

Journal of the House

SEVENTY-SECOND DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Monday, May 7, 2001, 1:00 p.m.

The House met pursuant to adjournment with Speaker pro tem Aurand in the chair.
The roll was called with 122 members present.

Reps. Beggs, Mayans and O'Neal were excused on excused absence by the Speaker.

Prayer by Chaplain Svoboda-Barber:

Holy God,
In the midst of exhaustion
make your presence known.
Help us to give up our own desires
and work together for a solution.
Give us discerning hearts
to understand the difference
between our ego and Your desires for us.
Give us the courage
and the humility
to do what needs to be done today
so that we may finally go home and rest.
I ask these things in Your name. Amen.

The Pledge of Allegiance was led by Rep. Kauffman.

MESSAGE FROM THE SENATE

The Senate nonconcurrs in House amendments to **H. Sub. for SB 9**, requests a conference and has appointed Senators Vratil, Pugh and Goodwin as conferees on the part of the Senate.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, the House acceded to the request of the Senate for a conference on **H. Sub. for SB 9**.

Speaker pro tem Aurand thereupon appointed Reps. T. Powell, Powers and Alldritt as conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **SB 69**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 69**, submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

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

JOHN T. EDMONDS
DAVID HUFF
BRUCE LARKIN
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Edmonds, the conference committee report on **SB 69** was adopted. Speaker pro tem Aurand thereupon appointed Reps. Edmonds, Huff and Larkin as second conferees on the part of the House.

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

AFTERNOON SESSION

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

MESSAGES FROM THE GOVERNOR

HB 2014, HB 2406; Sub. HB 2532 approved on May 7, 2001.

MESSAGE FROM THE SENATE

The Senate adopts conference committee report on **SB 19**.

The Senate adopts conference committee report on **SB 321**.

The Senate adopts conference committee report on **HB 2063**.

The Senate nonconcurrs in House amendments to **H. Sub. for SB 112**, requests a conference and has appointed Senators Clark, Emler and Barone as conferees on the part of the Senate.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, the House acceded to the request of the Senate for a conference on **H. Sub. for SB 112**.

Speaker pro tem Aurand thereupon appointed Reps. Holmes, Sloan and McClure as conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2063**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2063**, submits the following report:

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

On page 6, after line 7, by inserting the following:

"Sec. 2. K.S.A. 79-2801 is hereby amended to read as follows: 79-2801. (a) Except as provided by K.S.A. 79-2811, *and amendments thereto*, whenever real estate has been or shall be sold and bid in by the county at any delinquent tax sale and remains unredeemed on September 1 of the second year after the sale, or any extension thereof as provided by subsection (b) of K.S.A. 79-2401a, and amendments thereto, or whenever real estate described by subsection (a)(2) of K.S.A. 79-2401a, and amendments thereto, has been or shall be sold and bid in by the county at any delinquent tax sale and remains unredeemed on September 1 of the first year after the sale, the board of county commissioners shall order

the county attorney or county counselor and it shall be the duty of the county attorney or county counselor to institute an action in the district court, in the name of the board of county commissioners, against the owners or supposed owners of the real estate and all persons having or claiming to have any interest therein or thereto, by filing a petition with the clerk of the court. The board of county commissioners may provide for special legal and other assistance necessary to secure the timely performance of duties required by this act. Whenever the real estate involved is a mineral interest in land which has been severed from the fee, the bringing of the action for the foreclosure of the mineral interest shall be within the discretion of the board of county commissioners. Whenever the aggregate assessed valuation of the real estate subject to sale is less than \$300,000, or the aggregate amount of delinquent taxes, including special assessments, is less than \$10,000, the bringing of the action shall be within the discretion of the board of county commissioners. The petition shall contain a description of each tract, lot or piece of real estate including, if in a city of the first or second class, the street number or location. The petition shall state, as far as practicable, the amount of taxes, charges, interest and penalties chargeable to each tract, lot or piece of real estate, the name of the owner, supposed owner and party having or claiming to have any interest therein or thereto, and giving the year the real estate was sold for delinquent taxes under the provisions of K.S.A. 79-2302, and amendments thereto. The petition shall request that the court determine the amount of taxes, charges, interest and penalties chargeable to each particular tract, lot or piece of real estate, the name of the owner or party having any interest therein ~~and~~. *The petition also shall request that the court adjudge and decree the amount due to be a first and prior lien upon the real estate and that the same be sold at public sale for the satisfaction of the lien, costs, charges and expenses of the proceedings and sale and other necessary relief.* The petition shall be filed in duplicate and a copy delivered by the clerk to the county treasurer, who thereafter shall accept no payments of taxes upon the real estate included in the petition except as provided by K.S.A. 79-2801 to 79-2810, inclusive, and amendments thereto.

A summons shall be issued and personally served or publication made as provided in other cases under the code of civil procedure. If service is made by publication, the notice, in addition to the requirements prescribed by the code of civil procedure, shall contain a description of the real estate. Any member of the board of county commissioners, county attorney or county counselor who fails to perform the duties required by this section shall forfeit the office held by the officer. Any person may secure enforcement of the provisions of this act through mandamus. Such proceeding shall be initiated by filing a petition in a court of competent jurisdiction.

(b) The governing body of any city may provide for the rendering of legal and other assistance to the county attorney or county counselor to secure the expeditious judicial foreclosure of real estate on which there is unredeemed delinquent tax liens, including delinquent special assessments. The provision of such services by the city shall not relieve any county officer of the requirement to perform the duties required by this act. The actual and necessary costs incurred by a city in providing such assistance shall be considered as costs incident to the sale of the real estate and the city may be reimbursed therefor from the proceeds of the sale in an amount apportioned pursuant to K.S.A. 79-2805, and amendments thereto.

(c) *If the board of county commissioners fails to initiate proceedings for a judicial tax foreclosure sale on property located within the corporate limits of a city and if the taxes on such property have remained delinquent for at least three years after such property first becomes eligible for sale by the county at a judicial tax foreclosure sale pursuant to K.S.A. 79-2801 et seq., and amendments thereto, the governing body of the city in which such property is located may initiate a judicial tax foreclosure sale on such property. The governing body of such city shall have the same powers and duties of the board of county commissioners under K.S.A. 79-2801 et seq., and amendments thereto, which are necessary to effectuate the sale of such property. The city attorney of such city shall have the same powers and duties of the county attorney or county counselor under K.S.A. 79-2801 et seq., and amendments thereto, relating to the judicial tax foreclosure sale of such property. All other county officers shall perform the duties prescribed by law relating to the sale of such*

property in the same manner as if such sale had been initiated by the board of county commissioners.

New Sec. 3. Notwithstanding the provisions of any law to the contrary, the tax imposed upon a motor vehicle pursuant to K.S.A. 79-5101 *et seq.*, and amendments thereto, which is delinquent and more than one year past due, and any penalty and interest resulting from such delinquency, shall be canceled and forgiven if such vehicle is donated to a nonprofit charitable organization which is exempt from payment of federal income tax. In the event any such vehicle is purchased from any such organization by the donor, or on behalf of the donor, of such vehicle, liability for all such tax, interest and penalty shall vest in such purchaser, and shall be collected in the manner prescribed by K.S.A. 79-5116, and amendments thereto.”;

By renumbering existing sections accordingly;

Also on page 6, in line 8, after “K.S.A.” by inserting “79-2801 and K.S.A.”; also in line 8, by striking “is” and inserting “are”;

In the title, in line 10, by striking all after the semicolon; in line 11, by striking all before “amending”; also in line 11, after “K.S.A.” by inserting “79-2801 and K.S.A.”; in line 12, by striking “section” and inserting “sections”;

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

DAVID R. CORBIN

LYNN JENKINS

JANIS K. LEE

Conferees on part of Senate

JOHN T. EDMONDS

DAVID HUFF

BRUCE LARKIN

Conferees on part of House

On motion of Rep. Edmonds, the conference committee report on **HB 2063** was adopted.

On roll call, the vote was: Yeas 120; Nays 2; Present but not voting: 0; Absent or not voting: 3.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Benlon, Bethell, Boston, Burroughs, Campbell, Compton, Cook, 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, Howell, 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, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, 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, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson.

Nays: Weber, Winn.

Present but not voting: None.

Absent or not voting: Beggs, Mayans, O'Neal.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 332**, submits the following report:

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

On page 1, by striking all in lines 28 through 43;

By striking all on pages 2 through 24;

On page 25, by striking all in lines 1 through 11 and inserting the following:

“Sec. 2. On and after January 1, 2002, K.S.A. 2000 Supp. 79-3603, as amended by section 5 of 2001 House Bill No. 2221, is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 4.9% and, within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project upon:

(a) The gross receipts received from the sale of tangible personal property at retail within this state;

(b) (1) the gross receipts from intrastate telephone or telegraph services; (2) the gross receipts received from the sale of interstate telephone or telegraph services, which (A) originate within this state and terminate outside the state and are billed to a customer's telephone number or account in this state; or (B) originate outside this state and terminate within this state and are billed to a customer's telephone number or account in this state except that the sale of interstate telephone or telegraph service does not include: (A) Any interstate incoming or outgoing wide area telephone service or wide area transmission type service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telephone service in a specified area which is outside the state in which the station provided this service is located; (B) any interstate private communications service to the persons contracting for the receipt of that service that entitles the purchaser to exclusive or priority use of a communications channel or group of channels between exchanges; (C) any value-added nonvoice service in which computer processing applications are used to act on the form, content, code or protocol of the information to be transmitted; (D) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (E) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001. For the purposes of this subsection the term gross receipts does not include purchases of telephone, telegraph or telecommunications using a prepaid telephone calling card or prepaid authorization number. As used in this subsection, a prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed; and (3) the gross receipts from the provision of services taxable under this subsection which are billed on a combined basis with nontaxable services, shall be accounted for and the tax remitted as follows: The taxable portion of the selling price of those combined services shall include only those charges for taxable services if the selling price for the taxable services can be readily distinguishable in the retailer's books and records from the selling price for the nontaxable services. Otherwise, the gross receipts from the sale of both taxable and nontaxable services billed on a combined basis shall be deemed attributable to the taxable services included therein. Within 90 days of billing taxable services on a combined basis with nontaxable services, the retailer shall enter into a written agreement with the secretary identifying the methodology to be used in determining the taxable portion of the selling price of those combined services. The burden of proving that any receipt or charge is not taxable shall be upon the retailer. Upon request from the customer, the retailer shall disclose to the customer the selling price for the taxable services included in the selling price for the taxable and nontaxable services billed on a combined basis;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities *but such tax shall not be levied and collected upon the gross receipts from: (1) The sale of a rural water district benefit unit; (2) a water system impact fee, system enhancement fee or similar fee collected by a water*

supplier as a condition for establishing service; or (3) connection or reconnection fees collected by a water supplier;

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

(f) the gross receipts from the operation of any coin-operated device dispensing or providing tangible personal property, amusement or other services except laundry services, whether automatic or manually operated;

(g) the gross receipts from the service of renting of rooms by hotels, as defined by K.S.A. 36-501 and amendments thereto, or by accommodation brokers, as defined by K.S.A. 12-1692, and amendments thereto;

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery, equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

(i) the gross receipts from the rendering of dry cleaning, pressing, dyeing and laundry services except laundry services rendered through a coin-operated device whether automatic or manually operated;

(j) the gross receipts from the rendering of the services of washing and waxing and waxing of vehicles;

(k) the gross receipts from cable, community antennae and other subscriber radio and television services;

(l) (1) except as otherwise provided by paragraph (2), the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen for use by them in erecting structures, or building on, or otherwise improving, altering, or repairing real or personal property.

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

(m) the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, by any organization exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-201, and amendments thereto, or by any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e);

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A. 79-201, and amend-

ments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the operation of a nonprofit zoo;

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; or (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 *et seq.*, and amendments thereto, by an immediate family member to another immediate family member. For the purposes of clause (3), immediate family member means lineal ascendants or descendants, and their spouses. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

(p) the gross receipts received for the service of installing or applying tangible personal property which when installed or applied is not being held for sale in the regular course of business, and whether or not such tangible personal property when installed or applied remains tangible personal property or becomes a part of real estate, except that no tax shall be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence or the construction, reconstruction, restoration, replacement or repair of a bridge or highway.

For the purposes of this subsection:

(1) "Original construction" shall mean the first or initial construction of a new building or facility. The term "original construction" shall include the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building or facility damaged or destroyed by fire, flood, tornado, lightning, explosion or earthquake, but such term, except with regard to a residence, shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;

(2) "building" shall mean only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

(3) "facility" shall mean a mill, plant, refinery, oil or gas well, water well, feedlot or any conveyance, transmission or distribution line of any cooperative, nonprofit, membership corporation organized under or subject to the provisions of K.S.A. 17-4601 *et seq.*, and amendments thereto, or of any municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility; and

(4) "residence" shall mean only those enclosures within which individuals customarily live;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property, except computer software described in subsection (s), which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property;

(r) the gross receipts from fees or charges made under service or maintenance agreement contracts for services, charges for the providing of which are taxable under the provisions of subsection (p) or (q);

(s) the gross receipts received from the sale of computer software, and the sale of the services of modifying, altering, updating or maintaining computer software. As used in this subsection, "computer software" means information and directions loaded into a computer which dictate different functions to be performed by the computer. Computer software includes any canned or prewritten program which is held or existing for general or repeated

sale, even if the program was originally developed for a single end user as custom computer software. The sale of computer software or services does not include: (1) The initial sale of any custom computer program which is originally developed for the exclusive use of a single end user; or (2) those services rendered in the modification of computer software when the modification is developed exclusively for a single end user only to the extent of the modification and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements and other billing documents provided to the end user. The services of modification, alteration, updating and maintenance of computer software shall only include the modification, alteration, updating and maintenance of computer software taxable under this subsection whether or not the services are actually provided;

(t) the gross receipts received for telephone answering services, including mobile phone services, beeper services and other similar services;

(u) the gross receipts received from the sale of prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers. A prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed. If the sale or recharge of such card or number does not take place at the vendor's place of business, it shall be conclusively determined to take place at the customer's shipping address; if there is no item shipped then it shall be the customer's billing address; and

(v) the gross receipts received from the sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701, *et seq.*, and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1, 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701 *et seq.*, and amendments thereto, shall be exempt from taxes imposed pursuant to this section.

Sec. 3. On and after January 1, 2002, K.S.A. 2000 Supp. 79-3606, as amended by section 1 of 2001 House Bill No. 2029, 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, con-

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

(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) *except as provided in section 4, and amendments thereto*, all sales of tangible personal property or services purchased directly or indirectly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 *et seq.* and amendments thereto, *by a rural water district organized or operating under the authority of K.S.A. 82a-612, and amendments thereto, or by a water supply district organized or operating under the authority of K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto*, which property or services are used in the *construction activities*, operation or maintenance of the district;

(t) all sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment or aquaculture machinery and equipment" shall include 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 transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States;

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

ting, 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, non-industrial 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;

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

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

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

(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 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 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, 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 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.”;

Also on page 25, in line 13, by striking “\$.028” and inserting “\$.03”; in line 18, after the period by inserting “The price to the consumer of water sold at retail by any such system shall not include the amount of such fee.”; in line 31, by striking “it” and inserting “5/8 thereof to the state highway fund and the remainder”; by striking all in line 32; in line 33, by striking all after “Supp.”; by striking all in line 34; in line 35, by striking all before the

comma and inserting "79-3603, as amended by section 5 of 2001 House Bill No. 2221, and 79-3606, as amended by section 1 of 2001 House Bill No. 2029";

In the title, by striking all in line 13; in line 14, by striking all before the comma and inserting "79-3603, as amended by section 5 of 2001 House Bill No. 2221, and 79-3606, as amended by section 1 of 2001 House Bill No. 2029";

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

JOHN T. EDMONDS
TOM SLOAN
BRUCE LARKIN
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Sloan, the conference committee report on **H. Sub. for SB 332** was adopted.

On roll call, the vote was: Yeas 99; Nays 21; Present but not voting: 0; Absent or not voting: 5.

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

Nays: Ballou, Burroughs, Cook, Edmonds, Freeborn, Henderson, Huebert, Huy, Landwehr, Loyd, Mason, Minor, Nichols, Osborne, Palmer, L. Powell, Sharp, Spangler, Vickrey, Weber, Winn.

Present but not voting: None.

Absent or not voting: Beggs, Garner, Mayans, Novascone, O'Neal.

The House stood at ease until the sound of the gavel.

Speaker pro tem Aurand called the House to order.

On motion of Rep. Weber, the House recessed until 4:00 p.m.

LATE AFTERNOON SESSION

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

On motion of Rep. Weber, the House recessed until 5:30 p.m.

EARLY EVENING SESSION

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

On motion of Rep. Weber, the House recessed until 8:00 p.m.

EVENING SESSION

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

On motion of Rep. Weber, the House recessed until 8:45 p.m.

NIGHT SESSION

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

MESSAGES FROM THE SENATE

The Senate adopts conference committee report on **H. Sub. for SB 332**.

Also, the Senate adopts conference committee report on **HB 2497**.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2497**.

INTRODUCTION OF ORIGINAL MOTIONS

Rep. Weber moved, pursuant to Joint Rule 3(f), that the rules be suspended regarding distribution of copies of the conference committee report on **HB 2497** to all members of the House. The motion prevailed.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2497**, submits the following report:

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

On page 4, in line 20, by striking "On and after July 1, 2001, the" and inserting "The"; in line 21, by striking "seven" and inserting "eight"; in line 27, by striking "seven" and inserting "eight"; in line 30, by striking "two" and inserting "three"; in line 32, by striking all after "(b)"; by striking all in line 33; in line 34, by striking all before "All"; in line 35, by striking all after "benefits"; in line 36, by striking all before "shall";

On page 5, in line 4, by striking "July 1,,"; in line 5, by striking "2001" and inserting "the effective date of this act";

On page 6, in line 38, by striking "July 1, 2001" and inserting "the effective date of this act";

On page 8, in line 8, by striking all after "(10)"; by striking all in lines 9 through 13; in line 14, by striking "(11)"; in line 30, by striking "On and after July 1, 2001, the" and inserting "The";

On page 9, in line 7, by striking "July 1, 2001" and inserting "the effective date of this act";

On page 20, by striking all in lines 35 through 43;

By striking all of page 21;

On page 22, by striking all in lines 1 through 38 and inserting in lieu thereof the following: "Sec. 18. K.S.A. 2000 Supp. 12-1771a, as amended by section 4 of 2001 Substitute for House Bill No. 2005, is hereby amended to read as follows: 12-1771a. (a) The governing body of a city may establish an increment in ad valorem taxes using the procedure set forth in subsection (b) for projects that are initiated upon a finding that the area is a blighted area as defined under K.S.A. 2000 Supp. 12-1770a, and amendments thereto, when the following conditions exist:

(1) The proposed district has been identified by the Kansas department of health and environment or the United States environmental protection agency to be an environmentally contaminated area;

(2) the city has entered into a consent decree or settlement agreement or has taken action expressing an intent to enter into a consent decree or settlement agreement with the Kansas department of health and environment or the United States environmental protection agency that addresses the investigation and remediation of the environmental contamination;

(3) the consent decree or settlement agreement contains a provision that has the effect of releasing property owners who are not responsible for the contamination from the responsibility of paying the response costs of the investigation and remediation of the contamination; and

(4) the city intends to establish a redevelopment district pursuant to K.S.A. 12-1771, and amendments thereto, to wholly finance or partially finance the investigation and remediation of contamination within such district.

(b) An environmental increment established after a city has found that the conditions described in subsection (c) of K.S.A. 2000 Supp. 12-1770a, and amendments thereto, exists shall be set on a yearly basis. For purposes of this section, a yearly basis shall be a calendar year. Each year's increment shall be an amount sufficient to pay the direct costs of investigation and remediation of the contaminated condition anticipated to be incurred that year including principal and interest due on any special obligation bonds or full faith and credit tax increment bonds issued to finance in whole or in part the remediation and investigation, costs relating to remediation investigation and feasibility studies, operation and maintenance expenses and other expenses relating directly to the investigation and remediation of contamination. Each year's environmental increment shall not exceed 20% of the amount of taxes that are produced by all taxing subdivisions within any currently existing or subsequently created redevelopment district area in the year the redevelopment district is first established, notwithstanding that such subdivision was not required to receive notice of the establishment of the district.

(c) The budget that establishes the yearly environmental increment shall be certified by the city to the county clerk and county treasurer no later than August 25th, preceding the calendar year for which the budget is being set. Funds derived from an environmental increment established by this section and interest on all funds derived from an environmental increment established by this section may be used only for projects involving the investigation and remediation of contamination in the district.

