

Journal of the House

FIFTIETH DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Tuesday, March 20, 2001, 11:00 a.m.

The House met pursuant to adjournment with Speaker Glasscock in the chair.

The roll was called with 123 members present.

Rep. Howell was excused on legislative business.

Rep. Cook was excused on excused absence by the Speaker.

Prayer by Chaplain Svoboda-Barber:

Holy God,
our lives are in Your hands.
And no matter how much
we try to control,
and fix, and plan, and negotiate,
in the end
You are the final answer.

Loving God,
infect us with your Spirit
so that we may give up living the fallacy
that we control our ultimate destiny.
Infect us so that we may hear
your Still, Small Voice in our hearts,
and follow your lead.

I ask these things in Your name. Amen.

The Pledge of Allegiance was led by Rep. Showalter.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills and resolutions were referred to committees as indicated:

Appropriations: **SB 322**.

Business, Commerce and Labor: **SB 110**.

Education: **SB 191**.

Higher Education: **SB 333**.

Taxation: **HB 2569; SB 129**.

Utilities: **HR 6014**.

CHANGE OF REFERENCE

Speaker Glasscock announced the withdrawal of **SB 7** from Committee on Education and referral to Committee on Higher Education.

MESSAGE FROM THE SENATE

The Senate accedes to the request of the House for a conference on **HB 2127** and has appointed Senators Harrington, Brungardt and Gooch as conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **Sub. HB 2129** and has appointed Senators Morris, Adkins and Feleciano as conferees on the part of the Senate.

CONSENT CALENDAR

No objection was made to **HB 2552; SB 29** appearing on the Consent Calendar for the first day.

No objection was made to **SB 8** appearing on the Consent Calendar for the third day. The bill was advanced to Final Action on Bills and Concurrent Resolutions.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

SB 8. An act concerning Washburn university; relating to determination of operating grant entitlements; amending K.S.A. 2000 Supp. 72-6503 and repealing the existing section; also repealing K.S.A. 2000 Supp. 72-6503a and 72-6505, was considered on final action.

On roll call, the vote was: Yeas 117; Nays 6; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Kline, Krehbiel, Kuether, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Newton, Nichols, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Ballou, Freeborn, Landwehr, Neufeld, L. Powell, Vickrey.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed.

HB 2408. An act concerning recreational districts; relating to the Blue Valley recreation system established by the Blue Valley unified school district No. 229; amending K.S.A. 2000 Supp. 12-1927, 12-1928 and 12-1935 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 118; Nays 5; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, Dahl, DeCastro, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Klein, Kline, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Aday, Alldritt, Dillmore, Garner, Kirk.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed, as amended.

SB 63. An act concerning elections; relating to the registration of voters; amending K.S.A. 25-2309 and 25-2320 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 67; Nays 56; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cox, Dahl, DeCastro, DiVita, Dreher, Faber, Flaharty, Glasscock, Gordon, Hayzlett, Hermes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kline, Krehbiel, Landwehr, Lane, Lightner, Lloyd, P. Long, Loyd, Mason, Mayans, Mays, McCreary, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Pyle, Ray, Schwartz, Stone, Tafanelli, Tanner, Tomlinson, Weber, D. Williams, Wilson.

Nays: Alldritt, Aurand, Ballard, Barnes, Burroughs, Crow, Dillmore, Edmonds, Feuerborn, Findley, Flora, Freeborn, Garner, Gatewood, Gilbert, Grant, Henderson, Henry, Holmes, Kirk, Klein, Kuether, Larkin, Levinson, Light, Loganbill, M. Long, McClure, McKinney, Minor, Nichols, O'Brien, Pauls, E. Peterson, Phelps, Powers, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Storm, Swenson, Thimesch, Tolkes, Toplikar, Vickrey, Wells, Welshimer, Wilk, J. Williams, Winn.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed.

EXPLANATIONS OF VOTE

MR. SPEAKER: I vote "no" on **SB 63** which addresses the Secretary of State's concerns that name, address, and birth date were insufficient to identify a voter so that the last four digits of a social security number are needed.

This problem has occurred once in history where twin Kansas voters lived together and had parents who gave them the same name. This isn't a rampant problem and doesn't warrant a change of law. This will only increase the public perception of more government intrusion. If SOS wants to register everyone by SS#, let them bring that to this body without pretense.—JANICE L. PAULS

MR. SPEAKER: Is this state plagued with voter fraud? Are we in a crisis of the phantom voter? We barely muster 1/3 of our registered voters and 1/2 of our population to exercise their voting right given to them with the blood of our brothers, fathers, grandfathers.

Yet, here we stand with a law to further disenfranchise non-participants and invade the privacy of those who choose to exercise the hard won right to participate in this grand democracy.

I will proudly stand before my constituents with a no vote on **SB 63**.—NILE DILLMORE

MR. SPEAKER: In 1936 the first Social Security numbers were assigned. In the midst of concerns of the dehumanizing effects and privacy dangers of numbering human beings, the government assured its citizens that the numbers would only be used to identify accounts in the Social Security program.

Since that time government and private agencies have broken the spirit of that promise at every opportunity resulting in a de facto universal identifier.

The idea to connect this number in any fashion to the sacred right of the vote is misguided and more at home in the governmental suggestion box of Oceania than in Kansas.—CLARK SHULTZ

SB 107, An act concerning elections; relating to petitions; amending K.S.A. 25-3601 and 25-3602 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 91; Nays 32; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Bethell, Boston, Campbell, Compton, Cox, Dahl, DeCastro, Dillmore, DiVita, Edmonds, Faber, Findley, Freeborn, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Kauffman, Kirk, Kline, Krehbiel, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Minor, Jim Morrison, Judy Morrison, Myers, Newton, Nichols, Novascone, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Phelps, Pottorff, T. Powell, Ray, Rehorn, Ruff, Sharp, Showalter, Shriver, Shultz, Sloan, Stone, Storm, Tafanelli, Tanner, Thimesch, Tomlinson, Toplikar, Weber, Wells, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Benlon, Burroughs, Crow, Dreher, Feuerborn, Flaharty, Flora, Garner, Gatewood, Henderson, Johnson, Klein, Kuether, M. Long, P. Long, Loyd, Miller, Neufeld, O'Brien, Pauls, E. Peterson, J. Peterson, L. Powell, Powers, Pyle, Reardon, Schwartz, Spangler, Swenson, Toelkes, Vickrey, Welshimer.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed, as amended.

