not to have been  
37 incorporated in such facilities or not to have been returned for credit or the  
38 sales or compensating tax otherwise imposed upon such materials that will  
39 not be so incorporated in such facilities reported and paid by such  
40 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
41 following the close of the month in which it shall be determined that such  
42 materials will not be used for the purpose for which such certificate was  
43 issued, such organization concerned shall be liable for tax on all materials

1 purchased for the project, and upon payment thereof it may recover the  
2 same from the contractor together with reasonable attorney fees. Any  
3 contractor or any agent, employee or subcontractor thereof, who purchased  
4 under such a certificate for any purpose other than that for which such a  
5 certificate is issued without the payment of the sales or compensating tax  
6 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
7 and, upon conviction therefor, shall be subject to the penalties provided for  
8 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
9 subsection shall expire and have no effect on and after July 1, 2019; and

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

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

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

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

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

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

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

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

39 Sec. 27. K.S.A. 79-5210 is hereby amended to read as follows: 79-  
40 5210. Nothing in this act requires persons registered under article 16 of  
41 chapter 65 of the Kansas Statutes Annotated or otherwise lawfully in  
42 possession of marijuana ~~or~~, a controlled substance *or medical cannabis*  
43 *consumer products* to pay the tax required under this act.



1       Sec. 28. K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A.  
2 2017 Supp. 65-1120, as amended by section 5 of chapter 42 of the 2018  
3 Session Laws of Kansas, and K.S.A. 2018 Supp. 21-5703, 21-5705, 21-  
4 5706, 21-5707, 21-5709, 21-5710, 79-3606 and 79-5201 are hereby  
5 repealed.

6       Sec. 29. This act shall take effect and be in force from and after its  
7 publication in the statute book.