(d) The real property taxes produced by the environmental increment established under subsection (b) from a redevelopment district established under the provisions of K.S.A. 12-1771, and amendments thereto, and this section shall be allocated and paid by the county treasurer to the treasurer of the city and deposited in a special separate fund of the city to pay the direct cost of investigation and remediation of contamination in the redevelopment district. Any funds collected by the city from parties determined to be responsible in any manner for the contaminated condition shall be either: (1) Deposited in the same separate special fund created hereunder, and with all interest earned thereon, may be used only for projects involving the investigation and remediation of contamination in the established redevelopment district; or (2) distributed to parties who have entered into a contract with the city to pay a portion of investigation and remediation of the contamination in the redevelopment district and the terms of such contract provide that such parties are entitled to reimbursement for a portion of funds they have expended for such investigation and remediation of contamination from the recovery of costs that are collected from other third party responsible parties.

(e) A redevelopment district created under the provisions of this section shall constitute a separate taxing district. If all costs for such investigation and remediation of contamination in the redevelopment district have been paid and moneys remain in the special fund, such moneys shall be remitted to each taxing subdivision which paid moneys into the special fund on the basis of the proportion which the total amount of moneys paid by such taxing subdivision into the special fund bears to the total amount of all moneys paid by all taxing subdivisions into the fund.

(f) Nothing in this section shall prevent any city from establishing a redevelopment district for other purposes pursuant to K.S.A. 12-1770 *et seq.*, and amendments thereto, which may include part or all of the real property included in the district established under this section.

(g) Redevelopment projects relating to environmental investigation and remediation under this section, and amendments thereto, shall be completed within 20 years from the date a city enters into a consent decree agreement with the Kansas department of health and environment or the United States environmental protection agency.

(h) Nothing in this section shall be construed to affect the obligations of the county to annually review the fair market value of property in accordance with procedures set by law or to affect the right of any taxpayer to protest and appeal the appraised or reappraised value of their property in accordance with procedures set forth by law.

(i) Commencing with the regular session of the legislature in 1993, each city that establishes a redevelopment district under this section shall make a status report on a biennial basis to the standing committee on commerce of the senate and the standing committee on ~~economic development~~ *new economy* of the house of representatives during the month of January. The status report shall contain information on the status of the investigation and remediation of contamination in the redevelopment district.

(j) For the purposes of this act, the governing body of a city, in contracts entered into with the Kansas department of health and environment or the United States environmental protection agency, may pledge increments receivable in future years to pay costs directly relating to the investigation and remediation of environmentally contaminated areas. The provisions in such contracts pertaining to pledging increments in future years shall not be subject to K.S.A. 10-1101 *et seq.* or 79-2925 *et seq.*, and amendments thereto.;

On page 32, by striking all in lines 19 through 43;

On page 33, by striking all in lines 1 through 21 and inserting in lieu thereof the following:

“Sec. 29. On July 1, 2001, K.S.A. 2000 Supp. 74-8017, as amended by section 1 of 2001 House Bill No. 2591, is hereby amended to read as follows: 74-8017. (a) On and after January 1, 2003, it shall be the duty of Kansas, Inc. to prepare an annual report evaluating the cost effectiveness of the various income tax credits and sales tax exemptions enacted to encourage economic development within this state and submit the same to the standing committees on taxation and ~~economic development~~ *new economy* of the house and assessment and taxation and commerce of the senate at the beginning of each regular session of the legislature. The secretary of revenue shall develop a questionnaire on the utilization of state income tax credits and sales tax exemptions that shall be completed by all corporate taxpayers subject to state income tax that shall be submitted to the department of revenue concurrently with the filing of an annual corporate income tax return. The questionnaire shall require respondents to indicate utilization of the following credits and exemptions:

(1) Income tax credits authorized under the provisions of the job expansion and investment credit act of 1976 and acts amendatory thereof and supplemental thereto;

(2) income tax credits for expenditures in research and development activities authorized by K.S.A. 79-32,182, and amendments thereto;

(3) income and financial institutions privilege tax credits for cash investment in stock of Kansas Venture Capital, Inc. authorized by K.S.A. 74-8205 and 74-8206, and amendments thereto;

(4) income tax credits for cash investment in certified Kansas venture capital companies authorized by K.S.A. 74-8304, and amendments thereto;

(5) income tax credits for cash investment in certified local seed capital pools authorized by K.S.A. 74-8401, and amendments thereto;

(6) income tax credits for investment in the training and education of qualified firms' employees authorized by K.S.A. 2000 Supp. 74-50,132, and amendments thereto;

(7) sales tax exemptions for property or services purchased for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business, or retail business meeting the requirements of K.S.A. 74-50,115, and amendments thereto, and machinery and equipment for installation at such business or retail business authorized by subsection (cc) of K.S.A. 79-3606, and amendments thereto; and

(8) sales tax exemptions for machinery and equipment used directly and primarily for the purposes of manufacturing, assembling, processing, finishing, storing, warehousing or distributing articles of tangible personal property in this state intended for resale by a manufacturing or processing plant or facility or a storage, warehousing or distribution facility. The

secretary of revenue shall provide the completed questionnaires and copies of sales tax exemption certificates to Kansas, Inc. for the preparation of such report.

(b) Prior to the commencement of the 2002 legislative session, Kansas, Inc. and the Kansas department of revenue shall agree upon procedures for the purpose of disclosure of corporate and individual taxpayer information to fulfill the purposes of this section and protect sensitive taxpayer information to the extent possible consistent with this section. Such procedures shall be submitted to an appropriate committee at the commencement of such session in the form of a proposed bill.”;

On page 40, after line 27, by inserting the following:

“Sec. 38. K.S.A. 46-2801 is hereby amended to read as follows: 46-2801. (a) There is hereby created the joint committee on corrections and juvenile justice oversight which shall be within the legislative branch of state government and which shall be composed of no more than ~~seven~~ *nine* members of the senate and ~~seven~~ *nine* members of the house of representatives.

(b) The ~~senate~~ members *from the senate* shall be appointed by the president and the minority leader. The two major political parties shall have proportional representation on such committee. In the event application of the preceding sentence results in a fraction, the party having a fraction exceeding .5 shall receive representation as though such fraction were a whole number.

(c) The ~~seven~~ *representative* *nine* members *from the house of representatives* shall be appointed as follows:

(1) Two members shall be members of the majority party who are members of the house committee on appropriations and shall be appointed by the speaker;

(2) two members shall be members of the minority party who are members of the house committee on appropriations and shall be appointed by the minority leader;

(3) two members shall be members of the majority party who are members of the house committee on judiciary and shall be appointed by the speaker; ~~and~~

(4) one member shall be a member of the minority party who is a member of the house committee on judiciary and shall be appointed by the minority leader;

(5) *one member shall be a member of the majority party who is a member of any committee not specified in paragraphs (1) through (4) and shall be appointed by the speaker; and*

(6) *one member shall be a member of the minority party who is a member of any committee not specified in paragraphs (1) through (4) and shall be appointed by the minority leader.*

(d) Any vacancy in the membership of the joint committee on corrections and juvenile justice oversight shall be filled by appointment in the manner prescribed by this section for the original appointment.

(e) All members of the joint committee on corrections and juvenile justice oversight shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. The joint committee shall organize annually and elect a chairperson and vice-chairperson in accordance with this subsection. During calendar years 1997 and 1999, the chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the senate members elected by the members of the joint committee. During calendar year 1998, the chairperson shall be one of the senate members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, a member of the joint committee, who is a member of the same house as the member who vacated the office, shall be elected by the members of the joint committee to fill such vacancy. Within 30 days after the effective date of this act, the joint committee shall organize and elect a chairperson and a vice-chairperson in accordance with the provisions of this act.

(f) A quorum of the joint committee on corrections and juvenile justice oversight shall be ~~eight~~ *10*. All actions of the joint committee shall be by motion adopted by a majority of those present when there is a quorum.

(g) The joint committee on corrections and juvenile justice oversight may meet at any time and at any place within the state on the call of the chairperson, vice-chairperson and

ranking minority member of the house of representatives when the chairperson is a representative or of the senate when the chairperson is a senator.

(h) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on corrections and juvenile justice oversight to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(i) In accordance with K.S.A. 46-1204, and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on corrections and juvenile justice oversight.

(j) The joint committee on corrections and juvenile justice oversight may introduce such legislation as it deems necessary in performing its functions.

(k) In addition to other powers and duties authorized or prescribed by law or by the legislative coordinating council, the joint committee on corrections and juvenile justice oversight shall:

(1) Monitor the inmate population and review and study the programs, activities and plans of the department of corrections regarding the duties of the department of corrections that are prescribed by statute, including the implementation of expansion projects, the operation of correctional, food service and other programs for inmates, community corrections, parole and the condition and operation of the correctional institutions and other facilities under the control and supervision of the department of corrections;

(2) monitor the establishment of the juvenile justice authority and review and study the programs, activities and plans of the juvenile justice authority regarding the duties of the juvenile justice authority that are prescribed by statute, including the responsibility for the care, custody, control and rehabilitation of juvenile offenders and the condition and operation of the state juvenile correctional facilities under the control and supervision of the juvenile justice authority;

(3) review and study the adult correctional programs and activities and facilities of counties, cities and other local governmental entities, including the programs and activities of private entities operating community correctional programs and facilities and the condition and operation of jails and other local governmental facilities for the incarceration of adult offenders;

(4) review and study the juvenile offender programs and activities and facilities of counties, cities, school districts and other local governmental entities, including programs for the reduction and prevention of juvenile crime and delinquency, the programs and activities of private entities operating community juvenile programs and facilities and the condition and operation of local governmental residential or custodial facilities for the care, treatment or training of juvenile offenders;

(5) study the progress and results of the transition of powers, duties and functions from the department of social and rehabilitation services, office of judicial administration and department of corrections to the juvenile justice authority; and

(6) make an annual report to the legislative coordinating council as provided in K.S.A. 46-1207, and amendments thereto, and such special reports to committees of the house of representatives and senate as are deemed appropriate by the joint committee.

(l) The provisions of this section shall expire on December 31, 2003.

Sec. 39. K.S.A. 46-3001 is hereby amended to read as follows: 46-3001. (a) There is hereby created the joint committee on children's issues which shall be within the legislative branch of state government and which shall be composed of 10 members. Five members shall be members of the house of representatives and five members shall be members of the senate. Three of the members who are representatives shall be appointed by the speaker of the house of representatives, three members who are senators shall be appointed by the president of the senate, two members who are representatives shall be appointed by the minority leader of the house of representatives and two members who are senators shall be appointed by the minority leader of the senate. ~~At least one member of the committee from the house of representatives shall be a member of the committee on insurance, one member shall be a member of the committee on health and human services and one member shall be a member of the committee on appropriations. At least one member of the committee from the senate shall be a member of the committee on financial institutions and insurance, one~~

~~member shall be a member of the committee on public health and welfare and one member shall be a member of the committee on ways and means.~~

(b) All members of the joint committee on children's issues shall serve for terms of two years ending on the first day of the regular session of the legislature commencing in the first odd-numbered year after the year of appointment, except that the first members shall be appointed on the effective date of this act and shall serve for terms ending on the first day of the regular session of the legislature commencing in 1999. If a vacancy occurs in the office of any member of the joint committee on children's issues, a successor shall be appointed in the same manner as the original appointment for the remainder of the term. The chairperson shall be appointed for a term of one year which ends on the first day of the next occurring regular session of the legislature. The speaker of the house of representatives shall appoint the first chairperson on the effective date of this act and shall appoint the chairperson for the term commencing on the first day of the regular session of the legislature commencing in 1999 for a one-year term to end on the first day of the regular session of the legislature commencing in the year 2000. The president of the senate shall appoint the next chairperson on the first day of the regular session of the legislature commencing in the year 2000 for a one-year term which ends on the first day of the next occurring regular session of the legislature. Thereafter the appointment of the chairperson shall continue to alternate between the speaker of the house of representatives and the president of the senate with each subsequent chairperson being appointed for a one-year term ending on the first day of the regular session of the legislature in the next occurring regular session of the legislature after the year of appointment. If a vacancy occurs in the office of the chairperson, a member of the joint committee who is a member of the same house of the legislature as the member who vacated the office shall be appointed by the speaker of the house or president of the senate, depending on the house membership of the vacating member, to fill such vacancy.

(c) A quorum of the joint committee on children's issues shall be six. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.

(d) The joint committee on children's issues shall have the authority to meet at any time and at any place within the state on the call of the chairperson.

(e) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on children's issues to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(f) Members of the committee shall receive compensation, travel expenses and subsistence expenses as provided in K.S.A. 75-3212 and amendments thereto when attending meetings of the committee.

(g) The joint committee on children's issues shall have the services of the legislative research department, the office of revisor of statutes and other central legislative staff service agencies.

(h) The joint committee on children's issues shall oversee the implementation and operation of the children's health insurance plans created under the provisions of this act, including the assessment of the performance based contracting's measurable outcomes as set forth in subsection (b)(4) of K.S.A. 38-2001 and amendments thereto and other children's issues as the committee deems necessary.

(i) *The joint committee on children's issues may introduce legislation as the committee deems appropriate in performing its functions.*;

And by renumbering sections accordingly;

Also on page 40, in line 33, after "2701," by inserting "46-2801,"; also in line 33, after "12- 1771a," by inserting "as amended by section 4 of 2001 Substitute for House Bill No. 2005,"; in line 36, by striking "74-8017,"; after line 38, by inserting the following:

"Sec. 41. On July 1, 2001, K.S.A. 2000 Supp. 74-8017, as amended by section 1 of 2001 House Bill No. 2591, is hereby repealed.";

And by renumbering the remaining section accordingly;

Also on page 40, in line 40, by striking "statute book" and inserting "Kansas register";

On page 1, in the title, in line 22, after "46-2201" by inserting ", 46-2801 and 46-3001"; in line 23, after "12-1771a," by inserting "as amended by section 4 of 2001 Substitute for

House Bill No. 2005,"; in line 25, after "74-8017," by inserting "as amended by section 1 of 2001 House Bill No. 2591,"; in line 28, by striking the comma after "2507" and inserting "and"; also in line 28, by striking "and 46-3001";

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

SUSAN WAGLE
JIM BARNETT
DAVID HALEY

Conferees on part of Senate

WILLIAM G. MASON
JERRY L. ADAY
ANNIE KUETHER

Conferees on part of House

On motion of Rep. Mason to adopt the conference committee report on **HB 2497**, the motion did not prevail.

On roll call, the vote was: Yeas 20; Nays 101; Present but not voting: 0; Absent or not voting: 4.

Yeas: Aurand, Ballard, Campbell, Glasscock, Horst, Kuether, Lane, Mason, Nichols, J. Peterson, Pottorff, T. Powell, Ray, Sloan, Stone, Weber, Wells, Wilk, D. Williams, Wilson.

Nays: Aday, Alldritt, Ballou, Barnes, Benlon, Bethell, Boston, Burroughs, Compton, Cook, Cox, Crow, Dahl, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Kline, Krehbiel, Landwehr, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, P. Long, Loyd, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Novascone, O'Brien, Osborne, Ostmeyer, Palmer, Patterson, Pauls, E. Peterson, Phelps, L. Powell, Powers, Pyle, Reardon, Rehorn, Ruff, Schwartz, Sharp, Showalter, Shriver, Shultz, Spangler, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Vickrey, Welshimer, J. Williams, Winn.

Present but not voting: None.

Absent or not voting: Beggs, Mayans, O'Neal, Toplikar.

The House stood at ease until the sound of the gavel.

Speaker pro tem Aurand called the House to order.

MESSAGE FROM THE SENATE

The Senate adopts the conference committee report to agree to disagree on **SB 69**, requests a new conference committee be appointed, and has appointed Senators Corbin, Jenkins and Lee as second conferees on the part of the Senate.

The Senate adopts conference committee report on **S. Sub. for HB 2336**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2336**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed as Senate Substitute for House Bill No. 2336 as amended by Senate committee as follows:

On page 7, in line 39, by striking "2,666" and inserting "3,756 preschool-aged at-risk pupils to be counted in the 2001-02 school year and not more than 5,500"; in line 40, after "year", by inserting "thereafter";

On page 17, in line 18, by striking "state board of education" and inserting "legislative coordinating council"; in line 19, by striking "per"; in line 20, by striking "pupil"; in line 23, after "addition", by inserting "to any other subjects the legislative coordinating council

deems appropriate.”; in line 26, after “locations”, by inserting “including, but not limited to, per pupil cost”;

On page 18, in line 4, by striking “and”; following line 4, by inserting a new paragraph as follows:

“(6) the cost of opening new facilities; and”;

Also on page 18, in line 5, by striking “(6)” and inserting “(7)”; in line 8, by striking “The state board of education” and inserting “Within the limits of appropriations therefor, the legislative coordinating council”; following line 16, by inserting a new subsection as follows:

“(d) The legislative coordinating council shall designate a special committee to assist the council in discharging its responsibilities under this section, including prepare a request for proposals for the conduct of school finance system evaluation; advertise nationally for such proposals; evaluate the proposals; recommend to the council a consultant or consultants best qualified to conduct the study; consult with the council concerning terms and conditions of the consulting contract; act in an advisory capacity to assist the consultant in the conduct of the evaluation; on behalf of the council, receive from the consultant regular reports of progress; and receive the final report of the consultant three weeks prior to formal submission of the report to the 2002 legislature on January 14, 2002. The special committee shall be composed of some or all of the members of the legislative educational planning committee as determined by the legislative coordinating council. The legislative coordinating council shall determine the number of members of the special committee who shall be members of the house of representatives, members of the senate, members of the majority party and members of the minority party.”;

Also on page 18, in line 17, by striking “(d)” and inserting “(e)”;

On page 33, by striking all of lines 30 through 43;

On page 34, by striking all of lines 1 through 21; following line 21, by inserting three new sections as follows:

“Sec. 15. On July 1, 2001, K.S.A. 72-5205 shall be and is hereby amended to read as follows: 72-5205. (a)(1) Each school board shall provide basic vision screening without charge to every pupil *enrolled in its each school under the governance of such school board* not less than once every two (2) years. All such tests shall be performed by a teacher or some other person designated by the school board. The results of the test and, if necessary, the desirability of examination by a qualified physician, *ophthalmologist* or optometrist shall be reported to the parents or guardians of such pupils: ~~Provided, That the:~~ Information ~~so reported~~ relating to the desirability of examination by a qualified physician, *ophthalmologist* or *optometrist* shall not show preference in favor of any such professional person.

(2) *The requirements of this subsection shall not apply to a pupil who has had a basic vision screening examination within six months prior to the provision of basic vision screening in the school in which the pupil is enrolled.*

(b) *Each pupil needing assistance in achieving mastery of basic reading, writing and mathematics skills shall be encouraged to obtain an eye examination by an optometrist or ophthalmologist to determine if the pupil suffers from conditions which impair the ability to read. Expense for such examination, if not reimbursed through Medicaid, Healthwave, private insurance or other governmental or private program, shall be the responsibility of the pupil's parent or guardian.*

Sec. 16. K.S.A. 46-1208a is hereby amended to read as follows: 46-1208a. (a) The legislative educational planning committee is hereby established and shall be composed of ~~13~~ 13 members, ~~six~~ seven of whom shall be members of the house of representatives and ~~five~~ six of whom shall be senators. ~~At least five members of the committee shall be of the minority party, with at least two thereof from each house.~~ Members of the legislative educational planning committee shall be appointed by the legislative coordinating council. *The legislative coordinating council shall determine the number of members of the committee who shall be members of the majority party and the number of members of the committee who shall be members of the minority party.* The committee shall be permanent with membership changing from time to time as the legislative coordinating council shall determine.

(b) The legislative educational planning committee shall plan for public and private postsecondary education in Kansas, including vocational and technical education; *explore, study and make recommendations concerning preschool and K-12 education in Kansas; review*

implementation of legislation relating to educational matters; and consider such other matters as the legislative coordinating council may assign. The committee shall annually make a report and recommendations to the legislature and the governor and may cause the same to be published separately from other documents which are required by law to be submitted to the legislative coordinating council. The reports and recommendations of the committee shall include a developmental schedule for implementation of educational goals established by the committee. The committee shall from time to time update such schedule as new or additional information is developed or refined.

(c) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the legislative educational planning committee to the extent that the same do not conflict with the specific provisions of this act applicable to the committee.

(d) Upon request of the legislative educational planning committee, the state board of regents and the state board of education shall provide consultants from the faculties and staffs of institutions and agencies under the respective control and jurisdiction thereof.

(e) The legislative educational planning committee shall meet upon call of its chairperson and may introduce such legislation as it deems necessary in performing its functions.

Sec. 17.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Professional evaluation of school district finance
For the fiscal year ending June 30, 2002..... \$225,000

Provided, That expenditures shall be made from the professional evaluation of school district finance account for a study to determine the per pupil cost of a suitable education for Kansas children pursuant to 2001 Senate Substitute for House Bill No. 2336.;

By renumbering sections 17 through 19 as sections 18 through 20, respectively;

Also on page 34, in line 22, after "K.S.A.", by inserting "46-1208a and K.S.A."; in line 26, before "72-6420", by inserting "72-5205, 72-5206 and"; also in line 26, by striking "and 72-"; in line 27, by striking "8603";

In the title, in line 12, by striking all after the semicolon; in line 13, by striking all before the semicolon and inserting "making and concerning appropriations for the fiscal year ending June 30, 2002, for the legislative coordinating council"; in line 14, after "K.S.A.", by inserting "46-1208a,"; also in line 14, before "72-6420", by inserting "72-5205 and"; also in line 14, by striking "and 72- 8603"; in line 18, after "sections", by inserting "; also repealing K.S.A. 72-5206";

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

DWAYNE UMBARGER
JOHN VRATIL
Conferees on part of Senate

RALPH M. TANNER
KATHE LLOYD
Conferees on part of House

On motion of Rep. Tanner, the conference committee report on **S. Sub. for HB 2336** was adopted.