EXPLANATION OF VOTE

MR. SPEAKER: Our system of government is founded on the principal that minorities often require protection from unfair treatment on the part of the majority. So we have enabled the right of protest and petition. These laws work. It is equally fundamental that the majority is entitled to protection from obstructive tactics on the part of minorities. **SB 107** is without obligation of timely public notification upon filing of a petition, and questions of legality are forfeited if action is not taken within 20 days of filing. I cannot abrogate the rule of democracy to the will of populism. I vote no on **SB 107**.—WARD LOYD

SB 125, An act concerning elections; relating to technical clean up amendments; amending K.S.A. 25-205, 25-213, 25-413, 25-611, 25-616, 25-618, 25,1122, 25-1124, 25-3102 and 25-3801 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 123; Nays 0; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Kline, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: None.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed, as amended.

SB 126, An act concerning elections; relating to recounts for statewide offices; relating to hours of voting; amending K.S.A. 25-106 and 25-3107 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 121; Nays 2; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Kline, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Faber, Vickrey.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed, as amended.

SB 127, An act concerning elections; relating to election procedures; amending K.S.A. 25-205, 25-302a, 25-303, 25-1122, 25-2304, 25,2309, 25-2316c, 25-2320, 25-3602, 25-4306, 25-4310 and 25-4320 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 90; Nays 33; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cox, Dahl, DeCastro, DiVita, Dreher, Edmonds, Faber, Freeborn, Glasscock, Gordon, Grant, Hayzlett, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kline, Krehbiel, Landwehr, Lane, Light, Lightner, Lloyd, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McCreary, McKinney, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Schwartz, Sharp, Shriver, Shultz, Sloan, Stone, Storm, Tafanelli, Tanner, Tomlinson, Toplikar, Weber, Wells, Wilk, D. Williams, J. Williams, Wilson.

Nays: Burroughs, Crow, Dillmore, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Henderson, Henry, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, McClure, Minor, Nichols, Pauls, E. Peterson, Phelps, Ruff, Showalter, Spangler, Swenson, Thimesch, Toelkes, Vickrey, Welshimer, Winn.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed, as amended.

SB 254, An act concerning environmental remediation; relating to fees of pesticide dealers; amending K.S.A. 2000 Supp. 2-3708 and 2-3713 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 122; Nays 1; Present but not voting: 0; Absent or not voting: 2.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Beggs, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Kline, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mason, Mayans, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, O'Neal, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Sloan, Spangler, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Toplikar, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Klein.

Present but not voting: None.

Absent or not voting: Cook, Howell.

The bill passed.

On motion of Rep. Weber, the House went into Committee of the Whole, with Rep. Pottorff in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. Pottorff, Committee of the Whole report, as follows, was adopted:

Recommended that discussion resume on **HB 2023** (see HJ, Committee of the Whole, p. 408). Also, on motion to recommend **HB 2023** favorably for passage, the motion did not prevail.

Committee report to **HB 2493** be adopted; also, on motion of Rep. Minor be amended on page 1, in line 31, by striking "state economic devel-"; in line 32, by striking "opment initiatives fund" and inserting "state treasury";

On page 2, in line 34, by striking "\$1,060,656" and inserting "an amount or amounts"; in line 35, preceding "to", by inserting "or other available funds of the state, as specified by appropriation act."; and **HB 2493** be passed as amended.

Committee report recommending a substitute bill to **Sub. HB 2489** be adopted; also, on motion of Rep. Mays be amended on page 5, in line 8, by striking "\$15" and inserting "\$25"; and **Sub. HB 2489** be passed as amended.

Committee report to **SB 53** be adopted; and the bill be passed as amended.

Committee report to **SB 115** be adopted; and the bill be passed as amended.

Committee report to **SB 11** be adopted; and the bill be passed as amended.

REPORTS OF STANDING COMMITTEES

The Committee on **Agriculture** recommends **SB 334** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

The Committee on **Agriculture** recommends **HB 2468** be amended by substituting a new bill to be designated as "Substitute for HOUSE BILL No. 2468," as follows:

"Substitute for HOUSE BILL No. 2468

By Committee on Agriculture

"AN ACT concerning agriculture; relating to noxious weeds; county discount program; amending K.S.A. 2-1333 and repealing the existing section.;"

and the substitute bill be passed.

(Sub. HB 2468 was thereupon introduced and read by title.)

The Committee on **Appropriations** recommends **SB 184** be amended on page 2, in line 2, by striking "/environmental"; in line 3, by striking "remediation"; in line 4, by striking "from state" and inserting "by the secretary in the form of gifts, grants, reimbursements.;" in line 6, by striking "and environmental remediation activities" and inserting "in accordance with this act"; in line 7, by striking all after the period; by striking all of lines 8 through 11; and the bill be passed as amended.

The Committee on **Appropriations** recommends **SB 294** be amended on page 2, following line 8, by inserting:

"(f) Moneys from the fund shall not supplant any other local, state or federal funds unless the secretary finds that it is in the best interests of the state to supplant such other funds and to make expenditures from the fund in a more timely manner to investigate or clean up chemicals, chemical-contaminated materials, soil or groundwater resulting from an alleged illegal drug manufacturing site or an arrest made pursuant to the Kansas chemical control act, to conduct any other clean up action necessary at an alleged illegal drug manufacturing site, or to abate any imminent and substantial danger to public health or safety or to the environment related to a release from an illegal drug manufacturing site.;"

And the bill be passed as amended.

The Committee on **E-Government** recommends **SB 98** be amended on page 1, in line 24, after the period by inserting "All proclamations issued by the governor which are not published in the Kansas register shall be published on the official Kansas internet website.;" and the bill be passed as amended.

The Committee on **Ethics and Elections** recommends **SB 128**, be amended on page 2, by striking all in line 25 and inserting:

"New Sec. 4. (a) Vote trading is exchanging or offering to exchange a vote with the intent to affect the fair expression of the popular will at any election. Vote trading occurs when a person agrees to vote for or against a candidate or question submitted in return for another voter agreeing to vote for or against a different candidate or question submitted.

(b) Vote trading is a severity level 10, nonperson felony.

Sec. 5. K.S.A. 25-1128 is hereby amended to read as follows: 25-1128. (a) No voter shall mark or transmit to the county election officer more than one advance voting ballot,

or set of one of each kind of ballot, if the voter is entitled to vote more than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within ~~48 hours~~ *two days* after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall mark, sign or transmit to the county election officer any advance voting ballot or advance voting ballot envelope.

(d) No person, unless authorized by K.S.A. 25-1122 or K.S.A. 25-1124, and amendments thereto, shall intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(e) No person shall willfully and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot, or set of advance voting ballots if the voter is entitled to vote more than one kind of advance voting ballot at a particular election, or in a declaration form on an advance voting ballot envelope.