On roll call, the vote was: Yeas 70; Nays 51; Present but not voting: 0; Absent or not voting: 4.

Yeas: Aday, Aurand, Ballard, Benlon, Bethell, Boston, Campbell, Compton, Cox, Dahl, DeCastro, DiVita, Dreher, Faber, Freeborn, Glasscock, Gordon, Hayzlett, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kirk, Kline, Krehbiel, Landwehr, Lane, Levinson, Light, Lightner, Lloyd, Loyd, Mason, Mays, McLeland, Merrick, Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Ostmeyer, Patterson, J. Peterson, Pottorff, L. Powell, T. Powell, Powers, Pyle, Ray, Schwartz, Sloan, Stone, Storm, Tafaneli, Tanner, Toelkes, Tomlinson, Weber, Wells, Wilk, D. Williams, J. Williams.

Nays: Alldritt, Ballou, Barnes, Burroughs, Cook, Crow, Dillmore, Edmonds, Feuerborn, Findley, Flaharty, Flora, Garner, Gatewood, Gilbert, Grant, Henderson, Henry, Kauffman, Klein, Kuether, Larkin, Loganbill, M. Long, P. Long, McClure, McCreary, McKinney, Minor, Nichols, Novascone, O'Brien, Osborne, Palmer, Pauls, E. Peterson, Phelps, Reardon, Rehorn, Ruff, Sharp, Showalter, Shriver, Shultz, Spangler, Swenson, Thimesch, Vickrey, Welshimer, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Beggs, Mayans, O'Neal, Toplikar.

EXPLANATIONS OF VOTE

MR. SPEAKER: My explanation of vote includes a quote: "Perhaps the greatest idea America has given the world is education for all. The world is entitled to know whether that idea means that all children should be educated or that they should all go to school." Robert Hutchins 1953

Kansans deserve to know whether this legislature and Governor believe that Kansas children deserve an excellent and equal education or that we are only willing to keep school doors open and the lights on. I vote no on **S. Sub. for HB 2336**.—MELANY BARNES

MR. SPEAKER: I vote yes on **S. Sub. for HB 2336**. This provides monies for education. What this does not have is the provisions of **SB 191** which would allow school districts to contribute to 401K by match. Schools should be able to do this. We firmly believe that school districts already have this authority. While **SB 191** would be nice; its provisions would merely place into law powers already available to school districts.—ROBERT TOMLINSON, LISA BENLON, BOB BETHELL, PHIL KLINE

MR. SPEAKER: I vote yes on **S. Sub. for HB 2336**. While I had hoped that we could have appropriated a great deal more dollars for K-12 schools, the revenue shortfalls and legislative unwillingness to raise taxes or to expand types of revenue caused a collapse of such an idea. Retention of the \$50 on the base was even in jeopardy at times. The provision setting forth a serious study on school funding is long overdue as is a solution to solving the financial crisis of Kansas schools which must be the focus next session.—DEENA HORST

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2283**, submits the following report:

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

On page 1, by striking all in lines 17 through 43;

By striking all of pages 2 through 4 and inserting in lieu thereof the following:

"Section 1. (a) For the fiscal years ending June 30, 2001, June 30, 2002, and June 30, 2003, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, fees, receipts, disbursements, and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

(b) The agencies named in this act are hereby authorized to initiate and complete the capital improvement projects specified and authorized by this act or for which appropriations are made by this act, subject to the restrictions and limitations imposed by this act.

(c) This act shall be known and may be cited as the omnibus appropriation act of 2001 and shall constitute the omnibus reconciliation spending limit bill for the 2001 regular session of the legislature for purposes of subsection (a) of K.S.A. 75-6702 and amendments thereto.

(d) The appropriations made by this act shall not be subject to the provisions of K.S.A. 46-155 and amendments thereto.

Sec. 2.

LEGISLATIVE COORDINATING COUNCIL

(a) On the effective date of this act, of the \$150,000 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 2(a) of 2001 House Bill No. 2056 from

the state general fund in the legislative coordinating council—KPERs actuarial audit account, the sum of \$100,000 is hereby lapsed.

(b) In addition to the other purposes for which expenditures may be made by the legislative coordinating council from moneys appropriated from the state general fund or any special revenue funds for fiscal year 2002 for the legislature as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures may be made by the legislative coordinating council for fiscal year 2002 for an interim study by a legislative study committee of expenditures made under the authority of K.S.A. 75-2319 and amendments thereto for school district capital improvements: *Provided*, That such study shall include a review of the appropriateness of state funding being utilized for school district facilities that have as their primary purpose the holding of athletic events: *Provided further*, That the legislative study committee shall report its findings, including any recommended statutory changes, to the legislature at the beginning of the 2002 regular session.

(c) (1) In addition to the other purposes for which expenditures may be made by the legislative coordinating council from moneys appropriated from the state general fund or in any special revenue fund for the legislative coordinating council or for the legislature for fiscal year 2002, the legislative coordinating council is hereby authorized to review salaries and wages, annual leave, benefits and compensatory leave policies for employees of the legislative research department and the office of revisor of statutes, and to make bonus payments to employees of the legislative research department and employees of the office of revisor of statutes from available moneys appropriated for the legislative coordinating council for fiscal year 2002 in the legislative coordinating council—operations account of the state general fund, the legislative research department—operations account of the state general fund or the office of revisor of statutes—operations account of the state general fund or from available moneys appropriated for the legislature for fiscal year 2002 in the operations (including official hospitality) account of the state general fund or in the legislative special revenue fund: *Provided*, That the legislative coordinating council shall determine officers and employees to receive such bonus payments and shall determine the date or dates of payment and the amounts of any such bonus payments.

(2) No bonus payment paid pursuant to this subsection during fiscal year 2002 shall be compensation, within the meaning of K.S.A. 74-4901 et seq., and amendments thereto, for any purpose under the Kansas public employees retirement system and shall not be subject to deductions for employee contributions thereunder. Each salary bonus payment paid under this section shall be a bonus, as defined by 29 C.F.R. 778, and shall be in addition to the regular earnings which that employee may be entitled or for which the employee may become eligible.

(d) (1) In addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from the state general fund or in the legislative special revenue fund for fiscal year 2002 by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the above agency from the moneys appropriated from the state general fund or in the legislative special revenue fund for fiscal year 2002 for and for all purposes thereof:

(A) The SRS transition oversight committee which was established by K.S.A. 46-2701, which is composed of 12 members and which is hereby specifically continued in existence and shall be redesignated and known as the SRS oversight committee for fiscal year 2002, notwithstanding any provisions of K.S.A. 46-2701 to the contrary, in accordance with this subsection: *Provided*, That the terms of office of all members of the SRS oversight committee serving on June 30, 2001, are hereby continued as members of the SRS oversight committee until June 30, 2002: *Provided further*, That for the period from June 30, 2001, through June 30, 2002, the vice-chairperson of the SRS transition oversight committee on June 30, 2001, shall on July 1, 2001, become chairperson of the SRS oversight committee, and the chairperson of the SRS transition oversight committee on June 30, 2001, shall on July 1, 2001, become vice-chairperson of the SRS oversight committee: *And provided further*, That the chairperson and vice-chairperson of the SRS oversight committee serving in such offices on July 1, 2001, shall continue in such offices until June 30, 2002: *And provided further*, That if a vacancy occurs in the office of any member of the SRS oversight committee, a successor shall be appointed in the same manner as the original appointment: *And pro-*

vided further, That the SRS oversight committee shall meet on call of the chairperson and all such meetings shall be held in Topeka unless authorized to be held in a different place by the legislative coordinating council: *And provided further*, That members of the SRS oversight committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75- 3212 and amendments thereto when attending meetings of such committee or any subcommittee meeting authorized by the SRS oversight committee: *And provided further*, That the SRS oversight committee shall have the following duties:

(i) The SRS oversight committee shall monitor the long-term care programs that were transferred from the secretary of social and rehabilitation services to the secretary of aging; the SRS oversight committee shall ensure that the transfer of the long-term care programs does not lead to a loss of services by consumers;

(ii) the SRS oversight committee shall monitor, review and make recommendations relating to privatization efforts at the state hospitals, the closure of hospital beds, the downsizing of staff, the funding of community services and the availability of adequate community services;

(iii) the SRS oversight committee shall monitor, review and make recommendations relating to (A) privatization of children service programs of the department of social and rehabilitation services including family preservation, foster care and adoption programs, (B) privatization of child support collection programs and any other programs of the department of social and rehabilitation services, and (C) privatization of any programs of the department on aging;

(iv) the SRS oversight committee shall monitor, review and make recommendations relating to federal social welfare reform laws and the regulations and policies implementing such laws and the activities of the department of social and rehabilitation services relating to such federal laws, regulations and policies and the operation of the home and community based services programs; and

(v) the SRS oversight committee shall prepare an interim report on findings and recommendations which shall be provided to the legislature on or before the first day of the regular session of the legislature in 2002; and

(B) the joint committee on health care oversight, which is hereby created to oversee the necessary changes in state laws and regulations made necessary by federal law and, to the fullest extent possible, implement health care reform specific to Kansas needs and which is referred to in this subsection (d)(1)(B) as "joint committee,": *And provided further*, That the joint committee shall be composed of 14 members of the legislature appointed as follows: Four members of the house of representatives appointed by the speaker of the house of representatives; three members of the house of representatives appointed by the minority leader of the house of representatives; four members of the senate appointed by the president of the senate; and three members of the senate appointed by the minority leader of the senate; the secretary of health and environment, the secretary of social and rehabilitation services, the director of the budget and the commissioner of insurance shall be advisors to the joint committee: *And provided further*, That a quorum of the joint committee shall be eight; all actions of the joint committee may be taken by a majority of those present when there is a quorum; on and after July 1, 2001, and until the first day of the 2002 legislative session, the chairperson of the joint committee shall be one of the representative members of the joint committee selected by the speaker and the vice-chairperson shall be one of the senate members of the joint committee selected by the president; thereafter, in even-numbered years the chairperson of the joint committee shall be the member of the senate selected by the president and the vice-chairperson of the joint committee shall be the member of the house selected by the speaker from the convening of the regular session of that year until the convening of the regular session of the next ensuing year; in odd-numbered years, the chairperson of the joint committee shall be the member of the house of representatives selected by the speaker and the vice-chairperson of the joint committee shall be the member of the senate selected by the president from the convening of the regular session in that year until the convening of the regular session in the next ensuing year; the vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson: *And provided further*, That the joint committee shall be designated a standing joint

committee of the legislature and shall have such powers and duties as provided in this subsection (d)(1)(B); funding of operations of the joint committee shall be made from moneys appropriated to the legislature and expenditures of the joint committee shall be approved by the legislative coordinating council; administrative support for the joint committee shall be provided by the division of legislative administrative services: *And provided further*, That the joint committee on health care oversight shall meet on call of the chairperson as authorized by the legislative coordinating council: *And provided further*, That all such meetings shall be held in Topeka unless authorized to be held in a different place by the legislative coordinating council; members of the joint committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212, and amendments thereto, when attending meetings of such joint committee authorized by the legislative coordinating council: *And provided further*, That the joint committee may introduce legislation: *And provided further*, That all officers and employees of the state shall provide such information and assistance as may be deemed necessary by the joint committee: *And provided further*, That staff assistance shall be provided to the joint committee by the office of the revisor of statutes, the legislative research department and such other legislative offices and employees as may be directed by the legislative coordinating council: *And provided further*, That the department of health and environment is hereby designated the contact agency for the state of Kansas with reference to federal health care reform measures: *And provided further*, That the department of health and environment shall not make any decision with reference to federal health care reform measures not otherwise authorized by the legislature or which would be inconsistent with existing law: *And provided further*, That the joint committee on health care oversight shall:

(i) Examine changes in federal laws affecting Kansas and propose such changes in Kansas laws and regulations as are necessary to meet the federal requirements;

(ii) cooperate and interact with agencies of the federal government responsible for health care reform;

(iii) consider all health care financing and delivery options now in effect taking into account the actions of other states and the federal government;

(iv) work cooperatively with all relevant state and federal agencies, health care providers, payors and consumer groups in the development of an integrated health plan for all Kansans;

(v) receive, analyze and make recommendations related to the state health care data base developed by the health care data governing board;

(vi) develop plans for health care cost containment;

(vii) study and make recommendations for legislative action to integrate health care financing and coverage with other states;

(viii) recommend legislative actions necessary to assure accessibility of services to residents of underserved areas;

(ix) provide recommendations if federal or state laws require inclusion of the medical care component of workers compensation and automobile insurance into all inclusive health care coverage;

(x) oversee the implementation and operation of the children's health insurance plans created under the provisions of K.S.A. 38-2001 *et seq.*, and amendments thereto, including the assessment of the performance based contracting's measurable outcomes as set forth in subsection (b)(4) of K.S.A. 38-2001, and amendments thereto, and other children's issues as the joint committee deems necessary; and

(xi) make recommendations on tort reform for medical liability and for state antitrust reform and federal antitrust modifications; and

(2) The chairperson of the SRS oversight committee, the chairperson of the joint committee on health care oversight and the chairperson of the joint committee children's issues shall meet prior to the commencement of 2001 legislative interim studies to ensure that no subject is studied by more than one of these legislative study committees and that the past experience of duplication or overlapping of study topics among the predecessor committees of these legislative study committees is not repeated during the 2001 interim between regular sessions of the legislature.

(e) In addition to the other purposes for which expenditures may be made by the legislative coordinating council from moneys appropriated from the state general fund or any

special revenue funds for fiscal year 2002 for the legislature as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures may be made by the legislative coordinating council for fiscal year 2002 for an interim study by the legislative budget committee, regarding raising the minimum pre-admission screening and annual resident review (PASARR) levels for persons receiving services provided in nursing facilities and under applicable waiver programs of the department of social and rehabilitation services or the department on aging: *Provided*, That the legislative budget committee shall report its findings and recommendations, including any recommended statutory changes, to the legislature at the beginning of the 2002 regular session.

Sec. 3. (a) On July 1, 2001, of the amount in each account of the state general fund of each state agency in the executive branch of state government that is appropriated for the fiscal year ending June 30, 2002, by 2000 Senate Bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature and that is budgeted for payment of the expenses of official travel out-of-state, as certified by the director of the budget to the director of accounts and reports for fiscal year 2002, the amount equal to 25% of such certified amount is hereby lapsed from each such account: *Provided*, That the aggregate amount lapsed from such accounts of the state general fund for fiscal year 2002 by this subsection shall not exceed \$2,800,000: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

(b) On July 1, 2001, of the amount in each account of the state general fund of each state agency that is appropriated for the fiscal year ending June 30, 2002, by 2001 Senate Bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature and that is budgeted for fiscal year 2002 for payment of longevity bonus payments pursuant to K.S.A. 75-5541 and amendments thereto, the amount equal to the amount by which (1) the amount budgeted for fiscal year 2002 in each such account of the state general fund for longevity bonus payments, exceeds (2) the amount budgeted for fiscal year 2001 in each such account for longevity bonus payments as approved by the 2000 legislature for fiscal year 2001, as certified by the director of the budget to the director of accounts and reports, is hereby lapsed: *Provided*, That the aggregate amount lapsed from all such accounts of the state general fund for fiscal year 2002 by this subsection shall not exceed \$300,000: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

(c) On July 1, 2001, the amount in each account of the state general fund of each state agency that is appropriated for the fiscal year ending June 30, 2002, by 2001 Senate Bill No. 57, that is budgeted for payment for KANS-A-N telecommunications services provided by the division of information systems and communications and that is in excess of the amount required for such purpose after the reductions in the rates charged such state agencies for calling cards and for regular long-distance telecommunications services, which reductions are hereby authorized and directed to be adopted on or before July 1, 2001, for such services for fiscal year 2002, including adjustments for applicable administrative surcharges and long-distance telecommunications usage estimates, as determined and certified by the director of the budget to the director of accounts and reports, is hereby lapsed: *Provided*, That the aggregate amount of all such amounts lapsed from such accounts of the state general fund for fiscal year 2002 shall be not less than \$925,000: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

Sec. 4.

ATTORNEY GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Interstate water rights regarding the Republican river and its tributaries account

For the fiscal year ending June 30, 2002..... \$300,000

(b) On July 1, 2001, of the \$3,993,100 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 106(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$160,954 is hereby lapsed.

(c) On July 1, 2001, of the \$1,115,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 106(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures relating to interstate water rights regarding the Republican river and its tributaries account, the sum of \$500,000 is hereby lapsed.

(d) During the fiscal year ending June 30, 2002, notwithstanding the provisions of K.S.A. 82a-1801, and amendments thereto, all amounts recovered by the state of Kansas from a settlement, judgment or decree on or before June 30, 2002, in the litigation brought by the state of Kansas against the state of Colorado arising under the Arkansas river compact shall be deposited in the state treasury and credited to the state general fund.

Sec. 5.

SECRETARY OF STATE

(a) On July 1, 2001, of the \$1,802,863 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 107(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$7,030 is hereby lapsed.

Sec. 6.

STATE TREASURER

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Redevelopment bond fund

For the fiscal year ending June 30, 2001..... No limit
For the fiscal year ending June 30, 2002..... No limit

Kansas postsecondary education savings expense fund

For the fiscal year ending June 30, 2002..... No limit

Provided, That all moneys received by the above agency from Kansas postsecondary education savings program manager shall be credited to the Kansas postsecondary education savings expense fund.

(b) On July 1, 2001, of the \$1,023,563 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 108(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$25,000 is hereby lapsed.

Sec. 7.

INSURANCE DEPARTMENT

(a) On June 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$70,000 from the insurance department service regulation fund to the state general fund: Provided, That the transfer of such amount shall be in addition to any other transfer from the insurance department service regulation fund to the state general fund as prescribed by law: Provided further, That the amount transferred from the insurance department service regulation fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$70,000 from the insurance department service regulation fund to the state general fund: Provided, That the transfer of such amount shall be in addition to any other transfer from the insurance department service regulation fund to the state general fund as prescribed by law: Provided further, That the amount transferred from the insurance department service regulation fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal,

payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 8.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Judiciary operations

For the fiscal year ending June 30, 2001..... \$300,000

(b) On July 1, 2001, of the \$79,623,104 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 113(a) of 2001 Senate Bill No. 57 from the state general fund in the judiciary operations account, the sum of \$572,000 is hereby lapsed.

(c) In addition to the other purposes for which expenditures may be made by the judicial branch from the moneys appropriated in the judicial branch education fund for fiscal year 2001 or fiscal year 2002 as authorized chapter 130 or chapter 183 of the 200 Session Laws of Kansas or by this or other appropriation act of the 2001 regular session of the legislature, expenditures may be made by the judicial branch from the moneys appropriated in the judicial branch education fund for fiscal year 2001 or fiscal year 2002, to provide services and programs for the purpose of educating and training judicial branch officers and employees, administering the training, testing and education of municipal judges as provided in K.S.A. 12-4114, and amendments thereto, educating and training municipal judges and municipal court support staff, and for the planning and implementation of a family court system as provided by law, including official hospitality: *Provided*, That the judicial administrator is hereby authorized to fix, charge and collect fees for such services and programs: *Provided further*, That such fees may be fixed to cover all or part of the operating expenditures incurred in providing such services and programs, including official hospitality: *And provided further*, That all fees received for such services and programs, including official hospitality, shall be credited to the judicial branch education fund: *And provided further*, That expenditures may be made from the judicial branch education fund for providing such services and programs regardless of when such services and programs were provided by the judicial branch.

Sec. 9.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

(a) Notwithstanding the provisions of K.S.A. 74-4927 and 74-4927f and amendments thereto, no participating employer under the Kansas public employees retirement system shall pay any amount to the system for the cost of the plan of death and long-term disability benefits under K.S.A. 74-4927 and amendments thereto for the period from July 1, 2001, through December 31, 2001.

(b) On the effective date of this act, the amount in each account of the state general fund of each state agency that is appropriated for the fiscal year ending June 30, 2002, by 2001 Senate Bill No. 57 and that is budgeted for payment of the cost of the plan of death and long-term disability benefits under K.S.A. 74-4927 and amendments thereto, as certified by the director of the budget to the director of accounts and reports, for the period from July 1, 2001, through December 31, 2001, is hereby lapsed.

(c) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Annual payment for KSRS actuarial liability per SB 322

For the fiscal year ending June 30, 2002..... \$32,000

(d) On July 1, 2001, the director of accounts and reports shall transfer the amount in each account of each special revenue fund of each state agency that is appropriated for the fiscal year ending June 30, 2002, by 2001 Senate Bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature and that is budgeted for payment of the cost of the plan of death and long-term disability benefits under K.S.A. 74-4927 and amendments thereto, as certified by the director of the budget to the director of accounts and reports, for the period from July 1, 2001, through December 31, 2001, from such special

revenue fund, or account thereof, to the special 2003 death and disability plan employer contributions fund: *Provided*, That the aggregate amount transferred from all such special revenue funds and accounts to the special 2003 death and disability plan employer contributions fund during fiscal year 2002 pursuant to this subsection shall not exceed \$1,600,000: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

(e) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Special 2003 death and disability plan employer contributions fund	
For the fiscal year ending June 30, 2002.....	\$0
For the fiscal year ending June 30, 2003.....	\$0

Sec. 10.

GOVERNMENTAL ETHICS COMMISSION

(a) On the effective date of this act, of the \$1,325 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 18(a) of chapter 183 of the 2000 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$414 is hereby lapsed.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2001, by section 18(b) of chapter 183 of the 2000 Session Laws of Kansas on the governmental ethics commission fee fund is hereby increased from \$148,192 to \$148,606.

(c) On July 1, 2001, of the \$428,409 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 98(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$19,129 is hereby lapsed.

(d) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2002, by section 98(b) of 2001 Senate Bill No. 57 on the governmental ethics commission fee fund is hereby increased from \$143,457 to \$162,586.

Sec. 11.

KANSAS HUMAN RIGHTS COMMISSION

(a) On July 1, 2001, of the \$1,471,235 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 115(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$15,595 is hereby lapsed.

Sec. 12.

STATE CORPORATION COMMISSION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Well plugging assurance fund	
For the fiscal year ending June 30, 2002.....	No limit
Natural gas underground storage fee fund	
For the fiscal year ending June 30, 2002.....	No limit

Provided, That expenditures for fiscal year 2002 from the natural gas underground storage fee fund for administration shall not exceed \$300,000.

Enhanced wireless 911 fund	
For the fiscal year ending June 30, 2002.....	No limit

(b) In addition to the other purposes for which expenditures may be made by the state corporation commission from the conservation fee fund for fiscal year 2002 as authorized by section 116(a) of 2001 Senate Bill No. 57, expenditures may be made by the above agency from the conservation fee fund for fiscal year 2002 for any purpose for which expenditures

may be made from the natural gas underground storage fee fund: *Provided*, That expenditures for such purpose from the conservation fee fund for fiscal year 2002 shall be reimbursed from the natural gas underground storage fee fund to the conservation fee fund by revenue transfers as provided in this section prior to July 1, 2003: *Provided further*, That all such expenditures from the conservation fee fund for any such purpose shall be in addition to any expenditure limitation imposed on the conservation fee fund for fiscal year 2002.

(c) During the fiscal year ending June 30, 2002, the state corporation commission shall certify one or more amounts to the director of accounts and reports to reimburse the conservation fee fund for expenditures during fiscal year 2002 and fiscal year 2003 for any purpose for which expenditures may be made from the natural gas underground storage fee fund. Upon receipt of each certification or as soon thereafter as moneys are available therefor, the director of accounts and reports shall transfer the amount certified from the natural gas underground storage fee fund to the conservation fee fund.

Sec. 13.

DEPARTMENT OF ADMINISTRATION

(a) On the effective date of this act, any unencumbered balance in each of the following accounts in the state general fund is hereby lapsed: Statehouse committee room planning, remodel and relocation.

(b) On July 1, 2001, of the \$637,476 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 118(a) of 2001 Senate Bill No. 57 from the state general fund in the Signature building relocation costs account, the sum of \$70,339 is hereby lapsed.

(c) During the fiscal year ending June 30, 2002, no moneys appropriated for the department of administration for the fiscal year ending June 30, 2002, from the state general fund or any special revenue fund by this or other appropriation act of the 2001 regular session of the legislature shall be expended by the department of administration for operations of the Kansas performance review board.

(d) On July 1, 2001, the limitation on the rate of the additional fee that the director of architectural services is authorized to charge and collect for services provided to other state agencies for which the division of architectural services provides in-house architectural and engineering design services for capital improvement projects for fiscal year 2002, as established by clause (2) of the fourth proviso to the appropriation of the moneys in the architectural services recovery fund in section 118(b) of 2001 Senate Bill No. 57, is hereby increased from 6% of the construction cost of each capital improvement project to 8% of the construction cost of each capital improvement project.

(e) On July 1, 2001, the director of accounts and reports shall transfer \$50,000 from the construction defects recovery fund of the department of administration to the architectural services recovery fund of the department of administration.

(f) In addition to the other purposes for which expenditures may be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002, for a study to review the potential costs savings related to use of private sector printing service providers in lieu of the state printer for all or portions of the printing services required by one or more state agencies selected by the secretary of administration for this study: *Provided*, That the secretary of administration shall present the findings of this study to the legislative coordinating council, the legislative post audit committee, the committee on appropriations of the house of representatives, and the committee on ways and means of the senate at the beginning of the 2002 regular session of the legislature.

(g) In addition to the other purposes for which expenditures may be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2001 or for fiscal year 2002 as authorized by chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the

department of administration from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2001 or fiscal year 2002 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905 and amendments thereto for capital improvement projects for Landon state office building relating to capitol complex consolidation, Brigham building at state complex—west for a staff development and training center for the department of social and rehabilitation services, Woodward building at state complex—west for housing for the Kansas services for the blind of the department of social and rehabilitation services, Forbes building #740 for laboratory facilities remodeling for the department of health and environment, and the capitol complex steam system for upgrades: *Provided*, That such capital improvement projects are hereby approved for the department of administration for the purposes of subsection (b) of K.S.A. 74- 8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the department of administration may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement projects, in addition to any other appropriations available therefor: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement projects and for administrative costs, including design and planning, moving expenses, lost rents, first-year rent differentials and other expenses associated with such capital improvements shall not exceed \$8,950,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement projects during the construction of such capital improvement projects and any required reserves for the payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from the state buildings operating fund or from any other fund or funds as provided by the provisions of appropriation acts: *And provided further*, That the secretary of administration shall present to the joint committee on state building construction (1) reports detailing the proposed program and scope of each of such capital improvement projects, (2) reports on the progress and planning for capitol complex consolidation, including associated relocating of state agencies, (3) reports on all administrative costs, including design and planning, moving expenses, lost rents, first-year rent differentials and other expenses associated with such capital improvements, and (4) regular progress reports on each phase of each of such capital improvement projects.

(h) On July 1, 2001, the director of accounts and reports shall transfer \$250,000 from the state workers compensation self insurance fund of the department of administration to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the state workers compensation self insurance fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the state workers compensation self insurance fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services. .

(i) On the effective date of this act, of the \$2,494,994 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 84(a) of chapter 130 of the 2000 Session Laws of Kansas from the state general fund in the energy conservation improvement—debt service account, the sum of \$22,710 is hereby lapsed.

(j) On July 1, 2001, of the aggregate amount of \$21,420,685 appropriated for the department of administration by section 118(a) of 2001 Senate Bill No. 57 from the state general fund for the fiscal year ending June 30, 2002, in all accounts of the state general fund of the department of administration, the aggregate sum of \$1,300,000 is hereby lapsed: *Provided*, That the specific amount that is lapsed pursuant to this subsection in each account of the state general fund appropriated for the department of administration for the fiscal year ending June 30, 2002, by section 118(a) of 2001 Senate Bill No. 57, shall be determined and shall be certified by the secretary of administration to the director of accounts and

reports on or before June 30, 2001: *Provided, however,* That the aggregate of all such amounts so certified in such accounts of the state general fund shall not be less than \$1,300,000: *Provided further,* That the secretary of administration shall submit a copy of such certification to the director of the legislative research department and to the director of the budget: *And provided further,* That the secretary of administration shall not certify any amount appropriated by this or any other appropriation act of the 2001 legislature for operations of the Kansas public broadcasting council or in the public broadcasting council grants account or the public TV digital conversion debt service account: *And provided further,* That, if the secretary of administration fails to make such certification to the director of accounts and reports on or before June 30, 2001, or if the aggregate of the amounts certified by the secretary of administration to the director of accounts and reports is not equal to or more than \$1,300,000, then the director of the budget shall determine the specific amount that is lapsed pursuant to this subsection in each account of the state general fund appropriated for the department of administration for the fiscal year ending June 30, 2002, by section 118(a) of 2001 Senate Bill No. 57 and shall certify the amount so determined to the director of accounts and reports, to the secretary of administration and to the director of the legislative research department.

(k) On the effective date of this act, of the \$278,103 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 84(a) of chapter 130 of the 2000 Session Laws of Kansas from the state general fund in the performance review board account, the sum of \$68,249 is hereby lapsed.

(l) In addition to the other purposes for which expenditures may be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of administration from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905 and amendments thereto to finance a capital improvement project for a capitol complex parking garage: *Provided,* That such capital improvement project is hereby approved for the department of administration for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further,* That the department of administration may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however,* That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$15,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for the payment of principal and interest on the bonds: *And provided further,* That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further,* That debt service for any such bonds for such capital improvement project shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds: *And provided further,* That no bonds shall be issued by the Kansas development finance authority for such capital improvement project except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given while the legislature is in session.

Sec. 14.

DEPARTMENT OF REVENUE

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures
 For the fiscal year ending June 30, 2002..... \$3,277,632

(b) On July 1, 2001, the position limitation established for the fiscal year ending June 30,

2002, by section 165(a) of 2001 Senate Bill No. 57 for the department of revenue is hereby increased from 1,162.0 to 1,196.0.

(c) In addition to the other purposes for which expenditures may be made by the department of revenue from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of revenue from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002, for additional operating expenditures for not less than 76 state officers and employees and contract personnel for the purposes of collecting taxes, interest, and penalties owed to the state under a program of enhanced revenue collection through increased compliance activities, which program is hereby authorized and directed to be implemented (1) as described on pages 6 and 7 of the governor's budget amendment dated April 18, 2001, under item 10 entitled "Increase Compliance Activities" that is intended to collect an additional \$40,000,000 in annual compliance revenues using 68 collections agents, including 12 contract employees, 29 vacant state staff positions to be reassigned and 27 new state staff positions to be created and filled, and (2) including an additional seven new state staff positions for a total of 75 state officers and employees and contract personnel to be dedicated for this program so that the estimate of additional annual compliance revenues is increased to an aggregate of \$48,750,000 during the fiscal year ending June 30, 2002; *Provided*, That the secretary of revenue shall report in writing on or before January 7, 2002, to the chairperson of the senate ways and means committee, the chairperson of the house appropriations committee, the director of the budget and the director of the legislative research department, to document in detail, including categories of taxes collected, the progress of the enhanced collections produced as a result of the program of enhanced revenue collection through increased compliance activities described by this subsection.

(d) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$500,000 from the division of vehicles operating fund to the state general fund.

(e) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$500,000 from the VIPS/CAMA technology hardware fund to the state general fund.

(f) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,117,263 from the electronic databases fee fund to the state general fund.

(g) On July 1, 2001, the director of accounts and reports shall transfer \$50,000 from the central stores fund to the state general fund.

(h) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$208,555 from the cigarette and tobacco products regulation fund to the state general fund.

(i) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2002, by section 120(b) of 2001 Senate Bill No. 57 on the division of vehicles operating fund is hereby increased from \$31,229,721 to \$31,729,721.

(j) On July 1, 2001, the director of accounts and reports shall transfer \$1,000,000 from the state highway fund of the department of transportation to the division of vehicles operating fund of the department of revenue.

(k) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2002, by section 120(b) of 2001 Senate Bill No. 57 on the electronic databases fee fund is hereby decreased from \$4,655,772 to \$3,538,509.

Sec. 15.

KANSAS LOTTERY

(a) On July 1, 2001, the provisions of section 121(b) of 2001 Senate Bill No. 57 are hereby declared to be null and void and shall have no force and effect.

Sec. 16.

DEPARTMENT OF COMMERCE AND HOUSING

(a) On the effective date of this act, the expenditure limitation established for the fiscal

year ending June 30, 2001, by section 25(c) of chapter 130 of the 2000 Session Laws of Kansas on the motion picture and television sales tax reimbursement subaccount of the Kansas economic development endowment account of the state economic development initiatives fund is hereby decreased from \$75,000 to \$23,800.

(b) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Operations (including official hospitality)
For the fiscal year ending June 30, 2002..... \$8,459,757

Provided, That expenditures may be made from the operations (including official hospitality) account for loans pursuant to loan agreements which are hereby authorized to be entered into by the secretary of commerce and housing in accordance with repayment provisions and other terms and conditions as may be prescribed by the secretary therefor under the agricultural value added center program.

Kansas industrial training program and Kansas industrial retraining program
For the fiscal year ending June 30, 2002..... \$3,600,000

Grants to small business development centers
For the fiscal year ending June 30, 2002..... \$485,000

Grants to certified development companies
For the fiscal year ending June 30, 2002..... \$400,000

Provided, That expenditures may be made from the grants to certified development companies account for certified development companies that have been determined to be qualified for such grants by the secretary of commerce and housing, except that expenditures for such grants shall not be made for grants to more than 10 certified development companies that have been determined to be qualified for such grants by the secretary of commerce and housing.

Trade show promotion grants
For the fiscal year ending June 30, 2002..... \$150,000

Community capacity building grant program
For the fiscal year ending June 30, 2002..... \$197,000

Main street development grants
For the fiscal year ending June 30, 2002..... \$216,800

Tourism promotion grants
For the fiscal year ending June 30, 2002..... \$1,052,100

Training equipment grants
For the fiscal year ending June 30, 2002..... \$277,500

Agriculture products development
For the fiscal year ending June 30, 2002..... \$540,000

Provided, That expenditures may be made from the agriculture products development account for loans pursuant to loan agreements which are hereby authorized to be entered into by the secretary of commerce and housing in accordance with repayment provisions and other terms and conditions as may be prescribed by the secretary therefor under the agricultural value added center program.

Motion picture and television sales tax reimbursements
For the fiscal year ending June 30, 2002..... \$75,000

Provided, That all expenditures from the motion picture and television production sales tax reimbursements account shall be made to reimburse sales and use taxes paid on sales of tangible personal property purchases by or on behalf of a motion picture or television production company to be used or consumed in association with an eligible production in accordance with administrative policies and procedures adopted by the secretary of commerce and housing, including any necessary forms: *Provided, however*, That all reimbursements from this account shall be based on valid receipts for taxes paid for taxable transactions occurring on or after July 1, 2001: *Provided further*, That, as used in this proviso, eligible production includes feature-length motion pictures intended for theatrical release or for exhibition on national television by a network or through national syndication, television

projects for broadcast on a network or through national syndication, direct video and compact disc projects and television commercials.

HOME program
 For the fiscal year ending June 30, 2002..... \$530,000

(c) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Kansas economic opportunity initiatives fund
 For the fiscal year ending June 30, 2002..... No limit
 Kansas existing industry expansion fund
 For the fiscal year ending June 30, 2002..... No limit

Provided, That expenditures may be made from the Kansas existing industry expansion fund for loans pursuant to loan agreements which are hereby authorized to be entered into by the secretary of commerce and housing in accordance with repayment provisions and other terms and conditions as may be prescribed by the secretary therefor under the Kansas existing industry expansion program: *Provided further*, That all moneys received by the department of commerce and housing for repayment of loans made under the Kansas existing industry expansion program shall be deposited in the state treasury and credited to this fund.

(d) On August 15, 2001, and December 15, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,750,000 from the state economic development initiatives fund to the Kansas economic opportunity initiatives fund of the department of commerce and housing.

(e) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

State operations
 For the fiscal year ending June 30, 2002..... \$50,000

Provided, That expenditures from the state operations account in fiscal year 2002 shall be made for a grant to the mid-America world trade center in the amount of \$50,000.

(f) On August 15, 2001, and December 15, 2001, or as soon after each such date as moneys are available, the director of accounts and reports shall transfer \$250,000 from the state economic development initiatives fund to the Kansas existing industry expansion fund of the department of commerce and housing.

Sec. 17.

KANSAS, INC.

(a) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Operations (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$343,267

(b) On July 1, 2001, the director of accounts and reports shall transfer all moneys in the EDIF fund of Kansas, Inc., to the state economic development initiatives fund. On July 1, 2001, all liabilities of the EDIF fund of Kansas, Inc., including any outstanding encumbrances, are hereby transferred to and imposed on the state economic development initiatives fund and the EDIF fund of Kansas, Inc., is hereby abolished.

Sec. 18.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

(a) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Operations (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$2,240,745

Assistance and grants

For the fiscal year ending June 30, 2002..... \$10,702,398

Provided, That expenditures may be made by the above agency from the assistance and grants account of the state economic development initiatives fund for fiscal year 2002 for (1) research matching grants, (2) business innovative research grants, (3) state small business innovation re- search (SSBIR), (4) centers of excellence, (5) experimental program to stimulate competitive research (EPSCoR), (6) special projects, (7) commercialization grants, and (8) Mid-America manufacturing technology center (MAMTC).

(b) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year ending June 30, 2002, to the operations (including official hospitality) account, the amount equal to the unencumbered balance as of June 30, 2001, in the operations (including official hospitality) subaccount of the Kansas economic development endowment account of the state economic development initiatives fund: *Provided*, That such amount appropriated to the operations (including official hospitality) account of the state economic development initiatives fund shall not exceed \$3,744 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

(c) On July 1, 2001, the director of accounts and reports shall transfer all moneys in the economic development research and development fund to the state economic development initiatives fund. On July 1, 2001, all liabilities of the economic development research and development fund

of Kansas technology enterprise corporation, including any encumbrances, are hereby transferred to and imposed on the state economic development initiatives fund and the economic development research and development fund of Kansas technology enterprise corporation, is hereby abolished.

Sec. 19.

STATE BOARD OF HEALING ARTS

(a) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2003, by section 84(a) of 2001 Senate Bill No. 57 on the healing arts fee fund is hereby increased from \$1,954,895 to \$1,978,604.

(b) In addition to the other purposes for which expenditures may be made by the state board of healing arts from the moneys appropriated from the healing arts fee fund for fiscal year 2002 and for fiscal year 2003 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made and the state board of healing arts is hereby authorized and directed, notwithstanding the provisions of K.S.A. 65-2895 and amendments thereto, to the contrary, to renew all institutional licenses which expire during fiscal year 2002 and fiscal year 2003 and are valid as of May 1, 2001, for an additional two years if the holders thereof remain eligible for a valid institutional license and submit the biennial renewal fees and evidence of satisfactory completion of a program of continuing education established by rules and regulations adopted by the board.

Sec. 20.

STATE BANK COMMISSIONER

(a) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2002, by section 81(a) of 2001 Senate Bill No. 57 on the bank commissioner fee fund is hereby increased from \$5,284,716 to \$5,309,201.

(b) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2003, by section 81(a) of 2001 Senate Bill No. 57 on the bank commissioner fee fund is hereby increased from \$5,499,938 to \$5,524,886.

Sec. 21.

BEHAVIORAL SCIENCES REGULATORY BOARD

(a) On July 1, 2001, the director of accounts and reports shall transfer \$100,000 from the behavioral sciences regulatory board fee fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the behavioral sciences regulatory board fee fund to the state general fund as prescribed by law: *Provided*

further, That the amount transferred from the behavioral sciences regulatory board fee fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 22.

BOARD OF NURSING

(a) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$200,000 from the board of nursing fee fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the board of nursing fee fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the board of nursing fee fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 23.

STATE BOARD OF PHARMACY

(a) On July 1, 2001, the director of accounts and reports shall transfer \$250,000 from the state board of pharmacy fee fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the state board of pharmacy fee fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the state board of pharmacy fee fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 24.

OFFICE OF THE SECURITIES COMMISSIONER OF KANSAS

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Investor education fund

For the fiscal year ending June 30, 2002.....	No limit
For the fiscal year ending June 30, 2003.....	No limit

(b) On July 1, 2001, the director of accounts and reports shall transfer \$100,000 from the securities enforcement restitution fund of the office of the securities commissioner to the investor education fund created by 2001 House Bill No. 2563.

(c) On July 1, 2001, the director of accounts and reports shall transfer \$50,000 from the securities enforcement restitution fund of the office of the securities commissioner to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the securities enforcement restitution fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the securities enforcement restitution fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 25.

DEPARTMENT OF HUMAN RESOURCES

(a) On July 1, 2001, the director of accounts and reports shall transfer \$500,000 from the worker's compensation fee fund to the state general fund: *Provided*, That the transfer of

such amount shall be in addition to any other transfer from the workers compensation fee fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the workers compensation fee fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 26.

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2001, by section 27(b) of 2001 Senate Bill No. 57 on the soldiers' home fee fund is hereby increased from \$3,544,000 to No limit.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2001, by section 30(b) of chapter 130 of the 2000 Session Laws of Kansas on the soldiers' home outpatient clinic fund is hereby increased from \$472,899 to No limit.