(f) Nothing in this section shall be construed to prohibit any person from mailing, carrying or otherwise conveying advance voting ballots or sets of advance voting ballots to the county election officer upon request of advance voting voters.

(g) Violation of any provision of this section is a class C misdemeanor.

Sec. 6. K.S.A. 25-1128, 25-2415 and 25-2430 are hereby repealed.”;

By renumbering section 5 as section 7;

In the title, by striking all in lines 12 and 13 and inserting:

“AN ACT concerning elections; prohibiting certain activities and imposing penalties there-
fore; amending K.S.A. 25-1128, 25-2415 and 25-2430 and repealing the existing sec-
tions.”; and the bill be passed as amended.

The Committee on **Ethics and Elections** recommends **SB 192** be amended by substi-
tuting a new bill to be designated as “House Substitute for SENATE BILL No. 192,” as
follows:

“HOUSE Substitute for SENATE BILL No. 192
By Committee on Ethics and Elections

“AN ACT concerning state officers and employees; concerning compensation of state of-
ficers and employees; amending K.S.A. 46-137a and repealing the existing section; also
repealing K.S.A. 46-3101.”;
and the substitute bill be passed.

(H. Sub. for SB 192 was thereupon introduced and read by title.)

The Committee on **Ethics and Elections** recommends **SB 218** be amended on page 1,
in line 36, following the period, by inserting “Any provisional ballot deemed valid shall be
numbered by the county election officer to correspond to the number on the envelope and
the number of the provisional voter’s name in the registration or poll book. Such provisional
ballots then shall be sealed and stored with other ballots.”; and the bill be passed as amended.

The Committee on **Federal and State Affairs** recommends **SB 133** be passed.

The Committee on **Health and Human Services** recommends **SB 160** be amended on
page 3, in line 36, before “125” by inserting “S” and the bill be passed as amended.

The Committee on **Health and Human Services** recommends **SB 239** be amended on
page 1, in line 18, after “(b)”, by striking all before “members” and inserting:

“On July 1, 2001, the advisory committee on trauma in existence immediately prior to
July 1, 2001, is hereby abolished and a new advisory committee on trauma is created in
accordance with this section. The terms of all members of the advisory committee on trauma
in existence prior to July 1, 2001, are hereby terminated. On and after July 1, 2001, the
advisory committee on trauma shall be composed of 24”; by striking all in lines 20 through
43;

On page 2, by striking all in lines 1 through 40; following line 40, by inserting the following:

“(1) Two members shall be persons licensed to practice medicine and surgery appointed by the governor. At least 30 days prior to the expiration of terms described in this section, for each member to be appointed under this section, the Kansas medical society shall submit to the governor a list of three names of persons of recognized ability and qualification. The governor shall consider such lists of persons in making appointments to the board under this paragraph.

(2) One member shall be licensed to practice osteopathic medicine appointed by the governor. At least 30 days prior to the expiration of the term of the member appointed under this section, the Kansas association of osteopathic medicine shall submit to the governor a list of three persons of recognized ability and qualification. The governor shall consider such list of persons in making appointments to the board under this paragraph.

(3) Three members shall be representatives of hospitals appointed by the governor. At least 30 days before the expiration of terms described in this section, for each member to be appointed under this section, the Kansas hospital association shall submit to the governor a list of three names of persons of recognized ability and qualification. The governor shall consider such lists of persons in making appointments to the board under this paragraph.

(4) Two members shall be licensed professional nurses specializing in trauma care or emergency nursing appointed by the governor. At least 30 days before the expiration of terms described in this section, for each member to be appointed under this section, the Kansas state nurses association shall submit to the governor a list of three names of persons of recognized ability and qualification. The governor shall consider such lists of persons in making appointments to the board under this paragraph.

(5) Two members shall be attendants as defined in K.S.A. 65-6112 and amendments thereto who are on the roster of an ambulance service permitted by the board of emergency medical services. At least 30 days prior to the expiration of one of these positions, the Kansas emergency medical services association shall submit to the governor a list of three persons of recognized ability and qualification. The governor shall consider such list of persons in making this appointment to the board. For the other member appointed under this section, at least 30 days prior to the expiration of the term of such member, the Kansas emergency medical technician association shall submit a list of three persons of recognized ability and qualification. The governor shall consider such list of persons in making appointments to the board under this paragraph.

(6) Two members shall be administrators of ambulance services, one rural and one urban, appointed by the governor. At least 30 days prior to the expiration of the terms of such members, the Kansas emergency medical services association and Kansas emergency medical technician association in consultation shall submit to the governor a list of four persons of recognized ability and qualification. The governor shall consider such list of persons in making this appointment to the board under this paragraph.

(7) Six members shall be representatives of regional trauma councils, one per council, appointed by the governor. At least 30 days prior to the expiration of one of these positions, the relevant regional trauma council shall submit to the governor a list of three persons of recognized ability and qualification. The governor shall consider such lists of persons in making these appointments to the board.

(8) The secretary of health and environment or the secretary's designee of an appropriately qualified person shall be an ex officio representative of the department of health and environment.

(9) The chairperson of the board of emergency medical services or the chairperson's designee shall be an ex officio member.

(10) Four legislators selected as follows shall be members: The chairperson and ranking minority member or their designees of the committee on health and human services of the house of representatives, and the chairperson and ranking minority member or their designees from the committee on public health and welfare of the senate shall be members.

(c) All members shall be residents of the state of Kansas. Particular attention shall be given so that rural and urban interests and geography are balanced in representation. Organizations that submit lists of names to be considered for appointment by the governor under this section shall insure that names of people who reside in both rural and urban areas of the state are among those submitted. At least one person from each congressional

district shall be among the members. Of the members appointed under paragraphs (1) through (7) of subsection (b), six shall be appointed to initial terms of two years; six shall be appointed to initial terms of three years; and six shall be appointed to initial terms of four years. Thereafter members shall serve terms of four years and until a successor is appointed and qualified. In the case of a vacancy in the membership of the advisory committee, the vacancy shall be filled for the unexpired term in like manner as that provided in subsection (b).

(d) The advisory committee shall meet quarterly and at the call of the chairperson or at the request of a majority of the members. At the first meeting of the advisory committee after July 1 each year, the members shall elect a chairperson and vice-chairperson who shall serve for terms of one year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. The chairperson and vice-chairperson serving on the effective date of this act shall be among the members appointed to the advisory committee under subsection (b) and shall continue to serve as chairperson and vice-chairperson of the advisory committee until the first meeting of the advisory committee after July 1, 2002.”;

Also on page 2, in line 41, by striking “(f)” and inserting “(e)”;

On page 3, in line 1, by striking “(g)” and inserting “(f)”;

and the bill be passed as amended.