(c) On the effective date of this act, the position limitation established for the fiscal year ending June 30, 2001, by section 27(c) of 2001 Senate Bill No. 57 for the Kansas commission on veterans affairs is hereby increased from 457.8 to 463.8.

Sec. 27.

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the department of health and environment is hereby increased from 854.0 to 1,001.0.

(b) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Healthy start

For the fiscal year ending June 30, 2002.....	\$250,000
For the fiscal year ending June 30, 2003.....	\$250,000

Infants and toddlers program

For the fiscal year ending June 30, 2002.....	\$500,000
For the fiscal year ending June 30, 2003.....	\$850,000

Smoking prevention

For the fiscal year ending June 30, 2002.....	\$500,000
For the fiscal year ending June 30, 2003.....	\$755,000

(c) On the effective date of this act, of the \$400,000 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 28(a) of 2001 Senate Bill No. 57 from the state general fund in the AIDS medications account, the sum of \$50,000 is hereby lapsed.

(d) On July 1, 2001, of the \$20,669,768 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 128(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$320,849 is hereby lapsed.

(e) In addition to the other purposes for which expenditures may be made by the department of health and environment from moneys appropriated from the health and environment training fee fund for fiscal year 2002, expenditures may be made by the department of health and environment from the health and environment training fee fund for fiscal year 2002 for agency operations.

(f) During the fiscal years ending June 30, 2001, and June 30, 2002, the amounts transferred by the director of accounts and reports from each of the special revenue funds of the department of health and environment to the sponsored project overhead fund of the department of health and environment pursuant to section 128(j) of 2001 Senate Bill No. 57 may include amounts equal to up to 20% of the expenditures from such special revenue fund, excepting expenditures for contractual services.

(g) On July 1, 2001, the director of accounts and reports shall transfer \$195,000 from the waste tire management fund of the department of health and environment to the state

general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the waste tire management fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the waste tire management fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(h) On July 1, 2001, the director of accounts and reports shall transfer \$200,000 from the trauma fund of the department of health and environment to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the trauma fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the trauma fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(i) On July 1, 2001, the \$300,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 128(a) of 2001 Senate Bill No. 57 from the state general fund in the pregnancy maintenance initiative account, is hereby lapsed.

(j) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Renal disease fund	
For the fiscal year ending June 30, 2002.....	No limit
Salt solution mining plugging fund	
For the fiscal year ending June 30, 2002.....	No limit

(k) On July 1, 2001, of the aggregate amount of \$4,136,841 appropriated for the department of health and environment for the fiscal year ending June 30, 2002, in all accounts of the state water plan fund of the department of health and environment, the aggregate sum of \$200,000 is hereby lapsed: *Provided*, That the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the department of health and environment for the fiscal year ending June 30, 2002, by section 128(c) of 2001 Senate Bill No. 57, shall be determined and shall be certified by the secretary of health and environment to the director of accounts and reports on or before June 30, 2001: *Provided, however*, That the aggregate of all such amounts so certified in such accounts of the state water plan fund shall not be less than \$200,000: *Provided further*, That the secretary of health and environment shall submit a copy of such certification to the director of the legislative research department and to the director of the budget: *And provided further*, That, if the secretary of health and environment fails to make such certification to the director of accounts and reports on or before June 30, 2001, or if the aggregate of the amounts certified by the secretary of health and environment to the director of accounts and reports is not equal to or more than \$200,000, then the director of the budget shall determine the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the department of health and environment for the fiscal year ending June 30, 2002, by section 128(c) of 2001 Senate Bill No. 57 and shall certify the amount so determined to the director of accounts and reports, to the secretary of health and environment and to the director of the legislative research department.

(l) In addition to the other purposes for which expenditures may be made by the department of health and environment from moneys appropriated from the food inspection fee fund for fiscal year 2002, expenditures may be made by the department of health and environment for food inspection program activities involving grocery stores and food processing plants.

(m) On or before June 30, 2003, as moneys are available, the director of accounts and reports shall transfer \$291,249 from the salt solution mining plugging fund to the state

general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the salt solution mining plugging fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the salt solution mining plugging fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(n) In addition to the other purposes for which expenditures may be made by the department of health and environment from the moneys appropriated from the state general fund for fiscal year 2002 in the operating expenditures (including official hospitality) account as authorized by section 128(a) of 2001 Senate bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of health and environment from the operating expenditures (including official hospitality) account for fiscal year 2002 for a grant for the SIDS network in the amount of \$25,000.

Sec. 28.

DEPARTMENT ON AGING

(a) (1) On July 1, 2001, of the \$4,482,645 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 129(a) of 2001 Senate Bill No. 57 from the state general fund in the administration account, the sum of \$15,000 is hereby lapsed.

(2) Notwithstanding the provisions of the eighth proviso to the administration account of the state general fund in section 129(a) of 2001 Senate Bill No. 57, no moneys shall be expended or provided by the above agency from the administration account of the state general fund for the senior legal hotline for the fiscal year ending June 30, 2002.

(b) On July 1, 2001, of the \$10,461,539 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 129(a) of 2001 Senate Bill No. 57 from the state general fund in the program grants account, the sum of \$81,718 is hereby lapsed.

(c) On July 1, 2001, of the \$134,903,477 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 129(a) of 2001 Senate Bill No. 57 from the state general fund in the long term care account, the sum of \$9,083,010 is hereby lapsed.

(d) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Aging—IGT fund

For the fiscal year ending June 30, 2001.....	\$0
For the fiscal year ending June 30, 2002.....	\$7,000,000

Provided, That all expenditures from the aging—IGT fund for fiscal year 2002 shall be for the HCBS/FE waiver program: *Provided, however*, That expenditures from the aging—IGT fund for fiscal year 2002 for the HCBS/FE waiver program shall not exceed \$7,000,000.

(e) In addition to the other purposes for which expenditures may be made by the department on aging from moneys appropriated from the state general fund or any special revenue funds for fiscal year 2001 and fiscal year 2002 as authorized by chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department on aging for fiscal year 2001 and fiscal year 2002 to begin the process of promoting short-term service under the state medicaid plan for the purpose of reducing reliance on permanent or lifetime dependence on medicaid services wherever possible.

Sec. 29.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Cash assistance	
For the fiscal year ending June 30, 2001.....	\$200,000
For the fiscal year ending June 30, 2002.....	\$200,000
Other medical assistance	
For the fiscal year ending June 30, 2001.....	\$5,254,316
For the fiscal year ending June 30, 2002.....	\$2,041,513
Youth services aid and assistance	
For the fiscal year ending June 30, 2002.....	\$5,450,796
Kansas neurological institute—operating expenditures	
For the fiscal year ending June 30, 2001.....	\$1,600
For the fiscal year ending June 30, 2002.....	\$660
Parsons state hospital and training center—operating expenditures	
For the fiscal year ending June 30, 2001.....	\$1,505
For the fiscal year ending June 30, 2002.....	\$2,257
Larned state hospital—operating expenditures	
For the fiscal year ending June 30, 2001.....	\$2,853
For the fiscal year ending June 30, 2002.....	\$136,871
Osawatomie state hospital—operating expenditures	
For the fiscal year ending June 30, 2002.....	\$44,297

(b) On July 1, 2001, of the \$9,364,164 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 130(a) of 2001 Senate Bill No. 57 from the state general fund in the children's health insurance account, the sum of \$250,000 is hereby lapsed.

(c) On July 1, 2001, of the \$36,834,437 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 130(a) of 2001 Senate Bill No. 57 from the state general fund in the community based services account, the sum of \$15,000,000 is hereby lapsed.

(d) On July 1, 2001, of the \$126,208,957 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 130(a) of 2001 Senate Bill No. 57 from the state general fund in the mental health and retardation services aid and assistance account, the sum of \$28,000,000 is hereby lapsed.

(e) On the effective date of this act, of the \$16,536,630 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 30(a) of 2001 Senate Bill No. 57 from the state general fund in the youth services aid and assistance account, the sum of \$682,579 is hereby lapsed.

(f) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Children's mental health waiver	
For the fiscal year ending June 30, 2002.....	\$1,800,000
Family centered system of care	
For the fiscal year ending June 30, 2002.....	\$5,000,000
Therapeutic preschool	
For the fiscal year ending June 30, 2002.....	\$1,000,000
Child care	
For the fiscal year ending June 30, 2002.....	\$1,400,000
Community services for child welfare	
For the fiscal year ending June 30, 2002.....	\$2,600,000
HealthWave	
For the fiscal year ending June 30, 2002.....	\$1,000,000
Children's cabinet early childhood discretionary grant program	
For the fiscal year ending June 30, 2002.....	\$3,000,000
Children's cabinet accountability fund	
For the fiscal year ending June 30, 2002.....	\$550,000

Provided, That, in addition to the other purposes for which expenditures may be made from the children's cabinet accountability fund account for fiscal year 2002, expenditures shall be made from the children's cabinet accountability fund account, to require (1) all programs

receiving moneys from the children's initiatives fund to identify outcomes associated with Connect Kansas and to demonstrate through measurable data the effectiveness of such programs towards achieving outcomes, (2) all such programs to participate in accountability and evaluation processes with the children's cabinet based upon outcomes and measurable data, (3) all such programs that are compatible with the SmartStart Kansas framework or that affect children from birth to age five to coordinate efforts with the children's cabinet: *Provided further*, That all grants utilizing moneys from the children's initiatives fund which are made available to communities should reflect a comprehensive planning process and must demonstrate the grant's relationship to appropriate Connect Kansas and SmartStart Kansas outcomes: *And provided further*, That similar grant processes shall be coordinated through the children's cabinet for programs funded with moneys from the children's initiatives fund.

Medicaid

For the fiscal year ending June 30, 2002..... \$3,000,000

(g) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the department of social and rehabilitation services is hereby increased from 3,878.5 to 3,986.1.

(h) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

SRS—IGT fund

For the fiscal year ending June 30, 2001..... \$0

For the fiscal year ending June 30, 2002..... \$44,000,000

Provided, That all expenditures from the SRS—IGT fund for fiscal year 2002 shall be for the HCBS/PD waiver program or for the HCBS/DD waiver program: *Provided, however*, That expenditures from the SRS—IGT fund for fiscal year 2002 for the HCBS/PD waiver program shall not exceed \$15,000,000: *Provided further*, That expenditures from the SRS—IGT fund for fiscal year 2002 for the HCBS/DD waiver program shall not exceed \$28,000,000: *And provided further*, That expenditures from the SRS—IGT fund for fiscal year 2002 for the HCBS/HI waiver program shall not exceed \$1,000,000.

(i) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the Kansas neurological institute is hereby increased from 655.5 to 658.5.

(j) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the Larned state hospital is hereby increased from 744.8 to 747.8.

(k) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the Parsons state hospital and training center is hereby increased from 513.0 to 515.4.

(l) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue funds for fiscal year 2001 and fiscal year 2002 as authorized by chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services for fiscal year 2001 and fiscal year 2002 to undertake the process of meeting with assistance recipients, service providers and relatives and other interested parties regarding physically disabled waiver services provided by the department of social and rehabilitation services to develop a permanency planning process with the purpose of enabling persons to become independent from such services and to no longer need to receive such services from the department of social and rehabilitation services under the community based services program.

(m) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue funds for fiscal year 2001 and fiscal year 2002 as authorized by chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or by this or

other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services for fiscal year 2001 and fiscal year 2002 to begin the process of promoting short-term service under the state medicaid plan for the purpose of reducing reliance on permanent or lifetime dependence on medicaid services wherever possible.

(n) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue funds for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services for fiscal year 2002 to provide for the secretary of social and rehabilitation services to continue meeting with the directors of nursing facilities for mental health (NF/MH facilities) and the directors of community mental health centers and to develop a plan for reducing the reliance of the state on NF/MH facilities and to determine the number of individuals currently in care who are candidates for community based services: *And provided further*, That the secretary of social and rehabilitation services shall not transfer any client from a facility bed prior to the plan being reviewed by the legislature during the 2002 regular session, unless such action is required to comply with the decision of the United States supreme court in *Olmstead v. L. C.*, 527 U.S. 581 (1999), prior to the plan being reviewed by the legislature during the regular session in 2002: *And provided further*, That the secretary of social and rehabilitation services shall report to the SRS oversight committee on the total number of NF/MH facility beds in Kansas NF/MH facilities as of May 1, 2001, and as of the first day of each month thereafter during the interim period prior to the 2002 regular session of the legislature: *And provided further*, That, on July 1, 2001, the provisions of the third and fourth provisos to the appropriation of the moneys in the mental health and retardation services aid and assistance account of the state general fund in section 130(a) of 2001 Senate Bill No. 57 are hereby declared to be null and void and shall have no force and effect.

Sec. 30.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

School district juvenile detention facilities and Flint Hills job corps center grants
 For the fiscal year ending June 30, 2002..... \$219,152

(b) On July 1, 2001, of the \$105,154,561 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 132(a) of 2001 Senate Bill No. 57 from the state general fund in the KPERS—employer contributions account, the sum of \$7,043,104 is hereby lapsed.

(c) There is appropriated from the children’s initiatives fund for the fiscal year or years specified, the following:

Grant to the Kansas optometric association for vision study
 For the fiscal year ending June 30, 2002..... \$300,000
 For the fiscal year ending June 30, 2003..... \$400,000
 Parent education program
 For the fiscal year ending June 30, 2002..... \$2,500,000
 For the fiscal year ending June 30, 2003..... \$2,500,000

Provided, That all expenditures from the parent education program account shall be matched by the school district in an amount which is equal to not less than 65% of the grant.

General state aid four-year-old at-risk
 For the fiscal year ending June 30, 2002..... \$4,500,000

Provided, That, prior to providing a child with intervention during fiscal year 2002, a school district shall encourage parents of pupils at risk to obtain an eye examination by an optometrist or an ophthalmologist to determine if such child suffers from conditions which impair the ability to read: *Provided, however*, That the expense for such examination, if not reimbursed through medicaid, healthwave, private insurance or other governmental or private program, shall be the responsibility of the child’s parent.

For the fiscal year ending June 30, 2003..... \$8,500,000

Provided, That, prior to providing a child with intervention during fiscal year 2003, a school district shall encourage parents of pupils at risk to obtain an eye examination by an optometrist or an ophthalmologist to determine if such child suffers from conditions which impair the ability to read: *Provided, however*, That the expense for such examination, if not reimbursed through medicaid, healthwave, private insurance or other governmental or private program, shall be the responsibility of the child's parent.

School violence prevention

For the fiscal year ending June 30, 2002..... \$500,000

For the fiscal year ending June 30, 2003..... \$500,000

(d) On July 1, 2001, the \$345,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 132(a) of 2001 Senate Bill No. 57 from the state general fund in the technology infrastructure account, is hereby lapsed.

(e) On July 1, 2001, the \$110,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 132(a) of 2001 Senate Bill No. 57 from the state general fund in the grant to the Kansas optometric association for vision study account, is hereby lapsed.

(f) On July 1, 2001, the \$155,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 132(a) of 2001 Senate Bill No. 57 from the state general fund in the grant to Emporia state university account, is hereby lapsed.

(g) In addition to the other purposes for which expenditures may be made by the department of education from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2002 for the department of education as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures may be made by the department of education for fiscal year 2002 for the preparation of a report or reports to the legislative educational planning committee on progress being made to develop a school readiness indicator for kindergarten entry: *Provided*, That in addition, in consultation with the department of education, the legislative educational planning committee in fiscal year 2002 shall develop a goal for the percentage of students who enter kindergarten meeting the school readiness indicator, and develop another goal for the percentage of students who do not need remediation based on the 4th and 5th grade assessment results.

(h) No expenditures shall be made by the department of education from the state general fund general state aid account to any school district that, by October 1, has not published in a newspaper of general circulation in the county, at the time that its budget is published, a listing of all revenue sources for the school year 2001-2002 school district budget, the amount of cash balances in each fund, and estimated interest earnings.

Sec. 31.

STATE LIBRARY

(a) On July 1, 2001, of the \$3,817,380 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 133(a) of 2001 Senate Bill No. 57 from the state general fund in the grants to libraries and library systems account, the sum of \$181,000 is hereby lapsed.

Sec. 32.

KANSAS ARTS COMMISSION

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Arts programming grants and challenge grants

For the fiscal year ending June 30, 2001..... \$16,615

Sec. 33.

KANSAS STATE SCHOOL FOR THE BLIND

(a) On July 1, 2001, the director of accounts and reports shall transfer all moneys in the supported employment initiative—federal fund of the Kansas state school for the blind to the state general fund. On July 1, 2001, all liabilities of the supported employment initiative—federal fund of the Kansas state school for the blind, including any outstanding en-

cumbrances, are hereby transferred to and imposed on the state general fund and the supported employment initiative—federal fund of the Kansas state school for the blind is hereby abolished.

Sec. 34.

STATE HISTORICAL SOCIETY

(a) On July 1, 2001, any unencumbered balance in the operating expenditures account of the state general fund in excess of \$100 as of June 30, 2001, is hereby reappropriated for fiscal year 2002.

Sec. 35.

FORT HAYS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$373,244

Sec. 36.

KANSAS STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$2,482,756

Sec. 37.

KANSAS STATE UNIVERSITY EXTENSION SYSTEMS AND AGRICULTURE RESEARCH PROGRAMS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$2,454
Cooperative extension service (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$71,878
Agricultural experiment stations (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$103,448

Sec. 38.

KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$67,577

Sec. 39.

EMPORIA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$256,170

Sec. 40.

PITTSBURG STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)	
For the fiscal year ending June 30, 2002.....	\$385,658

(b) There is appropriated for the above agency from the educational building fund for the fiscal year or years specified, the following:

Armory/classroom/recreation center
 For the fiscal year ending June 30, 2002..... \$410,000
 Sec. 41.

UNIVERSITY OF KANSAS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$1,409,649
 Sec. 42.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$461,931

(b) During the fiscal year ending June 30, 2002, the university of Kansas medical center is authorized to make expenditures to raze the carpentry shop (building #8) and the motor pool (building #53).

(c) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Telekid health care link
 For the fiscal year ending June 30, 2002..... \$250,000
 For the fiscal year ending June 30, 2003..... \$250,000

Pediatric biomedical research
 For the fiscal year ending June 30, 2002..... \$1,000,000
 For the fiscal year ending June 30, 2003..... \$1,000,000

Sec. 43.

WICHITA STATE UNIVERSITY

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$577,380
 Sec. 44.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures (including official hospitality)
 For the fiscal year ending June 30, 2002..... \$345,000

(b) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the state board of regents is hereby increased from 30.0 to 43.0.

(c) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Carl D. Perkins vocational and technical education—federal fund
 For the fiscal year ending June 30, 2002..... No limit
 Carl D. Perkins vocational and technical education—federal fund—state operations
 For the fiscal year ending June 30, 2002..... No limit
 Carl D. Perkins technical preparation—federal fund
 For the fiscal year ending June 30, 2002..... No limit
 FICA recovery fund
 For the fiscal year ending June 30, 2002..... \$0

Provided, That the state treasurer shall deposit any moneys received by any state educational

institution from the federal government for repayment of payroll or other taxes improperly paid to the federal government to the credit of the FICA recovery fund: *Provided further*, That all moneys in the FICA recovery fund shall be used by the state board of regents to reimburse the department of education, department of administration and state board of regents for direct costs and time incurred in obtaining repayment of payroll or other taxes improperly paid: *And provided further*, That all such reimbursements shall be in addition to any expenditure limitation imposed on this fund: *And provided further*, That after such reimbursements, the state board of regents may transfer amounts from the FICA recovery fund, which in the aggregate do not exceed \$2,757,188, to the appropriate fund or funds of any state educational institution for the purpose of providing additional funding for operating expenditures in proportional amounts to those amounts included in the governor's budget amendment dated April 18, 2001, on page 13, in item 24: *And provided further*, That after such transfers for additional funding for operating expenditures, the state board of regents may transfer amounts from the FICA recovery fund, which in the aggregate do not exceed \$1,936,110, to the appropriate fund or funds of any state educational institution for the purpose of providing funding for technology equipment in proportional amounts to those amounts included in the governor's budget amendment dated April 18, 2001, on page 13, in item 25.

(d) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Vocational education capital outlay aid	
For the fiscal year ending June 30, 2002.....	\$2,700,000
<i>Provided</i> , That expenditures from the vocational education capital outlay aid account for each grant of vocational education capital outlay aid shall be matched by the area vocational school, the area vocational-technical school or the technical college in an amount which is equal to 50% of the grant.	
Postsecondary aid for vocational education	
For the fiscal year ending June 30, 2002.....	\$6,882,981
Technology innovation and internship program	
For the fiscal year ending June 30, 2002.....	\$166,855
Comprehensive grant program	
For the fiscal year ending June 30, 2002.....	\$250,000
Sec. 45.	