The Committee on **Judiciary** recommends **SB 137** be passed.

The Committee on **Judiciary** recommends **HB 2508** be amended on page 3, in line 7, by striking “10” and inserting “five”; also in line 7, after “written” by inserting “or electronic”; in line 17, before “copy” by inserting “certified”; in line 21, by striking “after 14” and inserting: “which is not less than five”; in line 22, by striking “seven” and inserting “five”; in line 28, after the period, by inserting: “The payor shall pay the amounts withheld and identify each payment in the same business day.”;

On page 4, in line 22, before “copy” by inserting “certified”; in line 28, by striking “intentionally”; in line 32, after the period, by inserting: “If the payor, without good cause, fails to pay over the income and identify each payment in the same business day, the court shall enter a judgment against the payor and in favor of the obligee for twice the amount of the cost recovery fee, as established in subsection (e), per obligor.”;

On page 5, in line 17, before “The” by inserting the following:

“(b) The department may contract with a private vendor for the establishment and operation, in whole or in part, of such central unit. Any contract currently in place shall be modified to take into account the provisions of this subsection. The following conditions and limitations shall apply to any such contract:

(1) Any contract shall provide that the Kansas supreme court, by court rule, establish the procedure for the creation, maintenance and correction of official child support and maintenance records for use as official court records.

(2) No contract shall include provisions allowing the vendor to be paid, in whole or in part, on the basis of an amount per phone call received by the center nor allowing the vendor to be paid an amount per check issued for checks that were issued in error by the center.

(3) Any contract with a private vendor shall include penalty provisions for noncompliance with federal regulations relating to the timeliness of collections and disbursements and shall include minimum monetary penalties for each erroneous transaction, whether related to collection or disbursement. Penalties shall be collected as and when assessed and shall be placed in the social and rehabilitation services central unit penalty fund pursuant to subsection (g).

(4) Any contract with a private vendor shall provide for full access to all data by the secretary’s designee in the central receivables unit, the designee of the office of judicial administration and the chairperson of the central payment center oversight commission. Further, the contract shall provide that all district court clerks and court trustees have access to records of the vendors sufficient to allow them to assist in the process of matching support payments to the obligees and be provided dedicated telephone line access to the vendor for the purpose of assisting the vendor in making accurate and timely disbursements.

(5) Any contract with a private vendor, in addition to sufficient customer service staff during regular business hours, shall require 24-hour access by obligors and obligees to payment files which show status of receipts and disbursements, including, but not limited to, date of receipt by the vendor, date of processing by the vendor and date of mailing to the obligee.

(6) Any contract with a private vendor shall provide that if the vendor is unable to match a payment with the obligee within five business days of receipt of the funds, such unmatched funds shall be transferred to the central receivables unit of the department of social and rehabilitation services for determination of proper disbursement.

(7) Any contract with a private vendor shall provide that the central unit be known as the Kansas payment center. The name "Kansas payment center" shall be reserved for use by the state of Kansas for the functions of the central unit and shall not be used by any private entity for the collection of support funds.

(8) Any contract with a private vendor shall provide that the vendor create a standardized form that shall accompany all payments made to the central unit. Such form shall contain the information necessary to assist in the disbursement of such payments.

(c)";

And by relettering subsections accordingly;

Also on page 5, after line 35, by inserting the following:

"(f) Any unmatched funds transferred to the central receivables unit of the department of social and rehabilitation services which remain unmatched one year after the transfer and after a good faith effort has been made to find the obligee shall be deposited with the state treasurer in accordance with the unclaimed property act.

(g) (1) There is hereby created in the state treasury the social and rehabilitation services central unit penalty fund. Money credited to the fund pursuant to subsection (b) shall be used solely for the purpose of assisting obligees who have incurred expenses due to the fault of the vendor in handling the support payments.

(2) All expenditures from the social and rehabilitation services central unit penalty fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person or persons designated by the secretary.

(3) Upon receipt of any such penalty, the secretary shall remit the entire amount at least monthly to the state treasurer, who shall deposit it in the state treasury and credit it to the social and rehabilitation services central unit penalty fund.

(4) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the social and rehabilitation services central unit penalty fund interest earnings based on:

(A) The average daily balance of moneys in the social and rehabilitation services central unit penalty fund for the preceding month; and

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

(h) The provisions of this section shall expire on July 1, 2003.";

On page 10, in line 13, after the period where it appears for the last time, by inserting: "A written agreement between the parties to make direct child support payments to the obligee and not pay through the central unit shall constitute good cause.";

On page 14, in line 18, by striking "Every" and inserting "Except for good cause shown, every"; in line 20, by striking all after "the" where it appears for the first time; in line 21, by striking all before the period and inserting: "central unit for collection and disbursement of support payments designated pursuant to K.S.A. 23-4,118, and amendments thereto. A written agreement between the parties to make direct maintenance payments to the obligee and not pay through the central unit shall constitute good cause";

On page 16, after line 27, by inserting the following:

"New Sec. 10. (a) There is hereby created the central payment center oversight commission.

(b) Commission members shall include:

(1) A district court judge whose jurisdiction includes domestic relations;

(2) a court trustee who works in child support enforcement;

- (3) a district court clerk;
- (4) a child support enforcement specialist 1 who is employed by the department of social and rehabilitation services;
- (5) an employer, with more than 75 employees, who provides income withholding;
- (6) an employer, with less than 25 employees, who provides income withholding;
- (7) a custodial parent who has a court order to receive child support;
- (8) a noncustodial parent who is under a support order to pay child support;
- (9) a representative appointed by the governor;
- (10) a representative of the office of judicial administration;
- (11) the state treasurer or the treasurer's designee;
- (12) the central receivables unit manager of the department of social and rehabilitation services or the manager's designee;
- (13) four members of the legislature as ex officio members. Of the four members, one representative shall be appointed by the speaker of the house of representatives, one representative shall be appointed by the minority leader of the house of representatives, one senator shall be appointed by the president of the senate and one senator shall be appointed by the minority leader of the senate;
- (14) the vendor operating the central unit for the collection and disbursement of support payments, pursuant to K.S.A. 23-4,118, and amendments thereto, or the vendor's designee as an ex officio member; and
- (15) the director of the title IV-D division or the director's designee as an ex officio member.