DEPARTMENT OF CORRECTIONS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Supplemental uniformed correctional officer salary account	
For the fiscal year ending June 30, 2002.....	\$332,000

Provided, That expenditures shall be made from the supplemental uniformed correctional officer salary account for a salary increase of not to exceed 2.5% for all payroll periods commencing on and after March 3, 2002, chargeable to fiscal year 2002, for all uniformed correctional officer job classes of the department of corrections: *Provided further*, That such increased amount of compensation for each such employee shall be at the same times and in the same manner that compensation is payable to each such employee for each such payroll period: *And provided further* That such increase shall be in addition to any base salary enhancements authorized by or pursuant to 2001 Senate Bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature: *Provided, however*, That the aggregate amount of expenditures from this account for such salary increase for such job classes for fiscal year 2002 shall not exceed \$332,000.

(b) On July 1, 2001, of the \$10,539,874 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 148(a) of 2001 Senate Bill No. 57 from the state general fund in the Topeka correctional facility—facilities operations account, the sum of \$167,000 is hereby lapsed.

(c) On July 1, 2001, of the \$9,391,443 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 148(a) of 2001 Senate Bill No. 57 from the state

general fund in the Ellsworth correctional facility—facilities operations account, the sum of \$217,242 is hereby lapsed: *Provided*, That the above agency may submit and the legislature shall review a request for a supplemental appropriation to accelerate the opening of the new 100-cell unit for Ellsworth correctional facility if capacity issues necessitate such action.

(d) On July 1, 2001, of the \$15,622,025 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 148(a) of 2001 Senate Bill No. 57 from the state general fund in the community corrections account, the sum of \$450,000 is hereby lapsed.

(e) On July 1, 2001, of the \$345,380 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 148(a) of 2001 Senate Bill No. 57 from the state general fund in the day reporting center state match account, the sum of \$69,378 is hereby lapsed.

(f) On July 1, 2001, any unencumbered balance in the construction of Ellsworth correctional facility housing unit training center and warehouse account as of June 30, 2001, is hereby reappropriated for fiscal year 2002.

(g) On the effective date of this act, of the \$6,226,000 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 81(a) of chapter 130 of the 2000 Session Laws of Kansas from the state general fund in the debt service payment for the revenue refunding bond issue account, the sum of \$27,000 is hereby lapsed.

(h) On the effective date of this act, of the \$948,000 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 81(a) of chapter 130 of the 2000 Session Laws of Kansas from the state general fund in the debt service payment for the reception and diagnostic unit relocation bond issue account, the sum of \$210,000 is hereby lapsed.

(i) In addition to the other purposes for which expenditures may be made by the department of corrections from the correctional industries fund for fiscal year 2002, as authorized by section 148(b) of 2001 Senate Bill No. 57 or by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the above agency from the correctional industries fund for fiscal year 2002 for offender treatment and programs: *Provided*, That expenditures from the correctional industries fund for offender programs for fiscal year 2002 shall not exceed \$566,000.

(j) On July 1, 2001, of the \$29,657,153 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 148(a) of 2001 Senate Bill No. 57 from the state general fund in the treatment and programs account, the sum of \$375,000 is hereby lapsed.

(k) On July 1, 2001, the authority and direction to initiate and complete the capital improvement project for the construction of an industries building and warehouse at Topeka correctional facility are hereby rescinded and the provisions of section 59(g) of 2001 Senate Bill No. 57 are hereby declared to be null and void and shall have no force and effect.

(l) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Department of corrections alcohol and drug abuse treatment fund	
For the fiscal year ending June 30, 2002.....	No limit
Sec. 46.	

JUVENILE JUSTICE AUTHORITY

(a) On the effective date of this act, of the \$2,103,330 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 52(a) of chapter 130 of the 2000 Session Laws of Kansas from the state general fund in the management information systems account, the sum of \$75,000 is hereby lapsed: *Provided*, That any unencumbered balance in the management information systems account in excess of \$100 as of June 30, 2001, is hereby reappropriated for fiscal year 2002: *Provided, however*, That expenditures from such reappropriated balance shall not exceed \$969,667 except upon approval of the state finance council.

(b) On July 1, 2001, of the \$5,544,379 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 149(a) of 2001 Senate Bill No. 57 from the state general fund in the Beloit juvenile correctional facility operations account, the sum of \$488,821 is hereby lapsed.

(c) On July 1, 2001, of the \$4,555,511 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 149(a) of 2001 Senate Bill No. 57 from the state general fund in the Larned juvenile correctional facility operations account, the sum of \$20,691 is hereby lapsed.

(d) On July 1, 2001, of the \$11,955,934 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 149(a) of 2001 Senate Bill No. 57 from the state general fund in the Topeka juvenile correctional facility operations account, the sum of \$90,725 is hereby lapsed.

(e) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Atchison juvenile correctional facility operations	
For the fiscal year ending June 30, 2002.....	\$14,267

(f) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Prevention program grant	
For the fiscal year ending June 30, 2002.....	\$6,000,000

Provided, That all expenditures by the above agency from the prevention program grant account shall be for prevention program grants for fiscal year 2002: *Provided further*, That money awarded as grants from this account shall be distributed according to the percentage distribution of a judicial district's high school graduation failure rate, averaged over a period of three years, and be subject to the requirement that no judicial district shall receive less than \$50,000: *And provided further*, That money awarded as grants from this account is not an entitlement to communities, but a grant that must meet conditions prescribed by the above agency for appropriate outcomes.

Intervention and graduated sanctions community grants	
For the fiscal year ending June 30, 2002.....	\$2,000,000

Youth residential facility reimbursement	
For the fiscal year ending June 30, 2002.....	\$400,000

Provided, That no expenditures shall be made from the youth residential facility reimbursement account to reimburse any youth residential facility except after first advising and consulting with the joint committee on juvenile justice and corrections oversight concerning the reimbursement distribution formula to be utilized for such reimbursements.

Kansas early development support grants	
For the fiscal year ending June 30, 2002.....	\$125,000

Provided, That all expenditures by the above agency from the Kansas early development support grants account shall be for a pilot project targeting troubled teenage parents and other parents at risk of committing abuse and neglect: *Provided, however*, That the grant agreements for such pilot project shall require a \$1 for \$1 match from each service provider: *Provided further*, That grants from the Kansas early development support grants account shall be awarded on a competitive basis and shall be awarded upon the advice of the Kansas advisory group on juvenile justice and delinquency prevention.

(g) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the juvenile justice authority is hereby increased from 614.0 to 616.0.

Sec. 47.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures	
For the fiscal year ending June 30, 2001.....	\$261,000
For the fiscal year ending June 30, 2002.....	\$195,000

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited

to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Radioactive materials fund

For the fiscal year ending June 30, 2001..... \$10,000

(c) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Educational assistance

For the fiscal year ending June 30, 2002..... \$250,000

Sec. 48.

STATE FIRE MARSHAL

(a) On July 1, 2001, the amount of \$750,000 authorized by section 151(d) of 2001 Senate Bill No. 57 to be transferred on July 1, 2001, and on January 1, 2002, or as soon after each such date as moneys are available, by the director of accounts and reports from the fire marshal fee fund to the hazardous materials emergency fund of the state fire marshal is hereby decreased from \$750,000 to \$375,000.

(b) In addition to the other purposes for which expenditures may be made by the state fire marshal from the hazardous materials emergency fund for fiscal year 2002 and notwithstanding the provisions of the provisos to the appropriation of the moneys in the hazardous materials emergency fund in section 151(a) of 2001 Senate Bill No. 57, expenditures may be made by the state fire marshal from the hazardous materials emergency fund for fiscal year 2002 for the purposes of responding to specific incidences of emergencies related to hazardous materials without prior approval of the state finance council: *Provided*, That expenditures from the hazardous materials emergency fund during fiscal year 2002 for the purposes of responding to any specific incidence of an emergency related to hazardous materials without prior approval by the state finance council shall not exceed \$25,000, except upon approval by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given while the legislature is in session: *Provided further*, That the aggregate of expenditures from the hazardous materials emergency fund during fiscal year 2002 for the purposes of responding to specific incidences of emergencies related to hazardous materials without prior approval by the state finance council shall not exceed \$250,000, except upon approval by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given while the legislature is in session: *And provided further*, That the state fire marshal shall prepare and submit a written report to the legislature at the beginning of the 2002 regular session setting forth information about agency fund balances and the allocation and expenditure of moneys from the hazardous materials emergency fund during fiscal year 2002.

(c) On July 1, 2001, and on January 1, 2002, or as soon after each such date as moneys are available, the director of accounts and reports shall transfer \$250,000 from the fire marshal fee fund to the state general fund: *Provided*, That the transfer of each such amount shall be in addition to any other transfer from the fire marshal fee fund to the state general fund as prescribed by law: *Provided further*, That each such amount transferred from the fire marshal fee fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

Sec. 49.

KANSAS HIGHWAY PATROL

(a) On March 1, 2002, the director of accounts and reports shall transfer \$1,800,000 from the highway patrol motor vehicle fund of the Kansas highway patrol to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the highway patrol motor vehicle fund to the state general fund as prescribed by law:

Provided further, That the amount transferred from the highway patrol motor vehicle fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) On July 1, 2001, of the \$26,390,135 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 153(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$359,134 is hereby lapsed.

(c) In addition to the other purposes for which expenditures may be made by the Kansas highway patrol from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by the Kansas highway patrol from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905 and amendments thereto to finance a capital improvement project to acquire the Topeka fleet operations center: *Provided*, That such capital improvement project is hereby approved for the Kansas highway patrol for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the Kansas highway patrol may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$7,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for the payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement project shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds.

(d) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Special services fund
For the fiscal year ending June 30, 2002..... \$259,134

(e) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$259,134 from the state highway fund of the department of transportation to the special services fund of the Kansas highway patrol.

Sec. 50.

ATTORNEY GENERAL—KANSAS BUREAU OF INVESTIGATION

(a) On July 1, 2001, the expenditure limitation established for the fiscal year ending June 30, 2002, by section 74(b) of 2001 Senate Bill No. 57 on the remodel Great Bend facility fund is hereby increased from \$239,329 to \$293,329.

(b) In addition to the other purposes for which expenditures may be made by the Kansas bureau of investigation from moneys appropriated from the state forfeiture fund for fiscal year 2002, expenditures may be made for remodeling of the 2nd floor of the Great Bend laboratory.

(c) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$54,000 from the state general fund to the remodel Great Bend facility fund.

(d) On July 1, 2001, the limitation on the amount to be transferred during fiscal year 2002 from the Kansas bureau of investigation state forfeiture fund to the state general fund for the purpose of reimbursing the state general fund for moneys advanced to the remodel Great Bend facility fund is hereby increased from \$239,329 to \$293,329.

Sec. 51.

EMERGENCY MEDICAL SERVICES BOARD

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Trauma system development fund

For the fiscal year ending June 30, 2002..... No limit

Provided, That the emergency medical services board shall prepare and submit a written report to the legislature at the beginning of the 2002 regular session setting forth information about agency fund balances and the allocation and expenditure of moneys from the trauma system development fund during fiscal year 2002.

(b) On July 1, 2001, of the \$752,732 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 155(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$15,735 is hereby lapsed.

(c) On July 1, 2001, of the \$79,008 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 155(a) of 2001 Senate Bill No. 57 from the state general fund in the regional council grants account, the sum of \$1,508 is hereby lapsed.

Sec. 52.

KANSAS SENTENCING COMMISSION

(a) On July 1, 2001, of the \$515,922 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 156(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$44,283 is hereby lapsed.

(b) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the Kansas sentencing commission is hereby decreased from 11.0 to 10.0.

(c) Notwithstanding the provisions of the second, third, fourth and fifth provisos to the appropriation of the moneys in the operating expenditures account of the state general fund in section 156(a) of 2001 Senate Bill No. 57, no moneys shall be expended by the above agency from the operating expenditures account of the state general fund for the fiscal year ending June 30, 2002, to hold hearings, receive information and otherwise analyze the issues and interests related to risk and needs assessment tools and processes of the specified entities or agencies during the 2001 interim, to review the best practices for risk and needs assessment instruments and hear testimony and reports from each of the specified entities or agencies during the 2001 interim, or to report on a plan for the adoption of a dynamic and uniform risk and needs assessment tool, including an assessment of the costs and potential funding sources to validate and implement the risk and needs assessment tool identified in the plan.

Sec. 53.

OMBUDSMAN OF CORRECTIONS

(a) On July 1, 2001, of the \$166,700 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 157(a) of 2001 Senate Bill No. 57 from the state general fund in the adult corrections oversight account, the sum of \$2,498 is hereby lapsed.

Sec. 54.

KANSAS DEPARTMENT OF AGRICULTURE

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures

For the fiscal year ending June 30, 2002..... \$85,848

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Water resources cost fund

For the fiscal year ending June 30, 2002..... No limit

Provided, That all moneys received by the secretary of agriculture from any governmental or nongovernmental source to implement the provisions of 2001 Senate Bill No. 237, which are hereby authorized to be applied for and received, shall be deposited in the state treasury to the credit of the water resources cost fund.

(c) On July 1, 2001, of the \$10,083,111 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 158(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$40,000 is hereby lapsed.

(d) The secretary of agriculture is hereby authorized to receive moneys from any governmental or nongovernmental source to implement the provisions of 2001 Senate Bill No. 237: Provided, That such moneys shall be deposited in the state treasury and credited to the water resources cost fund.

(e) On July 1, 2001, of the aggregate amount of \$1,032,149 appropriated for the Kansas department of agriculture by section 158(c) of 2001 Senate Bill No. 57 from the state water plan fund for the fiscal year ending June 30, 2002, in all accounts of the state water plan fund of the Kansas department of agriculture, the aggregate sum of \$50,000 is hereby lapsed: Provided, That the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the Kansas department of agriculture for the fiscal year ending June 30, 2002, by section 158(c) of 2001 Senate Bill No. 57, shall be determined and shall be certified by the secretary of agriculture to the director of accounts and reports on or before June 30, 2001: Provided, however, That the aggregate of all such amounts so certified in such accounts of the state water plan fund shall not be less than \$50,000: Provided further, That the secretary of agriculture shall submit a copy of such certification to the director of the legislative research department and to the director of the budget: And provided further, That if the secretary of agriculture fails to make such certification to the director of accounts and reports on or before June 30, 2001, or if the aggregate of the amounts certified by the secretary of agriculture to the director of accounts and reports is not equal to or more than \$50,000, then the director of the budget shall determine the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the Kansas department of agriculture for the fiscal year ending June 30, 2002, by section 158(c) of 2001 Senate Bill No. 57 and shall certify the amount so determined to the director of accounts and reports, to the secretary of agriculture and to the director of the legislative research department.

Sec. 55.

STATE FAIR BOARD

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Operating expenditures

For the fiscal year ending June 30, 2002..... \$134,000

(b) On the effective date of this act, the \$134,000 appropriated for the above agency for the fiscal year ending June 30, 2001, by section 160(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, is hereby lapsed.

(c) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

State fair debt service special revenue fund

For the fiscal year ending June 30, 2001..... No limit

For the fiscal year ending June 30, 2002..... No limit

Provided, That all moneys received by the state fair board from federal, local governmental, private and other sources outside of the state treasury for the purposes of debt service for bonds issued to finance capital improvements for the Kansas state fairgrounds shall be deposited in the state treasury to the credit of the state fair debt service special revenue fund.

Sec. 56.

STATE CONSERVATION COMMISSION

(a) On July 1, 2001, of the aggregate amount of \$10,257,567 appropriated for the state conservation commission by section 161(c) of 2001 Senate Bill No. 57 from the state water plan fund for the fiscal year ending June 30, 2002, in all accounts of the state water plan fund of the state conservation commission, the aggregate sum of \$400,000 is hereby lapsed: *Provided*, That the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the state conservation commission for the fiscal year ending June 30, 2002, by section 161(c) of 2001 Senate Bill No. 57, shall be determined and shall be certified by the executive director of the state conservation commission to the director of accounts and reports on or before June 30, 2001: *Provided, however*, The aggregate of all such amounts so certified in such accounts of the state water plan fund shall not be less than \$400,000: *Provided further*, That the executive director of the state conservation commission shall submit a copy of such certification to the director of the legislative research department and to the director of the budget: *And provided further*, That if the executive director of the state conservation commission fails to make such certification to the director of accounts and reports on or before June 30, 2001, or if the aggregate of the amounts certified by the executive director of the state conservation commission to the director of accounts and reports is not equal to or more than \$400,000, then the director of the budget shall determine the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the state conservation commission for the fiscal year ending June 30, 2002, by section 161(c) of 2001 Senate Bill No. 57 and shall certify the amount so determined to the director of accounts and reports, to the executive director of the state conservation commission and to the director of the legislative research department.

(b) There is appropriated for the above agency from the state water plan fund for the fiscal year ending June 30, 2002, in the land treatment cost share account the amount equal to the unencumbered balance as of June 30, 2001, in the land treatment cost-share programs account of the water plan special revenue fund.

(c) There is appropriated for the above agency from the state water plan fund for the fiscal year ending June 30, 2002, in the nonpoint source pollution assistance account the amount equal to the unencumbered balance as of June 30, 2001, in the non-point source pollution account of the water plan special revenue fund.

(d) On July 1, 2001, the position limitation established for the fiscal year ending June 30, 2002, by section 165(a) of 2001 Senate Bill No. 57 for the state conservation commission is hereby increased from 13.5 to 14.5.

Sec. 57.

KANSAS WATER OFFICE

(a) The director of accounts and reports shall not make the transfer from the state general fund to the state water plan fund which was directed to be made on July 1, 2001, by section 162(g) of 2001 Senate Bill No. 57.

(b) On July 1, 2001, of the aggregate amount of \$2,770,944 appropriated for the Kansas water office by section 162(c) of 2001 Senate Bill No. 57 from the state water plan fund for the fiscal year ending June 30, 2002, in all accounts of the state water plan fund of the Kansas water office, the aggregate sum of \$150,000 is hereby lapsed: *Provided*, That the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the Kansas water office for the fiscal year ending June 30, 2002, by section 162(c) of 2001 Senate Bill No. 57, shall be determined and shall be certified by the executive director of the Kansas water office to the director of accounts and reports on or before June 30, 2001: *Provided, however*, The aggregate of all such amounts so certified in such accounts of the state water plan fund shall not be less than \$150,000: *Provided further*, That the executive director of the Kansas water office shall submit a copy of such certification to the director of the legislative research department and to the director of the budget: *And provided further*, That if the executive director of the Kansas water office fails to make such certification to the director of accounts and reports on or before June 30, 2001, or if the aggregate of the amounts certified by the executive director of the Kansas

water office to the director of accounts and reports is not equal to or more than \$150,000, then the director of the budget shall determine the specific amount that is lapsed pursuant to this subsection in each account of the state water plan fund appropriated for the Kansas water office for the fiscal year ending June 30, 2002, by section 162(c) of 2001 Senate Bill No. 57 and shall certify the amount so determined to the director of accounts and reports, to the executive director of the Kansas water office and to the director of the legislative research department.

(c) The provisions of subsection (b) of section 162 of 2001 Senate Bill No. 57, appropriate for the Kansas water office from the special revenue funds specified by subsection (b) of section 162 of 2001 Senate Bill No. 57 for the fiscal year ending June 30, 2002, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures from such special revenue funds shall not exceed the limitations prescribed by subsection (b) of section 162 of 2001 Senate Bill No. 57, except upon approval of the state finance council or as otherwise provided by the provisions of appropriation acts.

(d) On July 1, 2001, of the \$1,477,589 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 162(a) of 2001 Senate Bill No. 57 from the state general fund in the water resources operating expenditures account, the sum of \$55,229 is hereby lapsed.

(e) The director of accounts and reports shall not make the transfer of \$55,229 from the water marketing fund to the state general fund which was directed to be made on July 1, 2001, by section 162(h) of 2001 Senate Bill No. 57.

Sec. 58.

DEPARTMENT OF WILDLIFE AND PARKS

(a) On July 1, 2001, of the \$4,305,369 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 163(a) of 2001 Senate Bill No. 57 from the state general fund in the operating expenditures account, the sum of \$400,000 is hereby lapsed.

(b) On July 1, 2001, of the \$70,000 appropriated for the above agency for the fiscal year ending June 30, 2002, by section 76(a) of 2001 Senate Bill No. 57 from the state general fund in the Crawford state fishing lake sewer repair account, the sum of \$35,000 is hereby lapsed.

Sec. 59. (a) (1) On or after the effective date of this act, the director of accounts and reports shall not make any transfer directed by subsection (f)(1) of K.S.A. 2000 Supp. 75-4365 and amendments thereto from the intergovernmental transfer fund of the department on aging to the senior services trust fund established by K.S.A. 2000 Supp. 75-4266 and amendments thereto which was directed by that statute to be made during fiscal year 2001.

(2) On or after the July 1, 2001, the director of accounts and reports shall not make any transfer directed by subsection (f)(2) of K.S.A. 2000 Supp. 75-4365 and amendments thereto from the intergovernmental transfer fund of the department on aging to the senior services trust fund established by K.S.A. 2000 Supp. 75-4266 and amendments thereto which was directed by that statute to be made during fiscal year 2002 until an aggregate amount of \$51,000,000 has been transferred to the SRS—IGT fund and the aging—IGT fund as prescribed by this section: *Provided*, That, after an aggregate amount of \$51,000,000 has been transferred to the SRS—IGT fund and the aging—IGT fund as directed by this section, the director of accounts and reports shall transfer amounts from the intergovernmental transfer fund of the department on aging to the senior services trust fund established by K.S.A. 2000 Supp. 75-4266 and amendments thereto as directed by subsection (f)(2) of K.S.A. 2000 Supp. 75-4365 and amendments thereto during the remainder of fiscal year 2002.

(b) Commencing on the effective date of this act, or as soon as moneys are available therefor, during the fiscal years ending June 30, 2001, and June 30, 2002, the director of accounts and reports shall transfer all amounts of money that would have been directed by subsections (f)(1) and (f)(2) of K.S.A. 2000 Supp. 75-4365 and amendments thereto from the intergovernmental transfer fund of the department on aging to the senior services trust fund established by K.S.A. 2000 Supp. 75-4266 and amendments thereto which were directed to be made by that statute in accordance with and subject to the following: (1) All such amounts of money shall be transferred to either the SRS—IGT fund of the department of social and rehabilitation services or to the aging—IGT fund of the department on aging.

subject to the limitation of an aggregate amount of \$51,000,000; (2) an aggregate amount of \$44,000,000 shall be transferred from the intergovernmental transfer fund of the department on aging to the SRS—IGT fund of the department of social and rehabilitation services; (3) an aggregate amount of \$7,000,000 shall be transferred from the intergovernmental transfer fund of the department on aging to the aging—IGT fund of the department on aging; (4) of the amount transferred from the intergovernmental transfer fund of the department on aging, on each date that such a transfer is made pursuant to this section, 86.27% shall be transferred to the SRS—IGT fund of the department of social and rehabilitation services and 13.73% shall be transferred to the aging—IGT fund of the department on aging.

Sec. 60. In addition to the other purposes for which expenditures may be made by each state agency named in this act from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2002 as authorized by this or other appropriation act of the 2001 regular session of the legislature, expenditures shall be made by each state agency named in this act from the moneys appropriated from the state general fund or from any special revenue funds for fiscal year 2002, to prepare a report identifying in detail all funding that will be requested by such agency from the state general fund or any special revenue funds for any and all substance abuse treatment, prevention or education programs, including the administration of such programs, for the fiscal year ending June 30, 2003: *Provided*, That each such agency shall submit such report to the office of prevention of the department of social and rehabilitation services on or before September 15, 2001: *Provided further*, That each such agency shall submit a copy of such report to the division of the budget and to the legislative research department at the same time it is submitted to the office of prevention of the department of social and rehabilitation services.

Sec. 61. (a) On or before June 30, 2001, the director of the budget shall review (1) the actual rate of shrinkage for each state agency specified in subsection (c) for the fiscal year ending June 30, 2001, and (2) the rate of shrinkage in the approved budget for such state agency for the fiscal year ending June 30, 2002, and the director shall determine the amount by which the moneys that are budgeted and appropriated in each account of the state general fund for fiscal year 2001 for such state agency for salaries and wages for state officers and employees, including associated employer contributions, are to be adjusted in such budget and are to be lapsed from such appropriations pursuant to this section to reflect the appropriate rate of shrinkage for such state agency for fiscal year 2001, based on such shrinkage data and other appropriate factors: *Provided*, That, upon determining the appropriate adjustment in the rate of shrinkage for a state agency for fiscal year 2001 pursuant to this section, if the adjustment is to increase the rate of shrinkage for the state agency for fiscal year 2001, then the director of the budget is hereby authorized and directed to reduce the amount budgeted for salaries and wages for state officers and employees, including associated employer contributions, in each account of the state general fund for fiscal year 2001 of such state agency and to certify on June 30, 2001, to the director of accounts and reports the amount in each such account of the state general fund for fiscal year 2001 of such state agency by which the director of the budget is reducing the budget of such state agency for salaries and wages for state officers and employees, including associated employer contributions: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department: *And provided further*, That the aggregate of all amounts certified to the director of accounts and reports by the director of the budget pursuant to this subsection shall not exceed \$800,000.

(b) On June 30, 2001, the amount certified by the director of the budget to the director of accounts and reports under subsection (a) in each account of the state general fund of each state agency that is appropriated for fiscal year 2001, as specified in such certification, is hereby lapsed from the designated appropriation or appropriations from the state general fund for fiscal year 2001 and the director of accounts and reports shall make the appropriate adjustments to the accounts of each such state agency: *Provided*, That the aggregate of all such amounts lapsed shall not exceed \$800,000.

(c) The provision of this section shall apply to each of the following state agencies: (1) Adjutant general; (2) department on aging; (3) Kansas department of agriculture; (4) Kansas animal health department; (5) attorney general; (6) Kansas state school for the deaf; (7) Kansas state school for the blind; (8) emergency medical services board; (9) governmental ethics commission; (10) Kansas guardianship program; (11) Kansas highway patrol; (12) state historical society; (13) department of human resources; (14) Kansas human rights commission; (15) attorney general—Kansas bureau of investigation; (16) state library; (17) ombudsman of corrections; (18) Kansas parole board; (19) secretary of state; (20) Kansas sentencing commission; (21) department of social and rehabilitation services; (22) state board of tax appeals; (23) state treasurer; and (24) Kansas commission on veterans affairs.

Sec. 62. (a) On or before October 1, 2001, the director of the budget shall review (1) the actual rate of shrinkage for each state agency specified in subsection (c) for the fiscal year ending June 30, 2001, (2) the rate of shrinkage in the approved budget for such state agency for the fiscal year ending June 30, 2002, and (3) the actual rate of shrinkage to date for such state agency during fiscal year 2002, as of October 1, 2001, and the director shall determine the amount by which the moneys that are budgeted and appropriated in each account of the state general fund for fiscal year 2002 for such state agency for salaries and wages for state officers and employees, including associated employer contributions, are to be adjusted in such budget and are to be lapsed from such appropriations pursuant to this section to reflect the appropriate rate of shrinkage for such state agency for fiscal year 2002, based on such shrinkage data and other appropriate factors: *Provided*, That, upon determining the appropriate adjustment in the rate of shrinkage for a state agency for fiscal year 2002 pursuant to this section, if the adjustment is to increase the rate of shrinkage for the state agency for fiscal year 2002, then the director of the budget is hereby authorized and directed to reduce the amount budgeted for salaries and wages for state officers and employees, including associated employer contributions, in each account of the state general fund for fiscal year 2002 of such state agency and to certify on October 1, 2001, to the director of accounts and reports the amount in each such account of the state general fund for fiscal year 2002 of such state agency by which the director of the budget is reducing the budget of such state agency for salaries and wages for state officers and employees, including associated employer contributions: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department: *And provided further*, That the aggregate of all amounts certified to the director of accounts and reports by the director of the budget pursuant to this subsection shall not exceed \$4,800,000.

(b) On October 1, 2001, the amount certified by the director of the budget to the director of accounts and reports under subsection (a) in each account of the state general fund of each state agency that is appropriated for fiscal year 2002, as specified in such certification, is hereby lapsed from the designated appropriation or appropriations from the state general fund for fiscal year 2002 and the director of accounts and reports shall make the appropriate adjustments to the accounts of each such state agency: *Provided*, That the aggregate of all such amounts lapsed shall not exceed \$4,800,000.

(c) The provision of this section shall apply to each of the following state agencies: (1) Adjutant general; (2) department on aging; (3) Kansas department of agriculture; (4) Kansas animal health department; (5) attorney general; (6) Kansas state school for the deaf; (7) Kansas state school for the blind; (8) emergency medical services board; (9) governmental ethics commission; (10) Kansas guardianship program; (11) Kansas highway patrol; (12) state historical society; (13) department of human resources; (14) Kansas human rights commission; (15) attorney general—Kansas bureau of investigation; (16) state library; (17) ombudsman of corrections; (18) Kansas parole board; (19) secretary of state; (20) Kansas sentencing commission; (21) department of social and rehabilitation services; (22) state board of tax appeals; (23) state treasurer; and (24) Kansas commission on veterans affairs.

Sec. 63. On the effective date of this act, section 171 of 2001 Senate Bill No. 57 is hereby amended to read as follows: Sec. 171. (a) In addition to the other purposes for which expenditures may be made by the governor's department from the governor's department

account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the governor's department from the governor's department account of the state general fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the governor equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$3,671.00 per biweekly pay period for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the governor equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$3,726.07 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (a) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the governor for the biweekly pay periods which commence on or after June 10, 2001 and which are chargeable to fiscal year 2002.

(b) In addition to the other purposes for which expenditures may be made by the lieutenant governor from the operations account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the lieutenant governor from the operations account of the state general fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the lieutenant governor equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$1,038.33 per biweekly pay period for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the lieutenant governor equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$1,053.91 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (b) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the lieutenant governor for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(c) In addition to the other purposes for which expenditures may be made by the secretary of state from the operating expenditures account of the state general fund for the fiscal year ending June 30, 2002 expenditures shall be made by the secretary of state from the operating expenditures account of the state general fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the secretary of state equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,851.83 per biweekly pay period for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the secretary of state equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,894.60 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (c) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the secretary of state for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(d) In addition to the other purposes for which expenditures may be made by the attorney general from the operating expenditures account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the attorney general from the operating expenditures account of the state general fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the attorney general equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$3,279.52 per biweekly pay period for

each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the attorney general equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$3,328.71 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (d) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the attorney general for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(e) In addition to the other purposes for which expenditures may be made by the state treasurer from the operating expenditures account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the state treasurer from the operating expenditures account of the state general fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the state treasurer equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,851.83 per biweekly pay period for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the state treasurer equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,894.60 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (e) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the state treasurer for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(f) In addition to the other purposes for which expenditures may be made by the insurance department from the insurance department service regulation fund for the fiscal year ending June 30, 2002, expenditures shall be made by the insurance department from the insurance department service regulation fund for fiscal year 2002:

(1) For an additional amount of biweekly compensation for the commissioner of insurance equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,851.83 per biweekly pay period for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and

(2) for an additional amount of biweekly compensation for the commissioner of insurance equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation of \$2,894.60 per biweekly pay period for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (f) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to the commissioner of insurance for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(g) (1) In addition to the other purposes for which expenditures may be made by each state agency from appropriations made for the fiscal year ending June 30, 2002, expenditures shall be made by each state agency from the appropriations made for fiscal year 2002:

(A) For an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$77.59 per calendar day for each member of a board for any calendar day occurring on or after June 10, 2000, and before ~~December 9, 2001~~, and before March 3, 2002, for which per diem compensation is payable to such member of a board under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and is chargeable to fiscal year 2002 and

(B) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$78.75 per calendar day for each member of a board for any calendar day occurring on or after ~~December 9, 2001~~ *March 3, 2002*, for which per diem compensation is payable to such member of a board under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (g) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such member of a board for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 10, 2001, is payable and which are chargeable to fiscal year 2002.

(2) As used in this subsection (g). (A) "state agency" means any state agency of the executive branch of state government (i) which has appropriations made for the fiscal year ending June 30, 2002, by this act or any other appropriation act of the 2001 regular session of the legislature, and (ii) which is, or which makes expenditures for, any board; and

(B) "board" means any board, commission, committee, task force, panel or other body in the executive branch of state government, including any advisory body, having one or more members who are entitled to receive per diem compensation for attendance at meetings of such body, or attendance at meetings authorized by such body of a subcommittee or other subsidiary group of such body, as provided in K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto.

(h) In addition to the other purposes for which expenditures may be made by the Kansas turnpike authority for the period commencing June 10, 2001, and ending June 30, 2002, expenditures shall be made by the Kansas turnpike authority for such period:

(1) For an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$77.59 per calendar day for each member of the Kansas turnpike authority for any calendar day occurring on or after June 10, 2000, and before ~~December 9, 2001~~ *and before March 3, 2002*, for which per diem compensation is payable to such member of the Kansas turnpike authority under K.S.A. 68-2003 and amendments thereto who is entitled, in accordance with K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and

(2) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$78.75 per calendar day for each member of the Kansas turnpike authority for any calendar day occurring on or after ~~December 9, 2001~~ *March 3, 2002*, for which per diem compensation is payable to such member of the Kansas turnpike authority under K.S.A. 68-2003 and amendments thereto who is entitled, in accordance with K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (h) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such member of the Kansas turnpike authority for the appropriate pay periods for which such per diem compensation for calendar days occurring on or after June 10, 2001, and prior to July 1, 2002, is payable by the Kansas turnpike authority.

(i) In addition to the other purposes for which expenditures may be made by the legislature from the operations (including official hospitality) account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 2002:

(1) (A) For an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$77.59 per calendar day for each member of the legislature for service at the regular session or any special session of the legislature for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ *March 3, 2002*, and

(B) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$78.75 per calendar day for each member of the legislature for service at the regular session or any special session of the legislature for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002; and

(2) (A) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$77.59 per calendar day for each member of the legislature and for any other public officer or person for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the legislature to such member of the legislature, public officer or person under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and is chargeable to fiscal year 2002; and

(B) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$78.75 per calendar day for each member of the legislature and for any other public officer or person for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the legislature to such member of the legislature, public officer or person under K.S.A. 75-3212 or 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto and is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (i) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislature, public officials and persons for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 10, 2001, is payable and which are chargeable to fiscal year 2002.

(j) In addition to the other purposes for which expenditures may be made by the legislature from the operations (including official hospitality) account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 2002 for an additional amount of biweekly compensation for the following legislative officers equal to the amount required to provide, along with the amount of biweekly compensation otherwise payable, an aggregate amount of compensation per biweekly pay period for such legislative officers as follows:

(1) For the president of the senate and the speaker of the house of representatives equal to the amount required to provide (A) an aggregate amount of \$472.51 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and (B) an aggregate amount of \$479.60 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after December 9, 2001 March 3, 2002, which is chargeable to fiscal year 2002;

(2) for the speaker pro tem of the house of representatives, the vice president of the senate, the assistant majority leaders of the senate and house of representatives, and the assistant minority leaders of the senate and house of representatives equal to the amount required to provide (A) an aggregate amount of \$241.17 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and (B) an aggregate amount of \$244.79 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002;

(3) for the chairperson of the senate committee on ways and means and the chairperson of the house of representatives committee on appropriations equal to the amount required to provide (A) an aggregate amount of \$379.99 per biweekly pay period for services per-

formed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and (B) an aggregate amount of \$385.69 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002;

(4) for the majority leaders of the senate and house of representatives equal to the amount required to provide (A) an aggregate amount of \$426.29 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and (B) an aggregate amount of \$432.68 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002; and

(5) for the minority leaders of the senate and house of representatives equal to the amount required to provide (A) an aggregate amount of \$426.29 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after June 10, 2001, and ending before ~~December 9, 2001~~ March 3, 2002, and (B) an aggregate amount of \$432.68 per biweekly pay period for services performed in connection with discharging the duties assigned to the respective positions for each biweekly pay period commencing on or after ~~December 9, 2001~~ March 3, 2002, which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (j) for such purposes shall be made in the same manner and at the same times that biweekly compensation is payable to such legislative officers under K.S.A. 46-137b and amendments thereto for the biweekly pay periods which commence on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(k) In addition to the other purposes for which expenditures may be made by the legislative coordinating council from the legislative coordinating council—operations account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the legislative coordinating council from the legislative coordinating council—operations account of the state general fund for fiscal year 2002 for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, (1) an aggregate amount of compensation of \$77.59 per calendar day for each member of the legislative coordinating council for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the legislative coordinating council under K.S.A. 46-1209 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and (2) an aggregate amount of compensation of \$78.75 per calendar day for each member of the legislative coordinating council for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the legislative coordinating council under K.S.A. 46-1209 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and which is chargeable to fiscal year 2001: *Provided*, That all expenditures under this subsection (k) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislative coordinating council for the biweekly pay periods for which such per diem compensation is payable for calendar days occurring on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(l) In addition to the other purposes for which expenditures may be made by the division of post audit from the operations (including legislative post audit committee) account of the state general fund for the fiscal year ending June 30, ~~2001~~ 2002, expenditures shall be made by the division of post audit from the operations (including legislative post audit committee) account of the state general fund for fiscal year ~~2001~~ 2002.

(1) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, (A) an aggre-

gate amount of compensation of \$77.59 per calendar day for each member of the legislative post audit committee for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1104 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and (B) an aggregate amount of compensation of \$78.75 per calendar day for each member of the legislative post audit committee for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1104 and amendments thereto to such member as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and which is chargeable to fiscal year 2002; and

(2) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, (A) an aggregate amount of compensation of \$77.59 per calendar day for each member of the contract audit committee for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1120 and amendments thereto to such member as provided in K.S.A. 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and (B) an aggregate amount of compensation of \$78.75 per calendar day for each member of the contract audit committee for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable from appropriations for the division of post audit under K.S.A. 46-1120 and amendments thereto to such member as provided in K.S.A. 75-3223 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and which is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (l) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the legislative post audit committee or contract audit committee for the biweekly pay periods for which such per diem compensation is payable for calendar days occurring on or after June 10, 2001, and which are chargeable to fiscal year 2002.

(m) In addition to the other purposes for which expenditures may be made by the judicial branch from the judiciary operations account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the judicial branch from the judiciary operations account of the state general fund for fiscal year 2002:

(1) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, (A) an aggregate amount of compensation of \$77.59 per calendar day for each member of the advisory council on dispute resolution for any calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable to such member of the advisory council on dispute resolution under K.S.A. 5-505 and amendments thereto who is entitled, in accordance with subsection (e) of K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and (B) an aggregate amount of compensation of \$78.75 per calendar day for each member of the advisory council on dispute resolution for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable to such member of the advisory council on dispute resolution under K.S.A. 5-505 and amendments thereto who is entitled, in accordance with subsection (e) of K.S.A. 75-3223 and amendments thereto, to receive such per diem compensation as provided in K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and which is chargeable to fiscal year 2002; and

(2) for an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, (A) an aggregate amount of compensation of \$77.59 per calendar day for each retired justice or judge who performs judicial service or duties under K.S.A. 20-2616 and amendments thereto for each calendar day occurring on or after June 10, 2001, and before ~~December 9, 2001~~ March

3, 2002, for which per diem compensation is payable to such retired justice or judge under K.S.A. 20-2616 and amendments thereto, and (B) an aggregate amount of compensation of \$78.75 per calendar day for each retired justice or judge who performs judicial service or duties under K.S.A. 20-2616 and amendments thereto for each calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable to such retired justice or judge under K.S.A. 20-2616 and amendments thereto, and is chargeable to fiscal year 2002: *Provided*, That all expenditures under this subsection (m) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the advisory council on dispute resolution or to such retired justices or judges for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 10, 2001, is payable and which are chargeable to fiscal year 2002.

(n) In addition to the other purposes for which expenditures may be made by the judicial council from the operating expenditures account of the state general fund for the fiscal year ending June 30, 2002, expenditures shall be made by the judicial council from the operating expenditures account of the state general fund for fiscal year ~~2001~~ 2002 for:

(1) an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$77.59 per calendar day for each member of the judicial council and for each regularly appointed member of a special committee of the judicial council who is not a member of the judicial council for any calendar day occurring on or after June 10, ~~2000, and before December 9, 2001, and before March 3, 2002~~, for which per diem compensation is payable to such member of the judicial council or a special committee thereof under K.S.A. 20-2206 and amendments thereto at the rate of compensation in accordance with K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto; and

(2) an additional amount of per diem compensation equal to the amount required to provide, along with the amount of per diem compensation otherwise payable, an aggregate amount of compensation of \$78.75 per calendar day for each member of the judicial council and for each regularly appointed member of a special committee of the judicial council who is not a member of the judicial council for any calendar day occurring on or after ~~December 9, 2001~~ March 3, 2002, for which per diem compensation is payable to such member of the judicial council or a special committee thereof under K.S.A. 20-2206 and amendments thereto at the rate of compensation in accordance with K.S.A. 75-3212 and amendments thereto at the rate prescribed by subsection (a) of K.S.A. 46-137a and amendments thereto, and is chargeable to fiscal year 2001: *Provided*, That all expenditures under this subsection (n) for such purposes shall be made in the same manner and at the same times that per diem compensation is payable to such members of the judicial council or special committees thereof for the biweekly pay periods for which such per diem compensation for calendar days occurring on or after June 10, 2001, is payable and which are chargeable to fiscal year 2002.