(c) The legislative coordinating council shall appoint the members of the commission under subsections (b)(1) through (b)(8).

(d) The initial members of the commission shall be appointed no later than July 1, 2001. Members shall serve terms of two years, except that the initial terms of members under subsections (b)(5) through (b)(8) shall be one year to provide for staggered terms for commission members. Vacancies shall be filled in the same manner as the original appointments and for the remainder of the unexpired term. Members whose terms have expired shall continue to serve until their successors have been appointed. Members shall be eligible for reappointment. The commission shall select a chairperson, annually, from its membership. A chairperson may serve more than one year.

(e) The commission shall meet on call of the chairperson as authorized by the legislative coordinating council.

(f) The staff of the legislative research department, the office of the revisor of statutes and the division of legislative administrative services shall provide such assistance as may be requested by the commission and to the extent authorized by the legislative coordinating council.

(g) Members of the commission attending meetings of the committee, or attending a subcommittee meeting thereof authorized by the legislative coordinating council, shall be paid compensation, travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212 and amendments thereto.

(h) The central payment center oversight commission shall:

- (1) Recommend to the department of social and rehabilitation services, if appropriate, ways to improve or enhance the effectiveness of the central unit for the collection and disbursement of support payments;
- (2) recommend performance indicators for the central unit;
- (3) recommend legislation which would clarify and improve state law regarding support for children as it relates to the central unit;
- (4) present an annual report of its activities and recommendations to the legislative coordinating council by February 1;
- (5) review the terms of any contract with a private vendor who is operating the central unit and provide suggestions and recommendations;
- (6) consider whether the issue of a private vendor operating the central unit should be submitted to the Kansas performance review board, pursuant to K.S.A. 75-7104, and amendments thereto, for analysis;

- (7) monitor federal regulations relating to the central unit mandate and evaluate any and all opportunities for appropriate waivers and options out of the mandate;
- (8) monitor all funds in suspense status and make recommendations regarding the handling of payments in suspense, whether by the state or a private vendor;
- (9) monitor the penalty provisions in any private vendor contract and monitor the status of violations and collection of penalties;
- (10) monitor the quality of customer service; and
- (11) conduct public hearings in order to fulfill the oversight function, as authorized by the legislative coordinating council.

(i) The provisions of this section shall expire on July 1, 2003.

Sec. 11. K.S.A. 2000 Supp. 23-497 is hereby amended to read as follows: 23-497. (a) ~~To~~ *Except as provided further, to* defray the expenses of operation of the court trustee's office, the court trustee is authorized to charge an amount: (1) Whether fixed or sliding scale, based upon the scope of services provided or upon economic criteria, not to exceed 5% of the support collected from obligors through such office, as determined necessary by the chief judge as provided by this section; (2) based upon the hourly cost of office operations for the provision of services on an hourly or per service basis, with the written agreement of the obligee; or (3) from restitution collected, not to exceed the fee authorized by the attorney general under any contract entered into pursuant to K.S.A. 75-719, and amendments thereto.

(b) All such amounts shall be paid to the court trustee operations fund of the county where collected. There shall be created a court trustee operations fund in the county treasury of each county or district court of each county, in each judicial district that establishes the office of court trustee for the judicial district. The moneys budgeted to fund the operation of existing court trustee offices and to fund the start-up costs of new court trustee offices established on or after January 1, 1992, whether as a result of a rule adopted pursuant to K.S.A. 23-494, and amendments thereto, or because this act has created a court trustee operations fund, shall be transferred from the county general fund to the court trustee operations fund. The county commissioners of the county or group of counties, if the judicial district consists of more than one county, by a majority vote, shall decide whether the county or counties will have a court trustee operations fund in the county treasury or the district court of each county. All expenditures from the court trustee operations fund shall be made in accordance with the provisions of K.S.A. 23-492 et seq. and amendments thereto to enforce duties of support. Authorized expenditures from the court trustee operations fund may include repayment of start-up costs, expansions and operations of the court trustee's office to the county general fund. The court trustee shall be paid compensation as determined by the chief judge. The board of county commissioners of each county to which this act may apply shall provide suitable quarters for the office of court trustee, furnish stationery and supplies, and such furniture and equipment as shall, in the discretion of the chief judge, be necessary for the use of the court trustee. The chief judge shall fix and determine the annual budget of the office of the court trustee and shall review and determine on an annual basis the amount necessary to be charged to defray the expense of start-up costs, expansions and operations of the office of court trustee. All payments made by the secretary of social and rehabilitation services pursuant to K.S.A. 23-4,117 and amendments thereto or any grants or other monies received which are intended to further child support enforcement goals or restitution goals shall be deposited in the court trustee operations fund.

(c) *The court trustee shall not charge or collect a fee for any support payment that is not paid through the central unit for collection and disbursements of support payments pursuant to K.S.A. 23-4,118, and amendments thereto.*

Sec. 12. K.S.A. 2000 Supp. 23-4,107 is hereby amended to read as follows: 23-4,107.

(a) Any new or modified order for support shall include a provision for the withholding of income to enforce the order for support.

(b) Except as otherwise provided in subsection (j), (k) or (l), all new or modified orders for support shall provide for immediate issuance of an income withholding order. The income withholding order shall be issued without further notice to the obligor and shall specify an amount sufficient to satisfy the order for support and to defray any arrearage. The income

withholding order shall be issued regardless of whether a payor subject to the jurisdiction of this state can be identified at the time the order for support is entered.

(c) Except as otherwise provided in this subsection or subsections (j) or (l), if no income withholding order is in effect to enforce the support order, an income withholding order shall be issued by the court upon request of the obligee or public office, provided that the obligor accrued an arrearage equal to or greater than the amount of support payable for one month and the requirements of subsections (d) and (h) have been met. The income withholding order shall be issued without further notice to the obligor and shall specify an amount sufficient to satisfy the order for support and to defray any arrearage. The income withholding order shall be issued regardless of whether a payor subject to the jurisdiction of this state can be identified at the time the income withholding order is issued.

(d) Not less than seven days after the obligee or public office has served a notice pursuant to subsection (h), the obligee or public office may initiate income withholding pursuant to paragraph (1) or (2).

(1) The obligee or public office may apply for an income withholding order by filing with the court an affidavit stating: (A) The date that the notice was served on the obligor and the manner of service; (B) that the obligor has not filed a motion to stay issuance of the income withholding order or, if a motion to stay has been filed, the reason an income withholding order must be issued immediately; (C) a specified amount to be withheld by the payor to satisfy the order of support and to defray any arrearage; (D) whether the income withholding order is to include a medical withholding order; and (E) that the amount of the arrearage as of the date the notice to the obligor was prepared was equal to or greater than the amount of support payable for one month. In addition to any other penalty provided by law, the filing of such an affidavit with knowledge of the falsity of a material declaration is punishable as a contempt.