(o) *In accordance with appropriations for the fiscal year ending June 30, 2002, made by this or other appropriation act of the 2001 regular session of the legislature:*

(1) *The governor is hereby authorized and directed to modify the pay plan for fiscal year 2001 in accordance with this subsection (o)(1) and to adopt such pay plan as so modified. The existing pay plan for fiscal year 2001 shall be modified to provide (A) for an increase of 1.5% in the pay rates of such pay plan, to be effective for biweekly pay periods commencing on or after June 10, 2001, and (B) for an additional increase of 1.5% in the pay rates of such pay plan, to be effective for biweekly pay periods commencing on or after March 3, 2002. The pay plan adopted by the governor under this subsection (o)(1) shall be the pay plan for the classified service under the Kansas civil service act and shall be effective on the first day of the first biweekly payroll period which is chargeable to the fiscal year ending June 30, 2002. Such pay plan shall be subject to modification and approval as provided under K.S.A. 75-2938 and amendments thereto and to any enactment of the legislature applicable thereto.*

(2)(A) *The governor is hereby authorized and directed to modify or authorize the modification of the salaries of state officers and employees who are in the unclassified service under the Kansas civil service act and whose salaries are subject to approval by the governor*

under K.S.A. 75-2935b or 75-2935c and amendments thereto to provide for (i) base salary increases, to be effective on the first day of the payroll period commencing on June 10, 2001, and to be distributed on a merit basis from a merit salary increase pool, the average of such increases shall not exceed 1.5% of the base salaries of such officers and employees, and (ii) additional base salary increases, to be effective on the first day of the payroll period commencing on March 3, 2002, and to be distributed on a merit basis from a merit salary increase pool, the average of such increases shall not exceed 1.5% of the base salaries of such officers and employees.

(B) Each elected state official of the executive branch of state government, including the state board of education, and the Kansas technology enterprise corporation, Kansas, inc., the state board of regents and the board of trustees of the Kansas public employees retirement system, in each such official or board's discretion, are hereby authorized and directed to modify or to authorize the modification of the salaries of the state officers and employees of such official or board, who are in the unclassified service under the Kansas civil service act and whose salaries are not subject to approval by the governor under K.S.A. 75-2935b or 75-2935c and amendments thereto, to provide for (i) base salary increases, to be effective on the first day of the payroll period commencing on June 10, 2001, and to be distributed on a merit basis from a merit salary increase pool, except that the average of such increases shall not exceed 1.5% of the base salaries of such officers and employees, and (ii) additional base salary increases, to be effective on the first day of the payroll period commencing on March 3, 2002, and to be distributed on a merit basis from a merit salary increase pool, except that the average of such increases shall not exceed 1.5% of the base salaries of such officers and employees. The provisions of this subsection (o)(2)(B) shall not authorize or provide any salary increase for the governor, lieutenant governor, secretary of state, state treasurer, commissioner of insurance, attorney general, or to any member of any state board, commission, council or committee receiving per diem compensation as provided by statute.

Sec. 64. On July 1, 2001, K.S.A. 2000 Supp. 2-223 is hereby amended to read as follows: 2-223. (a) There is hereby established in the state treasury the state fair capital improvements fund. All expenditures of moneys in the state fair capital improvements fund shall be used for the payment of capital improvements and maintenance for the state fairgrounds and the payment of capital improvement obligations that have been financed. Capital improvement projects for the Kansas state fairgrounds are hereby approved for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute.

(b) On each June 30, the state fair board shall certify to the director of accounts and reports an amount to be transferred from the state fair fee fund to the state fair capital improvements fund, which amount shall be not less than the amount equal to 5% of the total gross receipts during the current fiscal year from state fair activities and non-fair days activities. Upon receipt of such certification, the director of accounts and reports shall transfer moneys from the state fair fee fund to the state fair capital improvements fund in accordance with such certification.

(c) On each July 1, the director of accounts and reports shall transfer from the state general fund to the state fair capital improvements fund, an amount equal to the amount certified by the state fair board pursuant to subsection (b), except that (1) no transfer from the state general fund under this subsection shall exceed \$300,000 in any fiscal year; and (2) no amount shall be transferred under this section from the state general fund to the state fair capital improvements fund during the fiscal year ending June 30, 2002.

Sec. 65. On July 1, 2001, K.S.A. 2000 Supp. 79-2959, as amended by section 167 of 2001 Senate Bill No. 57, is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts which in the aggregate equal 4.5% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes Annotated and acts amendatory thereof and supplemental

thereto during the preceding calendar year from the state general fund to the local ad valorem tax reduction fund, except that: (1) The transfers on January 15 and July 15 of each year shall be in equal amounts which in the aggregate equal 3.630% of such taxes credited to the state general fund during the preceding calendar year; and (2) the amount of the transfer on each such date during state fiscal year 2002 shall be ~~\$28,951,485.50~~ \$27,340,335.50. All such transfers are subject to reduction under K.S.A. 75-6704 and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund, *except that all such transfers during the fiscal year ending June 30, 2002, shall be considered revenue transfers from the state general fund.*

(c) The state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) Sixty-five percent of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201 and amendments thereto on July 1 of the preceding year; and (2) thirty-five percent of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

Sec. 66. On July 1, 2001, K.S.A. 2000 Supp. 79-2964, as amended by section 168 of 2001 Senate Bill No. 57, is hereby amended to read as follows: 79-2964. There is hereby created the county and city revenue sharing fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be allocated and distributed in the manner provided herein. The director of accounts and reports in each year on July 15 and December 10, shall make transfers in equal amounts which in the aggregate equal 3.5% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of the Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the county and city revenue sharing fund, except that: (a) The transfers on July 15 and December 10 of each year shall be in equal amounts which in the aggregate equal 2.823% of such taxes credited to the state general fund during the preceding calendar year; and (b) the amount of the transfer on each such date during state fiscal year 2002 shall be ~~\$18,465,844~~ \$17,438,174.50. All such transfers are subject to reduction under K.S.A. 75-6704 and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund, *except that all such transfers during the fiscal year ending June 30, 2002, shall be considered revenue transfers from the state general fund.*

Sec. 67. On July 1, 2001, K.S.A. 2000 Supp. 79-3425i, as amended by section 169 of 2001 Senate Bill No. 57, is hereby amended to read as follows: 79-3425i. On January 15 and July 15 of each year, the director of accounts and reports shall transfer a sum equal to the total taxes collected under the provisions of K.S.A. 79-6a04 and 79-6a10, and amendments thereto, and credited to the state general fund during the six months next preceding the date of transfer, from the state general fund to the special city and county highway fund, created by K.S.A. 79-3425, and amendments thereto, except that: (1) Such transfers are subject to reduction under K.S.A. 75-6704, and amendments thereto; and (2) the amount of the transfer on each such date during state fiscal year 2002 shall not exceed ~~\$5,590,913~~ \$5,223,310.50. All transfers under this section shall be considered to be demand transfers from the state general fund, *except that all such transfers during the fiscal year ending June 30, 2002, shall be considered revenue transfers from the state general fund.*

Sec. 68. On July 1, 2001, K.S.A. 2000 Supp. 79-34,147, as amended by section 170 of 2001 Senate Bill No. 57, is hereby amended to read as follows: 79-34,147. (a) (1) On July 1, 1999, and quarterly thereafter the secretary of revenue shall certify to the director of accounts and reports the amount equal to 7.628% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(2) On July 1, 2001, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 9.5% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(3) On July 1, 2002, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 11% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(4) On July 1, 2003, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 11.25% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(5) On July 1, 2004, and quarterly thereafter, the secretary of revenue shall certify to the director of accounts and reports the amount equal to 12% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund during the preceding three calendar months.

(b) Upon receipt of each certification under subsection (a), the director of accounts and reports shall transfer from the state general fund to the state highway fund an amount equal to the amount so certified, on each July 1, October 1, January 1 and April 1, except that the amount of the transfer on each such date during state fiscal year 2002 shall not exceed ~~\$30,277,162~~ \$19,552,162. All transfers made pursuant to this section are subject to reduction under K.S.A. 75-6704, and amendments thereto.

(c) All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund.

Sec. 69. On July 1, 2001, K.S.A. 2000 Supp. 82a-953a is hereby amended to read as follows: 82a-953a. In each fiscal year, the director of accounts and reports shall transfer \$6,000,000 from the state general fund to the state water plan fund created by K.S.A. 82a-951, and amendments thereto, of such amount to be transferred on July 15 and to be transferred on January 15, except that (1) such transfers are subject to reduction under K.S.A. 75-6704, and amendments thereto; and (2) the amount of the transfer on each such date during state fiscal year ~~2001~~ 2002 shall be ~~\$2,250,000~~ \$2,575,000. All transfers under this section shall be considered to be demand transfers from the state general fund.

Sec. 70. The provisions of sections 2 through 12 of 2001 Senate Bill No. 57, in addition to other provisions of that act, make appropriations, impose restrictions and limitations and direct or authorize transfers, disbursements, procedures and acts incidental to the foregoing for the fiscal year ending June 30, 2001, as provided in that act.

Sec. 71. *Appeals to exceed position limitations.* (a) The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal year ending June 30, 2001, made in chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or in this or in any other appropriation act of the 2001 regular session of the legislature may be exceeded upon approval of the state finance council.

(b) The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal year ending June 30, 2002, made in chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or in this or in any other appropriation act of the 2001 regular session of the legislature may be exceeded upon approval of the state finance council.

Sec. 72. *Appeals to exceed expenditure limitations.* Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

Sec. 73. *Savings.* (a) Any unencumbered balance as of June 30, 2001, in any special revenue fund, or account thereof, of any state agency named in this act which is not otherwise specifically appropriated or limited by this or other appropriation act of the 2001 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2002, for the same use and purpose as the same was heretofore appropriated.

(b) Any unencumbered balance as of June 30, 2002, in any special revenue fund, or account thereof, of any state agency named in section 99 of 2001 Senate Bill No. 57 which is not otherwise specifically appropriated or limited for fiscal year 2003 by this or other appropriation act of the 2001 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2002, for the same use and purpose as the same was heretofore appropriated.

(c) This section shall not apply to the state economic development initiatives fund, the children's initiatives fund or the state water plan fund or any account of any of such funds.

Sec. 74. During the fiscal year ending June 30, 2002, all moneys which are lawfully credited to and available in any bond special revenue fund, which are not otherwise specifically appropriated or limited by this or other appropriation act of the 2001 regular session of the legislature, are hereby appropriated for the fiscal year ending June 30, 2002, for the state agency for which the bond special revenue fund was established for the purposes authorized by law for expenditures from such bond special revenue fund. As used in this subsection, "bond special revenue fund" means any special revenue fund or account thereof established in the state treasury prior to or on or after the effective date of this act for the deposit of the proceeds of bonds issued by the Kansas development finance authority, for the payment of debt service for bonds issued by the Kansas development finance authority, or for any related purpose in accordance with applicable bond covenants.

Sec. 75. *Federal grants.* (a) During the fiscal year ending June 30, 2002, each federal grant or other federal receipt which is received by a state agency named in this act and which is not otherwise appropriated to that state agency by this or other appropriation act of the 2001 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2002, for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

(b) During the fiscal year ending June 30, 2003, each federal grant or other federal receipt which is received by a state agency named in section 99 of 2001 Senate Bill No. 57 and which is not otherwise appropriated to that state agency for fiscal year 2003 by this or other appropriation act of the 2001 regular session of the legislature or by an appropriation act of the 2002 regular session of the legislature, is hereby appropriated for fiscal year 2003 for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, for fiscal year 2003, until the governor has authorized the state agency to make expenditures from such federal grant or other federal receipt for fiscal year 2003.

(c) (1) In addition to the other purposes for which expenditures may be made by any state agency which is named in this or other appropriation act of the 2001 regular session of the legislature and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2001 by chapter 130 or chapter 183 of the 2000 Session Laws of Kansas or by this or other appropriation act of the 2001 regular session of the legislature to apply for and receive federal grants during fiscal year 2001, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided*, That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

(2) In addition to the other purposes for which expenditures may be made by any state agency which is named in this or other appropriation act of the 2001 regular session of the legislature and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2002 by this or other appropriation act of the 2001 regular session of the legislature to apply for and receive federal grants during fiscal year 2002, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided*, That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 76. Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 2001 regular session of the legislature, and having an unencumbered balance as of June 30, 2001, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2002, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

Sec. 77. Any Kansas educational building fund appropriation heretofore appropriated to any institution named in this or other appropriation act of the 2001 regular session of the legislature and having an unencumbered balance as of June 30, 2001, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2002, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 78. Any state institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 2001 regular session of the legislature and having an unencumbered balance as of June 30, 2001, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2002, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 79. Any transfers of money during the fiscal year ending June 30, 2002, from any special revenue fund of any state agency named in this act to the audit services fund of the division of post audit under K.S.A. 46-1121 and amendments thereto shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 2002.

Sec. 80. On the effective date of this act, section 171 of 2001 Senate Bill No. 57 is hereby repealed.

Sec. 81. On July 1, 2001, K.S.A. 2000 Supp. 2-223, 79-2959, as amended by section 167 of 2001 Senate Bill No. 57, 79-2964, as amended by section 168 of 2001 Senate Bill No. 57, 79-3425i, as amended by section 169 of 2001 Senate Bill No. 57, 79-34,147, as amended by section 170 of 2001 Senate Bill No. 57, and 82a-953a are hereby repealed.

Sec. 82. This act shall take effect and be in force from and after its publication in the Kansas register.”;

In the title, by striking all in lines 12 through 14 and inserting in lieu thereof the following: “AN ACT making and concerning appropriations for the fiscal years ending June 30, 2001, June 30, 2002, and June 30, 2003; authorizing certain transfers and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts, disbursements, capital improvements and acts incidental to the foregoing; amending K.S.A. 2000 Supp. 2-223, 79-2959, as amended by section 167 of 2001 Senate Bill No. 57, 79-2964, as amended by section 168 of 2001 Senate Bill No. 57, 79-3425i, as amended by section 169 of 2001 Senate Bill No. 57, 79-34,147, as amended by section 170 of 2001 Senate Bill No. 57, 82a-953a and section 171 of 2001 Senate Bill No. 57 and repealing the existing sections.”;

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

STEPHEN R. MORRIS
DAVID ADKINS
Conferees on part of Senate

KENNY A. WILK
MELVIN NEUFELD
ROCKY NICHOLS

Conferees on part of House

On motion of Rep. Wilk, the conference committee report on **HB 2283** was adopted.

On roll call, the vote was: Yeas 68; Nays 53; Present but not voting: 0; Absent or not voting: 4.

Yeas: Aday, Aurand, Ballard, Benlon, Bethell, Boston, Campbell, Compton, Cox, Crow, DeCastro, DiVita, Dreher, Findley, Flora, Freeborn, Garner, Gilbert, Glasscock, Gordon, Hayzlett, Henry, Hermes, Horst, Huff, Humerickhouse, Hutchins, Johnson, Kirk, Kline, Krehbiel, Kuether, Landwehr, Light, Lightner, Lloyd, M. Long, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Minor, Myers, Neufeld, Nichols, Novascone, Patterson, J. Peterson, Phelps, Pottorff, L. Powell, T. Powell, Powers, Ruff, Schwartz, Showalter, Shultz, Stone, Storm, Tafanelli, Tanner, Toelkes, Weber, Wilk, D. Williams, J. Williams.

Nays: Alldritt, Ballou, Barnes, Burroughs, Cook, Dahl, Dillmore, Edmonds, Faber, Feuerborn, Flaharty, Gatewood, Grant, Henderson, Holmes, Howell, Huebert, Huy, Kauffman, Klein, Lane, Larkin, Levinson, Loganbill, P. Long, McClure, Merrick, Miller, Jim Morrison, Judy Morrison, Newton, O'Brien, Osborne, Ostmeyer, Palmer, Pauls, E. Peterson, Pyle, Ray, Reardon, Rehorn, Sharp, Shriver, Sloan, Spangler, Swenson, Thimesch, Tomlinson, Vickrey, Wells, Welshimer, Wilson, Winn.

Present but not voting: None.

Absent or not voting: Beggs, Mayans, O'Neal, Toplikar.

EXPLANATIONS OF VOTE

MR. SPEAKER: Because this bill shifts demand transfers to revenue transfers:

- It assumes the use of \$51 million in federal intergovernmental transfer funds intended for the Senior Services Trust Fund.
- This bill assumes the issuance of \$277 million in bonds to replace the loss of State General Fund resources for the Comprehensive Transportation Plan.
- This bill depends on the increase in traffic fines in the amount of \$16 million.
- It does not properly provide for SRS and Aging caseloads in FY 2001 and FY 2002.
- This bill assumes growth in FY 2003 of \$176.4 million or 4% spending increase.

For the above reasons, I vote "No" on **HB 2283**.—PEGGY LONG, MARY PILCHER COOK, JOHN M. FABER, BONNIE HUY, JIM MORRISON

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Wilk, the House concurred in Senate amendments to **S. Sub. for HB 2017**, An act establishing the Kansas postsecondary education savings expense fund; amending K.S.A. 2000 Supp. 75-648 and repealing the existing section.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 115; Nays 6; Present but not voting: 0; Absent or not voting: 4.

Yeas: Aday, Alldritt, Aurand, Ballard, Ballou, Barnes, Benlon, Bethell, Boston, Campbell, Compton, Cox, DeCastro, Dillmore, DiVita, Dreher, Edmonds, Faber, Feuerborn, Findley, Flaharty, Flora, Freeborn, Garner, Gatewood, Gilbert, Glasscock, Gordon, Grant, Hayzlett, Henderson, Henry, Hermes, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Hutchins, Huy, Johnson, Kauffman, Kirk, Klein, Kline, Krehbiel, Kuether, Landwehr, Lane, Larkin, Levinson, Light, Lightner, Lloyd, Loganbill, M. Long, Loyd, Mason, Mays, McClure, McCreary, McKinney, McLeland, Merrick, Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neufeld, Newton, Nichols, Novascone, O'Brien, 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, Stone, Storm, Swenson, Tafanelli, Tanner, Thimesch, Toelkes, Tomlinson, Vickrey, Weber, Wells, Welshimer, Wilk, D. Williams, J. Williams, Wilson, Winn.

Nays: Burroughs, Cook, Crow, Dahl, P. Long, Spangler.

Present but not voting: None.

Absent or not voting: Beggs, Mayans, O'Neal, Toplikar.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Weber, pursuant to House Rule 2307, the following bills were stricken from the calendar:

HB 2096, HB 2191; Sub. HB 2306; HB 2598; SB 118, SB 314.

Also, pursuant to House Rule 2306, Rep Weber moved that the following bills be withdrawn from the calendar under the order of business, General Orders, and be rereferred to committees as indicated. The motion prevailed.

Federal and State Affairs: **SB 74.**

Health and Human Services: **HB 2057, HB 2314, HB 2372.**

Judiciary: **HB 2078; Sub. HB 2135; SB 20, SB 30.**

Local Government: **HB 2157.**

Taxation: **HB 2008, HB 2577.**

Transportation: **HB 2225; Sub. HB 2277; SB 172.**

REPORT OF STANDING COMMITTEE

Your Committee on **Calendar and Printing** recommends on requests for resolutions and certificates that

Request No. 252, by Representative Garner, congratulating Coach Dan Hall and the Field Kindley High School boys' basketball team on winning the 2001 4A State basketball championship;

Request No. 253, by Representative L. Powell, congratulating Erica Mitchell and Lindsay Knoll on their selection as ambassador scholars at Garden City Community College; be approved and the Chief Clerk of the House be directed to order the printing of said certificates and order drafting of said resolutions.

On motion of Rep. Weber, the committee report was adopted.

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Garner, **HR 6022**, by Reps. Garner and Glasscock, as follows, was introduced and adopted:

HOUSE RESOLUTION No. 6022—

A RESOLUTION congratulating and commending the legislative interns for the Kansas House of Representatives during the 2001 legislative session.

WHEREAS, 72 persons have served as legislative interns for the Kansas House of Representatives during the 2001 legislative session; and

WHEREAS, Most of the interns are college students who work at least two days a week in nonpaid positions; and

WHEREAS, The interns have given their time and energy in providing needed research, coordination, constituent services and office help in support of the legislative process and have provided an invaluable service to their Representatives, the House of Representatives and the State of Kansas; and

WHEREAS, The service which the interns have provided in support of the 2001 legislative session deserves to be recognized: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That the members of the Kansas House of Representatives recognize the contributions of and express their gratitude to the legislative interns who have worked during the 2001 legislative session and congratulate and commend them for such service; and

Be it further resolved: That the Chief Clerk of the House of Representatives be directed to provide an enrolled copy of this resolution to all legislative interns for the House of Representatives during the 2001 legislative session.

MESSAGE FROM THE SENATE

Announcing passage of **SCR 1612**.

INTRODUCTION OF SENATE BILLS AND CONCURRENT RESOLUTIONS

SCR 1612, A concurrent resolution relating to adjournment of the 2001 regular session of the legislature, was thereupon introduced and adopted.

REPORT ON ENROLLED BILLS

HB 2101 reported correctly enrolled, properly signed and presented to the governor on May 7, 2001.

READING AND CORRECTION OF THE JOURNAL

In the Journal, on page 1204, under the order of business, Change of Conferees, **H. Sub. for SB 322** should be corrected to read **H. Sub. for SB 332**.

On motion of Rep. Weber, the House adjourned until 10:00 a.m., Thursday, May 31, 2001.

CHARLENE SWANSON, *Journal Clerk*.

JANET E. JONES, *Chief Clerk*.