Upon the filing of the affidavit, the income withholding order shall be issued without further notice to the obligor, hearing or amendments of the support order. Payment of all or part of the arrearage before issuance of the income withholding order shall not prevent issuance of the income withholding order, unless the arrearage is paid in full and the order for support does not include an amount for the current support of a person. No affidavit is required if the court, upon hearing a motion to stay issuance of the income withholding order or otherwise, issues an income withholding order.

(2) In a title IV-D case, the IV-D agency may issue an income withholding order as authorized by K.S.A. 39-7,147, and amendments thereto. Any such income withholding order shall be considered an income withholding order issued pursuant to this act.

(e) (1) An income withholding order shall be directed to any payor of the obligor. Notwithstanding any other requirement of this act as to form or content, any income withholding order prepared in a standard format prescribed by the secretary of social and rehabilitation services shall be deemed to be in compliance with this act.

(2) An income withholding order which does not include a medical withholding order shall require the payor to withhold from any income due, or to become due, to the obligor a specified amount sufficient to satisfy the order of support and to defray any arrearage and shall include notice of and direction to comply with the provisions of K.S.A. 23-4,108 and 23-4,109, and amendments thereto.

(3) An income withholding order which consists only of a medical withholding order shall include notice of the medical child support order and shall conform to the requirements of K.S.A. 23-4,121 and amendments thereto. The medical withholding order shall include notice of and direction to comply with the requirements of K.S.A. 23-4,108, 23-4,109, 23-4,119 and 23-4,122 and amendments thereto.

(4) An income withholding order which includes both a medical withholding order and an income withholding order for cash support shall meet the requirements of paragraphs (2) and (3).

(f) (1) Upon written request and without the requirement of further notice to the obligor, the clerk of the district court shall cause a copy of the income withholding order to be served on the payor only by personal service or registered mail, return receipt requested.

(2) Without the requirement of further notice to the obligor, the IV-D agency may cause a copy of any income withholding order to be served on the payor only by personal

service or registered mail, return receipt requested or by any alternate method acceptable to the payor. No payor shall be liable to any person solely because of the method of service accepted by the payor.

(3) As used in this section, "copy of the income withholding order" means any document or notice, regardless of format, that advises the payor of the same general duties, requires the same amount to be withheld from income and requires medical withholding to the same extent as the original income withholding order.

(g) An income withholding order shall be binding on any existing or future payor on whom a copy of the order is served and shall require the continued withholding of income from each periodic payment of income until further order of the court or agency that issued the income withholding order. At any time following issuance of an income withholding order, a copy of the income withholding order may be served on any payor without the requirement of further notice to the obligor.

(h) Except as provided in subsection (k) or (l), at any time following entry of an order for support the obligee or public office may serve upon the obligor a written notice of intent to initiate income withholding. If any notice in the court record indicates that title IV-D services are being provided in the case, whether or not the IV-D services include enforcement of current support, the person or public office requesting issuance of the income withholding order shall obtain the consent of the IV-D agency to the terms of the proposed income withholding order.

The notice of intent to initiate income withholding shall be served on the obligor only by personal service or registered mail, return receipt requested. The notice served on the obligor must state: (1) The terms of the order of support and the total arrearage as of the date the notice was prepared; (2) the amount of income that will be withheld, not including premiums to satisfy a medical withholding order; (3) whether a medical withholding order will be included; (4) that the provision for withholding applies to any current or subsequent payor; (5) the procedures available for contesting the withholding and that the only basis for contesting the withholding is a mistake of fact concerning the amount of the support order, the amount of the arrearage, the amount of income to be withheld or the proper identity of the obligor; (6) the period within which the obligor must act to stay issuance of the income withholding order and that failure to take such action within the specified time will result in payors' being ordered to begin withholding; and (7) the action which will be taken if the obligor contests the withholding.

The obligor may, at any time, waive in writing the notice required by this subsection.

(i) On request of an obligor, the court shall issue an income withholding order which shall be honored by a payor regardless of whether there is an arrearage. Nothing in this subsection shall limit the right of the obligee to request modification of the income withholding order.

(j) (1) *In a nontitle IV-D case, upon presentation to the court of a written agreement between the parties, no income withholding order shall be issued pursuant to subsection (b). In any case, before entry of a new or modified order for support, a party may request that no income withholding order be issued pursuant to subsection (b) if notice of the request has been served on all interested parties and: (A) The party demonstrates, and the court finds, that there is good cause not to require immediate income withholding, or (B) a written agreement among all interested parties provides for an alternative arrangement. In a title IV-D case, the determination that there is good cause not to require immediate income withholding must include a finding that immediate income withholding would not be in the child's best interests and, if an obligor's existing obligation is being modified, proof of timely payment of previously ordered support.*

(2) Notwithstanding the provisions of subsection (j)(1), the court shall issue an income withholding order when an affidavit pursuant to subsection (d) is filed if an arrearage exists in an amount equal to or greater than the amount of support payable for one month.

(3) If a notice pursuant to subsection (h) has been served in a title IV-D case, there is no arrearage or the arrearage is less than the amount of support payable for one month, and the obligor files a motion to stay issuance of the income withholding order based upon the court's previous finding of good cause not to require immediate income withholding pursuant to subsection (j)(1), the obligor must demonstrate the continued existence of good

cause. Unless the court again finds that good cause not to require immediate income withholding exists, the court shall issue the income withholding order.

(4) If a notice pursuant to subsection (h) has been served in a title IV-D case, there is no arrearage or the arrearage is less than the amount of support payable for one month, and the obligor files a motion to stay issuance of an income withholding order based upon a previous agreement of the interested parties for an alternative arrangement pursuant to subsection (j)(1), the court shall issue an income withholding order, notwithstanding any previous agreement, if the court finds that:

- (A) The agreement was not in writing;
- (B) the agreement was not approved by all interested parties;
- (C) the terms of the agreement or alternative arrangement are not being met;
- (D) the agreement or alternative arrangement is not in the best interests of the child;

or

(E) the agreement or alternative arrangement places an unnecessary burden upon the obligor, obligee or a public office.

(5) The procedures and requirements of K.S.A. 23-4,110 and amendments thereto apply to any motion pursuant to paragraph (3) or (4) of this subsection (j).

(k) (1) An ex parte interlocutory order for support may be enforced pursuant to subsection (b) only if the obligor has consented to the income withholding in writing.

(2) An ex parte interlocutory order for support may be enforced pursuant to subsection (c) only if 10 or more days have elapsed since the order for support was served on the obligor.

(3) Any other interlocutory order for support may be enforced by income withholding pursuant to this act in the same manner as a final order for support.

(4) No bond shall be required for the issuance of an income withholding order to enforce an interlocutory order pursuant to this act.

(l) All new or modified orders for maintenance of a spouse or ex-spouse, except orders for a spouse or ex-spouse living with a child for whom an order of support is also being enforced, entered on or after July 1, 1992, shall include a provision for the withholding of income to enforce the order of support. Unless the parties consent in writing to earlier issuance of a withholding order, withholding shall take effect only after there is an arrearage in an amount equal to or greater than the amount of support payable for two months and after service of a notice as provided in subsection (h).";

And by renumbering sections accordingly;

Also on page 16, in line 29, after "Supp." by inserting "23-497,"; also in line 29, after "23-4,106," by inserting "23-4,107,";

In the title, in line 11, after "Supp." by inserting "23-497,"; also in line 11, after "23-4,106," by inserting "23-4,107,"; and the bill be passed as amended.

The Committee on **Taxation** recommends **SB 42**, **SB 43**, **SB 44** be passed.

The Committee on **Taxation** recommends **SB 253** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

The Committee on **Taxation** recommends **HB 2091** be amended on page 1, in line 18, by striking "(a)"; in line 24, by striking "\$1,000"; in line 25, by striking all before the period and inserting "\$500 or less with respect to tax years 2001 and 2002, and \$1,000 or less with respect to tax year 2003, and all tax years thereafter"; by striking all in lines 26 and 27; after line 27, by inserting a new section to read as follows:

"Sec.2. K.S.A. 79-301 is hereby amended to read as follows: 79-301. All tangible personal property subject to taxation shall be listed and assessed as of the first day of January each year in the name of the owner thereof. Such listing and assessment shall be made as ~~hereinafter~~ provided by law. A county or district appraiser may request the listing of any property not subject to taxation, but no taxpayer shall be required to comply with such request.";

By renumbering existing sections accordingly;

Also on page 1, in line 28, after "K.S.A." by inserting "79-301 and K.S.A."; also in line 28, by striking "is" and inserting "are";

In the title, in line 10, after "K.S.A." by inserting "79-301 and K.S.A."; in line 11, by striking "section" and inserting "sections"; and the bill be passed as amended.

The Committee on **Taxation** recommends **HB 2128** be amended on page 1, in line 18, before the period by inserting "if the total amount of such expenditures equal \$5,000 or more"; in line 30, by striking "are in"; in line 31, by striking all before "are"; and the bill be passed as amended.

The Committee on **Taxation** recommends **SB 1**, be amended on page 2, in line 25, by striking "Prior"; in line 26, by striking "to" and inserting "Within 90 days of"; and the bill be passed as amended.

The Committee on **Taxation** recommends **SB 138**, be amended on page 1, after line 42, by inserting a new section to read as follows:

"Sec. 2. K.S.A. 2000 Supp. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes as defined by K.S.A. 79-3301 and amendments thereto, cereal malt beverages and malt products as defined by K.S.A. 79-3817 and amendments thereto, including wort, liquid malt, malt syrup and malt extract, which is not subject to taxation under the provisions of K.S.A. 79-41a02 and amendments thereto, motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A. 65-3424d, and amendments thereto, and dry-cleaning and laundry services taxed pursuant to K.S.A. 2000 Supp. 65-34,150, and amendments thereto;

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

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

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school or a public or private nonprofit educational institution, which would be exempt from taxation under the provisions of this act if purchased directly by such hospital or public hospital authority, school or educational institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state, the total cost of which is paid from funds of such political subdivision and which would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision. Nothing in this subsection or in the provisions of K.S.A. 12-3418 and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state. As used in this

subsection, K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities which are to be leased to the donor. When any political subdivision of the state, public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school or public or private nonprofit educational institution shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, hospital or public hospital authority, school or educational institution concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, hospital or public hospital authority, school or educational institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United States, its agencies or instrumentalities, which would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. As an alternative to the foregoing procedure, any such contracting entity may apply to the secretary of revenue for agent status for the sole purpose of issuing and furnishing project exemption certificates to contractors pursuant to rules and regulations adopted by the secretary establishing conditions and standards for the granting and maintaining of such status. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any ma-

terials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto;

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

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

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

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

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

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

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

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

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

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

(p) all sales of drugs, as defined by K.S.A. 65-1626 and amendments thereto, dispensed pursuant to a prescription order, as defined by K.S.A. 65-1626 and amendments thereto, by a licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-1626, and amendments thereto;

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

(r) all sales of prosthetic and orthopedic appliances prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry. For the purposes of this subsection, the term prosthetic and orthopedic appliances means any apparatus, instrument, device, or equipment used to replace or substitute for any missing part of the body; used to alleviate the malfunction of any part of the body; or used to assist any disabled person in leading a normal life by facilitating such person's mobility; such term shall include accessories attached or to be attached to motor vehicles, but such term shall not include motor vehicles or personal property which when installed becomes a fixture to real property;

(s) all sales of tangible personal property or services purchased directly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 *et seq.* and amendments thereto, which property or services are used in the operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include machinery and equipment used in the operation of Christmas tree farming but shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farming or ranching shall include the operation of a feedlot and farm and ranch work for hire and the operation of a nursery;

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

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

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

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

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

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

(aa) all sales of materials and services applied to equipment which is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and which is subsequently transported outside the state for use in the trans-

mission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

(bb) all sales of used mobile homes or manufactured homes. As used in this subsection: (1) "Mobile homes" and "manufactured homes" shall have the meanings ascribed thereto by K.S.A. 58-4202 and amendments thereto; and (2) "sales of used mobile homes or manufactured homes" means sales other than the original retail sale thereof;

(cc) all sales of tangible personal property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business which meets the requirements established in K.S.A. 74-50,115 and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials, machinery or equipment purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed thereon, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615 and amendments thereto. As used in this subsection, "business" and "retail business" have the meanings respectively ascribed thereto by K.S.A. 74-50,114 and amendments thereto;

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

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

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

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

(hh) all sales of medical supplies and equipment purchased directly by a nonprofit skilled nursing home or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923, and amendments thereto, for the purpose of providing medical services to residents thereof. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

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

(jj) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly on behalf of a community-based mental retardation facility or mental health center organized pursuant to K.S.A. 19-4001 *et seq.*, and amendments thereto, and licensed in accordance with the provisions of K.S.A. 75-3307b and amendments thereto. This exemption shall not apply to tangible personal property customarily used for human habitation purposes;

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

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

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

(2) For purposes of this subsection:

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

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

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

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

(E) "repair and replacement parts and accessories" means all parts and accessories for exempt machinery and equipment, including, but not limited to, dies, jigs, molds, patterns

and safety devices that are attached to exempt machinery or that are otherwise used in production, and parts and accessories that require periodic replacement such as belts, drill bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick and other refractory items for exempt kiln equipment used in production operations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) The following machinery, equipment and materials shall be deemed to be exempt even though it may not otherwise qualify as machinery and equipment used as an integral or essential part of an integrated production operation: (A) Computers and related peripheral equipment that are utilized by a manufacturing or processing business for engineering of the finished product or for research and development or product design; (B) machinery and equipment that is utilized by a manufacturing or processing business to manufacture or rebuild tangible personal property that is used in manufacturing or processing operations, including tools, dies, molds, forms and other parts of qualifying machinery and equipment; (C) portable plants for aggregate concrete, bulk cement and asphalt including cement mixing drums to be attached to a motor vehicle; (D) industrial fixtures, devices, support facilities and special foundations necessary for manufacturing and production operations, and materials and other tangible personal property sold for the purpose of fabricating such fixtures, devices, facilities and foundations. An exemption certificate for such purchases shall be signed by the manufacturer or processor. If the fabricator purchases such material, the fabricator shall also sign the exemption certificate; and (E) a manufacturing or processing

business' laboratory equipment that is not located at the plant or facility, but that would otherwise qualify for exemption under subsection (3)(E).

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

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

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

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

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

(E) furniture and other furnishings;

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

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

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

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

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

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

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

(ll) all sales of educational materials purchased for distribution to the public at no charge by a nonprofit corporation organized for the purpose of encouraging, fostering and conducting programs for the improvement of public health;

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

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

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

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

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

(rr) all sales of tangible personal property which will admit the purchaser thereof to any annual event sponsored by a nonprofit organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after July 1, 1998, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

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

(ccc) on and after July 1, 1999, all sales of tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically underserved individuals and families, and which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center which would be exempt from taxation under the provisions of this section if purchased directly by such clinic or center. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center. When any such clinic or center shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such clinic or center concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such clinic or center concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of

sales tax which would have been payable except for the operation of this subsection shall be recouped in accordance with rules and regulations adopted for such purpose by the secretary of revenue;

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

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

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

By renumbering existing sections accordingly;

Also on page 1, in line 43, by striking “is” and inserting “and K.S.A. 2000 Supp. 79-3606 are”;

In the title, in line 10, by striking “property”; also in line 10, before “exemption” by inserting “property tax”; in line 11, after the semicolon by inserting “exempting grain storage facility construction materials and services from sales taxation;”; also in line 11, before the second “and” by inserting “and K.S.A. 2000 Supp. 79-3606”; in line 12, by striking “section” and inserting “sections”; and the bill be passed as amended.

Upon unanimous consent, the House referred back to the regular order of business, Introduction of Bills and Concurrent Resolutions.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills and concurrent resolution were thereupon introduced and read by title:

HB 2570. An act concerning the retirement system for judges; relating to contribution and retirement annuities; amending K.S.A. 2000 Supp. 20-2603 and 20-2610 and repealing the existing sections, by Committee on Appropriations.

HB 2571. An act establishing the public safety parity superfund; providing for certain amounts to be transferred to such fund; authorizing and directing certain salary increases for public safety officers and employees; prescribing certain powers, duties and functions for the governor and other state officers and employees; amending K.S.A. 75-3728e and 79-5211 and K.S.A. 2000 Supp. 60-4117 and 79-4803 and repealing the existing sections, by Committee on Appropriations.

HB 2572. An act concerning agriculture; relating to inspections of certain facilities; crimes and punishment; civil penalty, by Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION No. 5027—

By Committee on Agriculture

A CONCURRENT RESOLUTION urging the President of the United States, the United States Congress and the United States Department of Agriculture to place an immediate and total ban on importation of certain animals and their meat and meat products into the United States.

WHEREAS, Foot-and-mouth disease is a severe, highly communicable viral disease of cattle, swine and sheep and other cloven-footed animals, and it is one of the most difficult animal infections to control; and

WHEREAS, Foot-and-mouth disease spreads widely and rapidly by animals, people or materials that bring the virus into contact with susceptible animals in the United States, so fast that one infected animal can easily contaminate an entire herd; and

WHEREAS, The United States has been free of foot-and-mouth disease since 1929, when the last of nine outbreaks was eradicated; and

WHEREAS, An outbreak in the United States could spread quickly to all sections of the country by routine livestock movement with devastating economic impact on the American livestock industry; and

WHEREAS, The United States Department of Agriculture (USDA) has instituted a temporary ban on the importation of swine and ruminant meat, any fresh swine or ruminant meat (chilled or frozen) and other products of swine and ruminant meat from the European Union and Argentina; and

WHEREAS, Various types of foot-and-mouth virus have been identified in Africa, South America, Asia and parts of Europe; and

WHEREAS, The USDA and customs officials are prohibiting travelers from carrying into the United States any agricultural products, particularly animal products, that could spread the disease; and

WHEREAS, The USDA initiated a public education campaign that includes signs at airports, public service announcements, an information hotline, a website and other tools to inform the public about this issue and to let them know the steps they can take to prevent this disease from entering the United States; and

WHEREAS, The disease is so devastating that Argentina's cattle industry could lose as much as \$500 million in 2001; and

WHEREAS, Foot-and-mouth disease could cost the pork and beef industry and other industries billions of dollars should it reach the United States: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That we urge the President of the United States, the United States Congress and the United States Department of Agriculture to place an immediate and total ban on importation of all cattle, swine and sheep and other cloven-footed animals and their meat and meat products into the United States; and

Be it further resolved: That the Secretary of State send an enrolled copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Kansas Congressional Delegation.

REPORT ON ENGROSSED BILLS

HB 2408 reported correctly engrossed March 19, 2001.

REPORT ON ENROLLED RESOLUTIONS

HR 6013 reported correctly enrolled and properly signed on March 20, 2001.

On motion of Rep. Weber, the House adjourned until 9:00 a.m., Wednesday, March 21, 2001.

JANET E. JONES, *Chief Clerk.*

CHARLENE SWANSON, *Journal Clerk.*

